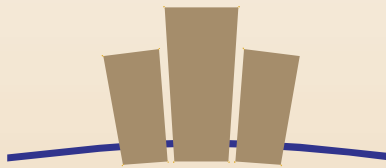


PAKISTAN HOTELS DEVELOPERS LTD.

Owners & Operators of



Regent Plaza

HOTEL & CONVENTION CENTRE

*Condensed Interim
Financial Information
Six Months Period Ended
December 31, 2019
(Un-audited)*

Vision / Mission

It is our cherished goal to be the Industry leader in hotel business by establishing a complete, unique, distinctive and truly a five star deluxe hotel complex.

To achieve the above objective and to provide the highest level of satisfaction to our valued customers, we are constantly engaged and working with a missionary zeal to bring necessary improvements in our existing facilities and to excel in offering efficient and quality services to them.

We are also committed to maintain the highest level of International hotel standards, which will add to the glory and prestige of the Country and promote tourism.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Non-executive Directors:

MR. S.MAHMOOD BAWEJA
Chairman
MRS. SHAHINA KHALID
Director

Executive Directors:

MR. MUZAFFAR F. BAWEJA
Chief Executive Officer
MR. ZUBAIR BAWEJA
Managing Director

Independent Director:

MR. M.A. MAJEED
MR. IMRAN REHMAN MEMON
MR. JAWED AHMED

AUDIT COMMITTEE:

MR. JAWED AHMED
Chairman
MR. IMRAN REHMAN MEMON
Member
MR. M.A.MAJEED
Member

HR & R COMMITTEE:

MRS. SHAHINA KHALID
Chairperson
MR. JAWED AHMED
Member
MR. M.A. MAJEED
Member

COMPANY SECRETARY:

MR. FAHAD IQBAL KHAN

CHIEF FINANCIAL OFFICER:

SYED HASEEN ANWER

BANKERS:

AL BARAKA BANK (PAKISTAN) LTD.
BANK AL-HABIB LTD.
BANKISLAMI PAKISTAN LTD.
FAYSAL BANK LTD.
HABIB BANK LTD.
MEEZAN BANK LTD.
NATIONAL BANK OF PAKISTAN
SUMMIT BANK LTD.
UNITED BANK LTD.

AUDITORS:

TANWIR ARIF & CO.
Chartered Accountants

LEGAL ADVISOR:

MUKESH K. SHARMA

INDEPENDENT SHARE REGISTRAR

F. D. REGISTRAR SERVICES (SMC-PVT.) Ltd.
17th FLOOR, SAIMA TRADE TOWER-A,
I. I. CHUNDRIGAR ROAD,
KARACHI.

REGISTERED OFFICE:

REGENT PLAZA HOTEL,
MEZZANINE FLOOR
195/2, SHAHRAH-E-FAISAL,
KARACHI.

DIRECTORS' REPORT

The Board of Directors of Pakistan Hotels Developers Ltd (PHDL) presents the unaudited condensed interim financial information on the performance of the company for the six months period ended December 31, 2019 along with review report of the statutory auditors.

The overall economic indicators of Pakistan show a challenging outlook, increasing interest rates and significant devaluation of the rupee have adversely affected the company's and overall industry's progress. In order to revamp sustained growth, government need to introduce long term policies that will restore market confidence and accelerate economic activities across the board.

Financial results for the six months period ended December 31st, 2019 are summarized below.

	For the six-months period ended 31st December	
	2019	2018
	----- (Rupees in '000)-----	
Sales and services-net	227,514	266,017
Gross Profit	99,380	154,417
Profit before Taxation	29,730	66,616
Profit after Taxation	25,194	51,784
Earning per share (Rupees)	1.40	2.88

During the six months, total Revenue is decreased by Rs. 38.5 million which is 14% low as compared to same corresponding period of previous year. Despite of decrease in revenue, the cost of sales is increased by 12% which is due to increase in the prices of commodities and rates of utilities and because of that gross profit is decreased by 36%. However administrative and selling cost is decreased by 13%.

Rehabilitation work in the restaurant are in progress.

During the period, we paid in exchequer of Rs. 41 million in terms of sale tax and other taxes.

No Casual Vacancy was occurred in the directorship of the company in reporting period.

Directors have not declared any dividend for the quarter ended December 31st, 2019.

The Board of Directors wishes to express their appreciation to the entire team of the company, the esteemed guests, the valuable shareholders, banks as well as all other stake holders for their confidence and support in such difficult time.

For and on behalf of the Board of Directors



ZUBAIR BAWEJA
Managing Director

Karachi: 27th February, 2020



MUZAFFAR F. BAWEJA
Chief Executive

3

Pakistan Hotels Developers Ltd.

ڈائریکٹرز رپورٹ

پاکستان ہوٹلز ڈویلپمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2019 کے اختتام پر کمپنی کی نصف سالانہ غیر آڈٹ شدہ جامع عبوری مالیاتی معلومات قانونی آڈیٹرز کی جائزہ رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

پاکستان کے مجموعی معاشی اشارے ایک چیلنجنگ نقطہ نظر کو ظاہر کرتے ہیں، شرح سود میں اضافے اور روپے کی نمایاں کمی نے کمپنی کی اور مجموعی صنعت کی ترقی کو بری طرح متاثر کیا ہے۔ مستحکم نمو کو بہتر بنانے کے لیے حکومت کو طویل مدتی پالیسیاں متعارف کروانے کی ضرورت ہے۔ جو مارکیٹ کا اعتماد بحال کریں اور ملک میں معاشی سرگرمیوں کو تیز کریں۔

زیر نظر چھ ماہ کے عرصے کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

پہلے چھ ماہ کے اختتام برائے 31 دسمبر

2018 2019
..... روپیہ میں 000

2018	2019	
266,017	227,514	فروخت اور خدمات
154,417	99,380	مجموعی منافع
66,616	29,730	منافع قبل از ٹیکس
51,784	25,194	منافع بعد از ٹیکس
2.88	1.40	کمائی فی حصص (روپیہ)

چھ ماہ کے دوران مجموعی آمدنی میں Rs. 38.5 ملین روپے کمی ہوئی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 14 فیصد کم ہے آمدنی میں کمی کے باوجود فروخت کی لاگت میں 12 فیصد اضافہ ہوا اور افادیت کی قیمتوں میں اضافہ ہے اور اس وجہ سے مجموعی منافع میں 36 فیصد کمی واقع ہوئی تاہم انتظامی اور فروخت کی لاگت میں 13 فیصد کمی واقع ہوئی۔

ریٹرنٹ میں بحالی کا کام جاری ہے۔

اس عرصے کے دوران ہم نے سیلز ٹیکس اور دیگر ٹیکسوں کی مد میں 41 ملین روپے کی ادائیگی کی۔

اس عرصے کے دوران بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی ہے۔

31 دسمبر 2019 کو ختم ہونے والے عرصے کے دوران ڈائریکٹرز نے کسی بھی عبوری منافع کا اعلان نہیں کیا ہے۔

بورڈ آف ڈائریکٹرز کمپنی کی تمام ٹیم، مجتہد مہمانان گرامی قابل قدر شیئرز، ہولڈرز، بینکوں اور ان کے ساتھ ساتھ تمام متعلقین کا اس مشکل گھڑی میں اعتماد اور تعاون کرنے پر انہیں سہراتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

مظفر ایف۔ یوسف
چیف ایگزیکٹو آفیسر

زکیر یوسف
مینجنگ ڈائریکٹر

کراچی: 27 فروری 2020

4

Six-Months Ended December 2019

AUDITOR'S REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pakistan Hotels Developers Limited** (the Company) as at December 31, 2019, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity condensed interim statement of cash flows and notes to the condensed interim financial statements for the six- months' period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for six months period ended December 31, 2019.

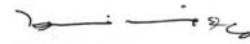
Scope of Review

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

Conclusion

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

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



Chartered Accountants.

Hyderabad: 27th February, 2020

5

Pakistan Hotels Developers Ltd.

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**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019**

	Note	Un-audited DEC. 2019	Audited JUN. 2019
CAPITAL AND LIABILITIES:			
------(Rupees in '000) -----			
Share capital Authorized			
30,000,000 Ordinary Shares of Rs. 10/= each		<u>300,000</u>	<u>300,000</u>
Issued, subscribed & paid-up			
18,000,000 Ordinary Shares of Rs. 10/= each		<u>180,000</u>	180,000
Capital reserve			
Revaluation surplus on property (land & building)		<u>9,064,222</u>	9,077,436
Revenue reserve			
Unappropriated profit		<u>143,225</u>	<u>104,817</u>
		<u>9,387,447</u>	<u>9,362,253</u>
Liabilities against assets subject to finance lease		2,731	4,866
Deferred taxation		<u>262,381</u>	267,779
Security deposits		<u>4,180</u>	4,180
Current liabilities			
Current maturity		<u>4,596</u>	5,358
Accrued mark up		74	81
Short term borrowings		—	2,500
Unpaid dividend		<u>14,454</u>	14,477
Unclaimed dividend		<u>10,251</u>	10,251
Creditors, accrued and other liabilities		<u>78,563</u>	67,327
		<u>107,938</u>	99,994
Contingencies and commitments	5	<u>—</u>	<u>—</u>
		<u>9,764,677</u>	<u>9,739,072</u>


"The annexed notes 1 to 9 form an integral part of these financial statements"
"See Auditors' Review Report"


Karachi: 27th February, 2020


7

Pakistan Hotels Developers Ltd.

ASSETS:	Note	Un-audited DEC. 2019	Audited JUNE. 2019
		----- (Rupees in '000) -----	
Non-current assets			
Fixed assets		9,610,656	9,637,494
Long term deposits		6,080	6,080
Current assets:			
Stores and spares		1,344	1,527
Stock in trade - food and beverages		1,899	1,493
Trade debts un-secured considered good		72,142	35,508
Advances, prepayments and other receivables		29,450	20,992
Cash and bank balances	6	43,106	35,978
		147,941	95,498
		9,764,677	9,739,072
		9,764,677	9,739,072


MUZAFFAR F. BAWEJA
 Chief Executive
 Karachi: 27th February, 2020


ZUBAIR BAWEJA
 Managing Director
 8


SYED HASEEN ANWER
 Chief Financial Officer

Six-Months Ended December 2019

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Three months ended December 31		Six months ended December 31	
	2019	2018	2019	2018
	----- (Rupees in '000) -----			
Turnover	164,304	196,634	260,550	303,586
Sales tax and other taxes	(21,964)	(24,139)	(33,036)	(37,569)
Sales and services-net	142,340	172,495	227,514	266,017
Cost of sales and services	(67,605)	(59,850)	(128,134)	(111,600)
Gross Profit	74,735	112,645	99,380	154,417
Operating expenses				
Administrative, selling and general expenses	(35,995)	(41,787)	(70,045)	(84,660)
Other operating income	336	290	1,034	415
Operating Profit	39,076	71,148	30,369	70,172
Financial charges	(307)	(1,404)	(639)	(3,556)
Net profit before taxation	38,769	69,744	29,730	66,616
Taxation				
Current	(7,000)	(17,000)	(12,000)	(20,000)
Prior year	2,066	390	2,066	390
Deferred	2,699	2,654	5,398	4,778
	(2,235)	(13,956)	(4,536)	(14,832)
Net profit after taxation	36,534	55,788	25,194	51,784
Earning per share				
- Basic (Rupees)	2.03	3.10	1.40	2.88
- Diluted (Rupees)	2.03	3.10	1.40	2.88

"The annexed notes 1 to 9 form an integral part of these financial statements"


"See Auditors' Review Report"


MUZAFFAR F. BAWEJA
Chief Executive

Karachi: 27th February, 2020


ZUBAIR BAWEJA
Managing Director

9


SYED HASEEN ANWER
Chief Financial Officer

Pakistan Hotels Developers Ltd.

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX -MONTHS PERIOD ENDED DECEMBER 31, 2019**



THREE-MONTHS ENDED December 31,		SIX-MONTHS ENDED December 31,	
2019	2018	2019	2018


----- (Rupees in '000)-----

Net profit after taxation	36,534	55,788	25,194	51,784
Effect of remeasurement of Plan obligation	—	—	—	—
Total comprehensive income	<u>36,534</u>	<u>55,788</u>	<u>25,194</u>	<u>51,784</u>

"The annexed notes 1 to 9 form an integral part of these financial statements"
"See Auditors' Review Report"


MUZAFFAR F. BAWEJA
 Chief Executive
 Karachi: 27th February, 2020


ZUBAIR BAWEJA
 Managing Director



SYED HASEEN ANWER
 Chief Financial Officer

Six-Months Ended December 2019

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2019**

	Share Capital	Capital reserve	Revenue reserve	Unappro- priated profit	Total
	(Rupees in '000)				
Balance as at June 30, 2018	180,000	4,391,280	69,840	4,641,120	
Revaluation carried out on November 1, 2018 (net of tax)	—	4,709,005	—	4,709,005	
Transferred from Surplus on revaluation of fixed assets (net of tax)	—	(11,149)	11,149	—	
Total comprehensive income for the six-months period ended December 31, 2018	—	—	51,784	51,784	
Balance as at December 31, 2018	180,000	9,089,136	132,773	9,401,909	
Balance as at June 30, 2019	180,000	9,077,436	104,817	9,362,253	
Transferred from Surplus on revaluation of fixed assets (net of tax)	—	(13,214)	13,214	—	
Total comprehensive income for the six-months period ended December 31, 2019	—	—	25,194	25,194	
Balance as at December 31, 2019	180,000	9,064,222	143,225	9,387,447	

"The annexed notes 1 to 9 form an integral part of these financial statements"


MUZAFFAR F. BAWEJA
Chief Executive


ZUBAIR BAWEJA
Managing Director


SYED HASEEN ANWER
Chief Financial Officer

Karachi: 27th February, 2020



Six-Months Ended December 2019

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2019

	2019	2018
Notes	----- (Rupees in '000) -----	
Cash flow from operating activities:		
Net profit before taxation	29,730	66,616
Adjustments for non cash items and other items		
Depreciation	27,427	24,925
Financial charges of lease assets	639	—
Gain on disposal of fixed assets	(647)	509
	27,419	25,434
(Increase)/decrease in operating assets	57,149	92,050
Stores and spares	183	2
Stock in trade - food and beverages	(406)	(402)
Trade debts	(36,634)	(41,888)
Advances, prepayments & other receivables	1,608	12,560
	(35,249)	(29,728)
Increase/(decrease) in operating liabilities:	21,900	62,322
Creditors and accrued liabilities	4,125	6,793
Cash generated from operations	26,025	69,115
Income tax paid	(8,000)	(12,052)
	18,025	57,063
Cash flow from investing activities		
Acquisition of fixed assets	(1,939)	(166)
Capital work-in-progress	(1,503)	(3,107)
Disposal of fixed assets	3,500	—
Long term deposits	—	—
Net cash from investing activities	58	(3,273)
Cash flow from financing activities:		
Dividends Paid	(23)	—
Repayment of finance lease	(2,526)	(2,288)
Long term advances and deposits	(1,010)	(902)
Short term borrowings	(2,500)	—
Accrued markup	(7)	(384)
Net cash used in financing activities	(6,066)	(3,574)
Net increase in cash and cash equivalent	12,017	50,216
Cash and cash equivalent at July 01	22,427	(40,247)
Cash and cash equivalent at December 31	34,444	9,969

"The annexed notes 1 to 9 form an integral part of these financial statements"

"See Auditors' Review Report"


MUZAFFAR F. BAWEJA
Chief Executive


ZUBAIR BAWEJA
Managing Director


SYED HASEEN ANWER
Chief Financial Officer

Karachi: 27th February, 2020

12

Pakistan Hotels Developers Ltd.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2019

1) The Company and its operations

Pakistan Hotels Developers Limited was incorporated and domiciled in 1979 at Karachi, Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) as a private limited company and converted into public limited company in 1981. The company is listed with Pakistan Stock Exchange Limited. The registered office of the company is situated at 195/2, Shahrah-e-Faisal, Karachi. The company is principally engaged in hotel business and owns and operates a Five Star Hotel known as Regent Plaza Hotel and Convention Centre, Karachi.

2) Basis of preparation of accounts

This condensed interim financial statements is unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act") and is un-audited but subject to limited scope review by external auditors as required by the Act and Cod of Corporate Governance.

This condensed interim financial statements comprises the condensed interim financial position of the Company as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

This condensed interim financial statements of the Company for the six month period ended December 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017, In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statement for the year ended June 30, 2019.

Comparative financial position numbers are extracted from the annual financial statement of the Company from the year ended June 30, 2019, whereas comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited Condensed interim financial statements of the Company for the six months period ended December 31, 2018

- 3) The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2019.
- 4) Additions to the fixed assets during the period was Rs. 1,939 million (2018: Rs. 0.166 million) The cost of assets disposed off during the period was Rs. 17.550 million (2018: Rs. NIL). Addition in capital work in progress Rs. 1.503 million (2018: Rs. 3.107 million)

5) There is no significant change in contingent liabilities of the company since last annual balance sheet date.

		31-12-2019	31-12-2018
		----- (Rupees in '000)-----	
6) Cash and cash equivalent			
Cash and bank balances		43,106	37,740
Short term running finance - summit bank		—	(20,182)
Bank overdrafts - faysal bank	06.1	(8,662)	(7,589)
		<u>34,444</u>	<u>9,969</u>

07.1 These are included in creditors, accrued and other liabilities and represent the balance as per books without any corresponding facility from the bank.


7) Directors have not declared any entitlements to the shareholders for the current period (2018: Rs. NIL) in their meeting held on 27th February, 2020

8) Figures have been rounded off to the nearest thousand rupees.

9) These condensed interim financial statement was authorized for issue by the Board of Directors of the Company in their meeting held on 27th February, 2020.


MUZAFFAR F. BAWEJA
Chief Executive


ZUBAIR BAWEJA
Managing Director


SYED HASEEN ANWER
Chief Financial Officer

Karachi: 27th February, 2020

14

Six-Months Ended December 2019



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Karachi - Pakistan

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