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PAKISTAN HOTELS DEVELOPERS LIMITED

AUDITED FINANCIAL STATEMENTS

For the Period of Twelve Months from
January 01, 2025 and ended on
December 31, 2025

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CORPORATE PROFILE

NAME OF LIQUIDATORS

- 1) Mr. Mohsin Ferozuddin
- 2) Mr. Masroor F. Baweja
- 3) Mr. Muzaffar F. Baweja
- 4) Mr. Zaheer Baweja
- 5) Mr. Zubair Baweja

COMPANY SECRETARY:

Masood Anwer

CHIEF FINANCIAL OFFICER:

M. Taha Ali Khan

BANKERS :

- 1) Bank Al-Habib Ltd.
- 2) Bank Makramah Ltd.
- 3) Faysal Bank Ltd.

AUDITORS:

Clarkson Hyde Saud Ansari
Chartered Accountants

LEGAL ADVISOR:

Mukesh K. Sharma

INDEPENDENT SHARE REGISTRAR

F. D. Registrar Services (Pvt.) Limited
17th Floor, Saima Trade Tower-A,
I. I. Chundrigar Road, Karachi.

REGISTERED OFFICE:

Office No.202, 2nd Floor,
Marium Complex, Plot No.59,
Survey Sheet No.35-P/1, Survey No.15,
Bihar Muslim Cooperative Housing Society,
Block – 3, Sharfabad, Karachi.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that, in compliance of section 358 of the Companies Act 2017, the Annual General Meeting of **PAKISTAN HOTELS DEVELOPERS LIMITED** will be held on March 31, 2026 at 11:30 AM. at Ramada Plaza Karachi, Star Avenue, Terminal – 1, Jinnah International Airport, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of Extra-ordinary General Meeting held on December 31, 2024.
2. To approve the audited accounts of the company for the financial year ended June 30, 2025.
3. To consider and adopt the Audited Financial Statements of the company for the year ended December 31, 2025, (twelve months from the date of commencement of voluntary winding-up) together with the Liquidators' Report and Auditors' Reports thereon.
4. Any other business with the permission of the Liquidators.

Further, the liquidators of the company have decided to pay Rs. 50/- (Rupees Fifty) per share out of the liquidation proceed to shareholders / contributories after setting aside payments for current liabilities and contingencies may arise in future.

By order of the Liquidators

(MASOOD ANWER)
Company Secretary

KARACHI: March 10, 2026

NOTES:

1. The share transfer books of the company shall remain closed from March 25, 2026 to March 31, 2026 (Both days inclusive). Transfers, complete in all respects, received at our Independent Share Registrar Office M/s. F.D. Registrar Services (Pvt) Ltd., 17th Floor, Saima Trade Tower – A, I.I. Chundrigar Road, Karachi by close of business on March 24, 2026 will be treated in time for determining entitlement of dividend and entitled to attend the meeting.
2. A copy of the annual report of the company is available on company's website. Any member interested to receive hard copy of the report is requested to write an email along with complete postal address and folio/CDC account number at headoffice@rphcc.com.
3. A member entitled to attend and vote at the meeting may appoint any other member as his/ her proxy to attend and vote in his/her place. Proxies completed in all respect, in order to be effective, must be received at the Registered Office of the company not less than 48 hours before the time for holding the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have not yet submitted photocopies of the Computerized National Identity Card (CNIC) are requested to send the same at the earliest.
5. CDC Account Holders will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan.
 - a) **For attending A.G.M.**
 - i) In case of Individuals, the account holder or sub account holder and their registration details are uploaded as per the CDC Regulation shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - b) **Online participation in AGM**
 - i) Any member interested to join meeting through video link is requested to provide CNIC Number, Folio / CDC Account Number at the following email address headoffice@rphcc.com. Video link will be shared a day prior to the meeting, and

- ii) The members who are registered after the necessary verification shall be provided with a video link by the company at the same email address that they emailed the company with. The Login facility will remain open from the start of the meeting till its proceedings are concluded.

c) For appointing Proxies

- i) In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements. Proxy form is attached herewith and also uploaded on company's website in Urdu and English languages;
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv) The Proxy shall produce his / her original CNIC or original passport at the time of the meeting and
- v) In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with form to the company.

d) Deduction of Income Tax from Dividend under Section 150

The payment of liquidation proceed shall be made, as per section 2(19)(c) of the Income Tax Ordinance 2001 which defines the liquidation proceed, as dividend, to the extent to which the distribution is attributable to the accumulated profits of the company immediately before its liquidation/ winding-up. Further, the Government of Pakistan through Finance Act, 2019 made certain amendments to Section 150 of the Income Tax Ordinance, 2001 whereby different rates have been prescribed for deduction of withholding tax on the amount of dividend paid by the companies in the following manner:

- For Active tax payers 15%
- For non-active taxpayers 30%

Active taxpayers should ensure that their names duly appear on the Active Tax Payers List (ATPL) of the Federal Board of Revenue (FBR). You may visit the FBR website for assistance. Should the name of a member be absent on the ATPL, the Company will be constrained to deduct tax at 30% notwithstanding that such member may be an income tax filer.

6. Members are requested to intimate any change in their registered addresses to the Share Registrar of the company.
7. In view of prohibition under Section 185(I) of the Companies Act, 2017, the Company does not distribute gifts in any form to its members in the general meetings.
8. For any query/information, Members may contact the company at email headoffice@rphcc.com and/or the Share Registrar of the company at (+92 21) 32271905-6, email address fdregistrar@yahoo.com. Members may also visit website of the company www.phdl.com.pk for notices/information.
9. In accordance with the Companies (Distribution of Dividend) Regulation 2017, shareholders are advised to provide International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above referred office address or to the respective Participants/ Broker (if any shares are held through CDS Account).
10. Annual Financial Statements of the Company for the year ended December 31, 2025 have been placed on the Company's website (www.phdl.com.pk). Notwithstanding the above, the Company will provide hard copies of the Annual Report, 2025, to any member on their request at their registered address within one (1) week of receiving such request.
11. The Company has previously discharged responsibility under Section 244 of the Companies Act, 2017, whereby the Company approached such members to claim their unclaimed dividend in accordance with the law. Members, whose dividends are still unclaimed, are hereby once again advised to approach the Company to claim their outstanding dividend amounts.

LIQUIDATORS' REPORT TO THE MEMBERS

The undersigned were appointed, as Liquidator of the Company upon passing the special resolution by the Company on 31st December 2024. After taking charge as liquidators, the following steps have been taken:

1. Details and documentation of all the assets and liabilities of the company were ascertained, reviewed and taken into possession.
2. The preliminary report was submitted to the Securities and Exchange Commission of Pakistan (SECP) under section 321 of the Companies Act 2017 on 29th January, 2025.
3. Since the company carried out business activities till 18th July 2024 when it handed over its sole property (building premises of Regent Plaza Hotel) to SIUT Trust, an account statement till October 31, 2024 was provided by the directors of the Company to SECP together with declaration of solvency. The sale proceeds realized by the Company, as a result of disposal of its sole property the 90% amount was distributed amongst shareholders and from the remaining 10% an amount of Rs. 580 million paid towards the advance tax u/s. 236c and the balance amount Rs. 870 million was kept in a saving bank account to earn profit for the purposes of compensating the effect of inflation.
4. Further, the liquidators of the company are please to submit the audited financial statements of the company for the year ended 31 December 2025, which include statement of financial position as on December 31, 2025, statement of receipts and payments, statements of profit or loss, statement of changes in equity for the period of twelve months then ended and notes to the financial statements forming part thereof, along with auditor's report on financial statements. The summarized position of receipts and payments during the period from taking over charge till December 31, 2025 is presented below together with changes in net assets:

Receipts and Payments

Profit on bank deposits (Rs.)	106,333,000
Misc. receipts (Rs.)	2,010,000
Tax deductions on profit and on other receipts (Rs.)	18,194,000
Payments (Rs.)	43,609,000
Surplus receipt over payment net of tax withheld at source (Rs.)	46,540,000

Changes in net-assets

Net assets as at October 31, 2024 (Rs.)	1,463,791,000
Net change in assets upto December 31, 2024 (Rs.)	15,911,000
Net change since January 01, 2025 till December 31, 2025 (Rs.)	(56,871,000)
Net assets as at December 31, 2025 (Rs.)	1,422,831,000

5. The net decrease for the period from taking over charge till December 31, 2025, is based on the balances of books of accounts provided to us at the time of taking over charge as liquidator of the Company. These financial information presented, as afore reflected the effect of change in interest rates by banks during the period since we have taken over charge as liquidator of the company. The reduction in Bank Profit rates by 11% approx. caused a decline of profit from bank.

6. The financial statements covering period from July 01, 2024 to June 30, 2025 have been audited by the auditors appointed by the Company in General Meeting and based on that filing the tax return of the Company for the tax year 2025 was executed. Further, net decrease in assets was mainly due to payment and adjustment of tax liability on closing of year 2025.
7. Further, the application for de-registration to Federal Board of Revenue (FBR) and Sindh Revenue Board has been filed for early resolution and matter is pending for approval. Income Tax Return for the tax year ended 2025 has been filed.

Further, in December 2025, FBR issued show-cause notice u/s 122(9) of Income Tax Ordinance with the intention to assess the surplus on sale of hotel property, as taxable income and intended to charge tax of Rs.2.12 billion, thereon. The liquidators of the company was of the view that the notice is not aligned with the interpretation of Income Tax Ordinance 2001 and submitted rebuttal of the notice. However, the FBR, after considering the rebuttal, assess the surplus on sale of hotel building, as taxable income and charged tax of Rs.360 million u/s 122(5A) of the Income Tax Ordinance 2001. The liquidators of the company is currently evaluating the assessment order and legal remedies available against the assessment order along-with associated cost of remedies.

8. Further, the liquidators of the company are executing the winding-up proceeding in an orderly manner and for this announcement through publication in newspapers for unearthing the liabilities were made. Further, same were intimated to members of the company through Pakistan Stock Exchange (PSX).
9. Further, the liquidation period of one year was expired on December 31, 2025, therefore, an extension of 180 days (one hundred eighty days) period, as permitted under section 372(5) of The Companies Act, 2017, is obtained from The Honorable High Court of Sindh.
10. Moreover, steps are being taken by liquidators for early closer of court cases pending before different courts, however, status of pending cases are same at the date of this report. Further, two suits were filed during the liquidation period numbered 9039 of 2025 by plaintiff for specific performance related to transfer of title of the office of Al-Sehat Center and other Suit No. JCM/57 of 2025 by Saudi Arabian Airlines and prayed for holding of winding up of the PHDL (Company) till the conclusion of their Suit.
11. The liquidators, subsequent to payment of known substantial liabilities, are pleased to distribute Rs.50 (Rupees Fifty) per share to shareholders/ contributories out of liquidation proceeds after setting aside payments for remaining current liabilities and contingencies which may arise in future, related to pending tax audits and other matters.


Mohsin Ferozuddin
Liquidator
Masroor F. Baweja
Liquidator
Muzaffar F. Baweja
Liquidator
Zaheer Baweja
Liquidator
Zubair Baweja
Liquidator

Karachi, March 06, 2026



Clarkson Hyde Saud Ansari Chartered Accountants

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Offices in Islamabad & Lahore

Pakistan representative of **Clarkson Hyde Global**
Global Association of Auditors, Accountants,
Tax Specialists and Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the members of: **PAKISTAN HOTELS DEVELOPERS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **PAKISTAN HOTELS DEVELOPERS LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of Receipts and Payments, statement of profit or loss, the statement of changes in equity for the twelve months period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, statement of financial position as at December 31, 2025, and the statement of Receipts and Payments, statement of profit or loss, the statement of changes in equity for the twelve months period then ended, 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 December 31, 2025 of the receipts and payments, loss and the changes in equity for the period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 ethical responsibilities in accordance with the Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements, which state that these financial statements have not been prepared on going concern basis. These financial statements have been prepared on an alternate basis of accounting, as disclosed therein. The reasons were, the Company after commencement of voluntarily winding-up under the Companies Act 2017, is required to prepare its financial statements which includes statements of receipts and payments after completion of first year from commencement of winding-up. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report:



Information Other than the Financial Statements and Auditor's Report Thereon

These financial statements are not accompanied by any other information, therefore we have nothing to report in this regard.

Responsibilities of Management and the Liquidators 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 the Companies Act, 2017 (XIX of 2017) including the requirement of section 358 of the Act, 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.

Owing to commencement of winding-up under the Companies Act 2017, the liquidators 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 liquidators of the company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

We also provide the liquidators with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the liquidators, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 receipts and payments, the statement of profit or loss, the statement of changes in equity 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 period 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 **SAUD ANSARI**



Clarkson Hyde Saud Ansari

Chartered Accountants

Date: March 06, 2026

UDIN: AR202510149GHheyaqdl

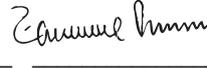


STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

		December 31, 2025	(Un-Audited) December 31, 2024
	Note	Rupees in '000	
Non current assets			
Property Plant and Equipement		269	333
Deferred taxation		247	-
		516	333
Current assets			
Trade reveivables		13	-
Advances, deposits and other receivables	3	355,799	477,774
Cash and bank balances	4	1,075,473	1,028,933
		1,431,285	1,506,707
		1,431,801	1,507,040
Share capital and reserves			
Share capital		180,000	180,000
Revenue reserve			
Unappropriated profit		1,242,831	1,299,702
		1,422,831	1,479,702
Current liabilities			
Unpaid dividend		5,802	7,056
Trade and Other Payables		3,168	20,282
		8,970	27,338
Contingencies and commitments			
	5		
		1,431,801	1,507,040

The annexed notes form an integral part of these financial statements

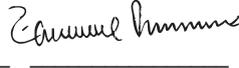
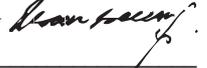
					
Mohsin Ferozuddin Liquidator	Masroor F. Baweja Liquidator	Muzaffar F. Baweja Liquidator	Zaheer Baweja Liquidator	Zubair Baweja Liquidator	M. Taha Ali Khan Chief Financial Officer

STATEMENT OF RECEIPTS AND PAYMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

		December, 31 2025	
	Note	Rupees in '000	
Receipts			
Receipts from bank Profit		106,333	
Receipts from Customer		1,009	
Miscellaneous receipt		898	
Receipts of Insurance claim		53	
Refund of Expense		50	
Total receipts		108,343	
Payments			
Salaries and other benefits		7,424	
Travelling and transportation		590	
Office Rent		2,355	
Electricity and office maintenance		832	
Advertisement		298	
Legal and professional fees		4,132	
Auditors' remuneration		581	
Miscellaneous		1,299	
Software and internet charges		600	
Withholding tax paid		1,763	
Workers Welfare Fund		14,475	
Payment against trade and other payable		8,006	
Income tax paid		18,194	
Unclaimed Dividend		1,254	
Total payments		61,803	
Excess of receipts over payments		46,540	
Cash and bank balances - at start		1,028,933	
Cash and bank balances - at end	4	1,075,473	

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

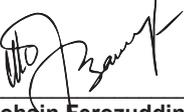
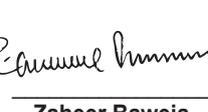
					
Mohsin Ferozuddin Liquidator	Masroor F. Baweja Liquidator	Muzaffar F. Baweja Liquidator	Zaheer Baweja Liquidator	Zubair Baweja Liquidator	M. Taha Ali Khan Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	December, 31 2025 Rupees in '000
<u>Income from Discontinued Operations</u>		
Other income	6	105,828
Less: Administrative and general expenses	7	19,463
		86,365
Workers Welfare Fund		(3,324)
Taxation		(139,912)
Loss for the year		(56,871)

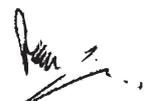
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 Mohsin Ferozuddin Liquidator	 Masroor F. Baweja Liquidator	 Muzaffar F. Baweja Liquidator	 Zaheer Baweja Liquidator	 Zubair Baweja Liquidator	 M. Taha Ali Khan Chief Financial Officer
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Capital Reserve		Revenue Reserve	Total
		Surplus on revaluation of property plant and Equipment	Fair Value Reserve	Unappropriated profit	
'----- Rupees '000 -----'					
Balance as at July 1, 2023	180,000	9,419,404	-	166,081	9,765,485
Transfer of deferred tax due to change in basis of accounting	-	39,036	-	-	39,036
Transfer to fair value reserve upon classification as assets held for sale	-	(9,458,440)	9,458,440	-	-
Total comprehensive income for the half year					
Net profit	-	-	-	87,301	87,301
Other Comprehensive income	-	-	4,483,058	-	4,483,058
Dividend paid	-	-	-	(18,000)	(18,000)
Balance as at December 31 2023	180,000	-	13,941,498	235,382	14,356,880
Balance as at July 1, 2024	180,000	-	13,794,852	426,208	14,401,060
Total comprehensive income for the half year				128,642	128,642
Fair value reserve transfer to revenue reserve on disposal of assets held for sale	-	-	(13,794,852)	13,794,852	-
Dividend paid	-	-	-	(13,050,000)	(13,050,000)
Balance as at Dec 31, 2024	180,000	-	-	1,299,702	1,479,702
Loss for the year	-	-	-	(56,871)	(56,871)
Balance as at December 31, 2025	180,000	-	-	1,242,831	1,422,831

 Mohsin Ferozuddin Liquidator	 Masroor F. Baweja Liquidator	 Muzaffar F. Baweja Liquidator	 Zaheer Baweja Liquidator	 Zubair Baweja Liquidator	 M. Taha Ali Khan Chief Financial Officer
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NOTES TO THE FINANCIAL STATEMENTS

FOR TWELVE MONTHS FROM JANUARY 01, 2025 TO DECEMBER 31, 2025

1 Corporate and General Information

Pakistan Hotels Developers Limited ('Company') was incorporated and domiciled in 1979 at Karachi, Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a private limited company and converted into a public limited company in 1981. The company is listed on Pakistan Stock Exchange Limited. The registered office of the company was situated at 195/2, Sharah-e-Faisal, Karachi, but the registered office has been changed to Office No.202, 2nd Floor, Marium Complex, Bihar Muslim Co-Operative Housing Society, Block-3, Sharfabad, Karachi on September 10, 2024. The Company was principally engaged in hotel business and was owned and operated a Five Star Hotel known as Regent Plaza Hotel and Convention Centre, Karachi. Now, upon the sale of business property (Hotel Building) Pakistan Hotels Developers Limited (The Company) is in liquidation process and liquidators are appointed in pursuant of resolution passed by the members in the EOGM held on December 31, 2024.

2 Basis of Presentation

2.1 Purpose of Issuance

These financial statements have been prepared and published by the company to comply with the requirements of section 358 of the Companies Act, 2017. Further, the shareholders, in their meeting held on 31 December 2024, has allowed the initiation of voluntarily winding-up proceedings of the company through passing of special resolution under the Companies Act 2017 and consequent to adoption of the resolution the Board of Directors were stand dissolved and liquidators were appointed to execute the proceeding of voluntarily winding-up of the company. Therefore, financial statements were authorized for issuance by the liquidators of the company appointed by shareholders in their meeting held on December 31, 2024.

2.2 Going Concern Basis of Accounting

On the basis of the reasons explained in Note No.2.1 above, these financial statements have not been prepared on going concern basis. These financial statements have been prepared on an alternate basis of accounting, which is as follows:

- * All assets are stated at their realisable values; and
- * All liabilities are stated at amounts payable.

While preparing these financial statements on the aforesaid basis, the management has applied accounting and reporting standards as applicable in Pakistan. The management has applied the most relevant and reliable financial information about the transactions, events and conditions, of and related to the Company as disclosed in the relevant material accounting policies note.

2.3 Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 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. These financial statements do not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2025. These financial statements are audited and contained all information related to receipts and payments made during the period of twelve months from January 01, 2025 to December 31, 2025, constituting full calendar year.

2.4 Comparative Financial Information

The comparative statement of financial position presented in these financial statements has been extracted from the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2024, whereas the receipts and payments account has no comparative statement, as these are prepared on cash basis of accounting.

2.5 Accounting Policies

These financial statements were prepared on cash basis of accounting and do not include any liability or revenue on accrual basis of accounting as required under section 358 of the Companies Act 2017. Moreover, these accounts are prepared on fair value basis and all values declared are stated on their fair values which are equal to or near to carrying value of assets and liabilities only disclosed as current due to their expected readability in next twelve months or earlier.

2.6 Accounting period

These financial statements are prepared for the period of twelve (12) months starting from January 01, 2025 and ended on December 31, 2025.

2.7 Functional and Presentation Currency

These condensed interim financial statements are presented in Pakistani Rupees, which is the company's functional and presentation currency.

	December 31, (Un-Audited)	
	2025	2024
	Rupees in '000	
3 Advances, deposits and other receivables		
Advance tax- net	353,157	462,742
Receivable against Al-Sehat	1,965	1,965
Other receivables	677	13,067
	355,799	477,774
4 Cash and Bank Balances		
Cash in hand	2,893	17,747
Balances with bank - Current Account	1,057,136	310,193
Balances with bank - Saving Account	15,444	700,993
	1,075,473	1,028,933

5 Contingencies and Commitments

Contingency

Description of Legal Proceedings

Name of the Court, Agency or Authority	Description of the factual basis of the proceedings and relief sought for	Principal Parties
Senior Civil Judge/ Assistant Sessions Judge I, Malir	Civil Aviation Authority has demanded a sum of Rs.0.336 million, being rental charges of the Company's restaurant at Karachi Airport. the suit was pending in the High Court of Sindh now, transferred to Senior Civil Judge No 1, Malir, Karachi. The company has filed a counter suit for recovery of rent of furniture, fixtures and loss of food stuff and other assets of the company retained by the Civil Aviation Authority.	Civil Aviation Authority vs Company

Name of the Court, Agency or Authority	Description of the factual basis of the proceedings and relief sought for	Principal Parties
Senior Civil Judge/ Assistant Sessions Judge1 , Malir	Suit No. 2640/2025, old (Suit No.137 of 1984) has been filed by the company against Civil Aviation Authority for recovery of Rs.5.733 million on the ground that Civil Aviation Authority allowed the company for running of one restaurant and four refreshment counters but later on they tried to open the same with another contractor when the company was trying to lift their goods from existing restaurant and four refreshment counters, they were stopped by Civil Aviation Authority.	Company vs Civil Aviation Authority
Senior Civil Judge/ Assistant Sessions Judge III, Karachi (South)	Suit bearing No.10692/2025, old (Suit No. 343 of 1996) has been filed by the company against Saudi Arabian Airlines for the cancellation of agreement dated 22-02-1990, relating to the sale of two floors and four shops on the ground floor of AL-SEHAT CENTRE, and for recovery of possession of those premises. After the institution of the above suit, Saudi Arabian Airlines has also filed counter Suit No. 10693/2025, old (Suit 936 of 1996) praying for the specific performance of the aforesaid agreement. Both these suits were pending in the High Court of Sindh at Karachi, now transferred to 3rd Civil Judge South, Karachi.	Company vs Saudi Arabian Airlines; and Saudi Arabian Airlines vs Company
Apellate Tribunal Inland Revenue	The Additional Commissioner Inland Revenue, Audit Range A, Zone - V, Large Taxpayer Unit, Karachi, on June 21, 2017, has issued an order under section 122(5A) of the Income Tax Ordinance, 2001, for further amending the assessment for the Tax Year 2011. The Learned Assessing Officer in his said order has treated the revenue on which tax has been deducted by the clients of company under Presumptive Tax Regime and has under same observation created tax demand of Rs.9,437,198/-. The company has filed an Appeal in the Office of the Commissioner (Appeals), Large Taxpayer Unit, Karachi. The appeal was decided partially against the company. The appeal against the decision of commissioner appeals was filed in Income tax tribunal and matter is pending in tribunal.	Federal Board of Revenue vs Company
Commissioner appeals - Federal Board of Revenue	During the year the assessment for the tax year 2022 was made by Additional Commissioner-MTO Karachi u/s 122(5A) of Income Tax Ordinance 2001 and tax demand of Rs. 34.5 million was raised against the company. The assessment officer in his order disallowed certian expenses on different grounds and increase the taxable income of the company.The company being aggrieved by the order filed an appeal in the office of Commissioner appeals which was pending for decesion after hearing.	Additional Commissioner - Medium Taxpayer Unit- Karachi
High Court of Sindh	Suit bearing No. JCM 57 of 2025 has been filed by Saudi Arabian Airlines for the resolution of the pending matter of transfer of property named AL-SEHAT CENTRE and prayed for holding of voluntary winding-up till the conclusion of the suit. The subject matter of the case relates to the sale of two floors and four shops on the ground floor of AL-SEHAT CENTRE, and for transfer of title of these premises. The Saudi Arabian Airlines has initially filed counter suit 936 of 1996 praying for the specific performance of the aforesaid agreement.	Saudi Arabian Airlines vs Company
Senior Civil Judge/ Assistant Session Judge VI, Karachi (South)	Civil Suit bearing No. 9039/2025 has been filed by Mohammad Ameen, Advocate for the specific performance i.e. transfer of property, Office No. 411-412, 4th Floor, AL-SEHAT CENTRE.	Mr. Mohammad Ameen vs Company

	December 31, 2025 Rupees in '000
6 Other income	
Bank Profit	104,880
Miscellaneous income	948
	<u>105,828</u>
7 Administrative and general Expenses	
Salaries and other benefits	8,186
Travelling and transportation	578
Office rent	2,449
Electricity and office maintenance	894
Advertisement	238
Legal and professional fee	4,825
Auditors' remuneration	300
Depreciation	64
Software and internet charges	613
Miscellaneous	1,316
	<u>19,463</u>

8 Taxation on Surplus arised on sale of Property

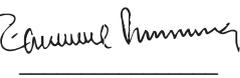
The company has sold its property and ninety percent of the sale proceeds were distributed, as dividend. The gain on sale of property has been credited to fair value reserve through other comprehensive income by the company in its accounts and for taxation purposes, the company has considered depreciation on immovable assets claimed, as tax expense, in all preceding years as taxable gain under Income Tax Ordinance 2001.

Furthermore, the Federal Board of Revenue (FBR), vide showcause notice issued u/s 122(9) read with section 122(5A) of the Income Tax Ordinance 2001, for the tax year 2025, has contested the treatment of surplus on disposal of hotel property while considering it as income from business with intention to charge tax of Rs. 2.12 billion, thereon. The company based on previous decision of Honorable Supreme Court of Pakistan, Honorable Sindh High Court and other case laws, is of the view that such gain is out of ambit of taxation under income from business and submitted the reply on same grounds and facts. However, the FBR, after considering the submissions and evidences, finalized the assessment through assessment order u/s 122(5A) of the Income Tax Ordinance 2001, on 27th of February 2026, creating additional tax charge on surplus of sale of immoveable hotel building of Rs. 360 million. Resultantly, created additional tax payment of Rs. 15 million after adjustment of available refund of Rs. 345 million. The liquidators are currently evaluating the legality of assessment order and further course of action available under the prevailing law. Moreover, the incident of income tax order occurred subsequent to the statement of financial position date, therefore, these financial statements did not include the adjustment of tax which will made in subsequent financial statements.

	2025 ---Numbers---
9 Number of Employees	
Total number of employees as on December 31,	<u>5</u>
Average number of employees during the year ended December 31,	<u>6</u>

10 Date of Authorization

These financial statements were authorized for issue on March 06, 2026 by the liquidators of the Company.

					
Mohsin Ferozuddin Liquidator	Masroor F. Baweja Liquidator	Muzaffar F. Baweja Liquidator	Zaheer Baweja Liquidator	Zubair Baweja Liquidator	M. Taha Ali Khan Chief Financial Officer



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PAKISTAN HOTELS DEVELOPERS LIMITED

PROXY FORM

I/We, _____ of _____

being a member of **PAKISTAN HOTELS DEVELOPERS LTD**, and holder of _____ Ordinary Shares, as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ Sub A/c No. _____ hereby appoint _____ of _____ as my/our proxy to attend, speak, and vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on March 31, 2026 at 11:30 A.M. at Ramada Plaza Karachi, Star Avenue, Terminal – 1, Jinnah International Airport, Karachi and at any adjournment, thereof.

Signed this _____ day of _____ 2026

Specimen Signature of Proxy

Folio No. _____

Participant I.D. No. _____

Sub Account No. _____

CNIC or Passport No. _____

Signature of Member

Folio No. _____

Participant I.D. No. _____

Sub Account No. _____

CNIC or Passport No. _____

WITNESSES:

(1) Signature _____

Name _____

Address _____

CNIC or Passport No. _____

(2) Signature _____

Name _____

Address: _____

CNIC or Passport No. _____

Important:

1. This form of Proxy, duly completed must be deposited with the Secretary of the Company or at our Independent Share Registrar Office M/s. F.D. Registrar Service (Pvt) Ltd., 17th Floor, Saima Trade Tower – A, I.I. Chundrigar Road, Karachi not less than 48 hours before the time of meeting.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy holder shall be furnished with the proxy form.
3. The proxy holder shall produce his/her original CNIC or Original Passport at the time of meeting.
4. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

پاکستان ہوٹلز ڈیولپرز لمیٹڈ

پراکسی فارم

میں اہم _____ رہائش _____

جگہ

نام

پاکستان ہوٹلز ڈیولپرز لمیٹڈ کے ممبر ہونے کی حیثیت سے یہاں مقرر کرتے ہیں

_____ رہائش _____

جگہ

نام

کمپنی کا کوئی دوسرا ممبر بحیثیت میرے/ہمارے میری جانب سے پراکسی کے کمپنی کے سالانہ اجلاس عام 31 مارچ 2026ء

کو صبح 11:30 بجے، بمقام رماد اپلازہ کراچی، اسٹار ایونیو، ٹرینٹل - 1، جناح انٹرنیشنل ایئر پورٹ، کراچی میں شرکت کرے اور، ووٹ ڈالے اور کسی بھی التوا میں یا اس کے بعد:

دستخط کیے _____ کے دن _____ 2026

ممبر کے دستخط

قائم مقام کے دستخط کا نمونہ

فولیو نمبر

فولیو نمبر

شریک کنندہ کا آئی ڈی نمبر

شریک کنندہ کا آئی ڈی نمبر

ذیلی اکاؤنٹ نمبر

ذیلی اکاؤنٹ نمبر

قومی شناختی کارڈ یا پاسپورٹ نمبر

قومی شناختی کارڈ یا پاسپورٹ نمبر

گواہ نمبر 2

گواہ نمبر 1

دستخط

دستخط

نام

نام

پتہ

پتہ

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

اہم نکات:

- 1- اس پراکسی فارم کو درست طریقے سے مکمل کر کے کمپنی کے سیکریٹری یا ہمارے آزاد شیئر رجسٹرار آفس میسرز ایف ڈی رجسٹرار (پرائیویٹ) لمیٹڈ، 17 ویں منزل، صائمڈ ٹریڈ اور A، آئی آئی چندریگر روڈ، کراچی کے پاس لازمی میٹنگ سے 48 گھنٹے قبل جمع کرائیں۔
- 2- فائدہ اٹھانے والے مالکان اور پراکسی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ فراہم کریں۔
- 3- میٹنگ کے وقت پراکسی اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کریں۔
- 4- کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں گے۔

PHDL

PAKISTAN HOTELS DEVELOPERS LIMITED



Office No. 202, 2nd Floor,
Marium Complex, Plot No. 59,
Survey Sheet No. 35-P/1, Survey No.15,
Bihar Muslim Cooperative Housing Society,
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