# Arif Habib Dolmen REIT Management Limited

Financial Statements for the year ended
**June 30, 2026**

# Arif Habib Dolmen REIT Management Limited

**Directors' Report**
**For the Year Ended June 30, 2026**

The Board of Directors of Arif Habib Dolmen REIT Management Limited (the "Company") is pleased to present the financial statements of the Company for the year ended June 30, 2026.

### Operational and Financial Performance

The Company's principal activities include launching new REITs, managing existing REITs, and providing advisory and client onboarding services for REIT projects. To date, the Company has launched fourteen REIT schemes, of which nine are operational.

During the year, the Company recorded revenue of PKR 492.693 million, representing a year-on-year increase of 12.25%. Dolmen City REIT (DCR) remained the largest contributor to revenue, accounting for 36.70% of the total. Management continues to focus on reducing dependence on a single revenue stream. In addition to income from DCR, the Company earned returns of 23.81% from Sapphire Bay Islamic Development REIT and 17.77% from Pakistan Corporate CBD REIT. In accordance with its revenue recognition policy, the Company charges management fees only to operational REITs.

Financial results are tabulated below:

| Line Items | Jun-26 | Jun-25 |
|---|---|---|
| | (Rs in millions) | (Rs in millions) |
| Operating Revenue – net | 492.693 | 438.909 |
| Administration expenses | -200.251 | -195.994 |
| Unrealized loss on remeasurement of investment in units of SIDR | -33.000 | -59.400 |
| Other expenses | -49.901 | -25.868 |
| Other Income | 47.378 | 12.495 |
| Finance Cost | -58.848 | -68.555 |
| Profit Before Tax | 198.07 | 101.587 |
| Profit After Tax | 127.809 | 67.671 |
| EPS in rupees | 6.39 | 3.38 |

Following is a summary of operational REITs managed by the Company:

### Dolmen City REIT (DCR)

DCR, Pakistan's first rental REIT, comprises Dolmen Mall Clifton and The Harbour Front Building, located on Sea View Road, Clifton, Karachi. It remains Pakistan's largest rental REIT, with a net asset value of PKR 83.529 billion. DCR maintained an occupancy rate of over 99% and recorded rental income of PKR 6.447 billion. During the year, DCR declared an interim dividend of Rs 2.58 per unit, representing an annual dividend yield of 25.8% based on par value.

**Globe Residency REIT (GRR)**

GRR was launched in November 2021 and subsequently transferred to the REIT scheme on March 30, 2022. It comprises five FL sites located in Naya Nazimabad, Karachi. Construction work continues to progress satisfactorily.

During 2025, changes in SBCA by-laws and the approval of additional floor area ratio increased the total number of apartments from 1,344 to 1,639. As of June 30, 2026, 90.60% (1,155 apartments) of the available inventory of 1,275 apartments had been sold. Sales proceeds are being prudently utilized to advance construction. Possession of FL-04 has been offered to end buyers in a timely manner, while the handover of FL-03 is planned by October 2026.

During the year, the phased launch of three Musharaka towers within FL-05 commenced, comprising 537 highly sought-after 2 Bed DD units. In October 2025, Tower 2 was fully launched, alongside the introduction of limited inventory from Tower 4. The market response was highly encouraging, with approximately 87.30% of the offered inventory booked within a short period, reflecting sustained end-user demand and the Scheme's strong market position.

**Signature Residency REIT (SRR)**

SRR comprises commercial site within Naya Nazimabad. The site has been utilized for the development of Signature Tower, a mixed-use project featuring commercial and residential units, launched in January 2023. Construction is progressing in line with the approved development plan and schedule. The retail space within Signature Tower has been sold to Bank Alfalah Limited for the establishment of its premium digital lifestyle branch.

Reflecting its strong performance, SRR declared and paid a dividend of PKR 2.00 per unit for FY25, representing an annual dividend yield of 20% based on par value. SRR was successfully listed in January 2026, attracting an overwhelming investor response and an oversubscription of approximately 9.5 times. This strong participation reflects market confidence in the underlying real estate project and the REIT scheme's growth potential.

**Rahat Residency REIT (RRR)**

Rahat Residency REIT (RRR) comprises five commercial sites in Naya Nazimabad, with construction underway on two sites. Rahat I, inaugurated in December 2022, consists of commercial and residential units. Its commercial inventory is fully sold, with possession of all 18 shops handed over, while approximately 98% of residential apartments have been booked.

Rahat II, initiated in December 2023, has achieved 100% booking of residential apartments and sales of over 88% of commercial shops. Possession of 15 shops has been handed over.

During the year, financing of PKR 100 million was repaid from available funds, as the REIT Scheme maintained sufficient liquidity to meet its working capital requirements. RRR declared and paid a dividend of PKR 0.56 per unit for FY2025, representing a dividend yield of 5.6% based on par value.

**Naya Nazimabad Apartment REIT (NNAR)**

NNAR comprises seven commercial sites in Naya Nazimabad. As part of its ongoing expansion, NNAR acquired 146 residential plots, 70 commercial plots, and 76 retail shops in Lahore.

In June 2024, NNAR launched the Peace Apartments Project, a mixed-use development comprising commercial and residential units in Naya Nazimabad, Karachi. An affordable and attractive payment plan was introduced, with 70% of the amount payable during construction and the remaining 30% upon possession.

As of the reporting date, 546 out of 638 apartments and 174 out of 222 shops in the Peace Apartments Project had been sold. In addition, 376 apartments and 210 shops from the newly added inventory were made available for sale, of which 118 apartments and 33 shops had been sold.

**Silk Islamic Development REIT (SIDR)**

The Silk Gardens project achieved key milestones with the completion of the Sales Centre, Model Apartments, access road, and monument at Abdullah Chowk. The design of COM-8 – The Palms has been finalized, and the project was launched on 7 June 2026.

Strategically located within a 35-acre gated community near Saima Arabian Villas, the project offers enhanced security and strong potential for retail demand. SBCA approvals have been obtained, and the contractor appointment process is underway. As of 30 June 2026, 328 of the 502 planned apartments had been booked.

Recreational facilities, including a multipurpose court and two padel courts (Silk Arena), remain operational and continue to attract public interest.

**Sapphire Bay Islamic Development REIT (SBIDR)**

During the financial year, the REIT acquired an additional 99.99 acres of land, increasing its total landholding to 2,099.99 acres. Possession of the remaining 298.29 acres is pending from the Ravi Urban Development Authority (RUDA) and is expected within the next year. The outstanding land payment of PKR 1,177.72 million will be released upon receipt of full possession.

The remaining trunk infrastructure payment of PKR 562.50 million is scheduled for October 2026. RUDA has completed the planning and engineering design of the trunk sewerage and stormwater systems, as well as the construction of the 10 km flood protection bund.

**Pakistan Corporate CBD REIT (PCCR)**

The REIT has acquired 23 Kanals (Prime 4 & 5) from the Punjab Central Business District Development Authority. The balance payment of PKR 295.31 million for an additional land parcel of 5.19 Kanals is scheduled for October 2026, bringing the total land area to 28.19 Kanals.

UNISON has been appointed as the project manager, while the design and consultancy contract has been awarded to Foster + Partners. Payments totaling GBP 480,000 were disbursed during the financial year. The consultants have finalized the project's master plan and concept design.

**Gymkhana Apartment REIT (GAR)**

Gymkhana Apartment REIT initially comprised thirteen (13) commercial sites (Com), covering 29,818 square yards in Naya Nazimabad, along Manghopir Road, Karachi. During the year, a plot swap arrangement revised the portfolio to eleven (11) commercial sites with an aggregate area of 29,928 square yards.

The Scheme also held 159 residential plots in a private housing society in Lahore, covering an aggregate area of 78,896 square yards. During the year, nine (9) of these residential plots were sold.

**Garden View Apartment REIT (GVAR)**

The Garden View Apartment REIT project comprises two FL sites in Naya Nazimabad, situated along Manghopir Road in northern Karachi: FL 01, measuring 11,781 square yards, and FL 02, measuring 11,268 square yards.

During the year, Garden View REIT also acquired Commercial Plot No. 10, measuring 8,438 square yards.

**Business Outlook and Growth Prospects**

The outlook for the Real Estate Investment Trust (REIT) sector in 2026 remains highly favorable, supported by a positive macroeconomic environment, ongoing government reforms, and continued urban growth. The State Bank of Pakistan's decision to maintain the interest rate at 12.02% has contributed to financial stability, enhanced liquidity, and reduced borrowing costs, supporting REIT-led developments.

Government initiatives to enhance transparency, improve documentation, and strengthen revenue mobilization continue to support the REIT landscape. These reforms have improved the regulatory environment and reinforced investor confidence in the sector. As tax-efficient and regulated investment vehicles, REITs remain a preferred choice for institutional and retail investors seeking consistent and stable returns.

Rapid urbanization in Pakistan, together with growing demand for housing and infrastructure, provides a strong foundation for REIT expansion across residential, commercial, and mixed-use developments. The growth of Islamic REITs and specialized sector-specific REITs has further diversified the market and attracted a broader investor base.

Throughout FY 2026, Pakistan's stock market maintained strong momentum, with substantial growth in the KSE-100 Index reflecting positive investor sentiment and increased liquidity. Inflation remained under control, averaging around 4.0% to 4.5%, supported by improved supply-side conditions and sound monetary policy. As core inflation moderates, it is expected to stabilize within a modest mid-single-digit range. This stable economic environment supports investment activity and enhances the attractiveness of REITs.

Arif Habib Dolmen REIT Management Limited is well positioned to capitalize on these favorable conditions. By connecting capital markets with the real estate sector, the Company remains committed to supporting economic growth and broadening public access to real estate investment. Moving into 2026, the Company's focus on innovation, transparency, and sustainable growth will continue to provide investors with attractive opportunities in Pakistan's evolving market.

**Pakistan REIT Sector: Economic Outlook**

***Macroeconomic Environment***

Pakistan's economy continues to stabilize, with real GDP growth supported by sound fiscal and monetary policies. Inflation remains within the 4.0%-4.5% range, while stable interest rates support REIT-led developments. Strong performance on the Pakistan Stock Exchange (PSX) has further enhanced market liquidity, providing additional support for growth in the REIT sector.

***Regulatory Reforms and Government Initiatives***

Ongoing government reforms aimed at enhancing transparency and improving investment processes have strengthened the REIT sector. The Securities and Exchange Commission of Pakistan (SECP) continues to streamline IPO procedures, broadening access to REIT investments. Recent approvals and listings, including Signature Residency REIT, reflect the sector's continued growth.

***Market Expansion and Diversification***

The REIT market continues to diversify through additional listings, providing investors with exposure to a broader range of real estate sectors. Increasing urbanization, particularly the growing need for housing and mixed-use developments, supports sustained demand for REITs.

***Arif Habib Dolmen REIT Management Limited: Strategic Positioning***

The Company is well positioned to capitalize on favorable conditions through continued innovation, efficient capital management, and leadership in transparency. Its focus on sustainable growth provides investors with attractive opportunities in an evolving market.

**Review and Approval of Related Party Transactions**

In compliance with the REIT Regulations and the Code of Corporate Governance, the RMC placed all related party transactions before the Audit Committee and the Board for their review and approval.

**Sustainability Risk Management, CSR, and DE&I Initiatives**

The Board remains committed to addressing sustainability-related risks through comprehensive governance and oversight. These risks are continuously assessed, and mitigation strategies are implemented within the Company's broader Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) policy framework. Key priorities include reducing the Company's carbon footprint, conserving resources, advancing renewable energy, and adopting sustainable waste management practices.

The Company also prioritizes diversity, equity, and inclusion (DE&I) through initiatives that promote workforce diversity, support employee well-being, and encourage community involvement.

**Directors' Remuneration**

The Non-Executive Directors (including Independent Directors), other than those who concurrently serve as Executive Directors within any of the Arif Habib Group companies, are entitled to receive remuneration for attending meetings of the Board and its Committees, as approved by the Board from time to time. Furthermore, in instances where the Board assigns any additional roles or responsibilities to a Non Executive Director, the Board shall determine appropriate remuneration commensurate with the nature and scope of such roles and responsibilities.

**Directors' Attendance at Board and its Committee Meeting**

During the year ended June 30, 2026, ten (10) Board Meetings, nine (9) Audit Committee Meetings and one (1) Human Resource & Remuneration Committee Meeting were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

| Sr. No. | Name of Director | Board Meeting | Audit Committee | Human Resource & Remuneration Committee |
|---|---|---|---|---|
| 1 | Mr. Arif Habib | 8 | - | - |
| 2 | Mr. Nadeem Riaz | 5 | - | - |
| 3 | Mr. Naeem Ilyas | 10 | 9 | - |
| 4 | Ms. Aaiza Khan | 9 | - | 1 |
| 5 | *Mr. Muhammad Noman Akhter | 10 | 9 | - |
| 6 | Mr. Abdus Samad A. Habib | 10 | 9 | 1 |
| 7 | Mr. Faisal Nadeem | 8 | - | - |
| 8 | Mr. Sajid Ullah Sheikh | 10 | 9 | 1 |
| 9 | Mr. Muhammad Ejaz | 10 | - | 1 |

** Mr. Muhammad Noman Akhter has resigned on June 17, 2026*

**Composition of the Board**

The current composition of the board is as follows:

**Total Number of Directors:**

1. Male: 7
2. Female: 1

**Composition:**

| Name | Status |
|---|---|
| Mr. Arif Habib | Chairman |
| Mr. Nadeem Riaz | Non-Executive Director |
| Mr. Naeem Ilyas | Independent Director |
| Ms. Aaiza Khan | Independent Director |
| Mr. Abdus Samad A. Habib | Non-Executive Director |
| Mr. Faisal Nadeem | Non-Executive Director |
| Mr. Sajid Ullah Sheikh | Non-Executive Director |
| Mr. Muhammad Ejaz | Chief Executive Officer |

**Committees of the Board:**

| Human Resource & Remuneration Committee | |
|---|---|
| Ms. Aaiza Khan | Chairperson |
| Mr. Abdus Samad A. Habib | Member |
| Mr. Sajid Ullah Sheikh | Member |
| Mr. Muhammad Ejaz | Member |

| Audit Committee | |
|---|---|
| Mr. Naeem Ilyas | Chairman |
| Mr. Abdus Samad A. Habib | Member |
| Mr. Sajid Ullah Sheikh | Member |

**Post Balance Sheet Events**

There have been no material changes since 30th June 2026 to the date of this report.

**Election of Directors**

In accordance with Section 161 of the Companies Act, 2017, the three-year term of the eight elected Directors of the RMC concluded in October 2024. Accordingly, elections were held on October 26, 2024, and eight Directors, as fixed by the Board, were elected unopposed.

Subsequently, regulatory approval for one of the elected Directors, Ms. Tayyaba Rasheed, was not accorded, resulting in a casual vacancy on the Board. The vacancy was filled through the appointment of Ms. Aaiza Khan as an Independent Female Director.

Following the reconstitution of the Board, the Chairman and Chief Executive were appointed, and the Board committees were constituted accordingly.

**Pattern of Shareholding**

The pattern of shareholding of the Company as of June 30, 2026 is as follows:

| Categories of shareholders | Shares held | Percentage |
|---|---|---|
| Directors, Chief Executive Officer, and their spouse and minor children | 1,000,005 | 5% |
| Associated Companies, undertakings and related parties | None | None |
| NIT and ICP | None | None |
| Banks, Development Financial Institutions, Non-Banking Financial Institutions | None | None |
| Insurance Companies | None | None |
| Modarabas and Mutual Funds | None | None |
| Shareholders holding 10% | 18,999,994 | 95% |
| General Public | | |
| a. Local | None | None |
| b. Foreign | None | None |
| Others (Former Director) | 1 | 0% |

**Audit Committee**

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its Terms of Reference duly approved by the Board.

**Auditors**

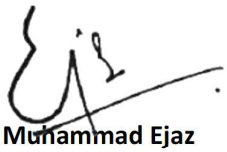
The present external auditors, M/s. Yousuf Adil, Chartered Accountants, shall retire at the conclusion of their term and being eligible, have offered themselves for reappointment for the financial year ending June 30, 2027. The auditors hold a satisfactory rating from the Institute of Chartered Accountants of Pakistan (ICAP) under its Quality Control Review Program.

Based on the recommendation of the Audit Committee, the Board of Directors recommends the reappointment of M/s. Yousuf Adil, Chartered Accountants, as external auditors of the Company for the year ending June 30, 2027, at a fee to be mutually agreed.

**Acknowledgement**

The Board of Directors extends its sincere appreciation to the Securities and Exchange Commission of Pakistan (SECP) and to all our business partners for their continued cooperation and support. The Board also acknowledges and commends the dedication and contributions of the Company's management team.

**For and on behalf of the Board**



**Muhammad Ejaz**
Chief Executive Officer



**Arif Habib**
Chairman

Karachi

Date: October 07, 2026

YOUSUF ADIL
PACE ALIGNED ...

**Yousuf Adil**
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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# INDEPENDENT AUDITOR'S REVIEW REPORT

## To the members of Arif Habib Dolmen REIT Management Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Arif Habib Dolmen REIT Management Limited** (the Company) for the year ended **June 30, 2026** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2026**.

Yousuf Adil
**Chartered Accountants**

**Place**: Karachi
**Date:** October 20, 2026
**UDIN:** CR202610099PLIDU6tpi

ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

**Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

**Arif Habib Dolmen REIT Management Limited**
**June 30,2026**

The company has complied with the requirement of the Regulations in the following manner:

1. The total number of directors are 9 (Nine) comprising of eight elected directors and one deemed director, composition is as follows:

   a) Male: *8 members
   b) Female: 1 member

2. The composition of the Board of Directors ('the Board') is as follows:

| Category | Names |
|---|---|
| Non-Executive Director | Mr. Arif Habib - Chairman |
| | Mr. Nadeem Riaz |
| | Mr. Abdus Samad A. Habib |
| | Mr. Faisal Nadeem |
| | Mr. Sajid Ullah Sheikh |
| Independent Director | Mr. Naeem Ilyas |
| | Casual Vacancy* |
| Female Director (Independent Director) | Ms. Aaiza Khan |
| Chief Executive (Deemed Director) | Mr. Muhammad Ejaz |

*Mr. Muhammad Noman Akhter has resigned on June 17, 2026 and casual vacancy had arisen.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with the dates of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017, REIT Regulations, 2022 and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
9. Seven directors have a certification under Directors' Training Program, one director of the Company is exempt from the requirement of Director's Training Program;

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10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

    a) Audit Committee

| | |
|---|---|
| Mr. Naeem Ilyas | Chairman |
| Mr. Abdus Samad A. Habib | Member |
| Mr. Sajid Ullah Sheikh | Member |
| Casual Vacancy* | |

*Mr. Muhammad Noman Akhter has resigned on June 17, 2026 and casual vacancy had arisen.

    b) Human Resource & Remuneration Committee

| | |
|---|---|
| Ms. Aaiza Khan | Chairperson |
| Mr. Abdus Samad A. Habib | Member |
| Mr. Sajid Ullah Sheikh | Member |
| Mr. Muhammad Ejaz | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

    a) Audit Committee: 9 meetings
    b) Human Resource & Remuneration Committee: 1 meeting

15. The Board has outsourced the internal audit function to M/s Junaidy Shoaib Asad & Co Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

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19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below (if applicable):

| S. No | Requirement | Explanation for not meeting non-mandatory requirements |
|---|---|---|
| 10(4) (xvi) | The Board may be required to approve anti-harassment policy to safeguard the rights and well being of employees. | The Company's Code of Conduct and Human Resource Policy broadly address relevant workplace matters; however, the management is reviewing them in light of the SECP's amendments to Regulation No. 10 on June 12, 2024. |
| 10A | The board may establish a dedicated sustainability committee having at least one female director, or assign additional responsibilities to an existing board committee. | The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives, and the management is reviewing these in light of the SECP's amendments to Regulation No. 10 on June 12, 2024." |
| 24 | Same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company. | The current Chief Financial Officer and Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the RMC, therefore hiring a separate person for both positions is not feasible. |
| 29 & 30 | The Board may constitute separate committees, designated as the nomination committee and risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances. | The Board oversees these matters through its governance framework, considering its members suitably qualified given the Company's scale and structure. This approach is regularly reviewed for alignment with best practices and regulations. |
| 19(3) | Companies are also encouraged to arrange training for:<br>(i) at least one female executive every year under the Directors' Training program from year July 2020; and<br>(ii) at least one head of department every year under the Directors' Training program from July 2022. | As it is not a mandatory requirement, the Company has not arranged training this year. However, the Company strives to follow best practices and will be arranging the said training in due course. |

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**Muhammad Ejaz**
Chief Executive

ARIF HABIB DOLMEN REIT MANAGEMENT LTD.

**Arif Habib**
Chairman

Karachi

# ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

### Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Arif Habib Dolmen REIT Management Limited** (the Company), which comprise the statement of financial position as at **June 30, 2026**, 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 material accounting policy information 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, 2026 and of the profit, the comprehensive income, 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 the Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report of the Company for the year ended June 30, 2026, but does not include the financial statements, our auditor's report thereon, and review report issued on statement of compliance with Code of Corporate Governance.

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 not been provided with this information and therefore we do not report in this regard.

YA

**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.

The Board of Directors are 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.

YA

**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 **Arif Nazeer**.

Yousuf Adil

**Chartered Accountants**

**Place:** Karachi
**Date:** October 10, 2026
**UDIN:** AR202610099X7nm9ua8x

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| **ASSETS** | | ----------Rupees-------- | |
| **Non-current assets** | | | |
| Property and equipment | 4 | **51,582,277** | 44,584,798 |
| Intangible assets | 5 | **107,434** | 160,348 |
| Long term investment | 6 | **690,000,000** | 723,000,000 |
| Long term advances and deposits | 7 | **250,831,599** | 145,808,200 |
| | | **992,521,310** | 913,553,346 |
| **Current assets** | | | |
| Receivable from schemes | 8 | **504,052,571** | 527,434,942 |
| Loans and advances | 9 | **11,909,614** | 13,043,111 |
| Prepayments and other receivables | 10 | **44,036,279** | 10,039,784 |
| Taxation - net | | **-** | 6,460,556 |
| Cash and bank balances | 11 | **34,108,656** | 16,761,348 |
| | | **594,107,120** | 573,739,741 |
| **Total assets** | | **1,586,628,430** | 1,487,293,087 |
| **EQUITY AND LIABILITIES** | | | |
| **Share capital and reserves** | | | |
| *Authorized capital* | | **500,000,000** | 500,000,000 |
| Issued, subscribed and paid-up capital | 12 | **200,000,000** | 200,000,000 |
| *Revenue reserve* | | | |
| Unappropriated profit | | **448,655,513** | 320,846,307 |
| | | **648,655,513** | 520,846,307 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Long-term loan from a banking company | 14 | **120,000,000** | 266,666,665 |
| Diminishing musharaka | 13 | **26,233,713** | 29,494,540 |
| Deferred taxation - net | 24.2 | **38,912,416** | 38,485,763 |
| | | **185,146,129** | 334,646,968 |
| **Current liabilities** | | | |
| Advances | 15 | **374,643,164** | 397,071,022 |
| Loan from a director | 16 | **115,000,000** | 15,000,000 |
| Accrued expenses and other payables | 17 | **84,911,532** | 76,664,821 |
| Current maturity of long-term loan | 14 | **146,666,665** | 133,333,334 |
| Taxation - net | | **1,953,466** | - |
| Current maturity of diminishing musharaka | 13 | **8,548,716** | 3,794,460 |
| Accrued mark up on long-term loan | | **21,103,245** | 5,936,175 |
| | | **752,826,788** | 631,799,812 |
| **Contingencies and commitments** | 18 | | |
| **Total equity and liabilities** | | **1,586,628,430** | 1,487,293,087 |

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

YA

**Chief Financial Officer** **Chief Executive** **Director**

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**STATEMENT OF PROFIT OR LOSS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | --------- Rupees -------- | |
| Revenue from contracts with customers | 19 | **492,693,535** | 438,909,976 |
| Administrative and operating expenses | 20 | **(200,251,178)** | (195,994,329) |
| | | **292,442,357** | 242,915,647 |
| Unrealized loss on remeasurement of investment in units of Silk Islamic Development REIT | | **(33,000,000)** | (59,400,000) |
| Other expenses | 21 | **(49,901,307)** | (25,868,028) |
| Other income | 22 | **47,378,204** | 12,495,327 |
| | | **(2,523,103)** | (13,372,701) |
| | | **256,919,254** | 170,142,946 |
| Finance costs | 23 | **(58,848,545)** | (68,555,442) |
| **Profit before taxation** | | **198,070,709** | 101,587,504 |
| Taxation | 24 | **(70,261,503)** | (33,915,975) |
| **Profit after taxation** | | **127,809,206** | 67,671,529 |
| **Earnings per share - basic and diluted** | 25 | **6.39** | 3.38 |

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

YP

**Chief Financial Officer** **Chief Executive** **Director**

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees-------- | |
| Profit after taxation | **127,809,206** | 67,671,529 |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **127,809,206** | 67,671,529 |

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

YA

**Chief Financial Officer** **Chief Executive** **Director**

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Issued, subscribed and paid-up capital | Unappropriated profits | Total |
|---|---|---|---|
| | ---------- Rupees ---------- | | |
| **Balance as at June 30, 2024** | 200,000,000 | 253,174,778 | 453,174,778 |
| *Total comprehensive income for the year year ended June 30, 2025* | | | |
| - Profit after taxation | - | 67,671,529 | 67,671,529 |
| - Other comprehensive income | - | - | - |
| | - | 67,671,529 | 67,671,529 |
| **Balance as at June 30, 2025** | **200,000,000** | **320,846,307** | **520,846,307** |
| *Total comprehensive income for the year ended June 30, 2026* | | | |
| - Profit after taxation | - | **127,809,206** | **127,809,206** |
| - Other comprehensive income | - | - | - |
| | - | **127,809,206** | **127,809,206** |
| **Balance as at June 30, 2026** | **200,000,000** | **448,655,513** | **648,655,513** |

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

YA

**Chief Financial Officer** **Chief Executive** **Director**

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2026**

| | Note | 2026 | 2025 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | ----------Rupees-------- | |
| Profit before taxation | | **198,070,709** | 101,587,504 |
| *Adjustment for non-cash and other items:* | | | |
| - Depreciation on property and equipment | 4 | **10,842,592** | 6,544,373 |
| - Amortisation of intangible assets | 5 | **52,914** | 78,972 |
| - Markup on bank deposits | 22 | **(2,478,603)** | (8,149,346) |
| - Finance costs | 23 | **58,848,545** | 68,555,442 |
| - Markup on investment | 22 | **(27,104,025)** | (2,418,203) |
| - Gain on disposal of property plant and equipment | 22 | **(4,218)** | (1,927,778) |
| - Unrealized loss on remeasurement of investment in SIDR | | **33,000,000** | 59,400,000 |
| | | **73,157,205** | 122,083,460 |
| **Cash generated from operating activities before working capital changes** | | **271,227,914** | 223,670,964 |
| **Working capital changes** | | | |
| *Decrease / (Increase) in current assets* | | | |
| - Receivable from schemes | 8 | **23,382,370** | (31,780,229) |
| - Loans and advances | 9 | **1,133,497** | (4,173,376) |
| - Prepayments and other receivables | 10 | **(6,892,470)** | (2,939,052) |
| | | **17,623,397** | (38,892,657) |
| *(Decrease) / Increase in current liabilities* | | | |
| - Advances in respect of management fee | 15 | **(16,425,173)** | (5,547,892) |
| - Accrued expenses and other payables | 17 | **8,246,711** | 27,620,885 |
| | | **(8,178,462)** | 22,072,993 |
| **Cash generated from operations** | | **280,672,849** | 206,851,300 |
| Long term advances and deposits | 7 | **(23,399)** | (137,553,294) |
| Finance cost paid | | **(43,681,477)** | (74,664,635) |
| Taxes paid | | **(61,420,826)** | (45,680,741) |
| **Net cash generated from / (used in) operating activities** | | **175,547,147** | (51,047,370) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Acquisition of property and equipment | 4 | **(17,898,893)** | (44,333,947) |
| Proceeds from disposal of property and equipment | 4 | **63,041** | 12,400,000 |
| Advance to Silk Islamic Development REIT - Musharaka | | **(105,000,000)** | - |
| Markup received | | **2,478,603** | 8,149,346 |
| **Net cash used in investing activities** | | **(120,357,249)** | (23,784,601) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Advances paid in respect of scheme set-up costs | 15 | **(6,002,685)** | (1,301,305) |
| Loan received from a director | 16 | **100,000,000** | 3,000,000 |
| Diminishing musharaka - obtained | 13 | **4,799,000** | 33,289,000 |
| Long term loan - repaid | 14 | **(133,333,334)** | (133,333,334) |
| Long term loan - obtained | 14 | **-** | 200,000,000 |
| Payment made under Diminishing Musharaka | 13 | **(3,305,571)** | (10,415,628) |
| **Net cash (used in) / generated from financing activities** | | **(37,842,590)** | 91,238,733 |
| **Net increase in cash and cash equivalents** | | **17,347,308** | 16,406,762 |
| Cash and cash equivalents at the beginning | | **16,761,348** | 354,586 |
| **Cash and cash equivalents at the end** | 11 | **34,108,656** | 16,761,348 |

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

| Chief Financial Officer | Chief Executive | Director |
|---|---|---|

**ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED JUNE 30, 2026**

## 1. STATUS AND NATURE OF BUSINESS

1.1 Arif Habib Dolmen REIT Management Limited ('the Company') was incorporated in Pakistan as a public limited company (un-quoted) on April 08, 2009 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is a REIT Management Company, registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 with the Securities and Exchange Commission of Pakistan (SECP). The certificate for commencement of business was obtained from SECP on September 07, 2009. The registered office of the Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi, Pakistan.

The principal business of the Company is to launch Real Estate Investment Trust (REIT) Schemes and provide REIT management services in accordance with the Real Estate Investment Trust Regulations, 2022. The VIS Credit Rating Company Limited (VIS) has upgraded the RMC rating of the REIT Management Company to AM2++ on March 02, 2026. (AM2+ on January 01, 2025).

1.2 The REIT schemes currently under the management of the Company are as follows:

| S. No. | REIT Scheme | REIT Type | Location of the Real Estate Project | Life of the REIT Scheme | Fund Size (Rs. in million) | Date of registration by the SECP | Date of registration under the Sindh Trusts Act, 2021 | Listing Date |
|---|---|---|---|---|---|---|---|---|
| 1) | Dolmen City REIT | Rental REIT | Dolmen Mall Clifton and The Harbor Front, Karachi. | Perpetual | 22,237 | 29-May-15 | 20-Jan-15 | 26-Jun-15 |
| 2) | Silk Islamic Development REIT | Development REIT | Surjani Town, Karachi | 8 Years | 3,000 | 30-Jun-21 | 8-Jul-21 | Not listed |
| 3) | Silk World Islamic REIT | Development REIT | Surjani Town, Karachi | 4 Years | 6,160 | 27-Sep-21 | 26-Aug-21 | Not listed |
| 4) | Pakistan Corporate CBD REIT | Development REIT | Old Walton Airport, Lahore | 4-5 Years | 15,016 | 22-Dec-21 | 29-Oct-21 | Not listed |
| 5) | Sapphire Bay Islamic Development REIT | Development REIT | Ravi Riverfront City, Punjab | 8 -10 years | 25,000 | 12-Jan-22 | 24-Dec-21 | Not listed |
| 6) | Globe Residency REIT | Development REIT | Naya Nazimabad, Karachi | 5 Years | 2,800 | 13-Jan-22 | 24-Dec-21 | 28-Dec-22 |
| 7) | Rahat Residency REIT | Development REIT | Naya Nazimabad, Karachi | 5 Years | 1,000 | 3-Aug-22 | 24-Jun-22 | Not listed |
| 8) | Naya Nazimabad Appartments REIT | Development REIT | Naya Nazimabad, Karachi | 7 Years | 2,938 | 3-Aug-22 | 24-Jun-22 | Not listed |
| 9) | DHA Dolmen Lahore REIT | Rental REIT | Dolmen Mall, Lahore | Perpetual | 15,528 | 3-Aug-22 | 27-Jun-22 | Not listed |
| 10) | Signatue Residency REIT | Development REIT | Naya Nazimabad, Karachi | 4 Years | 330 | 14-Jun-23 | 22-Mar-23 | 29-Jan-26 |
| 11) | Gymkhana Apartment REIT | Development REIT | Naya Nazimabad, Karachi | 7 Years | 1,200 | 27-Dec-23 | 20-Jun-23 | Not listed |
| 12) | Garden View Apartment REIT | Development REIT | Naya Nazimabad, Karachi | 4-5 Years | 2,157 | 9-Apr-24 | 20-Jun-23 | Not listed |
| 13) | Hill View Apartment REIT | Development REIT | Naya Nazimabad, Karachi | 4-5 Years | 1,304 | 13-Jun-24 | 20-Jun-23 | Not listed |
| 14) | Taj Boulevard Tower REIT | Hybrid REIT | Taj Residencia, Rawalpindi | Perpetual | 515 | 6-Mar-26 | 28-Apr-25 | Not listed |

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by issued by Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017.

- The Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 (the NBFC Rules 2003); and
- The Real Estate Investment Trust Regulations, 2022 (the REIT Regulations) and requirements of the Trust Deed.

Where the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2022 differ from IFRS standards, the provisions of and directives issued under Companies Act, 2017, the NBFC Rules 2003, the REIT Regulations 2022 have been followed.

**2.2 Basis of measurement**

In these financial statements, all items have been measured at their historical cost except for long term investment which are carried at fair value.

**2.3 Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency.

**2.4 Use of significant estimates and judgments**

The preparation of these financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgements, 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 the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year 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 current and future periods. Judgments made by management in application of approved accounting and reporting standards, as applicable in Pakistan, that has a significant effect on the financial statements are set forth below:

- Determining useful lives and residual values of depreciable assets (notes 4)
- Impairment of financial and non-financial assets (notes 3.4.3 & 3.7);
- Provision for taxation (note 3.9);
- Provisions and contingent liabilities (note 3.10);
- Revenue recognition (notes 3.11 and 19).
- Determining fair value of investments measured at fair value ( note 6 and note 30).

**2.5 Application of new standards, amendments and interpretations to the published approved accounting standards**

**2.5.1 New accounting standard, amendments and IFRS interpretation that are effective for the year ended June 30, 2026**

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Lack of Exchangeability (Amendments to IAS 21)

### 2.5.2 New accounting standards / amendments and IFRS interpretation that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain.

| | Effective from Accounting period beginning on or after |
|---|---|
| Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments | January 01, 2026 |
| Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) | January 01, 2026 |
| Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements | January 01, 2026 |
| IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

### 3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Cost include expenditures that are directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to statement of profit or loss during the period in which they are incurred. Depreciation on all property and equipment is charged to statement of profit or loss using the reducing balance method at the rates stated in note 4.

In respect of additions and disposals during the year, depreciation is charged from the date when the asset is available for use upto the date till the asset is disposed off.

Assets' residual values, depreciation methods and their useful lives are reviewed at each reporting date and adjusted, if appropriate.

Gains or losses on disposal of an item of property and equipment are recognized in the statement of profit or loss.

### 3.2 Intangible asset

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is computed using the reducing balance method over assets estimated useful life at the rates stated in note 5, after taking into accounts residual value, if any. The residual values, useful life and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

Amortization is charged from the date the assets are put to use while no amortization is charged after the date when the assets are disposed off.

Gain and losses on disposal of such assets, if any, are included in the statement of profit or loss.

### 3.3 Financial instruments

#### 3.3.1 Initial recognition, classification and measurement

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment.

The Company classifies its financial assets into either of following three categories:

(a) financial assets measured at amortized cost
(b) fair value through other comprehensive income (FVOCI)
(c) fair value through profit or loss (FVTPL)

***(a) Financial assets measured at amortized cost***

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

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

***(b) Financial assets at FVOCI***

A financial asset is classified as at fair value through other comprehensive income when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

***(c) Financial assets at FVTPL***

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid. However, for an investment in equity instrument which is not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment.

Such financial assets are initially measured at fair value.

### 3.3.2 Subsequent measurement

***(a) Financial assets measured at amortized cost***

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

Interest / markup income and impairment losses arising from such financial assets are recognized in the statement of profit or loss.

***(b) Financial assets at FVOCI***

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognised in other comprehensive income, except for impairment gains or losses, until the financial asset is derecognised or reclassified. When the financial asset is derecognised , the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest is calculated using the effective interest method and is recognised in profit or loss.

***(c) Financial assets at FVTPL***

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in the statement of profit or loss. However, for an investment in equity instrument which is not held for trading and for which the Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the investment, such gains or losses are recognized in other comprehensive income. Further, when such investment is disposed off, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

### 3.3.3 Impairment

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses in respect of financial assets measured at amortised cost.

For management fee receivable the Company applies the IFRS 9 'Simplified Approach' to measuring expected credit losses which uses a lifetime expected loss allowance.

The Company measures expected credit losses on financial assets in a way that reflects an unbiased and probability-weighted amount, time value of money and reasonable and supportable information at the reporting date about the past events, current conditions and forecast of future economic conditions. The Company recognises in profit or loss, as an impairment loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### 3.3.4 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

### 3.4 Financial liabilities

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

### 3.5 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

### 3.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

### 3.7 Cash and cash equivalents

Cash and cash equivalent are carried in the statement of financial position at amortized cost. cash and cash equivalents comprise cash and bank balances.

### 3.8 Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### Deferred tax

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income taxes are not accounted for if they arise from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is measured using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Levy**

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets.

*i.* **Revenue taxes**

Revenue taxes includes amount representing excess of :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

*ii.* **Final Taxes**

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

**Judgment and estimates**

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

**Offsetting**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## 3.10 Provisions and contingent liabilities

**Provisions**

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow 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 not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

**Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

## 3.11 Revenue

**Management fee**

Management fee is recognised to the extent that it is probable that the Company will collect the consideration to which it will be entitled in exchange for services that will be transferred to the Scheme. In evaluating whether collectability of an amount of consideration is probable, the Company considers the Scheme's ability and intention to pay that amount of consideration when it is due. Under the provisions of the REIT Regulations, 2022, the Company is required to provide various services to the REIT Schemes under its management. Such services are delivered to the Schemes, on a continuous basis, over their life (whether limited or perpetual) with each time increment of service (e.g. each day of service) being distinct from the next. The Company accounts for the series of such distinct time increments as a 'single performance obligation' due to the following reasons:

(a) The management services delivered to the Schemes, on a continuous basis, are substantially the same in nature; and

(b) The series of management services has the same pattern of transfer to the Schemes since both of the following criteria are met:

(i) The Schemes simultaneously receive and consume the benefits of each distinct management service in the series; and

(ii) The same method is used to measure the Company's progress towards delivery of each distinct management service in the same i.e. based on time elapsed.

Accordingly, in view of the above, the Company recognizes management fee revenue on a quarterly basis using the straight-line method. The amount of revenue is taken equal to the amount invoiced to the Schemes which is determined as follows:

| Scheme name | Basis of calculation of the amount invoiced |
|---|---|
| Dolmen City REIT (DCR) | 3% of net operating income (NOI) |
| Silk Islamic Development REIT (SIDR) | 1% of current average fund size |
| Silk World Islamic REIT (SWIR) | 1% of current average fund size |
| Globe Residency REIT (GRR) | 1% of current average fund size |
| Rahat Residency REIT (RRR) | 1% of current average fund size |
| Sapphire Bay Islamic Development REIT (SBIDR) | 1% of current average fund size |
| Signature Residency REIT (SRR) | 1% of current average fund size |
| Pakistan Corporate CBD REIT (PCBDR) | 1% of current average fund size |
| Naya Nazimabad Apartment REIT (NNAR) | 1% of current average fund size |
| Hill View Apartment REIT (Meezan center) | 1% of current average fund size |
| DHA Dolmen Lahore REIT | 1% of current average fund size |
| Gymkhana Apartment REIT | 1% of current average fund size |
| Garden View Apartment REIT | 1% of current average fund size |
| Taj Boulevard Tower REIT | 1% of current average fund size |

**Advisory Fee**

REIT advisory fee are recognized when performance obligation is satisfied i.e. services are rendered to customers.

**3.12 Other income**

**Markup on bank deposits**

Markup on bank deposits is recognised on a time proportion basis that takes into account the effective yield.

**Dividend income**

Dividends are recognized in the statement of profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

**3.13 Staff retirement benefits**

The company contributes to a Voluntary Pension Scheme (VPS) managed by NAFA (NBP Funds) for its permanent employees. Both the employer and employee contribute 10% of salary to the scheme on a monthly basis.

When an employee has rendered service to the Company during a period, the Company recognises the contribution payable to NAFA (NBP Funds) in exchange for that service as an expense in a statement of profit or loss on monthly basis.

## 4. PROPERTY AND EQUIPMENT

| Particulars | Cost | | | | Accumulated Depreciation | | | | Written down value | Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2025 | Additions | (Deletions) | As at June 30, 2026 | As at July 01, 2025 | For the year | (Deletions) | As at June 30, 2026 | As at June 30, 2026 | |
| | (Rupees) | | | | | | | | | % |
| **Owned** | | | | | | | | | | |
| Furniture & Fixtures | 1,973,304 | 180,220 | - | 2,153,524 | 801,252 | 202,841 | - | 1,004,093 | 1,149,431 | 15 |
| Office Equipments | 813,702 | 6,760,050 | - | 7,573,752 | 295,160 | 452,082 | - | 747,242 | 6,826,510 | 15 |
| Computer and allied equipment | 7,494,355 | 3,659,015 | 195,000 | 10,958,370 | 4,920,347 | 1,745,754 | 153,652 | 6,512,449 | 4,445,921 | 33 |
| Telecommunication equipment | 1,704,208 | 440,300 | 40,000 | 2,104,508 | 836,304 | 366,890 | 22,525 | 1,180,669 | 923,839 | 33 |
| Vehicles | 408,400 | 576,300 | - | 984,700 | 313,760 | 120,555 | - | 434,315 | 550,384 | 20 |
| | 12,393,969 | 11,615,885 | 235,000 | 23,774,854 | 7,166,823 | 2,888,122 | 176,177 | 9,878,768 | 13,896,085 | |
| **Musharaka assets*** | | | | | | | | | | |
| Vehicles | 42,113,960 | 6,283,008 | - | 48,396,968 | 2,756,306 | 7,954,470 | - | 10,710,776 | 37,686,192 | 20 |
| | 54,507,929 | 17,898,893 | 235,000 | 72,171,822 | 9,923,129 | 10,842,592 | 176,177 | 20,589,544 | 51,582,277 | |

**For comparative period**

| Particulars | Cost | | | | Accumulated Depreciation | | | | Written down value | Rate |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at July 01, 2024 | Additions | (Deletions) | As at June 30, 2025 | As at July 01, 2024 | For the year | (Deletions) | As at June 30, 2025 | As at June 30, 2025 | |
| | (Rupees) | | | | | | | | | % |
| Owned | | | | | | | | | | |
| Furniture & Fixtures | 1,863,654 | 109,650 | - | 1,973,304 | 604,094 | 197,158 | - | 801,252 | 1,172,052 | 15 |
| Office Equipments | 721,702 | 92,000 | - | 813,702 | 206,358 | 88,802 | - | 295,160 | 518,542 | 15 |
| Computer and allied equipment | 6,312,018 | 1,182,337 | - | 7,494,355 | 3,874,839 | 1,045,508 | - | 4,920,347 | 2,574,008 | 33 |
| Telecommunication equipment | 868,208 | 836,000 | - | 1,704,208 | 633,918 | 202,386 | - | 836,304 | 867,904 | 33 |
| Vehicles | 408,400 | - | - | 408,400 | 262,880 | 50,880 | - | 313,760 | 94,640 | 20 |
| | 10,173,982 | 2,219,987 | - | 12,393,969 | 5,582,089 | 1,584,734 | - | 7,166,823 | 5,227,146 | |
| Musharaka assets* | | | | | | | | | | |
| Vehicles | 14,500,000 | 42,113,960 | 14,500,000 | 42,113,960 | 1,824,445 | 4,959,639 | 4,027,778 | 2,756,306 | 39,357,654 | 20 |
| | 24,673,982 | 44,333,947 | 14,500,000 | 54,507,929 | 7,406,534 | 6,544,373 | 4,027,778 | 9,923,129 | 44,584,798 | |

*The title of assets under musharaka are in the joint name of the financial institute and the Company with average ownership of 80% and 20%.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| | | | ----------Rupees-------- | |
| **5.** | **INTANGIBLE ASSET** | | | |
| | Computer Software | | **107,434** | 160,348 |
| | Opening written down value | | **160,348** | 239,320 |
| | Addition during the year | | **-** | - |
| | Less: Amortization during the year | | **(52,914)** | (78,972) |
| | Written down value | | **107,434** | 160,348 |
| | **Amortization rate** | | **33%** | 33% |
| **6.** | **LONG TERM INVESTMENT** | | | |
| | **- at fair value through profit or loss** | | | |
| | Investment in Silk Islamic Development REIT | 6.1 | **723,000,000** | 782,400,000 |
| | Unrealize loss on units | | **(33,000,000)** | (59,400,000) |
| | | | **690,000,000** | 723,000,000 |

**6.1** This represents 60 million units held in a privately placed, closed-end, limited life, shariah compliant, developmental REIT scheme, named Silk Islamic Development REIT (SIDR), which constitutes 20% of the total 300 million units issued (the Investment). This REIT Scheme is managed by the Company and Central Depositary Company of Pakistan Limited as its trustee. The company being strategic investor of SIDR, has 25% of its subscribed units in an account marked as 'blocked' with the Central Depository Company as required by the Real Estate Investment Trust Regulations, 2022.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| **7.** | **LONG TERM ADVANCES AND DEPOSITS** | | | |
| | **Unsecured, considered good** | | ----------Rupees-------- | |
| | Long term advances | 7.1 | **5,369,099** | 5,445,700 |
| | Advance to Silk Islamic Development REIT - Musharaka | 7.2 | **245,000,000** | 140,000,000 |
| | Security deposit | | **462,500** | 362,500 |
| | | | **250,831,599** | 145,808,200 |

**7.1** These represent the amounts extended to employees in accordance with the terms of employment and Company's policy to facilitate employees to obtain motor vehicles on lease or on any other Islamic mode of financing.

**7.2** This represents 245 million rupees paid to Silk Islamic Development REIT against Musharaka Agreement by Arif Habib Dolmen REIT Management Limited (Musharaka Participant). There are 5 Musharaka participants and each participant will contribute 100 million rupees in Silk Islamic Development REIT with their respective percentage of contribution (20%) each as per Musharaka Agreement. Subsequently, the First Supplemental to the Musharaka Agreement was executed, under which it was agreed that each Musharaka Participant would further contribute PKR 80 million. In addition, another agreement was executed under which each Musharaka Participant committed to contribute PKR 100 million, in aggregate PKR 105 million ( June 30, 2025: PKR 140 million) had been paid by the Company during the year June 30, 2026. while the remaning PKR 35 million (June 30, 2025: 40 million) is payable in accordance with the terms of the agreement. Accordingly the maximum amount oustanding during the year was 35 million. Musharaka carries a mark-up at the rate of KIBOR + 2%.

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| **8.** | **RECEIVABLE FROM SCHEMES** | | ----------Rupees-------- | |
| | Management fee scheme | 8.1 | **180,803,756** | 192,455,074 |
| | Scheme setup cost | 8.2 | **246,608,895** | 256,800,495 |
| | Other receivable from scheme | 8.3 | **76,639,920** | 78,179,373 |
| | | | **504,052,571** | 527,434,942 |

| 8.1 Management fee scheme | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| **Secured** | | | |
| Silk World Islamic REIT | 8.1.1 | **52,826,596** | 52,826,596 |
| ***Unsecured*** | | | |
| Dolmen City REIT | | **52,643,074** | 47,065,735 |
| Globe Residency REIT | | **8,050,000** | 8,050,000 |
| Naya Nazimabad Apartment REIT | | **93,227** | - |
| Pakistan Corporate CBD REIT | | **5,495,971** | 23,072,417 |
| Rahat Residency REIT | | **4,999,359** | 9,064,528 |
| Sapphire Bay Islamic Developmental REIT | | **38,569,035** | 25,624,302 |
| Signature Residency REIT | | **946,151** | 946,153 |
| Silk Islamic Development REIT | | **17,180,343** | 25,805,343 |
| | | **127,977,160** | 139,628,478 |
| | | **180,803,756** | 192,455,074 |

**8.1.1** The management fee receivable from Silk World Islamic REIT is fully secured against an amount of Rs. 305.877 million (June 30, 2025: Rs. 305.877 million).

**8.1.2** The maximum amount due from related parties at the end of any month during the year aggregated to Rs. 28.50 million (2025: Rs. 45.23 million).

**8.2 Scheme setup cost receivable**

These represent receivable from REIT schemes in relation to certain preliminary expenditures incurred by the Company on their behalf. A scheme-wise breakdown of such expenditures is presented below:

| | As at June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | Land Development costs | Fees and subscription | legal and professional charges | Other expenses | Total |
| | ---------- Rupees ---------- | | | | |
| Silk Islamic Development REIT | **92,434,869** | **-** | **4,500,025** | **1,552,497** | **98,487,391** |
| Silk World Islamic REIT | **103,823,220** | **22,278,753** | **2,538,829** | **3,733,547** | **132,374,349** |
| Pakistan Corporate CBD REIT | **-** | **-** | **-** | **297,986** | **297,986** |
| Globe Residency REIT | **-** | **-** | **-** | **1,207,001** | **1,207,001** |
| Sapphire Bay Islamic Development REIT | **-** | **-** | **-** | **839,714** | **839,714** |
| DHA Dolmen Lahore REIT | **-** | **58,255** | **1,000,000** | **1,649,025** | **2,707,280** |
| Dolmen City REIT | **-** | **-** | **-** | **1,479,429** | **1,479,429** |
| Naya Nazimabad Apartments REIT | **-** | **-** | **-** | **1,270,433** | **1,270,433** |
| Rahat Residency REIT | **-** | **-** | **-** | **300,000** | **300,000** |
| Meezan Center REIT | **-** | **-** | **-** | **15,565** | **15,565** |
| Taj Boulevard Towers | **-** | **-** | **-** | **76,605** | **76,605** |
| Park View Apartment REIT | **-** | **1,250,941** | **-** | **3,808,008** | **5,058,949** |
| Others | **-** | **2,494,193** | **-** | **-** | **2,494,193** |
| | **196,258,089** | **26,082,142** | **8,038,854** | **16,229,810** | **246,608,895** |

| | As at June 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Land Development costs | Fees and subscription | legal and professional charges | Other expenses | Total |
| | ---------- Rupees ---------- | | | | |
| Silk Islamic Development REIT | 99,214,193 | - | - | - | 99,214,193 |
| Silk World Islamic REIT | 103,823,220 | 22,278,753 | 2,538,829 | 3,733,547 | 132,374,349 |
| Pakistan Corporate CBD REIT | - | - | - | 297,986 | 297,986 |
| Globe Residency REIT | - | - | - | 977,001 | 977,001 |
| Signature Residency REIT | - | - | - | 591,132 | 591,132 |
| Sapphire Bay Islamic Development REIT | - | - | - | 839,714 | 839,714 |
| DHA Dolmen Lahore REIT | - | 58,255 | 1,000,000 | 1,649,025 | 2,707,280 |
| Dolmen City REIT | - | - | - | 311,613 | 311,613 |
| Naya Nazimabad Apartments REIT | - | - | - | 7,828,901 | 7,828,901 |
| Rahat Residency REIT | - | - | - | 589,084 | 589,084 |
| Gymkhana Apartment REIT | - | - | - | 2,956,433 | 2,956,433 |
| Meezan Center REIT | - | - | - | 2,202,454 | 2,202,454 |
| Taj Boulevard Towers | - | - | 614,500 | - | 614,500 |
| Others | - | 1,212,075 | 3,478,398 | 605,382 | 5,295,855 |
| | 203,037,413 | 23,549,083 | 7,631,727 | 22,582,272 | 256,800,495 |

**8.3 Other receivable from scheme**

This represents a receivable from Arif Habib Development and Engineering Consultants Private Limited (AHDEC) in respect of certain project development costs incurred by the Company on behalf of AHDEC.

**8.3.1** As at June 30, 2026, receivables from related parties aggregating to Rs. 504.05 million (2025: Rs. 527.43 million) were past due but not impaired. The ageing analysis of these receivables is as follows:

| | **2026** | 2025 |
|---|---|---|
| | **----------Rupees--------** | |
| Upto 3 months | **116,191,972** | 136,872,104 |
| 3 to 6 months | **28,503,768** | 15,033,420 |
| More than 6 months | **359,356,831** | 375,529,418 |
| | **504,052,571** | 527,434,942 |

| | **2026** | 2025 |
|---|---|---|
| | **----------Rupees--------** | |
| **9. LOANS AND ADVANCES** | | |
| Loans and advances to employees | **11,909,614** | 13,043,111 |
| **10. PREPAYMENTS AND OTHER RECEIVABLES** | | |
| Prepayments | **1,627,191** | 1,500,272 |
| Other receivable | **42,409,088** | 8,539,512 |
| | **44,036,279** | 10,039,784 |

## 11. CASH AND BANK BALANCES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| Cash in hand | | **17,566** | 37,626 |
| **Cash at bank** | | | |
| Saving accounts | 11.1 | **18,967,459** | 16,543,770 |
| Current accounts | | **15,123,631** | 179,952 |
| | | **34,091,090** | 16,723,722 |
| | | **34,108,656** | 16,761,348 |

**11.1** These carry markup at the rates ranging from 6% to 12% (2025: 8.00% to 20.5%) per annum.

## 12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2026 | 2025 | | 2026 | 2025 |
|---|---|---|---|---|
| (Number of shares) | | | ----------Rupees-------- | |
| | | **Authorized capital** | | |
| **50,000,000** | **50,000,000** | Ordinary shares @ Rs. 10 each | **500,000,000** | 500,000,000 |
| | | **Issued, subscribed and paid-up capital** | | |
| | | Ordinary share of Rs. 10 each | | |
| **20,000,000** | **20,000,000** | fully paid in cash | **200,000,000** | 200,000,000 |

**12.1** There is no agreement with shareholders for voting rights, bond selection, right of first refusal and block voting.

## 13. DIMINISHING MUSHARAKA

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| Opening balance | | **33,289,000** | 8,541,818 |
| Additions during the year | 13.1 | **4,799,000** | 33,289,000 |
| Finance cost incurred during the year | | **4,108,506** | 1,873,810 |
| Payments during the year | | **(7,414,077)** | (10,415,628) |
| | | **34,782,429** | 33,289,000 |
| Less: Current maturity shown under current liabilities | | **(8,548,716)** | (3,794,460) |
| | | **26,233,713** | 29,494,540 |

**13.1** During the year company has obtained one Diminishing Musharaka facilities amounting PKR 4,779,000 (June 2025: PKR 6,889,000 & PKR 26,400,000)- for the purchase of vehicles. All the facilities are subject to profit at 6-month KIBOR + 1.5% and are secured by of charge over the respective Musharaka assets. The titles of the underlying assets are held jointly by the Company and the financial institution, with ownership interests of 20% and 80%, respectively. One facility is repayable in 48 monthly installments after a grace period of one year, the other is repayable in 54 monthly installments after a 6-month grace period, while the third facility is repayable in 60 monthly installments.

## 14. LONG TERM LOAN FROM A BANKING COMPANY

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| Loan from M/s. Bank Al Habib Limited | 14.1 | **66,666,665** | 199,999,999 |
| Less: Current maturity shown under current liabilities | | **(66,666,665)** | (133,333,334) |
| | | **-** | 66,666,665 |
| Loan from M/s. United Bank Limited | 14.2 | **200,000,000** | 200,000,000 |
| Less: Current maturity shown under current liabilities | | **(80,000,000)** | - |
| | | **120,000,000** | 200,000,000 |

14.1 In June 2021, the Company had obtained a long term financing, amounting to Rs. 400 million, from M/s. Bank Al Habib Limited to meet its working capital requirements. In October 2021, the said facility was converted to Diminishing Musharika Financing in order to fund the two-third portion of the Company's 20% investment in the units of Silk Islamic Development REIT (SIDR). Subsequently, in April 2022, the bank approved the revised terms and conditions of the facility which are as follows:

**(a)** The profit is calculated at 6-Month average KIBOR + 1.5% (with a floor of 5% p.a. and a cap of 25% p.a.). The average KIBOR is to be reviewed on the first day of the each semi-annual period (commencing from the aforementioned date of the revision in terms and conditions of the financing facility which were negotiated in April 2022). The tenor of financing is 5 years from the date of disbursement (including 2 years grace period). The rental will be recovered on quarterly basis and the bank's share in the shape of units will also be purchased on a semi-annual basis.

**(b)** The financing arrangement is secured against the following:

(i) assignment of periodic management fee to be received from Dolmen City REIT;

(ii) title and ownership of the investment in units of SIDR in the joint name of the bank;

(iii) pledge of 15,500,000 (June 30, 2025: 15,500,000) shares of M/s. Arif Habib Corporation Limited (with 30% margin) held by the director, Mr. Arif Habib, valuing Rs. 385.48 million; and

(iv) joint personal guarantee of the directors, Mr.Arif Habib and Mr. Abdus Samad A. Habib, amounting, in aggregate, to Rs. 571.5 million each.

14.2 In December 2024, the Company has obtained a long term financing, amounting to Rs. 200 million, from M/s. United Bank Limited to facilitate the REIT Management Company in increasing it's market share by identifying & investing in new REITs and expanding its operation. The tenor of financing is 4 years from the date of disbursement (including 18 months grace period). Payment to be made in ten (10) quarterly installments with the principal payment to commence after the end of the grace period, the bank approved the terms and conditions of the facility which are as follows:

**(a)** The profit is calculated at 3-Month average KIBOR + 2.25%. The average KIBOR is to be reviewed on the first day of the every quarter. The tenor of financing is 4 years from the date of disbursement (including 18 months grace period). The rental will be recovered on quarterly basis and the bank's share in the shape of units will also be purchased on a quarterly basis.

**(b)** The financing arrangement is secured against the following:

(i) Assignment over REIT management fee from Dolmen City REIT (DCR), or any other REIT, of approximately PKR 40 million per anum. SECP charge to be registered.

(ii) Pledge over shares of M/S Arif Habib Corporation Ltd. (or any of the group companies) inclusive of a 35% margin. The shares may be owned directly by the RMC or indirectly by the sponsors and / or any of the group companies.

| 15. ADVANCES | Note | 2026 | 2025 |
|---|---|---|---|
| | | --------- Rupees -------- | |
| **Advances in respect of scheme set-up costs** | | | |
| - Silk Bank Limited | 15.1 | **305,876,802** | 305,876,802 |
| - Business Vision Pvt Limited | 15.2 | **8,000,123** | 8,098,695 |
| - Javedan Corporation Limited | | **-** | 5,354,113 |
| - Taj Boulevard Towers REIT | | **-** | 600,000 |
| - Imarat Developers Pvt Ltd | | **50,000** | - |
| | | **313,926,925** | 319,929,610 |
| **Other Advances (against future expenses)** | | | |
| - DHA Dolmen Lahore REIT | | **39,550,000** | 39,550,000 |
| - Naya Nazimabad Apartment REIT | | **-** | 16,399,173 |
| - Gymkhana Apartment REIT | | **17,477,354** | 17,477,354 |
| - Sapphire Bay Islamic Development REIT | | **3,688,885** | 3,714,885 |
| | | **60,716,239** | 77,141,412 |
| | | **374,643,164** | 397,071,022 |

15.1 This represents an advance received from a commercial bank for the purpose of funding certain initial expenditures incurred or to be incurred on the setting up of Silk World Islamic REIT (SWIR) which include, but are not limited to, expenses relating to feasibility studies, asset valuation, legal counsel and court fees, land transfer duties and taxes and charges to be paid to Sindh Building Control Authority (SBCA). The principal terms and conditions of the advance are as follows:

(a) Repayment of the advance shall only be made out of the reimbursements of set up costs to be received from SWIR; and

(b) The advance shall not bear any interest.

15.2 This represents an amount received from M/s. Business Vision (Private) Limited for funding the initial expenditures incurred (or to be incurred) on behalf of Sky Garden REIT.

| 16. LOAN FROM A DIRECTOR | Note | 2026 | 2025 |
|---|---|---|---|
| | | --------- Rupees -------- | |
| Loan from Mr. Arif Habib - unsecured | 16.1 | **115,000,000** | 15,000,000 |

16.1 This represents an loan amounting to Rs. 115 Million (June 30, 2025: 15 million) received from director of the company, Mr. Arif Habib. Out of total loan, Rs. 12 Million was funded for the advertisement costs incurred on behalf of Silk Islamic Development REIT (SIDR), Rs. 3 Million was funded for the unit issuance of Garden View Apartment REIT (formerly known as Park View Apartment REIT) (GVAR) and Rs. 100 Million was funded for the musharka investment in Silk Islamic Development REIT (SIDR). The loan is subject to profit at 3-months KIBOR + 1.8%. As per the term agreed, the loan is repayble on demand.

| 17. ACCRUED EXPENSES AND OTHER PAYABLES | 2026 | 2025 |
|---|---|---|
| | --------- Rupees -------- | |
| Accrued expenses | **28,444,863** | 33,766,641 |
| Sales tax payable | **48,970,500** | 37,592,107 |
| Withholding tax payable | **7,496,169** | 5,306,073 |
| | **84,911,532** | 76,664,821 |

## 18. CONTINGENCIES AND COMMITMENTS

18.1 There are no contingencies as at June 30, 2026 (2025: None).

### 18.2 Commitments

Note 7.2 represents 245 million rupees paid to Silk Islamic Development REIT against Musharaka Agreement by Arif Habib Dolmen REIT Management Limited (Musharaka Participant). There are 5 Musharaka participants and each participant will contribute 100 million rupees in Silk Islamic Development REIT with their respective percentage of contribution (20%) each as per Musharaka Agreement. Subsequently, the First Supplemental to the Musharaka Agreement was executed, under which it was agreed that each Musharaka Participant would further contribute PKR 80 million. In addition, another agreement was executed under which each Musharaka Participant committed to contribute PKR 100 million, in aggreagte PKR 105 million (June 30, 2025: PKR 140 million) had been paid by the Company during the year June 30, 2026. while the remaning PKR 35 million ( June 30, 2025: 40 million) is payable in accordance with the terms of the agreement. Musharaka carries a mark-up at the rate of KIBOR + 2%.

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees -------- | |
| **19. REVENUE FROM CONTRACTS WITH CUSTOMERS** | | | |
| Management fee | 19.1 | **540,704,801** | 485,367,105 |
| Advisory fee | | **25,892,764** | 18,584,595 |
| | | **566,597,565** | 503,951,700 |
| Less: Sindh sales tax on services | | **(73,904,030)** | (65,041,724) |
| | | **492,693,535** | 438,909,976 |
| **19.1 REIT management fee** | | | |
| Dolmen City REIT | | **198,434,202** | 169,600,275 |
| Silk Islamic Development REIT | | **34,500,000** | 34,500,000 |
| Globe Residency REIT | | **32,200,000** | 32,200,000 |
| Rahat Residency REIT | | **13,169,076** | 11,500,000 |
| Signature Residency REIT | | **3,795,001** | 6,805,007 |
| Saphire Bay Islamic Development REIT | | **128,760,276** | 93,529,269 |
| Pakistan Corporate CBD REIT | | **96,064,995** | 88,292,666 |
| Naya Nazimabad Apartment REIT | | **33,781,251** | 33,781,250 |
| Hill View Apartment REIT | | **-** | 15,158,638 |
| | | **540,704,801** | 485,367,105 |
| **19.2 REIT management fee** | | | |
| **Billed** | | | |
| Dolmen City REIT | | **146,085,869** | 121,814,256 |
| Silk Islamic Development REIT | | **17,250,000** | 8,625,000 |
| Globe Residency REIT | | **24,150,000** | 24,150,000 |
| Rahat Residency REIT | | **8,632,876** | 2,412,054 |
| Signature Residency REIT | | **2,848,850** | 5,858,856 |
| Saphire Bay Islamic Development REIT | | **90,305,135** | 68,018,861 |
| Pakistan Corporate CBD REIT | | **90,569,538** | 65,220,765 |
| Naya Nazimabad Apartment REIT | | **25,359,077** | 33,781,250 |
| Hill View Apartment REIT (Meezan Centre REIT) | | **-** | 15,158,637 |
| | | **405,201,345** | 345,039,679 |
| **Unbilled** | | | |
| Dolmen City REIT | | **52,348,337** | 47,786,019 |
| Silk Islamic Development REIT | | **17,250,000** | 25,875,000 |
| Globe Residency REIT | | **8,050,000** | 8,050,000 |
| Rahat Residency REIT | | **4,536,199** | 9,087,946 |
| Signature Residency REIT | | **946,150** | 946,151 |
| Saphire Bay Islamic Development REIT | | **38,455,140** | 25,510,408 |
| Pakistan Corporate CBD REIT | | **5,495,457** | 23,071,901 |
| Naya Nazimabad Apartment REIT | | **8,422,173** | - |
| | | **135,503,456** | 140,327,425 |
| | | **540,704,801** | 485,367,104 |

## 20. ADMINISTRATIVE EXPENSES

| | Note | 2026 | 2025 |
|---|---|---|---|
| | | ---------- Rupees -------- | |
| Salaries, allowances and benefits | 20.1 | **102,817,266** | 121,794,299 |
| Legal and professional | | **5,322,286** | 3,763,423 |
| Office maintenance charges | | **12,661,569** | 11,540,674 |
| Travelling expense | | **22,047,363** | 13,964,114 |
| Insurance | | **5,201,357** | 3,534,272 |
| Director meeting fee | | **5,640,000** | 2,650,000 |
| Depreciation on property and equipment | 4.0 | **10,842,592** | 6,544,373 |
| Auditors' remuneration | 20.3 | **3,757,050** | 3,278,880 |
| Communication | | **1,059,018** | 821,346 |
| Donation | 20.2 | **25,000** | 2,550,000 |
| Rent | | **14,379,436** | 11,418,643 |
| Printing and stationery | | **925,263** | 550,460 |
| Training and membership expense | | **947,181** | 2,509,492 |
| Professional tax | | **-** | 132,500 |
| Amortization on intangible assets | 5.0 | **52,914** | 78,972 |
| Other expenses | | **14,572,883** | 10,862,881 |
| | | **200,251,178** | 195,994,329 |

**20.1** Salaries and benefits include Rs. 5.50 million (2025: Rs. 5.378 million) in respect of contribution to voluntary pension scheme.

**20.2** A donation of Rs. 25,000 was made to support educational and activities.

### 20.3 Auditors' remuneration

| | 2026 | 2025 |
|---|---|---|
| | ---------- Rupees -------- | |
| Annual audit fee | **1,565,000** | 1,440,000 |
| Review of interim financial statements | **690,000** | 600,000 |
| Review of compliance with Code of Corporate Governance | **220,000** | 180,000 |
| Review of valuation report | **495,000** | 540,000 |
| Sales tax on services | **490,050** | 242,880 |
| Out of pocket expenses | **297,000** | 276,000 |
| | **3,757,050** | 3,278,880 |

## 21. OTHER EXPENSES

| | | |
|---|---|---|
| Advertisement expense | **49,901,307** | 25,868,028 |
| | **49,901,307** | 25,868,028 |

## 22. OTHER INCOME

| | | |
|---|---|---|
| Mark-up on bank deposits | **2,478,603** | 8,149,346 |
| Mark-up on investment | **27,104,025** | 2,418,203 |
| Gain on sale of operating fixed assets | **4,218** | 1,927,778 |
| Other income | **17,791,358** | - |
| | **47,378,204** | 12,495,327 |

## 23. FINANCE COSTS

| | | |
|---|---|---|
| Mark-up on long term loan | **45,293,957** | 65,531,632 |
| Finance cost on diminishing Mutharika | **4,108,506** | 1,873,810 |
| Mark-up on loan from director | **9,446,082** | - |
| Bank facility charges | **-** | 1,150,000 |
| | **58,848,545** | 68,555,442 |

| | | Note | 2026 | 2025 |
|---|---|---|---|---|
| **24.** | **TAXATION** | | ---------- Rupees -------- | |
| **24.1** | Current | | **67,353,289** | 48,542,901 |
| | Prior | | **2,481,561** | - |
| | | | **69,834,850** | 48,542,901 |
| | Deferred | 24.2 | **426,653** | (14,626,926) |
| | | | **70,261,503** | 33,915,975 |

**Defered taxation - net**

**24.2** Deferred tax liability on taxable temporary differences

| | **2026** | | |
|---|---|---|---|
| | **Opening balance** | **Recognised in statement of profit or loss** | **Closing balance** |
| | ---------- Rupees ---------- | | |
| - Property and equipment and intangibles | **(1,585,763)** | **(5,992,942)** | **(7,578,705)** |
| - Long term investment | **(36,900,000)** | **9,450,000** | **(27,450,000)** |
| -Reversel of liabiltiy | **-** | **(3,883,711)** | **(3,883,711)** |
| | **(38,485,763)** | **(426,653)** | **(35,028,705)** |

| | 2025 | | |
|---|---|---|---|
| | )pening balanc | Recognised in statement of profit or loss | Closing balance |
| | ---------- Rupees ---------- | | |
| - Property and equipment and intangibles | (216,689) | (1,369,074) | (1,585,763) |
| - Long term investment | (52,896,000) | 15,996,000 | (36,900,000) |
| Deferred tax liability | (53,112,689) | 14,626,926 | (38,485,763) |

| | | **2026** | 2025 |
|---|---|---|---|
| | | ---------- Rupees -------- | |
| **24.3** | **Tax reconciliation for the year** | | |
| | Profit before taxation | **198,070,709** | 101,587,504 |
| | Tax @ 29% | **29%** | 29% |
| | Tax on accounting profit | **57,440,506** | 29,460,376 |
| | Effect of prior year | **2,481,561** | - |
| | Impact of super tax | **3,277,106** | 1,539,320 |
| | Impact of Deferred tax | **426,653** | (14,626,926) |
| | Others | **6,635,677** | 17,543,205 |
| | | **70,261,503** | 33,915,975 |

| | | | |
|---|---|---|---|
| **25.** | **EARNINGS PER SHARE - BASIC AND DILUTED** | | |
| | Profit after taxation | **127,809,206** | 67,671,529 |
| | | ---------- No of shares --------- | |
| | Weighted average number of ordinary shares | **20,000,000** | 20,000,000 |
| | | ----------Rupees-------- | |
| | Earning per share - Basic and diluted | **6.39** | 3.38 |

**25.1** There was no dilutive effect on the basic earnings per share of the Company, since there were no potential ordinary shares in issue as at June 30, 2026 and June 30, 2025.

## 26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in theses financial statements for remuneration, including all benefits, to the Chief Executive Officer, Directors and other executives of the Company are given below:

| | Chief Executive | | Directors | | Other Executives | |
|---|---|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 |
| | ----------Rupees---------- | | | | | |
| Remuneration | **7,200,000** | 7,200,000 | **-** | - | **21,947,622** | 23,624,656 |
| Meeting fee | **-** | - | **5,640,000** | 2,650,000 | **-** | - |
| Contribution to Voluntary Pension Scheme | **720,000** | 720,000 | **-** | - | **2,194,762** | 2,272,323 |
| Other benefits (refer note 26.1) | **2,832,445** | 3,835,523 | **-** | - | **6,058,311** | 21,942,149 |
| | **10,752,445** | 11,755,523 | **5,640,000** | 2,650,000 | **30,200,695** | 47,839,128 |
| Number of persons | **1** | 1 | **4** | 4 | **3** | 4 |

**26.1** Other benefits include health insurance and reimbursement on account of medical and vehicle related costs such as petrol, maintenance, insurance, and driver in accordance with the terms of employment.

## 27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, sponsors, directors, the Company managing key management personnel and their close family members. Details of transactions carried out duly approved by Board of Directors and balances held with related parties other than those disclosed elsewhere in these financial statements are as follows:

| **27.1 Transactions during the year:** | **Percentage of Shareholding** | **2026** | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| **Dolmen City REIT -** | | | |
| **(A scheme managed by the Company)** | | | |
| Receipt of expenses | | **2,500,000** | 6,035,050 |
| Expenses paid | | **3,667,816** | 6,393,278 |
| Management fee earned | | **198,434,202** | 169,600,275 |
| Management fee received | | **192,856,864** | 161,380,412 |
| **Silk Islamic Development REIT -** | | | |
| **(A scheme managed by the Company)** | | | |
| Scheme set up costs paid | **20%** | **3,052,522** | 10,150,716 |
| Receipt of set up costs | | **3,779,324** | - |
| Prior year sales tax adjustment | | **-** | 300,000 |
| Management fee earned | | **34,500,000** | 34,500,000 |
| Management fee received | | **43,125,000** | 34,500,000 |
| Markup on investment | | **27,104,025** | 2,418,203 |
| **Silk World Islamic REIT -** | | | |
| **(A scheme managed by the Company)** | | | |
| Project management costs paid | | **-** | 2,079,000 |
| **Arif Habib Development and Engineering Consultants (Private) Limited -** | | | |
| **(Associate Company due to common directorship)** | | | |
| Project management costs paid | | **1,539,453** | 4,661,356 |

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees-------- | |
| **Pakistan Corporate CBD REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Receipt of set up costs | - | 148,105 |
| Management fee earned | **96,064,995** | 88,292,665 |
| Management fee received | **113,641,439** | 79,337,583 |
| **Globe Residency REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | **230,000** | 604,750 |
| Prior year sales tax adjustment | - | 210,000 |
| Management fee earned | **32,200,000** | 32,200,000 |
| Management fee received | **32,200,000** | 44,275,000 |
| **Sapphire Bay Islamic Development REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | **26,000** | 11,250 |
| Set up cost adjust against advance | **26,000** | 11,485,115 |
| Prior year sales tax adjustment | - | 224,815 |
| Management fee earned | **128,760,276** | 93,529,269 |
| Management fee received | **115,815,542** | 97,379,234 |
| **Naya Nazimabad Apartment REIT** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | - | 1,018,809 |
| Receipt of set up costs | **6,558,468** | - |
| Management fee adjusted | **16,399,173** | 8,715,000 |
| Management fee earned | **33,781,251** | 33,781,249 |
| Management fee received | **33,243,523** | 25,066,250 |
| **Rahat Residency REIT** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | - | 587,500 |
| Receipt of set up costs | **300,000** | - |
| Prior year sales tax adjustment | - | 23,415 |
| Management fee earned | **13,169,076** | 11,500,000 |
| Management fee received | **17,234,246** | 4,887,500 |
| **Signature Residency REIT** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | | 589,500 |
| Receipt of set up costs | **591,132** | - |
| Prior year sales tax adjustment | - | 19,495 |
| Management fee earned | **3,795,001** | 6,805,007 |
| Management fee received | **3,795,001** | 8,211,236 |
| **Gymkhana Apartment REIT** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | - | 1,218,810 |
| Receipt of set up costs | **2,956,433** | - |
| Management fee earned | - | - |
| Management fee received | - | 3,478,357 |

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees-------- | |
| **Sky Garden REIT** | | |
| **(A scheme managed by the Company)** | | |
| Receipt of set up costs | - | 1,901,305 |
| **Garden View Apartment REIT** | | |
| **(Formerly known as Park View Apartment REIT)** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | **386,666** | 4,044,854 |
| Receipt of set up costs | **525,000** | - |
| **Hill View Apartment REIT** | | |
| **(Formerly known as Meezan Center REIT)** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | - | 300,000 |
| Receipt of set up costs | **2,186,889** | - |
| Management fee accrued | - | 15,158,638 |
| Management fee received | - | 15,158,638 |
| **Taj Boulevard Towers** | | |
| **(A scheme managed by the Company)** | | |
| Scheme set up costs paid | **812,105** | 1,174,797 |
| Receipt of set up costs | **750,000** | 560,297 |
| **Javedan Corporation Limited** | | |
| **(Associate Company due to common directorship)** | | |
| Expenses adjusted | **4,591,934** | 2,220,887 |
| **Rotocast Engineering Company (Private) Limited** | | |
| **(Associate Company due to common directorship)** | | |
| Rent expense | **10,052,895** | 6,317,766 |
| Rent payment | **3,309,306** | 4,663,113 |
| Common shared expenses | **11,309,143** | 5,462,600 |
| Payment of common shared expenses | **3,283,428** | 6,201,622 |
| Administration charges | **3,166,559** | 713,245 |
| Payment of administration charges | **1,130,914** | 1,766,207 |
| Office Insurance | - | 190,607 |
| **Fatima Fertiliser Company Limited** | | |
| **(Associate Company due to common directorship)** | | |
| Consultancy fee - received | **783,529** | - |
| **Power Cement Limited Limited** | | |
| **(Associate Company due to common directorship)** | | |
| Purhcase of LED | **350,000** | - |
| **Loan from director** | | |
| Loan from Arif Habib | **100,000,000** | 15,000,000 |
| Mark up | **9,446,082** | - |

| | | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| 27.2 | **Balances as at year end:** | | |
| | **Dolmen City REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **52,643,074** | 47,065,735 |
| | Receivable as at year end | **1,479,429** | 311,613 |
| | **Silk Islamic Development REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **17,180,343** | 25,805,343 |
| | Receivable against setup cost | **98,487,391** | 99,214,193 |
| | Advance against SIDR - Musharaka | **245,000,000** | 140,000,000 |
| | Accrued Mark up | **29,522,229** | 2,418,203 |
| | **Silk World Islamic REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **52,826,596** | 52,826,596 |
| | Receivable against setup cost | **132,374,349** | 132,374,349 |
| | **Arif Habib Development and Engineering Consultants (Private) Limited -** | | |
| | **(Associate Company due to common directorship)** | | |
| | Receivable against project management cost | **76,639,920** | 78,179,373 |
| | **Pakistan Corporate CBD REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **5,495,971** | 23,072,417 |
| | Receivable against setup cost | **297,986** | 297,986 |
| | **Globe Residency REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **8,050,000** | 8,050,001 |
| | Receivable against setup cost | **1,207,001** | 977,001 |
| | **Sapphire Bay Islamic Development REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **38,569,035** | 25,624,302 |
| | Receivable against setup cost | **839,714** | 839,714 |
| | Advance against management fee | **3,688,885** | 3,714,885 |
| | **Naya Nazimabad Apartment REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **93,227** | - |
| | Advance against management fee | - | 16,399,173 |
| | Receivable against setup cost | **1,270,433** | 7,828,901 |
| | **Rahat Residency REIT -** | | |
| | **(A scheme managed by the Company)** | | |
| | Receivable against management fee | **4,999,359** | 9,064,528 |
| | Receivable against setup cost | **300,000** | 589,084 |

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees-------- | |
| **DHA Dolmen Lahore REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Advance against management fee | **39,550,000** | 39,550,000 |
| Receivable against setup cost | **2,707,280** | 2,707,280 |
| **Signature Residency REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Receivable against management fee | **946,151** | 946,151 |
| Receivable against setup cost | **-** | 591,132 |
| **Gymkhana Apartment REIT -** | | |
| **(A scheme managed by the Company)** | | |
| Receivable against setup cost | **-** | 2,956,433 |
| Advance against management fee | **17,477,354** | 17,477,354 |
| **Garden View Apartment REIT** | | |
| **(Formerly known as Park View Apartment REIT)** | | |
| **(A scheme managed by the Company)** | | |
| Receivable against setup cost | **5,058,949** | 5,197,283 |
| **Hill View Apartment REIT -** | | |
| **(Formerly known as Meezan Center REIT)** | | |
| **(A scheme managed by the Company)** | | |
| Receivable against setup cost | **15,565** | 2,202,454 |
| **Taj Boulevard Towers** | | |
| **(A scheme managed by the Company)** | | |
| Receivable against setup cost | **76,605** | 14,500 |
| **Arif Habib Limited -** | | |
| **(Associate Company due to common directorship)** | | |
| Payable as at year end | **10,556** | 10,556 |
| **Javedan Corporation Limited -** | | |
| **(Associate Company due to common directorship)** | | |
| Receivable as at year end | **4,591,934** | 2,220,887 |
| Payable as at year end | **-** | 7,575,000 |
| **Rotocast Engineering Company (Private) Limited -** | | |
| **(Associate Company due to common directorship)** | | |
| Payable against administration charges | **17,366,414** | 3,242,297 |
| **Power Cement Limited Limited** | | |
| **(Associate Company due to common directorship)** | | |
| Payable against LED | **350,000** | - |
| **Loan from director** | | |
| Loan from Arif Habib | **115,000,000** | 15,000,000 |
| Accrued Mark up | **11,385,245** | - |

## 28. FINANCIAL INSTRUMENTS

### 28.1 Financial risk analysis

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

#### 28.1.1 *Market risk*

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risks: foreign currency risk, price risk and interest rate risk. The market risks associated with the Company's business activities are discussed as under:

**i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As of the reporting date, the Company was not exposed to currency risk since there were no foreign currency transactions and balances at the reporting date.

**ii) Price risk**

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. As of the reporting date, the Company was not exposed to any material price risk.

**iii) Interest rate risk**

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

Financial assets and liabilities include balances of Rs. 295.91 million (2025: Rs. 154.54 million) and Rs. 301.44 million (2025: Rs. 433.29 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

At the reporting date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

| | 2026 | 2025 | 2026 | 2025 |
|---|---|---|---|---|
| | Effective interest rate (%) | | Carrying amount (Rs.) | |
| **Financial assets** | | | | |
| Bank deposits - pls account | **6 to 12** | 8 to 15 | **18,967,459** | 16,543,770 |
| Advance to Silk Islamic Development REIT - Musharaka | **Kibor + 2%** | Kibor + 2% | **245,000,000** | 140,000,000 |
| **Financial liabilities** | | | | |
| Long term loan | **22.99 to 13.41** | 22.99 to 13.41 | **266,666,665** | 399,999,999 |
| Diminishing musharaka | **22.77 to 12.56** | 22.77 to 12.56 | **34,782,429** | 33,289,000 |
| Loan from director | **12.29 to 14.14** | 13.17 to 23.17 | **115,000,000** | 15,000,000 |

***Sensitivity analysis***

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate would not affect the carrying amount of any financial instrument.

The following information summarizes the estimated effects of 1% hypothetical increases and decreases in interest rates on cash flows from financial assets and financial liabilities that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. The hypothetical changes in market rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes at the time of early repayments. For these reasons, actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

| | Increase / (decrease) in profit before tax | |
|---|---|---|
| | 1% increase | 1% decrease |
| | ---------- Rupees ---------- | |
| **As at June 30, 2026** | | |
| Cash flow sensitivity-Variable rate financial instruments | **374,816** | **(374,816)** |
| As at June 30, 2025 | | |
| Cash flow sensitivity-Variable rate financial instruments | 2,767,452 | (2,767,452) |

**28.1.2** ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single customer.

Credit risk of the Company arises principally from long term advances and deposits, Investment in Silk Islamic development REIT, receivable from schemes, loans and advances, other receivables, mark-up accrued on bank deposits and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

| | | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| Long term advances and deposits | | **250,831,599** | 145,808,200 |
| Investment in Silk Islamic Development REIT | | **690,000,000** | 723,000,000 |
| Advance to silk Islamic | | **245,000,000** | 140,000,000 |
| Receivable from schemes | | **504,052,571** | 527,434,942 |
| Loans and advances | | **11,909,614** | 13,043,111 |
| Other receivables | | **42,409,088** | 8,539,512 |
| Bank balances | (a) | **34,108,656** | 16,723,722 |
| | | **1,778,311,528** | 1,574,549,487 |

Long term loans and advances mainly includes long term advance to Silk Islamic Development REIT management assesses the creditworthiness of the REIT, including its financial health, asset quality and cashflow stability and security against their salary and retirement benefits.

The Company's long term Investment includes units in Silk islamic development REIT amounting to Rs. 690 million (June 30. 2025 : 723 million). Management assesses the creditworthiness of the REIT, including its financial health, asset quality and cashflow stability.

Loans and advances mainly includes loans and advances to employees which are secured against their salary and retirement benefits.

The credit quality of receivable from scheme can be assessed with reference to their historical performance with negligible defaults in recent history.

The receivable from scheme are due from REIT schemes. Receivable from Silk World Islamic REIT amounting to Rs: 52.83 million (June 30, 2025: 52.83 million) are secured against advance of Silk Bank Limited. Management assesses the credit quality of receivable from schemes, taking into account their financial position, past experience and other factors.

Loans and advances mainly includes loans and advances to employees which are secured against their salary and retirement benefits.

Other receivable include receivable against consultancy fee, receivable from scheme other than related party, mark up on SIDR etc. amounting to Rs. 42.40 million (June 30, 2025: Rs. 8.69 million). Other receivable of the Company exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECl would be very mininal and hence, the same has not been accounted for in these financial statements.

**Note (a) - Credit risk exposure on bank balances**

The Company's credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. As of the reporting date, the external credit ratings of the Company's bankers were as follows:

| Bank | Rating (Long term / short term) | 2026 | 2025 |
|---|---|---|---|
| | | ----------Rupees-------- | |
| National Bank of Pakistan | **AAA / A1+** | **72,279** | 67,053 |
| Dubai Islamic Bank | **AA / A1+** | **28,914** | 27,808 |
| Bank Makramah Limited | **A- / A2** | **128** | 128 |
| Bank AL-Habib | **AAA / A1+** | **26,922,577** | 16,424,771 |
| Askari Bank Limited | **AA+ / A1+** | **24,566** | 23,656 |
| Bank Islami Pakistan Limited | **AA- / A1+** | **10,338** | 10,338 |
| The Bank of Punjab | **AA+ / A1+** | **14,589** | 13,036 |
| United Bank Limited | **AAA / A1+** | **7,017,699** | 156,932 |
| | | **34,091,090** | 16,723,722 |

**28.1.3** ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate funds through committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company finances its operations through equity and borrowings with a view to maintaining an appropriate mix between various sources of finance to minimize risk. The management aims to maintain flexibility in funding by keeping regular committed credit lines.

On the reporting date, the Company had cash and bank balance amounting to Rs. 34.10 million (2025: Rs. 16.76 million).

The following are the contractual maturities of financial liabilities:

| | **2026** | | | |
|---|---|---|---|---|
| | **Carrying amount** | **Contractual cash flows** | **With in one year** | **One to five years** |
| | ---------- (Rupees)---------- | | | |
| **Financial liabilities** | | | | |
| Long term loan | **266,666,665** | **266,666,665** | **146,666,665** | **120,000,000** |
| Diminishing musharaka | **34,782,429** | **34,782,429** | **8,548,716** | **26,233,713** |
| Loan from a director | **115,000,000** | **115,000,000** | **115,000,000** | **-** |
| Accrued expenses and other payables | **28,444,863** | **28,444,863** | **28,444,863** | **-** |
| Accrued mark up | **21,103,245** | **21,103,245** | **21,103,245** | **-** |
| | **465,997,202** | **465,997,202** | **319,763,489** | **146,233,713** |

| | 2025 | | | |
|---|---|---|---|---|
| | Carrying amount | Contractual cash flows | With in one year | One to five years |
| | ---------- (Rupees)---------- | | | |
| **Financial liabilities** | | | | |
| Long term loan | 399,999,999 | 399,999,999 | 133,333,334 | 266,666,665 |
| Diminishing musharaka | 33,289,000 | 33,289,000 | 3,794,460 | 29,494,540 |
| Loan from a director | 15,000,000 | 15,000,000 | 15,000,000 | - |
| Accrued expenses and other payables | 33,766,641 | 33,766,641 | 33,766,641 | - |
| Accrued mark up | 5,936,175 | 5,936,175 | 5,936,175 | - |
| | 487,991,815 | 487,991,815 | 191,830,610 | 296,161,205 |

## 28.2 Financial instruments by categories

| | 2026 | | | |
|---|---|---|---|---|
| | At fair value through profit or loss | At fair value through other comprehensive income | At Amortized cost | Total |
| | ---------- Rupees ---------- | | | |
| **Financial assets** | | | | |
| Long term investment | **690,000,000** | **-** | **-** | **690,000,000** |
| Long term advances and deposits | **-** | **-** | **250,831,599** | **250,831,599** |
| Receivable from schemes | **-** | **-** | **504,052,571** | **504,052,571** |
| Loans and advances | **-** | **-** | **11,909,614** | **11,909,614** |
| Other receivables | **-** | **-** | **42,409,088** | **42,409,088** |
| Cash and bank balances | **-** | **-** | **34,108,656** | **34,108,656** |
| | **690,000,000** | **-** | **843,311,528** | **1,533,311,528** |

| | At fair value through profit or loss | At amortized cost | Total |
|---|---|---|---|
| | ---------- Rupees ---------- | | |
| **Financial Liabilities** | | | |
| Long term loan | **-** | **266,666,665** | **266,666,665** |
| Diminishing musharaka | **-** | **34,782,429** | **34,782,429** |
| Loan from a director | **-** | **115,000,000** | **115,000,000** |
| Accrued expenses and other payables | **-** | **28,444,863** | **28,444,863** |
| Accrued mark up on long term loan | **-** | **21,103,245** | **21,103,245** |
| | **-** | **465,997,202** | **465,997,202** |

| | 2025 | | | |
|---|---|---|---|---|
| | At fair value through profit or loss | At fair value through other comprehensive income | At Amortized cost | Total |
| | ---------- Rupees ---------- | | | |
| **Financial assets** | | | | |
| Long term investment | | | | |
| Long term advances and deposits | 723,000,000 | - | - | 723,000,000 |
| Receivable from schemes | - | - | 145,808,200 | 145,808,200 |
| Loans and advances | - | - | 527,434,942 | 527,434,942 |
| Receivable from related parties | - | - | 13,043,111 | 13,043,111 |
| Mark-up accrued on bank deposits | - | - | 8,539,512 | 8,539,512 |
| | - | - | 16,761,348 | 16,761,348 |
| | 723,000,000 | - | 711,587,113 | 1,434,587,113 |

| | At fair value through profit or loss | At Amortized cost | Total |
|---|---|---|---|
| | ---------- Rupees ---------- | | |
| **Financial Liabilities** | | | |
| Long term loan | - | 399,999,999 | 399,999,999 |
| Diminishing musharaka | - | 33,289,000 | 33,289,000 |
| Loan from a director | - | 15,000,000 | 15,000,000 |
| Accrued expenses and other payables | - | 33,766,641 | 33,766,641 |
| Accrued mark up on long term loan | - | 5,936,175 | 5,936,175 |
| | - | 487,991,815 | 487,991,815 |

## 29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

| | July 01, 2025 | Financing cash inflows | Financing cash outflows | Non cash changes / financial charges | June 30, 2026 |
|---|---|---|---|---|---|
| | ---------- Rupees ---------- | | | | |
| Diminishing musharaka | 33,289,000 | 4,799,000 | (7,414,077) | 4,108,506 | 34,782,429 |
| Loan from director | 15,000,000 | 100,000,000 | - | - | 115,000,000 |
| Long term loan | 399,999,999 | - | (133,333,334) | - | 266,666,665 |
| | 448,288,999 | 104,799,000 | (140,747,411) | 4,108,506 | 416,449,094 |

## 30. FAIR VALUE HIERARCHY

• Level 1 — quoted prices (unadjusted) in active

• Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

• Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the reporting dates the fair value hierarchy of the Company's financial assets measured at fair value was as follows:

| | 2026 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | ---------- Rupees ---------- | | | |
| *Financial assets measured at fair value* | | | | |
| Long term investment | - | - | 690,000,000 | 690,000,000 |

| | 2025 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | ---------- Rupees ---------- | | | |
| *Financial assets measured at fair value* | | | | |
| Long term investment | - | - | 723,000,000 | 723,000,000 |

### 30.1 Measurement of fair values

### 30.1.1 Investment in Silk Islamic Development REIT - at fair value through profit or loss

The Company has valued this investment on fair value basis using the discounted cash flow technique considering the progress on the project. This method considers the present value of all future proceeds from SIDR, discounted using a risk adjusted discount rate which is taken at 22.04% to 26.04% (2025: 26.74% to 28.74% ).The cash flow projections include specific estimated for the entire life of the project, which is estimated to be 10 years from the balance sheet date.

### 30.1.2 Valuation inputs and relationships to fair value

The following table summarises the quantitive information about the significant unobservable inputs used in level 3 fair value measurements of SIDR together with a quantitative sensitivity analysis.

| Unobservable inputs | Range of inputs | Sensitivity of the inputs to fair value |
|---|---|---|
| Risk adjusted discount rate | 22.04%to 26.04% (2025: 26.74% to 28.74%) | 2% increase in the risk adjusted discount rate would result in decrease in fair value by Rs. 149.40 million (2025: 53.40 million); 2% decrease in the risk adjusted discount rate would result in increase in fair value by Rs. 16.20 million (2025: 57.60 million) as at June 30, 2025. |

## 31. CAPITAL RISK MANAGEMENT

### 31.1 Management of capital

The objective of the Company when managing capital is to safeguard its ability to operate as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring its level of borrowings, maintaining adequate liquidity, and reviewing its financing requirements in light of changes in business conditions. Where appropriate, the Company may adjust its capital structure through changes in its financing arrangements or by obtaining additional equity or debt financing. The Company monitors its capital using the gearing ratio, which is calculated as total interest-bearing borrowings divided by total equity. Total interest-bearing borrowings comprise long-term and short-term borrowings, including the current portion of long-term borrowings and lease liabilities, where applicable. Total equity comprises share capital, reserves and accumulated losses, as presented in the statement of financial position.

The company mointiors capital using a gearing ratio which is total debt divided by total equity plus total debt as follows:

### 31.2 Following is the quantitative analysis of what the Company manages as capital:

| | 2026 | 2025 |
|---|---|---|
| | ----------Rupees-------- | |
| **Borrowings:** | | |
| Long term loan | **266,666,665** | 399,999,999 |
| Loan from director | **115,000,000** | 15,000,000 |
| Diminishing musharaka | **34,782,429** | 33,289,000 |
| **Shareholders' equity:** | | |
| Issued, subscribed and paid-up capital | **200,000,000** | 200,000,000 |
| Unappropriated profit (excluding unrealized loss on investment) | **481,655,513** | 380,246,307 |
| | **681,655,513** | 580,246,307 |
| **Total capital managed by the Company** | **983,104,607** | 1,013,535,306 |

## 32. NUMBER OF EMPLOYEES

| | 2026 | 2025 |
|---|---|---|
| | ---------Number---------- | |
| Total number of employees as at year end | **30** | 34 |
| Average number of employees during the year | **15** | 34 |

## 33. GENERAL

### 33.1 Date of authorisation of the financial statements for issue

These financial statements were authorised for issue on October 07, 2026 by the Board of Directors of the Company.

### 33.2 Level of rounding

In these financial statements, all the figures have been rounded off to the nearest rupee, unless otherwise indicated.

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| Chief Financial Officer | Chief Executive | Director |
|---|---|---|