

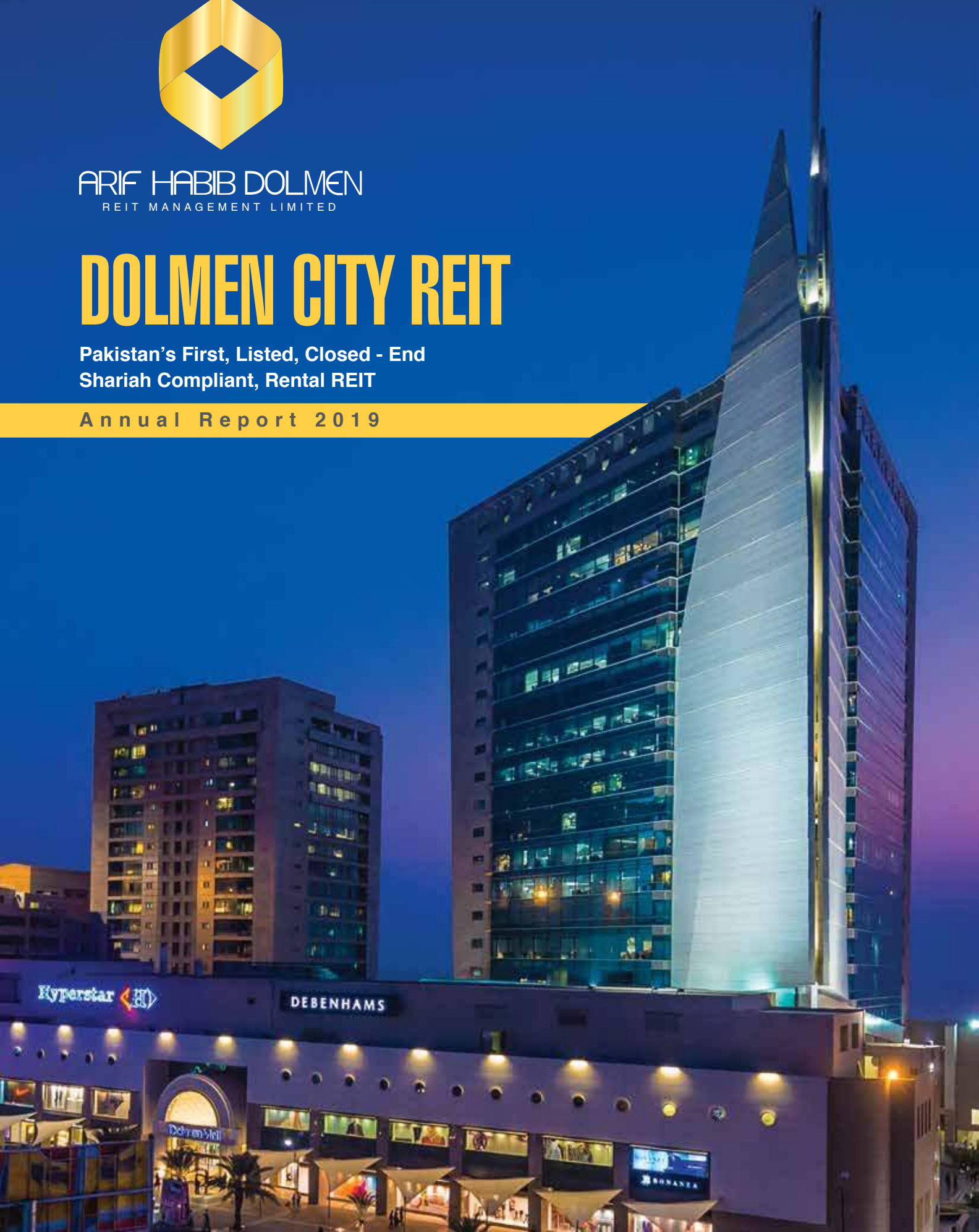


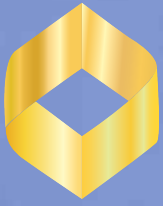
ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

DOLMEN CITY REIT

Pakistan's First, Listed, Closed - End
Shariah Compliant, Rental REIT

Annual Report 2019





ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED





**Dont wait to buy Real Estate
Buy Real Estate and wait**

———— Will Rogers (1879 - 1935) ————

(Actor, Author, Columnist)

ABOUT REITs

A Real Estate Investment Trust (REIT) is an entity that professionally manages a pool of money from individuals and institutions to buy developed properties for rent, or to develop real estate and sell or rent it. The proceeds from rent or sale of the property are distributed to the unit holders.

REITs IN PAKISTAN

REIT Regulatory Framework in Pakistan was introduced by Securities and Exchange Commission of Pakistan (SECP) in January 2008, subsequently replaced by REIT Regulations 2015 as amended in 2018. These regulations are comprehensive with the principal focus on the protection of investors' interests. A "REIT Scheme" is a listed, closed-end fund registered under Real Estate Investment Trust Regulations 2018. The three types of REIT schemes in Pakistan are:

Developmental REIT: A Developmental REIT Scheme invests in the development of real estate for Industrial, Commercial or Residential purposes through construction or refurbishment.

Rental REIT: A Rental REIT Scheme invests in Commercial or Residential real estate to generate rental income.

Hybrid REIT: A REIT Scheme having both; a component for rent and for development.

TABLE OF CONTENTS

02	Scheme's Information
04	Vision
05	Mission & Delivering Value
06	Board of Directors' Profile
10	Chairman's Review
12	Directors' Report
28	Financial Highlights
30	Statutory Reports
31	Trustee Report
32	Shariah Report
34	Valuation Report
52	Review Report to the Members on Statement of Compliance with Code of Corporate Governance
53	Statement of Compliance with the Code of Corporate Governance for the year ended 30th June 2019
55	Independent Auditor's Report
59	Financial Statements
97	Directors' Report in Urdu Language

SCHEME'S INFORMATION

Management Company	Arif Habib Dolmen REIT Management Limited	
Board of Directors	Mr. Nasim Beg Mr. Tayyeb Afzal Mr. Qamar Hussain Ms. Tayyaba Rasheed Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajidullah Sheikh Mr. Muhammad Ejaz	Chairman Independent Director Independent Director Independent Director Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Qamar Hussain Mr. Abdus Samad A. Habib Mr. Tayyeb Afzal	Chairman Member Member
Human Resource & Remuneration Committee	Ms. Tayyaba Rasheed Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Muhammad Ejaz	Chairperson Member Member Member
CFO & Company Secretary	Mr. Zohaib Yaqoob	
Head of Internal Audit & Compliance	Mr. Muneer Gader	
Trustee	Central Depository Company of Pakistan Limited CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi.	
Share Registrar	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi.	
Bankers	Bank Al Habib Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Allied Bank Limited Bank Alfalah Limited	

External Auditors	Deloitte Yousuf Adil & Co. Chartered Accountants Cavish Court A-35, Block 7 & 8, K.C.H.S.U, Shahra-e-Faisal, Karachi.
Internal Auditors	Junaidy Shoaib Asad & Co. Chartered Accountants 1/6-P, P.E.C.H.S., Mohtrama Laeeq Begum Road, Off Shahrah-e-Faisal, Karachi.
Legal Advisor	Mohsin Tayebaly & Co. Corporate Legal Consultants 1st Floor, Dime Centre, BC-4 Block 9, Kehkashan, Clifton, Karachi.
Property Manager	Dolmen Real Estate Management (Private) Limited
Property Valuer	MYK Associates (Private) Limited
Shariah Advisor	Alhamd Shariah Advisory Services (Private) Limited
Rating Agency	VIS Credit Rating Company Limited VIS House, 128/C, 25th Lane Off Khayaban-e-Ittehad, Phase VII, DHA, Karachi.
Current Ratings	DCR Rating: AAA (rr) (REIT Rating) RMC Rating: AM2+ (RMC) (Management Quality Rating)
Registered Office of Management Company	Arif Habib Centre, 23 M.T. Khan Road, Karachi.



VISION - "all eyes on you"

As Pakistan's first REIT, DCR aims to maintain its position as the premier office and retail Real Estate Investment Trust.

**distributable
income of
PKR. 2.9 Billion**

MISSION - "challenge the status quo and try new things"

Be a space where people aspire to work

Inspiring you to achieve more

Be the place where people love to shop

Enhance the customer experience to maximize shopper loyalty

To be the landlord of choice

Optimizing the tenancy mix through proactive leasing

10 million
visitors in 2019

DELIVERING VALUE - "security, stability, resilience"

Providing our unit holders with regular, stable distributions and sustainable long term growth.

annualized
dividend
yield equal to
13.2% based on
par value

BOARD OF DIRECTORS' PROFILE

Mr. Nasim Beg Chairman

With over 49 years of experience in the domestic and international financial sector; Mr. Nasim Beg, a qualified Chartered Accountant has been a part of the task force set up by the Securities & Exchange Commission of Pakistan (SECP) to develop the Voluntary Pension System, founder Chairman of the SECP sponsored Institute of Capital Markets and a Member of the Prime Minister's Economic Advisory Council.

His private sector experience includes being Chief Executive at Arif Habib Consultancy, Vice Chairman MCB-Arif Habib Savings & Investments Limited (formerly Arif Habib Investments Limited) and Chairman of the Board of Power Cement Limited. He presently serves on the Boards of several Arif Habib Group companies.

Corporate Responsibilities

Arif Habib Consultancy (Private) Limited (Chief Executive)

As Director

Arif Habib Corporation Limited
Aisha Steel Mills Limited
MCB-Arif Habib Savings & Investment Limited (Vice Chairman)
Pakarab Fertilizer Limited
Pakistan Opportunities Limited
Power Cement Limited (Chairman)

Mr. Tayyeb Afzal Independent Director

Mr. Tayyeb Afzal is a Fellow Member (FCCA) of The Association of Chartered Certified Accountants of the UK and an Associate Member (ACA) of the Institute of Chartered Accountants of England & Wales (ICAEW) having professionally worked in the U.K., Canada, Middle East and Pakistan.

He is a seasoned C-level executive with over 45 years of international experience at banking and professional accounting firms and industrial organizations. Experienced in board level participation and leadership of audit committees, financial accounting, systems, management, strategic planning, IPO activity, M&A, and due diligence initiatives.

Mr. Afzal has served at the positions of Group Finance & Corporate Director and Advisor to the Chairman at House of Habib, Chief Executive Officer of National Development Leasing Corporation, and Country General Manager at Faysal Islamic Bank of Bahrain EC (now Faysal Bank Limited). Prior to this he has also served as Vice President for Arab Banking Corporation in Bahrain.

Corporate Responsibilities

As Director

Dynea Pakistan Limited
Noble Computer Services (Private) Limited

Mr. Qamar Hussain

Independent Director

Mr. Qamar Hussain is a seasoned banker. Mr. Hussain started his banking career with Bank of America N.T. & S.A., Pakistan in 1981. He has worked with American Express Bank Limited as Senior Director Global Credit, New York and earlier as Senior Director Country Manager, Bangladesh. He had also been associated with the Chase Manhattan Bank in Pakistan and USA. He has also served as the President of National Bank of Pakistan (NBP).

Mr. Hussain holds an MBA degree in International Business & Finance from McGill University, Montreal, Canada and has undergone extensive training in business leadership.

Corporate Responsibilities

As Director

SWSA (Private) Limited
GMG Travels (Private) Limited
GMG Holidays and Tours (Private) Limited

Ms. Tayyaba Rasheed

Independent Director

Ms. Tayyaba Rasheed currently serves as the Head of the Investment Banking Group at Faysal Bank. With over sixteen years of Corporate and Investment Banking experience, Ms. Rasheed has been instrumental in driving several land mark Project Finance and Syndications deals at National Bank of Pakistan and Faysal Bank Limited. She has previously served at senior positions at CIBG NBP and Bank Alfalah where she started her career.

Ms. Rasheed, holds an MBA degree in International Business and is also a Certified Chartered Financial Analyst and Financial Risk Manager.

Corporate Responsibilities

As Director

Aisha Steel Mills Limited
DHA Cogen Limited
Unity Foods Limited

Mr. Nadeem Riaz

Non-Executive Director

Mr. Nadeem Riaz has experience of over 30 years in the real estate market developing and managing renowned and award winning residential, commercial and retail projects. He is a pioneer in developing international standard shopping malls in Pakistan transforming the dynamics of the retail industry.

Mr. Riaz is a member of both International Council of Shopping Centers (ICSC) and Middle East Council of Shopping Centers (MECSC), since 2002.

Corporate Responsibilities

International Complex Projects Limited (Chief Executive Officer)

As Director

Al Feroz (Private) Limited
Dolmen (Private) Limited
Retail Avenue (Private) Limited
Sindbad Wonderland (Private) Limited
Dolmen Real Estate Management (Private) Limited
Grove (Private) Limited
DHA Dolmen Lahore (Private) Limited

Mr. Abdus Samad A. Habib

Non-Executive Director

Starting off with a career at Arif Habib Corporation Limited; Mr. Abdus Samad Habib has the experience serving leading roles in sales, marketing and corporate activities. Joining Arif Habib Limited in 2004, he served as Chairman and Chief Executive playing a key role in the strategic direction of the company where he specialized in capital market operations and corporate finance achieving a range of significant IPOs and private placements.

In 2011, he moved to Javedan Corporation Limited transforming a brownfield site into a residential housing scheme. At Naya Nazimabad, Mr. Samad Habib has contributed to making a positive impact on society providing a quality lifestyle to the middle class of the city.

Corporate Responsibilities

Javedan Corporation Limited (Chief Executive)

As Director

Arif Habib Corporation Limited
MCB-Arif Habib Savings & Investment Limited
Power Cement Limited
Safemix Concrete Limited
Arif Habib Equity (Private) Limited
Arif Habib Foundation
Arif Habib Real Estate Services (Private) Limited
Black Gold Power Limited
Nooriabad Spinning Mills (Private) Limited
Pakarab Fertilizer Limited
Pakistan Opportunities Limited
REMMCO Builders & Developers Limited
Rotocast Engineering Company (Private) Limited
Sukh Chayn Gardens (Private) Limited
Essa Textile and Commodities (Private) Limited
Parkview Corporation (Private) Limited
Sweetwater Dairies Pakistan (Private) Limited
AH Aviation (Private) Limited
International Complex Projects Limited

Mr. Faisal Nadeem

Non-executive Director

Mr. Faisal is a director at the Dolmen Group, one of Pakistan's leading real estate organizations. He has been involved in the development, marketing and management of prime commercial and retail real estate projects including Dolmen Mall Clifton.

Mr. Faisal started career as Manager Special Projects associated with the development of Dolmen Mall Tariq Road, Dolmen Mall Hyderi, Dolmen Food Courts, The Harbour Front Office Tower and Dolmen Mall Clifton.

He later served in the capacity of Director Leasing, for the Dolmen property portfolio. He is currently serving as the Chief Operating Officer at Dolmen Real Estate Management (Pvt.) Limited, which manages over 2 million square feet of prime retail and commercial space.

Corporate Responsibilities

Dolmen Real Estate Management (Private) Limited (Chief Operating Officer)

As Director

International Complex Projects Limited
Sindbad Wonderland (Private) Limited
Grove (Private) Limited
Retail Avenue (Private) Limited
DHA Dolmen Lahore (Private) Limited

Mr. Sajidullah Sheikh

Non- Executive Director

Mr. Sajidullah Sheikh is a Fellow member of Institute of Chartered Accountants of Pakistan. His association with Dolmen Group started spans over 8 years and is currently the Group CFO at the Dolmen Group. He started his career with KPMG Taseer Hadi and Co. later joining Avery Dennison Pakistan.

Corporate Responsibilities

As Director

Grove (Private) Limited
DHA Dolmen Lahore (Private) Limited

Mr. Muhammad Ejaz

Chief Executive

Mr. Muhammad Ejaz, an MBA from IBA is the founding Chief Executive of the Company. He has been associated with Arif Habib Group for over 10 years and serves on the board of several group companies.

Prior to joining Arif Habib Group, he has served at senior positions with both local and international banks. He was the treasurer of Emirates (NDB) Bank in Pakistan and served Faysal Bank as regional head of Corporate Banking group. He also served at Saudi-Pak Bank (now Silk Bank), American Express Bank and Engro Chemicals.

Mr. Ejaz is a regular visiting faculty member at IBA and has conducted programs at NIBAF – SBP and IBP. He is a Certified Director and Certified Financial Risk Manager.

Corporate Responsibilities

As Director

Arif Habib Corporation Limited
Aisha Steel Mills Limited
Arif Habib Real Estate Services (Private) Limited
Javedan Corporation Limited
Power Cement Limited
REMMCO Builders & Developers Limited
Sachal Energy Development (Private) Limited
Luxury Green Farms (Private) Limited
Raja Green Farms (Private) Limited
Chanda Oil and Gas Securitization Company Limited
Union Green Farms (Private) Limited

CHAIRMAN'S REVIEW

Dear Unitholders of Dolmen City REIT

The Board of Directors Arif Habib Dolmen REIT Management Limited, the REIT Management Company (RMC), have issued a separate report on the performance and the future outlook of Dolmen City REIT (DCR).

The Board is responsible overseeing the Management of the REIT and in turn the Unitholders' best interest.

I, in my capacity of Chairman of the Board, am issuing this report on my assessment of the performance of the Board.

It gives me great satisfaction to report that the Board has been meeting regularly and maintained continuous oversight and while being cognizant of its role and responsibilities, which it has carried out diligently in order to up hold the best interest of the Unit holders of DCR.

The Board's composition has a balance of executive, non-executive and independent directors and the Board, as a whole, has the core competencies, diversity, requisite skills, knowledge and experience necessary in the context of the DCR's operations.

The Board has formed Audit, as well as Human Resource and Remuneration Committees. It has approved the Committees' Terms of Reference (TORs) and ensured that the respective members of the Committees are equipped with the necessary resources required by them to carry out assigned roles and responsibilities.

Throughout the year, the Management continued to bring all significant issues before the Board and its Committees to ensure robustness of the decision making process; in particular, all the related party transactions entered into, were brought to the Board's attention and were reviewed in detail by the Audit committee and thereafter, the Board.

The Board has developed and has been ensuring the implementation of a Code of Conduct covering professional standards, ethical practices and corporate values, that have been adhered to in the Management Company's conduct, as well as in managing DCR by the Management with respect to the day-to-day operational activities.

The Board carried out an evaluation of the Board's own performance and that of its Committees, as well as that of individual Directors. The Board is extremely satisfied with the result of its self-assessment.

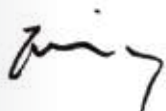
All meetings of the Board, as well as those of its Committees were held with the requisite quorum and all the decisions were taken through Board resolutions. The minutes of the Board meetings, as well as that of its Committees were accurately recorded and circulated amongst the Members with regularity and timeliness. The Board and the Audit Committee have reviewed and are satisfied that there are adequate systems of internal control in place and that these were regularly assessed for implementation and adequacy.

All the key executives of the Management Company who serve the best interest of the Unitholders of DCR, were evaluated and appropriate compensation was given so as to ensure that they perform their respective functions diligently. The key executives included the Chief Executive, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit.

The Board has prepared and approved the Directors Report and has ensured that the Directors Report is published with the Quarterly and Annual Financial Statement of the Scheme and the contents of the Directors Report are in accordance with the requirement of applicable laws and regulation.

The Board exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on DCR and it has ensured compliance with all the applicable laws and regulation while exercising their powers and making decisions.

The evaluation of the Boards performance is assessed based on those key areas where the Board require clarity in order to provide high level oversight, including strategic process, key business drivers and performing milestones, the economic environment in which the Scheme operates, the risks faced by Scheme Business, Board Dynamics, Capability and information flows. Based on the aforementioned, it can be reasonably be stated the Board of Dolmen City REIT has played a key role in ensuring that Scheme objectives are achieved through a joint effort with the management team and guidance and oversight by the Board and its members.



Nasim Beg
Chairman

17 September 2019

DIRECTORS' REPORT

Dear Unitholders of Dolmen City REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited, we are pleased to present the Annual Report of Dolmen City REIT (“DCR” or “the Scheme”) and the audited financial statements for the financial year ended June 30, 2019, together with auditors’ report and other statutory reports.

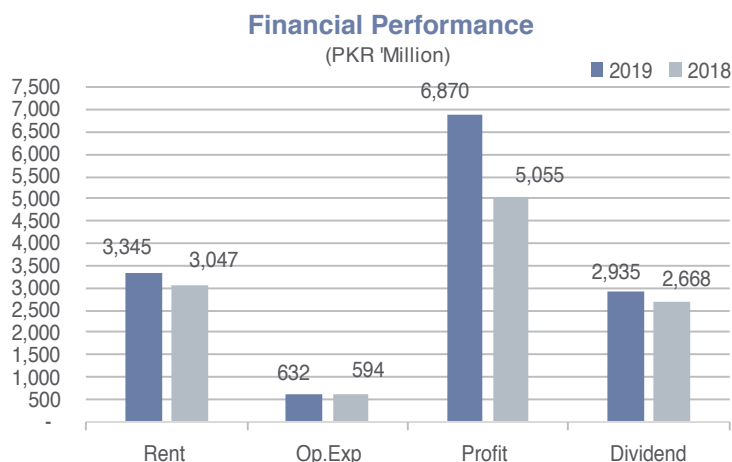
Overview

DCR has completed another momentous year of operations in **June of 2019** leading the capital markets in Pakistan as the only Listed REIT. During the year DCR continued to deliver strong results as indicated in the Offering Document. Consistency of DCR performance is evident through year on year growth in dividend pay-out, Shariah compliance certification by the Shariah Advisor and AAA (rr) – rating (highest investment quality and highest degree of stability in NAV). Amid increasing supply side competition, Dolmen Mall remains the destination of choice for shoppers and businesses alike; evident through high occupancy levels and revenue numbers. The Harbour Front similarly remained a benchmark for top quality office space in the country. It is encouraging to note that during the year in review, constructive reforms in the regulatory framework of REITs were made by the SECP which paved the way for operational strengthening of business however the taxation environment surrounding REITs needs to be rationalized and made supportive for REITs to proliferate.

Financial Performance

DCR’s fund size as on June 30, 2019 was **PKR 46.233 billion** (June 30, 2018: PKR 42.232 billion) making it the biggest closed-end, Shariah compliant, listed instrument in Pakistan.

During the year under review, DCR recorded **rental income of PKR 3,344.499 million** (June 30, 2018: PKR 3,046.978 million) depicting a growth of 9.76% as compared to corresponding year, marketing income of PKR 182.606 million (June 30, 2018: PKR 210.165 million) and profit on Shariah compliant bank deposits of PKR 139.613 million (June 30, 2018: PKR 112.842 million). Administrative, operating and other expenses amounted to PKR 632.464 million (June 30, 2018: PKR 593.885 million).

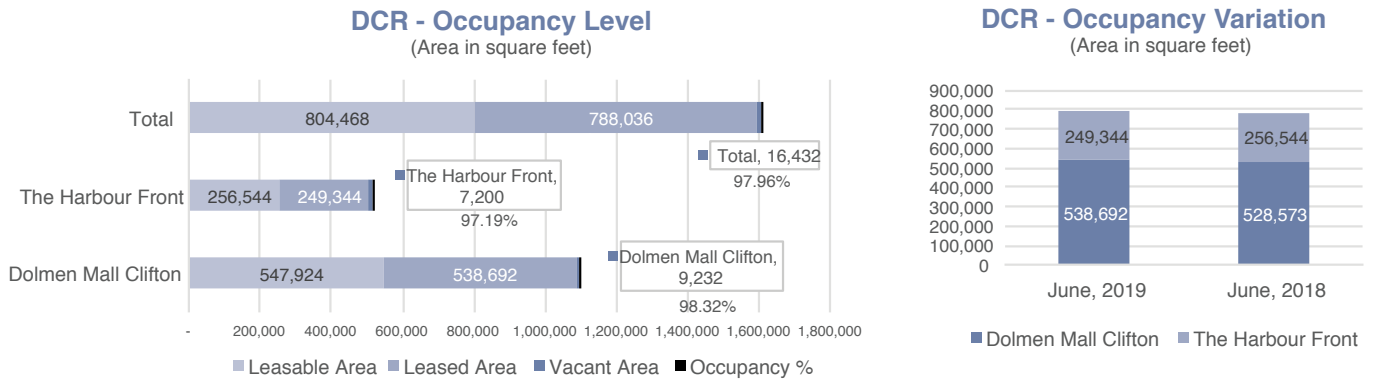


An amount of PKR 3.835 billion was also recorded as change in fair value of investment property as valued by MYK Associates (Private) Limited (MYK), an independent valuer (Refer to note 4 to the financial statements). This translates to **Profit after tax of PKR 6.87 billion** (June 30, 2018: PKR 5.055 billion) and **Earning per unit (EPU) of PKR 3.09**. The EPU comprises of distributable income of PKR 1.36 and PKR 1.72 being un-distributable unrealised fair value gains.

Operational Performance

DCR's real estate has witnessed consistent **occupancy levels** since its inception in 2015. Over the current year there was an inconsequential change of 0.29% and stood at 97.96% at the end of June 2019 (June 30, 2018: 97.67%). DCR saw new tenants coming in the Mall including Limelight, Bakers Boy, F.A.D, Swarovski, Baskin Robbins, Esquires Coffee, Marcel's among others; and a few outgoing tenants which included Amante, Rowtisserie, Magnum, Cotton & Cotton, Golden Chick and Papa Roti and others. Total vacant area in the DCR is 16,432 square feet with a number of potential tenancies are in the pipeline.

Occupancy level at Dolmen Mall Clifton and Harbour Front at year end is as follows:

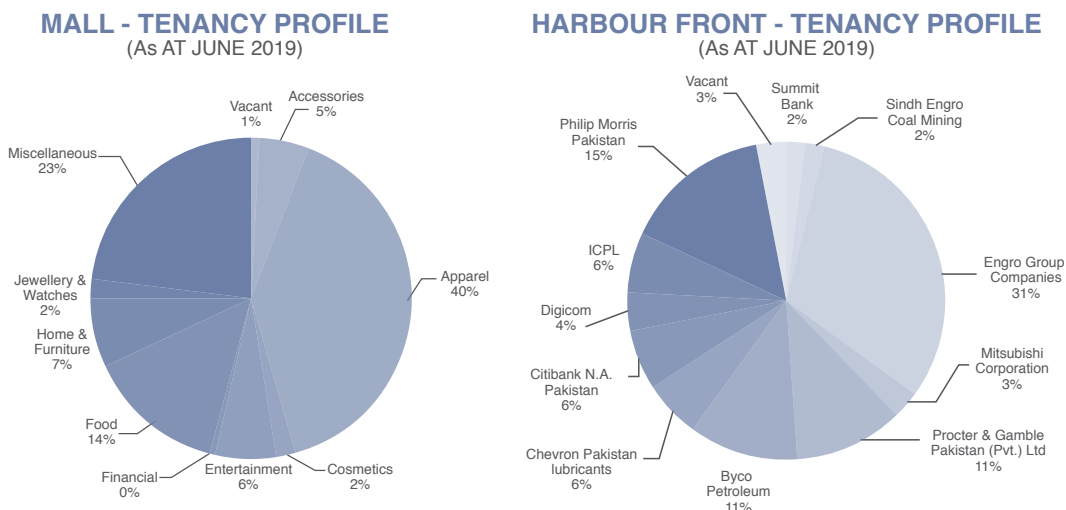


As on June 30, 2019, the Weighted Average Lease Expiry 'WALE' based on the leasable area of Dolmen City Mall (68% of the total area) is around 3.34 years and of the Harbour Front (32% of the total area) is around 3.82 years (DCR's current average lease expiry is 3.13 years).

DCR Tenancy Profile

Existing occupancy of the subject real estate is held by credible tenants (mostly international brands and multinational corporations) generating a steady cash flow stream. Dolmen Mall Clifton anchored by Hyperstar and Debenhams, has a strong mix of local and international brands including Mango, Next, Nike, Aldo, Khaadi, Timberland and Charles & Keith. There are a total of 192 stores (including vacant stores). As seen in the chart below, the highest occupancy by tenant retail category is apparel (40%) while food (14%) is the runner-up. Other categories represent an even tenancy mix. The mall provides a strong eco-network as it accommodates all top local and international brands currently operating in the city.

The current tenant portfolio of The Harbour Front boasts leading local and multinational corporations such as Engro Corp, Phillip Morris, Mitsubishi Corp. and Procter & Gamble, amongst others. There are 17 lettable floors.



The Property Manager of DCR played an instrumental role in maintaining the goodwill, tenancies and brand image at the real estate site and enticed Karachiites to visit, shop and be part of the Dolmen Mall experience. The quarterly Dolmen Magazines kept patrons abreast of shopping festivals, events calendar, brand advertisements and discount offerings with over 20,000 copies distributed to subscribers, PR list, tenants and in-mall distribution.

Customer centric marketing and branding activities at the Mall during FY19 resulted in achieving a healthy footfall of around 10 Million (average monthly footfall was 843,463 visitors). From Ramzan and Eid Shopping extravaganzas to Independence Day, New Year celebrations and Dolmen Shopping Festival every significant occasion of the season saw its festivities at the Dolmen City Mall.

Casual leasing during various events, Ramadan, Eid, New Year and Dolmen Bazaar augmented the growth of ancillary income. New kiosks and carts were also introduced. Moreover brand activation events by Continental Biscuits, Junaid Jamshed, Indus Motor, Sana Safinaz, for example, also contributed in ancillary income. Dolmen Travel Diaries was an event held in April 2019 in the Mall, aimed to provide marketing platform for the travel industry. The event served as a channel between the customers, tour operators (national & international) and the airline companies.

Dolmen Shopping Festival, Ramadan Campaign and Eid Bazaar, like last year, did exceptionally well recording a very healthy footfall at the Mall. Other notable events were Independence Celebrations, Mother's Day Celebration, World Health Day, Back to school Festival, Lawn Festival, Explore the World (Dolmen Travel Diaries), Dolmen Gets Fit (one of its kind fitness festival), Pakistan Resolution Day, Women's International Day and much more.

Independence Celebrations at Dolmen Malls has long been a signature event. This year the 71st Anniversary of Pakistan was celebrated with great zeal with the interior was festively decorated. The goal was to translate that theme into all marketing collateral, activities, communication and décor. Overall, the event generated a footfall of 186,786 visitors.

Pakistan Day: This year, Dolmen celebrated Pakistan Day (23rd March) from March 22, 2019 till March 24, 2019. The occasion was celebrated with patriotic zeal with an aesthetic ambiance, creative installations and engaging activities that added great value. Outlets at the mall joined the celebrations by offering discount at their outlets.

A significant footfall of 130,000 was recorded during the event which is 24% higher compared to last year.

Dolmen Shopping Festival: For the 26th annual Dolmen Shopping Festival, Dolmen Mall celebrated 17 days of festivities (December 21, 2018 to January 6, 2019). Shopping, in the recent years has become an event. Taking a leaf out of the Major Malls of the world and continuing with our own tradition, the Dolmen Shopping Festival has been one of the most anticipated shopping events of the year with larger than life installations highlighting the best that the city has to offer with phenomenal deals, exclusive gifts, exciting events, and a lively gala of endless shopping. DSF brought together leading international and local brand discounts, surprise giveaways, fun-filled contests, exciting promotions and delicious food. A number of engaging activities with renowned celebrities and participating brands were undertaken including unveiling of the grand prizes of Dolmen Draw.

The footfall recorded during the festival was 619,699. An average daily footfall was approximately 36,450 depicting a 13% increase from last year.

Lawn Festival: Lawn Festival is based on the theme of spring aiming to provide a platform for lawn brands to promote themselves. All major retailers and brand partners announced special promotions for this event hence allowing for greater engagement with customers. The brands who exhibited their lawns were Khaadi, Kapray, Sana Safinaz, Al-Karam Studio and J. Junaid Jamshed.

The mall was aesthetically decorated with drapes, banners and floral & butterfly cutouts that created a delightful ambiance for the event.

Annual Ramadan Campaign: The mall was aesthetically decorated during the Holy month of Ramadan with elite ornaments which added a great value to the ambiance. Ramadan themed activities bring families together through the best of shopping, rewards, food and entertainment. Ancillary activities such as Mehndi-setup was placed during the last week of Ramadan and female visitors, filled with Eid excitement were delighted to get their mehndi done.

Once again, we incorporated the idea of Dolmen Eidi this year. 37 Eid-gift baskets were distributed among the customers and total 20,612 coupons were filled by the customers in the event. The Mall achieved a healthy footfall during the entire month. The footfall comparison of Ramadan in the current year showed a significant growth of 12% from the last year. The total footfall was **1,013,825** with the average footfall per day was **34,960**.

Mothers' Day: Dolmen Mall came alive this Mother's day by giving families memorable moments paying tribute to the mothers who are integral part of the mall legacy of convenience. Dolmen Mall offered shoppers extraordinary discounts and food deals to celebrate most precious bonds with their mothers. Many internal and external brands participated in setting up their stalls and exhibits to celebrate Mother's Day offering a host of engaging activates. The event recorded a footfall of **97,226** in 2019.

Distribution of Dividend

During the first nine months of the year the Board of Directors had declared and distributed interim dividend of PKR 0.99 / unit i.e. 9.9% in equal proportion on quarterly basis. At the year end the board had declared and distributed a final dividend at PKR 0.33 / unit i.e. 3.3%. Consequently on a cumulative basis DCR has declared and distributed total dividend of **PKR 1.32 / unit** providing annualized dividend yield equal to 13.2% based on par value and 12% for IPO Investors at a strike price of PKR 11 per unit. The total pay-out for the year ended 30 June 2019 remained at 96.74% of distributable income equivalent to **PKR 2.935 billion**.

Shariah Compliance

Complying with Shariah guidelines, the fund's real estate remained secure under Takaful policies by "A" rated Pakistani operators which have support from international and renowned Re-Takaful syndicate. Shariah advisor, in his Annual Shariah Review Report, has confirmed compliance with Shariah principals in all aspects.

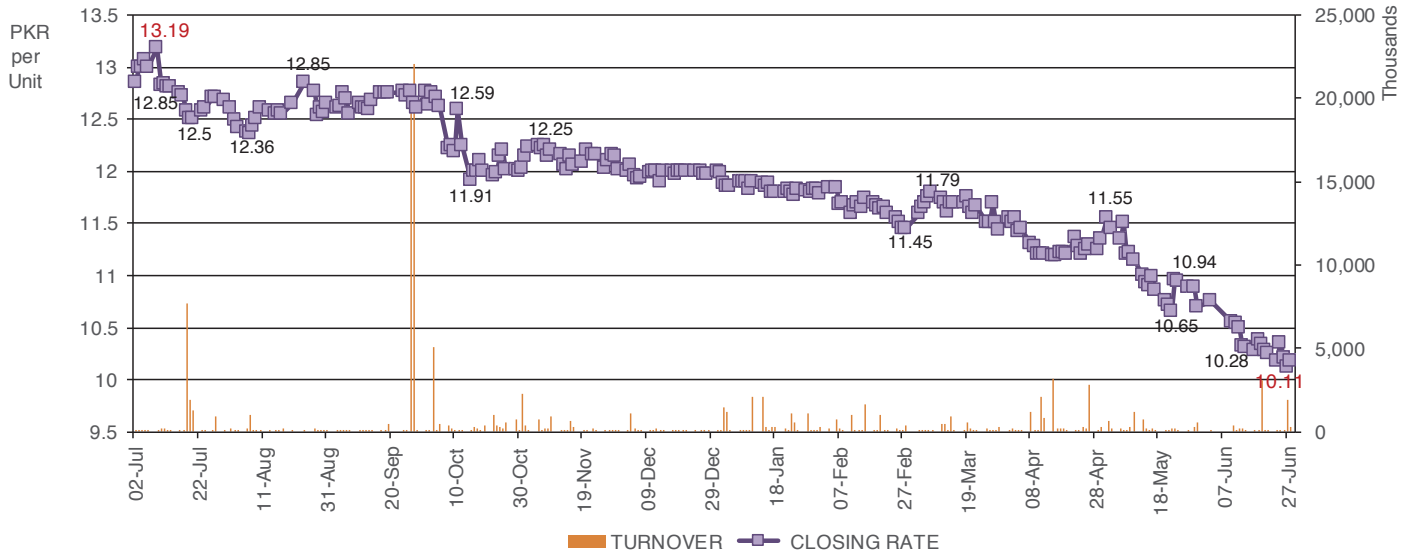
Stocks Performance

During the twelve months period under review, 'DCR' traded on the Pakistan Stock Exchange at an average unit price of **PKR 11.87** (compared with last year's average PKR 11.98) and touched a high of **PKR 13.19** and a low of **PKR 10.11** per unit. During the same period KSE-100 index moved in the range between **33,166.62 to 41,614.39**. In an extremely volatile market, the stock of DCR remained fairly stable with beta of **0.17** (which means for a given 100% change in market KSE-100 Index, DCR would change only 17%, beta here represents low volatility and elasticity) and covariance with the market of only 0.22 (which is a measure of the degree to which returns on two risky assets move in tandem, indicate low positive correlation of DCR stock performance with the market performance).

The Net Asset Value 'NAV' per Unit of DCR is **PKR 20.79** at the year ended on June 30, 2019 (PKR 18.99 at June 30, 2018). DCR on its closing Unit price of **PKR 10.17** on June 28, 2019 traded at a **discount of 51.08% to its NAV**.

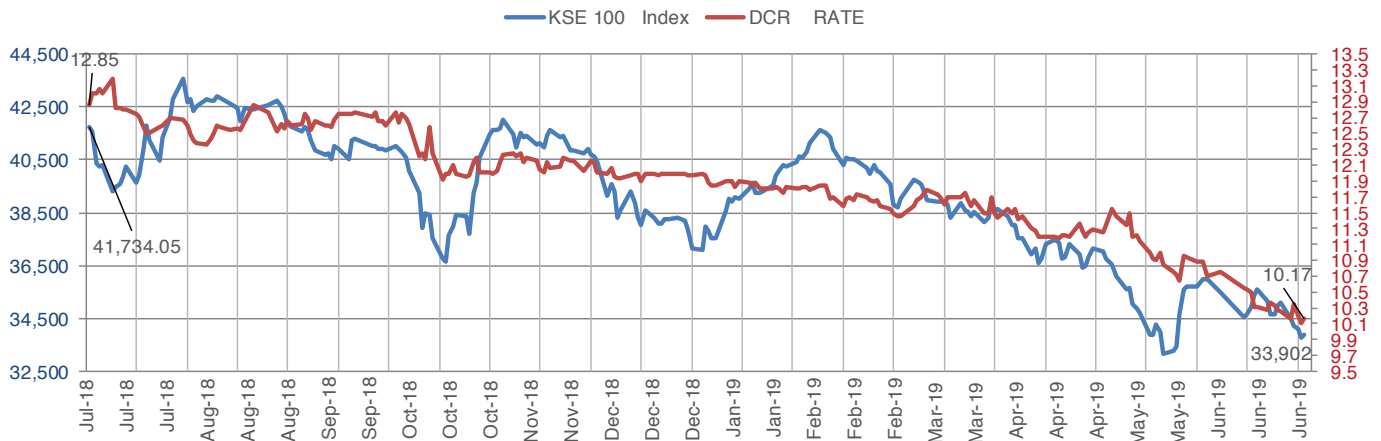
STOCK MARKET PERFORMANCE OF DCR UNIT

July 2018 to June 2019



DCR VERSUS KSE 100 INDEX

(July 2018 to June 2019)



Business Environment

The business environment surrounding DCR remained volatile. Rising cost of doing business, interest rates, currency devaluation and uncertainty over real estate tax legislation put pressure on real estate demand. However, Karachi is one of the fastest growing cities in Pakistan, as such the demand for commercial space; both office and retail is continuously increasing. The skyline has been seeing continuous augmentation to supply which is presently in grey structure or planning stages however we have not seen any new development being delivered during this fiscal period. Similarly for the upcoming fiscal year, we do not anticipate the delivery of significant supply which would have an impact on the operational business of DCR.

Recently, significant office space requirement from banks has been channelled to dedicated self-occupied developments such as HBL moving to G4 (26 floors) and Summit Bank moving to Bakht Tower (retail, office, residential). While these institutions represent a material office space occupier segment, we do not see this as having a bearing on the business performance of the DCR office component.

Retail on the other hand has not seen any space augmentation. Relevant future competition is represented almost solely by Bahria Icon Tower, a 62 storey mixed use retail, leisure, office and residential development. Introduction of new, quality malls in the country can bring with it benefits of several international brands eyeing Pakistan as their next destination. Work on the development had however slowed down in lieu of the caveats imposed by the Sindh High Court. The development is now in finishing stages and we do not anticipate space becoming available in the next fiscal year.

With potential addition to supply stalling in the planning and construction phases, DCR office and retail components are considered to be the best managed commercial real estate in the country and demand is expected to remain steady.

DCR's business is sensitive to sustaining occupancy levels. Principal risks comprise: i) significant future supply of office and retail developments which try to undercut the pricing in the neighbourhood. However, such developments would be bound to compromise on the facilities management in order to draw economies; whereas DCR has already set the industry benchmark in this space recognizing its importance to the occupants. ii) Rising interest rate scenario can make the DCR yield competitive, however, in the longer run REIT units will continue to provide stable returns and consistent growth to investors as an inflation hedged instrument, iii) Default by existing tenants; the risk of which is considered to be low at Dolmen City since majority tenants of DCR are either multinationals or big franchises and DCR's Property Manager not only deploy stringent screening, profiling and tenancy sourcing policies but also monitors and maintains empathetic relations with every tenant.

It is fundamental to the growth of REITs that the legal framework and taxation regime remain supportive and consistent in the longer term. The recently promulgated Finance Act 2019 has amended the Division III, Part-1 of the First Schedule in the Income Tax Ordinance in order to harmonize the taxation of dividends at 15% rate. However there is no clarity whether dividends paid out by REITs will be subject to 15% rate. It must be recognised that REITs are an important investment vehicle and have the potential of bringing several benefits to the economy. These range from improving documentation of real estate transactions, bringing accuracy to property valuations, enhancing the government revenue and allowing small savers to take exposure in real estate thereby promoting savings. It is important that REITs are supported at all levels and benefits that are available to REITs in the province of Sindh are extended throughout the country for their proliferation.

Outlook

As the new government completes its first year, some tough economic decisions were made which subject considerable pressure on every business segment, however we see stabilization in the commercial environment moving forward and anticipate this being translated to more demand for office space. In the shorter-term the related economics is expected to affect consumption pattern and the retail segment. Going forward government may ease its monetary policy stance, making REIT's unit comparatively attractive.

With professional property management, long lease expiries, extensive marketing activities and renowned tenants, we remain confident that Dolmen City will remain the destination of choice for the visitors, retail operators and corporations alike. This is also evident by current REIT rating of **AAA (rr)** which is reaffirmed by VIS Credit Rating Agency and denotes highest degree of stability in NAV. Consistently healthy footfall and tenants' contentment with the mall is the testimony of operational success for DCR. Going forward, rental escalations would be the prime revenue driver as the mall is nearing maximum occupancy. By international standards, maximum occupancy of a mall is considered to be around 90% of the leasable area as tenancy is fluid and an element of vacancy is imperative to accommodate new tenants.

Vigilance at all levels by Trustee, RMC, Shariah Advisor and the SECP ensures compliance to the REIT Regulations and other applicable laws and standards. These factors continue to provide DCR's Unit Holders with a rewarding investing experience.

Corporate Governance

DCR is listed at the Pakistan Stock Exchange. The Board of the RMC and management are committed to observe the Code of Corporate Governance and are familiar with their responsibilities to monitor operations and performance, enhance accuracy, comprehensiveness and transparency of financial and non-financial information.

The Board would like to state that proper books of accounts of DCR have been maintained and appropriate accounting policies have been adopted and consistently applied in preparation of the financial statements except for the changes as stated in note 2.5 of the financial statements; and accounting estimates are based on reasonable and prudent judgment. International Financial Reporting Standards, as applicable in Pakistan, are followed in the preparation of the financial statements. The system of internal controls is sound in design and has been effectively implemented and monitored. The financial statements of DCR present fairly its state of affairs, the result of its operations, cash flows and the movement in NAV. No material payment has remained outstanding on account of any taxes, duties, levies or charges.

In compliance with the Code, the Board hereby reaffirm that there is no doubt about DCR's ability to continue as a going concern and that there has been no material departure from the best practices of corporate governance.

It has always been DCR's endeavour to excel through better Corporate Governance and fair and transparent practices.

Trading in Scheme's Shares by Directors and Executives

A statement showing DCR's shares bought and sold by RMC's Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor family members is annexed as Annexure - I.

Directors' Attendance at Board and its Committee Meeting

During the year ended June 30, 2019, five (05) Board Meetings. Four (04) Audit Committee Meetings and one (01) Human Resource & Remuneration Committee Meeting were held. Attendance by director were as follows:

Name of Director	Board Meeting	Audit Committee Meeting	Human Resource & Remuneration Committee Meeting
Mr. Nasim Beg	5	-	-
Mr. Qamar Hussain	3	3	-
Ms. Tayyaba Rasheed	2	-	1
Mr. Nadeem Riaz	5	-	-
Mr. Abdus Samad A. Habib	3	3	1
Mr. Faisal Nadeem	4	-	-
Mr. Sajidullah Sheikh	2	-	-
Mr. Muhammad Ejaz	5	-	1
Mr. Asadullah Khawaja*	4	3	-

*Mr. Asadullah Khawaja has resigned on 25 February 2019 and Mr Tayyeb Afzal has been appointed on 18 April 2019 to fill the casual vacancy.

Directors' Remuneration

The Non- Executive Directors (including independent directors) but excluding those directors who are concurrently serving as Executive Directors in any of the Arif Habib Group of Companies are provided a remuneration for attending Board and its Committee Meetings as may be approved by the board from time to time.

Further as and when board decides to assign any additional roles and responsibilities to any non-executive directors, the board shall decide the remuneration to be provided to such director which commensurate with the roles and responsibilities so assigned.

Composition of the Board

The current composition of the board is as follows:-

Total Number of Directors:	
(a) Male:	8
(b) Female:	1

Composition:

Name	Status
Mr. Nasim Beg	Non-Executive Director
Mr. Tayyeb Afzal	Independent Director
Mr. Qamar Hussain	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Nadeem Riaz	Non -Executive Director
Mr. Abdus Samad A. Habib	Non -Executive Director
Mr. Faisal Nadeem	Non -Executive Director
Mr. Sajidullah Sheikh	Non -Executive Director
Mr. Muhammad Ejaz	Chief Executive Officer

Committees of the Board:

Audit Committee	
Mr. Qamar Hussain	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Tayyeb Afzal	Member

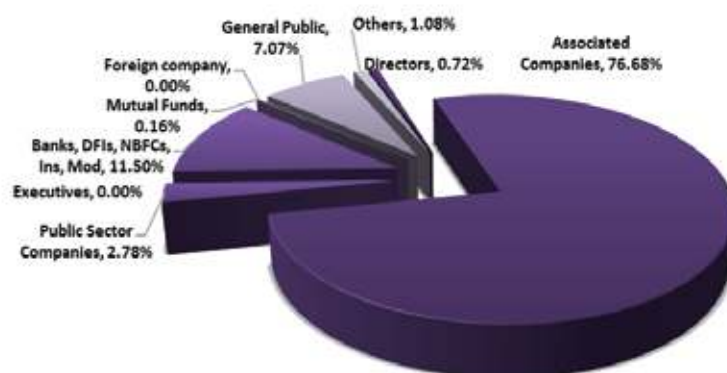
Human Resource & Remuneration Committee	
Ms. Tayyaba Rasheed	Chairperson
Mr. Faisal Nadeem	Member
Mr. Abdus Samad A. Habib	Member
Mr. Muhammad Ejaz	Member

Pattern of Unitholding

The units of DCR are listed on Pakistan Stock Exchange. There were 4,060 unitholders of DCR as of June 30, 2019. The detailed pattern of unitholding and categories of unitholding of DCR including units held by directors and executives, if any, are annexed as Annexure-II.

The pattern of Unit holding in DCR as at June 30, 2019 is detailed in Annexure 'II' to this report.

Categories of Unit Holders	Units Held	%
Directors	16,055,482	0.72 %
Associated Companies	1,705,112,500	76.78%
Executives	-	0.00%
Public Sector		
Companies	61,826,450	2.78 %
Banks, DFIs, NBFCs, Ins, Mod	255,786,851	11.50 %
Mutual Funds	3,646,204	0.16 %
Foreign Company	-	0.00%
General Public		
- Local	157,180,565	7.07 %
- Foreign	102,000	0.00%
Others	23,989,948	1.08 %
Total	2,223,700,000	100%



Financial and Business Highlights

The key operating and financial data has been given in summarized form under the caption “Financial & Business Highlights” (Page No. 28) along with and graphic representation are annexed on (Page No. 29)

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. Deloitte Yousuf Adil & Co. Chartered Accountants, shall retire, and being eligible, have offered themselves for reappointment for the year ending on June 30, 2020. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee of RMC, the Board of RMC recommends reappointment of M/s. Deloitte Yousuf Adil & Co. Chartered Accountants, as auditors of DCR for the financial year ending on June 30, 2020 at a fee to be mutually agreed.

Election of Directors

In accordance with the provisions of Section 161 of Companies Act, 2017 (Section 180 of the repealed Companies Ordinance, 1984) the three years term of seven elected directors of RMC had been completed in October 2018 and all the director were retired. Fresh elections of Directors were held during the year dated October 26, 2018 and the number of director as fixed by the Board were elected unopposed. Further Chairman, Chief Executive and sub-committees of the board were also appointed on the said date.

Post Balance Sheet Events

There have been no material changes since June 30, 2019 to the date of this report except the declaration and distribution of a final Cash Dividend @ Rs. 0.33 / unit i.e. 3.3 %. This was in addition to interim dividends declared and distributed @ Rs. 0.99 / unit i.e. 9.9%. The effect of such declaration shall be reflected in the next year's financial statements.

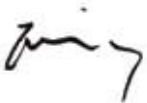
Related Party Transactions

In order to comply with the requirements of REIT Regulations and Code of Corporate Governance, DCR presented all related party transactions before the Audit Committee and Board of RMC for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in note 17 of the annexed audited financial statements.

Acknowledgement

We are thankful to DCR's valued investors, the Securities and Exchange Commission of Pakistan, the management of Pakistan Stock Exchange, the Trustees of DCR, the Property Manager and business partners for their continued cooperation and support. We also appreciate the effort put in by the management team.

For and on behalf of the Board



Nasim Beg
Chairman



Muhammad Ejaz
Chief Executive

Karachi
September 17, 2019

ANNEXURE I

Statement showing units bought and sold by Directors, CEO, CFO, Company Secretary and their Spouses and Minor Children from 01 July 2018 to 30 June 2019.

NAME	DESIGNATION	UNITS BOUGHT	UNITS SOLD	REMARKS
Mr. Nasim Beg	Chairman	-	-	-
Mr. Tayyeb Afzal	Director	-	-	-
Mr. Qamar Hussain	Director	-	-	-
Ms. Tayyaba Rasheed	Director	-	-	-
Mr. Nadeem Riaz	Director	-	-	-
Mr. Abdus Samad A Habib	Director	-	-	-
Mr. Faisal Nadeem	Director	1,000,000	-	-
Mr. Sajjidullah Sheikh	Director	-	-	-
Mr. Muhammad Ejaz	Chief Executive	-	-	-
Mr. Zohaib Yaqoob	CFO & Company Secretary	-	-	-
Ms. Uzma Nadeem	Spouse of Mr. Nadeem Riaz	1,833,333	-	-

ANNEXURE II - PATTERN OF UNITHOLDING

CATEGORIES OF UNITHOLDERS AS AT 30 JUNE 2019

CATEGORIES	NUMBER OF UNITHOLDERS	NUMBER OF UNITS HELD	HOLDING %
Directors, Chief Executive and their Spouse(s) and minor children	5	16,055,482	0.72
Executives	-	-	-
Associated Companies, Undertakings and Related Parties	2	1,705,112,500	76.68
Public Sector Companies and Corporations	3	61,826,450	2.78
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful companies, Modarabas and Pension Funds	25	255,786,851	11.50
Mutual Funds	9	3,646,204	0.16
Others	38	23,989,948	1.08
General Public - Local	3,976	157,180,565	7.07
General Public- Foreign	2	102,000	0.00
Foreign Company	-	-	-
Totals	4,060	2,223,700,000	100

PATTERN OF UNITHOLDING

CATEGORIES OF UNITHOLDERS AS AT 30 JUNE 2019

CATEGORIES	NUMBER OF UNITHOLDERS	NUMBER OF UNIT HELD	HOLDING %
Directors, Chief Executive and their Spouse(s) and minor children			
Mr. Tasnim Beg	1	645,000	0.03
Mr. Nadeem Riaz	1	6,860,000	0.31
Mr. Faisal Nadeem	1	3,207,649	0.14
Mr. Faisal Nadeem	1	1,000,000	0.04
Ms. Uzma Nadeem	1	4,342,833	0.20
	5	16,055,482	0.72
Executives	-	-	-
Associated Companies, undertakings and related parties			
International Complex Projects Ltd.	1	1,667,775,000	75.00
Dolmen Real Estate Management (Pvt) Ltd	1	37,337,500	1.68
	2	1,705,112,500	76.68
Public Sector Companies and Corporations	3	61,826,450	2.78
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	25	255,786,851	11.50
Mutual Funds			
CDC - Trustee Pakistan Capital Market Fund	1	249,500	0.01
CDC - Trustee Meezan Balanced Fund	1	2,784,000	0.13
CDC - Trustee Alfalah Ghp Value Fund	1	704	0.00
CDC - Trustee AKD Index Tracker Fund	1	129,500	0.01
CDC - Trustee Askari Asset Allocation Fund	1	137,500	0.01
MCFSL- Trustee Askari Islamic Asset Allocation Fund	1	50,000	0.00
CDC - Trustee Askari Equity Fund	1	100,000	0.00
MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	1	95,000	0.00
MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	1	100,000	0.00
	9	3,646,204	0.16
Others	38	23,989,948	1.08
Foreign Companies	-	-	-
General Public - Local	3,976	157,180,565	7.07
General Public- Foreign	2	102,000	0.00
Totals	4,060	2,223,700,000	100
Unit holding 5% or more			
International Complex Projects Ltd	1	1,667,775,000	75.00

PATTERN OF UNITHOLDING

CATEGORIES OF UNITHOLDERS AS AT 30 JUNE 2019

# OF UNITHOLDERS	UNITHOLDING'S SLAB			TOTAL UNITS HELD
96	1	to	100	1,803
1,333	101	to	500	659,646
828	501	to	1,000	823,200
746	1,001	to	5,000	2,085,807
265	5,001	to	10,000	2,299,000
69	10,001	to	15,000	878,183
80	15,001	to	20,000	1,497,145
80	20,001	to	25,000	1,905,147
36	25,001	to	30,000	1,031,208
27	30,001	to	35,000	908,615
25	35,001	to	40,000	970,000
16	40,001	to	45,000	694,938
54	45,001	to	50,000	2,649,417
11	50,001	to	55,000	581,500
16	55,001	to	60,000	929,500
10	60,001	to	65,000	641,500
10	65,001	to	70,000	686,500
19	70,001	to	75,000	1,393,625
28	75,001	to	80,000	2,220,300
11	80,001	to	85,000	918,233
13	85,001	to	90,000	1,148,391
5	90,001	to	95,000	462,415
47	95,001	to	100,000	4,686,152
9	100,001	to	105,000	923,930
3	105,001	to	110,000	316,500
3	110,001	to	115,000	339,500
11	115,001	to	120,000	1,309,500
5	120,001	to	125,000	621,000
5	125,001	to	130,000	644,500
6	130,001	to	135,000	803,830
2	135,001	to	140,000	273,500
3	140,001	to	145,000	426,000
2	145,001	to	150,000	297,000
1	150,001	to	155,000	155,000
4	155,001	to	160,000	634,000
2	160,001	to	165,000	326,500
3	165,001	to	170,000	499,266
3	170,001	to	175,000	522,000
1	175,001	to	180,000	180,000
4	180,001	to	185,000	734,500
2	185,001	to	190,000	380,000
1	190,001	to	195,000	193,500
8	195,001	to	200,000	1,600,000
3	200,001	to	205,000	612,000
4	205,001	to	210,000	835,972
2	210,001	to	215,000	423,000
1	215,001	to	220,000	217,000
2	220,001	to	225,000	446,500
4	225,001	to	230,000	911,066

# OF UNITHOLDERS	UNITHOLDING'S SLAB			TOTAL UNITS HELD
2	235,001	to	240,000	477,000
2	240,001	to	245,000	490,000
4	245,001	to	250,000	999,500
3	255,001	to	260,000	775,500
1	265,001	to	270,000	266,000
1	270,001	to	275,000	275,000
1	275,001	to	280,000	277,500
4	280,001	to	285,000	1,137,500
1	285,001	to	290,000	287,000
3	295,001	to	300,000	900,000
2	300,001	to	305,000	605,500
2	310,001	to	315,000	630,000
1	320,001	to	325,000	325,000
1	330,001	to	335,000	333,000
1	335,001	to	340,000	337,000
3	340,001	to	345,000	1,028,500
1	345,001	to	350,000	350,000
2	360,001	to	365,000	728,500
2	365,001	to	370,000	738,500
1	370,001	to	375,000	375,000
1	375,001	to	380,000	380,000
3	395,001	to	400,000	1,200,000
2	405,001	to	410,000	816,165
1	410,001	to	415,000	412,500
1	415,001	to	420,000	419,000
2	420,001	to	425,000	845,000
2	430,001	to	435,000	865,200
1	435,001	to	440,000	436,500
2	445,001	to	450,000	900,000
1	450,001	to	455,000	450,500
1	480,001	to	485,000	483,500
5	495,001	to	500,000	2,500,000
1	505,001	to	510,000	509,500
1	520,001	to	525,000	525,000
1	530,001	to	535,000	534,700
1	545,001	to	550,000	550,000
1	565,001	to	570,000	566,500
4	595,001	to	600,000	2,400,000
1	600,001	to	605,000	603,000
1	640,001	to	645,000	645,000
1	690,001	to	695,000	694,000
1	740,001	to	745,000	745,000
1	760,001	to	765,000	762,500
1	790,001	to	795,000	794,000
2	830,001	to	835,000	1,666,666
1	840,001	to	845,000	844,500
1	850,001	to	855,000	851,000
1	920,001	to	925,000	925,000
1	930,001	to	935,000	932,000
1	985,001	to	990,000	986,149
7	995,001	to	1,000,000	7,000,000
1	1,005,001	to	1,010,000	1,010,000
1	1,070,001	to	1,075,000	1,073,000
1	1,080,001	to	1,085,000	1,081,333

# OF UNITHOLDERS	UNITHOLDING'S SLAB		TOTAL UNITS HELD
2	1,195,001	to 1,200,000	2,400,000
1	1,220,001	to 1,225,000	1,222,000
1	1,230,001	to 1,235,000	1,233,000
1	1,255,001	to 1,260,000	1,255,500
1	1,510,001	to 1,515,000	1,515,000
1	1,555,001	to 1,560,000	1,558,333
1	1,630,001	to 1,635,000	1,630,500
1	1,795,001	to 1,800,000	1,799,000
1	1,880,001	to 1,885,000	1,880,500
1	1,895,001	to 1,900,000	1,900,000
2	1,995,001	to 2,000,000	4,000,000
1	2,025,001	to 2,030,000	2,025,500
1	2,095,001	to 2,100,000	2,100,000
1	2,120,001	to 2,125,000	2,120,500
1	2,445,001	to 2,450,000	2,450,000
1	2,580,001	to 2,585,000	2,583,500
1	2,590,001	to 2,595,000	2,591,318
1	2,595,001	to 2,600,000	2,600,000
1	2,605,001	to 2,610,000	2,610,000
1	2,645,001	to 2,650,000	2,647,500
1	2,780,001	to 2,785,000	2,784,000
1	2,840,001	to 2,845,000	2,843,000
1	3,205,001	to 3,210,000	3,207,649
1	3,855,001	to 3,860,000	3,858,227
1	4,340,001	to 4,345,000	4,342,833
1	4,625,001	to 4,630,000	4,626,500
1	4,715,001	to 4,720,000	4,719,000
1	4,995,001	to 5,000,000	5,000,000
1	5,315,001	to 5,320,000	5,317,000
1	5,595,001	to 5,600,000	5,600,000
1	6,855,001	to 6,860,000	6,860,000
1	6,895,001	to 6,900,000	6,896,400
1	7,495,001	to 7,500,000	7,500,000
1	8,495,001	to 8,500,000	8,500,000
1	8,995,001	to 9,000,000	9,000,000
1	9,005,001	to 9,010,000	9,007,500
1	11,505,001	to 11,510,000	11,505,518
1	12,995,001	to 13,000,000	13,000,000
1	16,765,001	to 16,770,000	16,768,437
1	30,930,001	to 30,935,000	30,935,000
1	35,415,001	to 35,420,000	35,417,833
1	37,335,001	to 37,340,000	37,337,500
1	41,440,001	to 41,445,000	41,441,000
1	41,685,001	to 41,690,000	41,690,000
1	51,450,001	to 51,455,000	51,453,500
1	52,750,001	to 52,755,000	52,750,950
1	1,667,770,001	to 1,667,775,000	1,667,775,000
4060			2,223,700,000

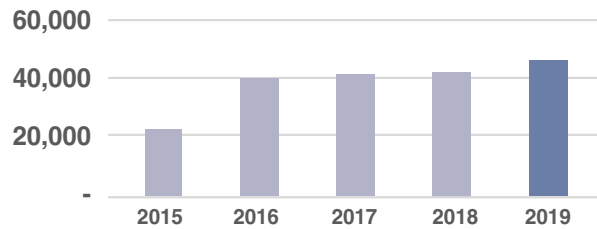
FINANCIAL HIGHLIGHTS

	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Profitability					(Based on one month operations)
Net Profit Margin (Annualized Return for FY 15)	85.45%	85.13%	85.79%	87.04%	90.69%
Return on total assets	14.61%	11.76%	8.93%	43.40%	8.78%
Return on Unitholders' fund	14.86%	11.97%	9.07%	44.07%	8.99%
Liquidity					
Current ratio (in times)	3.51	3.41	7.56	9.86	4.74
Cash to current liabilities	2.75	2.68	6.76	6.50	4.41
Market Ratios					
Dividend payout ratio	97%	96%	98%	100%	100%
Dividend Yield (at par @ Rs.10 per unit)	13.20%	12.00%	11.50%	10.40%	0.76%
Dividend Yield (as IPO strike @ Rs.11 per unit)	12.00%	10.91%	10.45%	9.45%	0.69%
P/E Ratio (in times)	3.29	5.68	6.95	1.36	144.69
Valuation					
Earning per unit - Basic and diluted (PKR)	3.09	2.27	1.70	7.98	0.08
Net asset value per unit (PKR)	20.79	18.99	18.77	18.11	10.20
No. of ordinary units	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000
Trends					
	----- (PKR '000) -----				
Management fee	90,415	83,194	77,459	69,575	5,300
Trustee fee	15,069	13,866	12,910	11,596	907
Net Operating Income	3,013,838	2,772,936	2,581,957	2,319,176	181,325
Profit before and after taxation	6,869,588	5,055,268	3,787,120	17,742,638	169,977
Unit Capital	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000
Unitholders' fund	46,233,196	42,232,181	41,735,498	40,261,026	22,688,323
Total assets	47,022,210	42,998,020	42,399,852	40,885,917	23,218,502

FINANCIAL HIGHLIGHTS

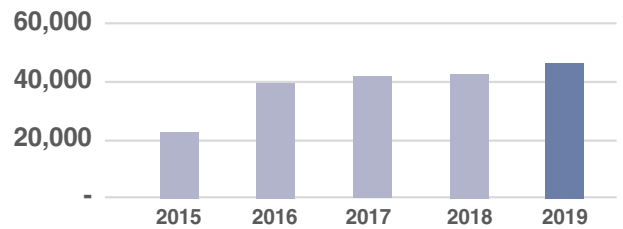
TOTAL ASSETS

Rupees in million



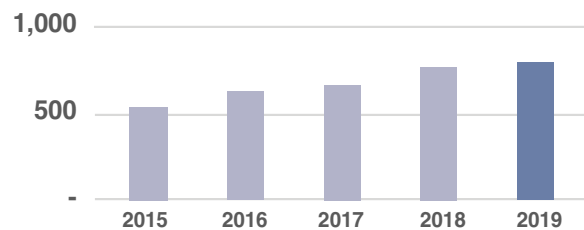
UNIT HOLDERS' FUND

Rupees in million



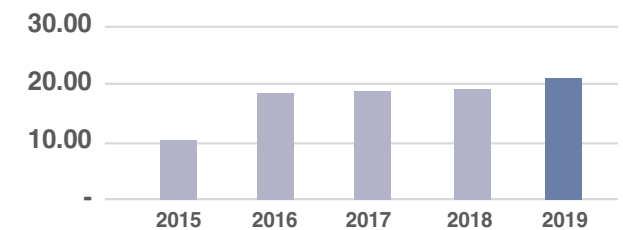
TOTAL LIABILITIES

Rupees in million



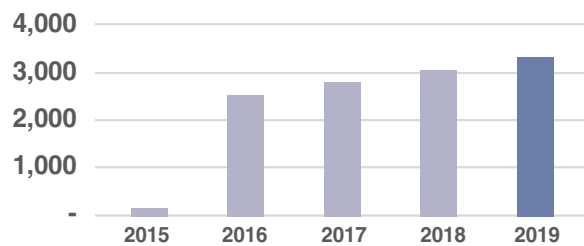
NET ASSET VALUE / UNIT

Rupees



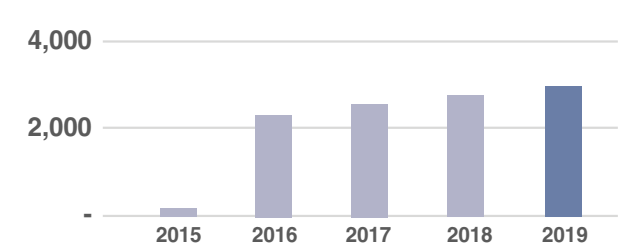
RENTAL INCOME

Rupees in million



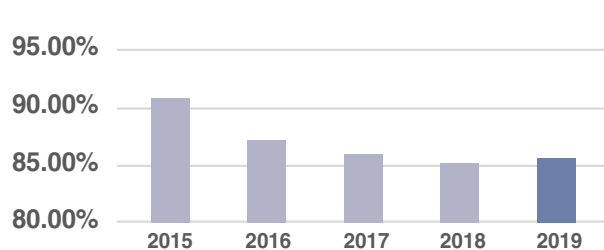
NET OPERATING INCOME

Rupees in million



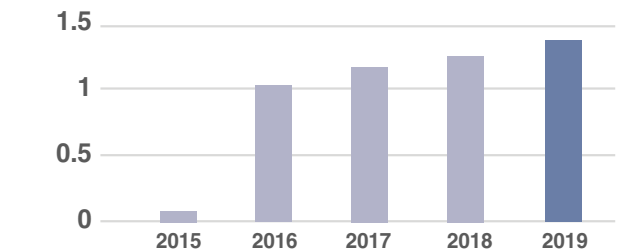
NET OPERATING MARGIN

Percentage



EPU-DISTRIBUTABLE INCOME

Rupees





Statutory Reports

Prem/(disc)	Dividend Yield
7.15%	6.48%
5.54%	

Head Office

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS
DOLMEN CITY REIT**

**Report of the Trustee pursuant to Regulation 15(1)(xiv) of the Real Estate
Investment Trust Regulations, 2015**

We Central Depository Company of Pakistan Limited, being the Trustee of Dolmen City REIT (the Fund) are of the opinion that Arif Habib Dolmen REIT Management Limited, being the Management Company of the Fund has materially complied with the Business Plan during the year ended June 30, 2019.

A handwritten signature in blue ink, appearing to read 'Badiuddin Akber'.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 26, 2019



Dated: 01st Aug, 2019

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

نحمده و نصلى على رسوله الكريم

Shariah Advisor's Report

For the year ended June 2019

Dolmen City REIT is a Shariah Compliant REIT launched in the month of June, 2015. The structure of Dolmen CITY REIT is based on *Shirkah* and *Ijarah*. According to the structure, all unit holders are co-owners of the project (Harbor Front and Dolmen Mall) and they will receive the dividends based on the income from rentals. *Shirkah* and *Ijarah* both are Shariah compliant products.

The year under review is the fifth year of the Dolmen City REIT. In the capacity of Shariah Advisor, we reviewed the transactions conducted during the year. In our review, we found all the investment and rental related matters Shariah compliant.

In our opinion the business affairs of Dolmen City REIT have been generally carried out in accordance with rules and regulations of Shariah, therefore we confirm that the income generated under this REIT for the unit holders is HALAL and SHARIAH COMPLIANT.

We are thankful to the Directors and management of Arif Habib Dolmen REIT management company, the trustee, property manager and other stake holders in providing full support and cooperation to make this transaction Shariah compliant and our special thanks to all unit holders who invested in this REIT and showed full trust on the this Project.

May Allah grant the management of REIT best reward for their services, and may give in their mission more blessings and sincerity. Ameen

Mufti Muhammad Ibrahim Essa

C.E.O. & Director

Alhamd Shariah Advisory Services (Pvt.) Limited





بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

نحمدہ و نصلی علی رسولہ الکریم

شریعیہ ایڈوائزر ریپورٹ

جون ۲۰۱۹

ڈولمین سٹی REIT ایک شریعیہ کسپلائٹ REIT ہے، جو جون 2015 میں شروع ہوئی۔ ڈولمین REIT کی بنیاد شرکت اور اجارہ پر ہے، جس کے مطابق، تمام یونٹ ہولڈرز، پراجیکٹ (ہاربر فرنٹ اور ڈولمین مال) کے شرکاء ہیں اور حاصل ہونے والا کرایہ ان شرکاء کے درمیان تقسیم کیا جاتا ہے۔ شرکت اور اجارہ دونوں عقود شریعت کے مطابق ہیں۔ ہم نے ڈولمین سٹی REIT کے پانچویں سال کے معاملات کا شرعی نقطہ نگاہ سے جائزہ لیا، REIT کی آمدنی کا بنیادی ذریعہ کرایہ ہے، جو مختلف کرایہ داروں سے حاصل ہوتا ہے۔

ہماری رائے میں، ڈولمین سٹی REIT کے کاروباری معاملات شرعی قواعد و ضوابط کے مطابق انجام دیے گئے ہیں، لہذا ہم اس بات کی تصدیق کرتے ہیں کہ اس REIT کی آمدنی حلال اور شریعت کے مطابق ہے۔

ہم ان تمام معاملات کو شریعت کے مطابق رکھنے میں، عارف حبیب ڈولمین REIT مینجمنٹ کمپنی، ٹرسٹیز، پراپرٹی مینیجر اور دیگر اسٹیک ہولڈرز کی حمایت اور تعاون کا شکریہ ادا کرتے ہیں، ساتھ ہی ساتھ ان یونٹ ہولڈرز کا بھی خاص طور پر شکریہ ادا کرتے ہیں جنہوں نے اس REIT پر اعتماد کیا اور اس میں سرمایہ کاری کی۔

آخر میں ہم ڈولمین سٹی REIT کی مزید ترقی اور خوشحالی کے لئے اپنی نیک خواہشات کا اظہار کرتے ہیں۔

محمد ابراہیم

مفتی محمد ابراہیم عیسیٰ

سی، ای، او، - ڈائریکٹر

الحمد شریعیہ ایڈوائزر سروسز (پرائیوٹ) لمیٹڈ



VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT "COVERING PAGE OF EVALUATION REPORT"

MYK Reference No: KHI/14764/06/2019
Date of Valuation Report: June 30, 2019
Date of Survey & Valuation: June 25, 2019

Type of Valuation: Full Scope []

Applicant Name: DOLMEN CITY REIT

Location of Property: Under Evaluation Commercial Property "Dolmen City Mall and Harbour Front" constructed on HC-3, Clifton Block No: 4, Karachi.

Valuation Details

Type of Asset	Fair Market Value (FMV) (PKR)	Disposition Value (DV) / Orderly Liquidation Value (OLV)		
		Discount Factor (%)		Force Sale Value (FSV) (PKR)
		DV	OLV	
Cost Approach Value	22,848,894,000.00			
Sales Comparison Value	62,131,590,000.00	20		49,705,272,000.00
Income Capitalization Approach				
i) Property Value based on MYK estimated Income Capitalization Value	45,656,200,146.43			
ii) Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value	44,954,465,868.02			

*As per documents / information collected from local search.

Any Disqualification / Observation: No [] Yes []
Others Details: None

FMV: The value at which a property would be sold in one year period, considering both seller and buyer are willing but not compelled to buy or sell.

DV: Applicable for land & building and is the Fair Market Value (FMV) less disposition costs as appropriate to the market for sale within 180 days.

OLV: Applicable for Equipment and is the value expected from collateral, with a willing buyer and seller, based on an appropriate marketing period, not to exceed 90 days, less selling costs, if they are expected to be in excess of 2%.

MYK Reference No:	KHI/14764/06/2019		
Date of Valuation Report:	June 30, 2019		
Date of Request Received:	Through Email on dated June 21, 2019		
Requested By:	REIT Management Company (M/s Arif Habib Dolmen REIT Management Limited)		
Client Name:	DOLMEN CITY REIT		
Address of Property:	Under Evaluation Commercial Property, "Dolmen City Mall & Harbour Front" constructed on Plot No: HC-3, situated at Clifton Block No: 4, Karachi.		
Date of Visit:	June 25, 2019		
Appraised By:	Team of MYK Associates Private Limited		
Identified By:	Team of Arif Habib Dolmen REIT Management Limited.		
Type of Property:	Shopping Mall & Multistory Office Building		
Property Utilization:	Fully Commercial <input checked="" type="checkbox"/>	Vacant <input type="checkbox"/>	Fully Industrial <input type="checkbox"/>
Type of Title:	Commercial (As per Documents)		
Surroundings:	Residential Cum Commercial <input checked="" type="checkbox"/> Fully Industrial <input type="checkbox"/> Commercial cum Residential <input type="checkbox"/>	Fully Residential <input type="checkbox"/> Fully Commercial <input type="checkbox"/>	
Occupancy Status:	Owner <input type="checkbox"/>	Tenant <input checked="" type="checkbox"/>	Vacant <input type="checkbox"/>
Cost Approach Value:	PKR. 22,848,894,000.00		
Sales Comparison Value:	PKR. 62,131,590,000.00		
Property Value based on MYK estimated Income Capitalization Value:	PKR. 45,656,200,146.43		
Property Value based on DCR revenue Income Capitalization Value:	PKR. 44,954,465,868.02		

VALUATION INITIATIVE:

In accordance with the provision of REIT Regulations-2015 and amendments-2018, M/s Arif Habib Dolmen REIT Management Limited (the company) appointed MYK Associates Pvt Ltd as a "PBA no limit valuer" to provide its services for valuation of Dolmen City REIT Property, Dolmen City Mall and Harbour Front constructed on the Commercial Plot of Land Bearing No: HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton.

A team from M/s. MYK Associates Private Limited (comprising of the following officials) visited Dolmen City Mall and the Harbour Front for survey and inspection to complete the assignment within the stipulated time.

- 1 **Engr. Iftekhar Ahmad**
- 2 **Syed Shabab Raza**
- 3 **Engr. Muhammad Tauqir**
- 4 **Engr. Kiran Ashraf**
- 5 **Engr. Sidra Tahir**

From time to time, meetings with the officials of Arif Habib Dolmen REIT Management Limited were carried out to gather the details and information regarding these properties. Thereafter, extensive and detailed survey of Dolmen City Mall and the Harbour Front Office Building with reference to documents and information provided by the representative(s) of Arif Habib Dolmen REIT Management Limited were conducted.

MYK Associates Private Limited

(ISO 9001-2015 Accredited)

(Quality Solutions Provider to the Financial Sector)

MYK Associates Private Limited is an ISO-9001-2015 accredited real estate valuator of Pakistan. We ensure the valuation of international standards to the satisfaction of client and as well as the concerned departments / institutions. Upon achieving the accreditation, we are adhering to maintain the customer requirements, establish client's trust and to enable the participation in continual improvement.

MYK has been founded by M. Younas Khan FCA (England & Wales), Ex Country General Manager, Deutsche Bank AG in Pakistan. It was incorporated in September 2000 and is registered under the Pakistan Companies Ordinance 1984. As a professional Survey and Evaluation company, MYK Associates (Pvt.) Limited has over 14 years of experience of conducting evaluation, inspection and muddadam management assignments. It provides services to the Financial and Private Sector in Pakistan and is on the approved panel of Pakistan Banks Association. As a nationwide company, our services comprise of Valuations of Fixed and Current Assets, Inspections of Hypothecated and Pledged Stock and Collateral value (Muccadamage) etc. We are also on the approved panel of NBF and Modarba Association of Pakistan. Our some of prestigious projects that valuation carried out by MYK Associates (Pvt) Limited:

- i. M/s. CDC House, Shahrah-e-Faisal, Karachi
- ii. M/s. NJI Building, I.I Chundrigar Road , Karachi
- iii. M/s. TPL Trakker Building, Korangi Road , Karachi
- iv. M/s. Stock Exchange Building, I.I Chundrigar Road, Karachi
- v. M/s. The Centre Building opposite Zainab Market and many mores.

Over the years, our valuation assignments cover a wide spectrum in consumer retail, industrial, commercial, agricultural and corporate portfolios that encompass land, building, plant & machinery, commercial buildings, hospitals, residential properties as well as open plots both in rural and urban areas. We currently conduct inspections for all the corporate and commercial clients for different banks. Our muddadam department expertly manages different portfolios including seasonal crops, which include wheat, rice, cotton, as well as ship breaking, molasses, ethanol, sugar, edible oil, and canola.

MYKs' Mission is to provide strategic counsel, creative solutions and responsive services in a timely manner to the Financial Sector. MYKs' vision is to be recognized as a leader in providing seamless services through superior quality and commitment as well as achieving operational excellence, industry-leading clientele satisfaction through superior performance.

TEAM OF MYK ASSOCIATES (PVT) LIMITED

Engr. Iftkhar Ahmed

He holds the position of Senior General Manager at MYK Associates Private Limited. By profession he has graduated (B.E.) from NED University of Engineering and Technology, Karachi and is a registered Professional Engineer of PEC (Pakistan Engineering Council) and has vast experience of national and international organizations. He also achieved legal qualification LL.B., LL.M. and having expertise of Agreement and Contracts writing as well as to lead the legal team to litigate on technical matters. He has acquired training from ABB at Dubai, UAE in "Power Control Management" and "Assets handing procedures".

His other associations and affiliations are as following:

- 1 Professional Engineer (PEC).
- 2 Member IEEE (USA).
- 2 Member IEP Karachi Pakistan.
- 4 Member IEEE (Pak)

Mr. Sharjeel Siddiqui-Manager Technical Valuations

He holds the position of Manager Technical Valuations at MYK Associates Private limited. He has vast experience in the technical matters of Valuations and Surveys.

Mr. Shabab Raza-Manager Evaluations

He holds position of Manager Valuations at MYK Associates Private limited. He has more than 15 years of vast experience in the field of property Valuations and Surveys; Mr. Shabab is amongst the top experts of Karachi in this particular field.

Engr. Muhammad Tauqir- Surveying Engineer & Evaluations:

He is working as a Surveying Engineer & Evaluations at MYK Associates Private limited having strong grip in the field of property evaluation and project cost Estimation. He holds a Bachelor's Degree in Urban & Infrastructure Engineering from NED University of Engineering and Technology, Karachi.

Engr. Kiran Ashraf - Evaluation Engineer:

She is currently working as an Evaluation Engineer. She holds a Bachelor's Degree in Civil Engineering from NED University of Engineering and Technology, Karachi.

Engr. Sidra Tahir - Evaluation Engineer:

She is currently working as an Evaluation Engineer. She holds a Bachelor's Degree in Civil Engineering from NED University of Engineering and Technology, Karachi.

INTRODUCTION

Vide reference to REIT Regulation – 2015 and Amendment to REIT Regulation 2018, Arif Habib Dolmen REIT Management Limited in its capacity of REIT Management Company had appointed MYK Associates (Pvt) Limited to evaluate the Dolmen City REIT constructed on amalgamated plot No: HC-3, Block-4, Scheme-5, Clifton, Karachi, which comprises of the following:

1. Dolmen City Mall.
2. The Harbour Front Office Building.

In accordance with REIT Regulations-2015 and Amendment to REIT Regulation 2018, REIT Management Company appointed "PBA no limit valuer" to provide its services in this respect for the period of three years to evaluate the properties through it qualified engineers who are registered with Pakistan Engineering Council for the purpose of conducting valuation bi-annually and issuance of declaration by the competent engineer on the given format duly witnessed by the CEO of the valuer company in this respect.

As per REIT Regulations, the valuer shall be on the list of approved valuer of Panel-I or Panel-II within unlimited valuation category maintained by the Pakistan Banking Association; ensure that the valuation methodology adopted are in line with best practices prevalent in the real estate industry and ensure the valuation carried objectively and independently of its business or commercial relationship. The approaches of the valuation in case of Rental REIT scheme shall be determined using all of the following three approaches:

1. Cost Approach
2. Sales Comparison Approach
3. Income Capitalization approach

INTRODUCTION TO THE PROJECT

Arif Habib Dolmen REIT Management Limited (being a REIT management company) launched and listed South Asia's first Real Estate Investment Trust (REIT) – Dolmen City REIT 'DCR' in June 2015. DCR is perpetual Rated, Closed-end, Shariah Compliant, Rental REIT Scheme which is listed on the Pakistan Stock Exchange, its real estate comprises of two components of the Dolmen City-Project, is situated on the Arabian Sea front at Clifton, Karachi - and is one of the largest and most prestigious mixed-use developments in Pakistan. It is built to serve commercial and corporate clients in an ultra-modern business environment.

The Two components are:

DOLMEN CITY MALL:

The Dolmen Mall having a built-up area of approximately one million square feet boasts shopping and entertainment facilities as well as a food court.

THE HARBOUR FRONT:

Pakistan's premier corporate address, "The Harbour Front" is located on the scenic coastline of Karachi, soaring 19-levels above the Arabian Sea. This modern triangular tower is home to the leading local and multi-national corporations.

With an area of over 270,270.67 square feet of office space spread over 17 levels, The Harbour Front provides spacious and inspirational environment to conduct their everyday business.

The current tenant portfolio of "The Harbour Front" boasts of leading corporations such as Byco, Engro Corporation, Phillip Morris, and Procter & Gamble.

ADDITIONAL INFORMATION

The Dolmen City Mall and Harbour Front constructed on amalgamated HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi measuring total area of 37,666.65 Square Yards and REIT shared area 15,201.68 square yards in an irregular shape. This structural foundation of this complex was designed with keeping in consideration seismic affects / loads (earthquakes) as per the highest international standards [i. e. complying with “seismic zone 2B” (moderate)].

The Dolmen City Mall is approachable from all prominent roads including Clifton road. The traffic flow during work hours (6-days a week) of this location is heavy; however, rest of the time it is smooth. Clifton Road is an important road and has become a financial and commercial hub of Karachi. Several major and prominent buildings, offices and malls are located on it.

This area is highly valuable, commercialized and rapidly developing day by day. Infrastructure features such as roads, transportation, public amenities and daily work force are easily available in the vicinity of Clifton Area of Karachi. Essential utilities services such as water, drainage, electricity and telephone services are also available within the neighborhood areas of the Dolmen City Mall and Harbour Front.

The Dolmen City Mall and Harbour Front beautifies the skyline of Karachi and represents an engineering state of the art landmark structure with a Lower and Upper Basement, Ground, Mezzanine and Two Upper Floors. The vertically skywards triangular complex Harbour Front (Offices) comprises of three to nineteen floors. This complex serves corporate clients with an ultra-modern and futuristic office space. The triangular floor plates provide all tenants with panoramic views of the Arabian Sea and the central core allows for enhanced floor security. A meticulously designed elegant lobby further adds to the grandeur of the complex.

The valuation visit of the “Dolmen City Mall and Harbour Front” was conducted on 25th June, 2019, by a team of Engineers (Engr. Iftakhar Ahmad, Syed Shabab Raza, Engr. Muhammad Touqir, Engr. Engr. Kiran Ashraf and Engr. Sidra Tahir) representing M/s. MYK Associates Private Limited along with the team of Dolmen City Mall and Harbour Front. The all required documents, design and drawings of the buildings were already provided and discussed. Whereas, in preparation of 5th valuation report, a review of fresh documents / points were also carried out during the survey.

All the floors are well maintained with high standard facilities. It is centrally air-conditioned with concealed air ducts and large chiller plants placed on the roof. The flooring throughout the building complex is granite tile, porcelain tile and wood. The stairs are slip proof and there are fast and efficient elevators servicing all floors. A well-designed and maintained Mosque and well-managed executive cafeteria are also present in the building.

The Dolmen City Mall and Harbour Front are covered by perimeter walls around all sides with many entrances gates. The designated car parking space is provided in the lower and upper basement for sufficient vehicles with an Occupied / Vacant Car Parking Indication System. These complexes are designed with very good and high quality soundproofing insulation. Furthermore, a high-quality firefighting system is also installed in the building to face an emergency of any such conditions to incur minimum loss.

Electrical and Mechanical heavy equipment like generators, HVAC and other allied accessories are installed at properly designed places along with a modern control room to operate, control and monitor these facilities. Plumbing lines and water supplies lines are laid with high quality pipes in this project.

The structural planning and design of the complex was designed to utilize and accommodate all management requirements to its maximum. For safety and security, a multi-tiered physical, human and electronic security system is placed at all entry points / entrance and inside the premises. Activities around the complex (inside /outside premises) are well monitored through a state-of-the-art centralized close circuit TVs (CCTVs) system.

The Mall is centrally air-conditioning with modern lighting arrangement and in case of K-Electric supply failure, standby power generation of adequate capacity is also available to avoid any interruption in commercial activity of the complex.

We have utilized maximum resources and efforts to include all reliable, authentic and valuable technical information along with our appropriate calculations to conclude the report. We have also included all informations (in terms of documentations and verbal) provided by the management of Arif Habib Dolmen REIT Management Limited.

"EXTERIOR AND INTERIOR"

Approved Regularization / Completion Building Plan Available
 Regularization / Completion Building Plan Number:

Yes [✓] No []
 11-09-2014

Approach:	Main Road [✓] Side Road [] Inside Road []
Total Area:	37,666.65 Square Yards
REIT Shared Area:	15,201.68 Sq. Yds. (As per Documents)
Dimension (As Per Plan):	Front : Irregular Depth : Irregular
Bounded by (As per Indenture of Lease):	North : 50 Feet wide Road South : 30 Feet Wide Walkway East : 50 Feet wide Road West : Public Parking
Type of Construction:	R.C.C Frame Structure
Type of Gate(s):	Iron & Aluminum with Glass
Elevation of Property as per Plan:	Good
Condition of Property:	Excellent
Internal Boundary Walls Plaster and Paint:	Plastered
Parking Area Available:	Yes (Basements)
Open Yard Flooring:	Cemented Bricks
Number of Stories:	Basements, Mezzanine, Ground plus Nineteen Upper Floors
Property Age as per Physical Observation:	Newly constructed
Property Age as per Building Plan:	September, 2014

I: COST APPROACH:

The "Cost Approach" is a real estate valuation method in which a buyer should pay for a property that should equal the cost to build an equivalent building. In cost approach appraisal, the market price for the property is equal to the cost of land plus cost of construction and services therein such as: Generator, Power plant, Chiller Plant and other services for multistory building.



II: SALE COMPARISON APPROACH:

The Sales Comparison Approach is to comparing recently-sold properties (local similar) with the other similar property. Price adjustments are made for differences in the comparable factors of the property. In fact, the "Sales Comparison Approach" is the basic foundation knowledge for the real estate professionals.

III: INCOME CAPITALIZATION APPROACH:

The income approach is a real estate appraisal method that allows investors to estimate the value of a property by taking the net operating income of the rent collected and dividing it by the capitalization rate. This usually appears in percentage.

A method that appraising real estate income and then converts this income into an estimate of its value. Appraisers generally use this method for commercial buildings such as shopping centers, office buildings and large apartment buildings.

The basic formula for this approach commonly referred as (IRV):

Net operating income (I) ÷ capitalization rate (R) = value (V)

It is the breakup of formula in following are the three steps to arrive at the value according to formula:

1. **Estimating the net operating income.**
2. **Determining the capitalization rate.**
3. **Applying the IRV formula to arrive at a value estimate.**



PROS AND CONS OF THESE APPROACHES TO DETERMINE TRUE VALUE:

In fact, these approaches are best to evaluate a comparable deal that give an idea of what market are paying or have paid for similar assets. This will prevent a buyer from underbidding or overpaying and similarly a seller is not selling at low value or expecting very high. Supports to measure company's true worth of what a company is really worthy and growing. For this, constant monitoring of market and evaluation from experts or valutors is essential.

Similarly following approaches also assist the management to evaluate the growth of rental income.

A. Cost Approach:

This approach provides basis for determining replacement value of the asset or property or any other fixed item or utility service in the premise. Indeed, for consideration in such approach the final shape of the project should have similarity along with similar utilities / facilities in construction. However, it does not take into account the loss of income during construction up till the completion of project achieving desired occupancy. Then we can emerge true picture of Cost Approach.

B. Sales Comparison Approach:

This approach commonly used in the real estate comparison or appraisals for similar type of property. True Sale Comparison Approach emerged when there is any such process of sale/purchase in near past. But here in this case no similar building in the vicinity so therefore, at present, deal or transaction of similar size project or property in Karachi for comparison with Dolmen City project. This approach is generally suitable where the business is buying and selling of property.

C. Income Capitalization Approach:

This approach allows investors to estimate the value of a property based on the net operating income (generated by the real estate) using a capitalization rate. This is most common used approach to determine the value of income generating real estate and it can be regarded as the most appropriate valuation basis for income generating real estate as compared to two other approaches as the said approach is based upon principle that reflects the value of property based on the income generated from it and in case of income generating real estate business the main purpose of the real estate is to accrue the benefit of the income generated through it to the investors over the long period of time

PART I: COST APPROACH

BASIC CALCULATION OF LAND:

Sea view road is the most prestigious and prime real estate location mostly throughout the world and Karachi is no different in this. The Sea view road is fast becoming the business hub of Karachi and it is almost impossible to find a plot on the main road or on the sea side.

To assess the value of the land in the area the survey of estate agents / property dealers was carried out. At present, the cost of the land on sea side and around this area has become very attractive and observed increasing trend in the cost between the range of PKR. 600,000 To PKR. 650,000 Per Square Yard depending upon the location and size of the plot. Therefore, we are taking the land value PKR. 625,000 Per Square Yard on similar parameters as under:

Total Area of Entire Plot:	37,666.65 Square Yards
Assessed Market Value of the Land:	625,000.00 per Square Yards
Total Assessment of Land:	PKR. 23,541,656,250.00
Shared Land Area of RIET:	15,201.68 Square Yards (As per Documents)
Assessed Market Value of the Land:	PKR. 625,000.00 Per Square Yards

Total Assessment of Land: PKR. 9,501,050,000.00
(Rupees Nine Billion Five Hundred One Million and Fifty Thousand Only)



CALCULATION OF COST OF STRUCTURE:

Dolmen City Shopping Mall:

Dolmen City Shopping Mall Comprises of Lower and Upper Basement, Ground, Mezzanine and Three upper Floors. (Including earth work Finishes of concealed roofing, flooring, paint, door & windows, Lift System, internal and external electrical work) by considering these all parameters. The construction cost considered Dolmen city Shopping Mall is approximately between PKR. 6,500 to PKR. 11,250 per Square Foot depending upon the Finishes and Architectural design of floors.

STRUCTURE CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR.)
1	Lower Basement (-5000)	186,153.00	9,000.00	1,675,377,000.00
2	Upper Basement (-2000)	274,285.00	6,500.00	1,782,852,500.00
3	Ground Floor	241,052.00	11,250.00	2,711,835,000.00
4	Mezzanine Floor	19,879.00	7,500.00	149,092,500.00
5	First Floor	275,399.00	11,250.00	3,098,238,750.00
6	Second Floor	272,972.00	11,250.00	3,070,935,000.00
7	Third Floor	27,667.00	7,500.00	207,502,500.00
	Total Value Of Structure of Dolmen City Mall	1,297,407.00		12,695,833,250.00

NOTE:

The above estimated construction value is taken from the material used in construction, quality of work, and other fixtures installed on each floors. Beside that it is a general phenomenon that the costs of upper floor are usually less than the lower floors. Keeping in consideration these facts the above value determined in this project is appropriate.

Harbour Front Office Building:

The construction cost of Harbour Front Office Building has been taken approximately between PKR. 9,500.00 – 10,500.00 per Square Foot due to present market condition and depending upon the Finishes and Architectural design of floors. MYK has taken an average base cost of PKR. 10,000.00 Per Square Foot

STRUCTURE CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR)
1	Third Floor	14,797.25	10,000.00	147,972,500.00
2	Fourth Floor	15,549.16	10,000.00	155,491,600.00
3	Fifth Floor	15,549.16	10,000.00	155,491,600.00
4	Sixth Floor	15,497.52	10,000.00	154,975,200.00
5	Seventh Floor	15,497.52	10,000.00	154,975,200.00
6	Eighth Floor	15,497.52	10,000.00	154,975,200.00
7	Ninth Floor	15,438.55	10,000.00	154,385,500.00
8	Tenth Floor	15,438.55	10,000.00	154,385,500.00
9	Eleventh Floor	15,438.55	10,000.00	154,385,500.00
10	Twelfth Floor	15,578.65	10,000.00	155,786,500.00
11	Thirteenth Floor	15,578.65	10,000.00	155,786,500.00
12	Fourteenth Floor	15,578.65	10,000.00	155,786,500.00
13	Fifteenth Floor	15,451.46	10,000.00	154,514,600.00
14	Sixteenth Floor	15,451.46	10,000.00	154,514,600.00
15	Seventeenth Floor	15,451.46	10,000.00	154,514,600.00
16	Eighteenth Floor	15,341.71	10,000.00	153,417,100.00
17	Nineteenth Floor	15,447.27	10,000.00	154,472,700.00
18	Twentieth Floor	7,687.58	7,000.00	53,813,060.00
	Total Value of Structure of Harbour Front Multistory Building	270,270.67		2,679,643,960.00

TOTAL VALUE OF STRUCTURE BEFORE DEPRECIATION: PKR.15,375,477,210.00
(I.e. 12,695,833,250.00+2,679,643,960.00)

LESS DEPRECIATION (7 Years): PKR. 2,027,632,858.15
(Diminishing method of depreciation is applying on structure @ 2% per annum)

TOTAL VALUE OF STRUCTURE AFTER DEPRECIATION PKR. 13,347,844,351.85

SAY IN LUMP SUM: PKR. 13,347,844,000.00
(Rupees Thirteen Billion Three Hundred Forty Seven Million Eight Hundred and Forty Four Thousand Only)

PART-I: COST APPROACH (LAND AND BUILDING STRUCTURE)

Total Assessment of Land: PKR. 9,501,050,000.00
(Rupees Nine Billion Five Hundred One Million and Fifty Thousand Only)

Total Assessment of Structure: PKR. 13,347,844,000.00
(Rupees Thirteen Billion Three Hundred Forty Seven Million Eight Hundred and Forty Four Thousand Only)

LAND + STRUCTURE: PKR. 22,848,894,000.00

(I.e. PKR. 9,501,050,000.00+ PKR. 13,347,844,000.00)
(Rupees Twenty Two Billion Eight Hundred Forty Eight Million Eight Hundred and Ninety Four Thousand Only)

All possible factors have been taken critically in consideration to evaluate and determine the value of the REIT Properties “Dolmen City Mall And Harbour Front” including the natural and physical condition of the plot area, type of building design and structure, type of construction, age of construction, state of infrastructure in the area, location, availability of utilities connection in the premises. Further, Government’s future development measures to boost the commercial activities, reliability in return of investment in short term or long term plan basis.

- Law and order situation of the area.
- Prevailing market conditions for real estate.
- Property buying and selling activities in the city.
- Availability of prospective buyers.
- Current economic situation of the country.
- Present government policies and political environment

PART-II: SALE COMPARISON APPROACH:

This approach compares the subject property characteristics with those of comparable properties which have recently been sold to determine the value of subject real estate. The process adjusts the prices of comparable transactions according to the presence, absence, or degree of characteristics, which influence value.

According to our market survey, no standard comparable building / project is available in the vicinity of the “Dolmen City Mall and Harbour Front” Clifton for sale comparison, so we can not compare it for comparison approach. Whereas, at some distance from “Dolmen City Mall and Harbour Front” some other project which having the same facilities, fitting and fixtures such as “The Centre Point”, “Ocean Tower” and “Park Tower” which have almost the similar rates as in our report. The below valuation chart for sales comparison approach value is based on leasable area:

CALCULATION FOR DOLMEN CITY MALL:

CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area In Sq. Ft	Rate/SFT	Amount In PKR
1	Lower Basement (-5000)	-	-	-
2	Upper Basement (-2000)	5,285.00	67,500.00	356,737,500.00
3	Ground Floor	187,347.00	105,000.00	19,671,435,000.00
4	Mezzanine Floor	-	-	-
5	First Floor	181,342.00	97,500.00	17,680,845,000.00
6	Second Floor	173,335.00	92,500.00	16,033,487,500.00
7	Third Floor	-	-	-
Total Value of Dolmen City Mall		547,309.00		53,742,505,000.00

NOTE:

The above estimated value of basement is lower than the ground and upper floors because the quality of finishing of the basement area is lower than the upper floors area and space is usually for car parking, storage of material, Godown etc., therefore its cost is lower than the upper floors.

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING:

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area	Rate/SFT	Cost
1	Ground Floor	5,581.00	30,000.00	167,430,000.00
2	Third Floor	10,878.00	30,000.00	326,340,000.00
3	Fourth Floor	14,578.00	30,000.00	437,340,000.00
4	Fifth Floor	14,578.00	30,000.00	437,340,000.00
5	Sixth Floor	14,578.00	30,000.00	437,340,000.00
6	Seventh Floor	14,578.00	30,000.00	437,340,000.00
7	Eighth Floor	14,578.00	30,000.00	437,340,000.00
8	Ninth Floor	14,321.00	30,000.00	429,630,000.00
9	Tenth Floor	14,321.00	30,000.00	429,630,000.00
10	Eleventh Floor	14,358.00	35,000.00	502,530,000.00
11	Twelfth Floor	14,319.00	35,000.00	501,165,000.00
12	Thirteenth Floor	14,500.00	35,000.00	507,500,000.00
13	Fourteenth Floor	14,293.00	35,000.00	500,255,000.00
14	Fifteenth Floor	14,500.00	35,000.00	507,500,000.00
15	Sixteenth Floor	14,230.00	35,000.00	498,050,000.00
16	Seventeenth Floor	14,219.00	35,000.00	497,665,000.00
17	Eighteenth Floor	15,223.00	35,000.00	532,805,000.00
18	Nineteenth Floor	15,223.00	35,000.00	532,805,000.00
19	Twentieth Floor	7,688.00	35,000.00	269,080,000.00
Total Value Of Harbour Front Multistory Building		256,544.00		8,389,085,000.00

PART-II: SALE COMPARISON APPROACH:

GRAND TOTAL VALUE OF PROPERTY: PKR. 62,131,590,000.00

(I.e. PKR. 53,742,505,000.00+PKR. 8,389,085,000.00)

(Rupees Sixty Two Billion One Hundred Thirty One Million Five Hundred and Ninety Thousand Only)

DETERMINATION OF FORCED SALE VALUE:

In order to determine the Forced Sale Value of the REIT Properties “Dolmen City Mall and Harbour Front”, all the factors including the natural and physical condition of the plot area, type of building design and structure, type of construction, age of construction, state of infrastructure in the area, location, availability of utilities connection in the premises have been considered. Further, Government’s future development measures to boost the commercial activities, reliability in return of investment in short term or long term plan basis are also taken in consideration to determine the Forced Sale Value (FSV).

- Law and order situation of the area.
- Prevailing market conditions for real estate.
- Property buying and selling activities in the city.
- Availability of prospective buyers.
- Current economic situation of the country.
- Present government policies and political environment.

The most common hypothetical conditions and extraordinary assumptions arise from the requirement that the property be sold within an unusually short period, thereby limiting reasonable market exposure and recognizing the specific needs of a party other than the property owner. In these circumstances, proper marketing may not be possible therefore, less 20% is the usual percentage to be considered to sale the property in such circumstances.

Forced Sale Value (Less 20%): **PKR. 49,705,272,000.00**
(Rupees Forty Nine Billion Seven Hundred Five Million Two Hundred and Seventy Two Thousand Only)

PART III: INCOME CAPITALIZATION APPROACH:

(As per Valuer)

In our present market study and survey, it is observed that there is marginal increase in rental value in all malls in the Clifton area of Karachi due increase in business activities in this area and improved security measure in the city and to lifting of ban on highrise buildings by the Government upon the direction of Supreme Court of Pakistan. With this decisions and directions of the Honorable Supreme Court, the confidence in the general public has improved, so therefore sentimental trend of commercial activities in the late hours has also increasing day by day in the city and as well as in malls. In light of above facts and parameters, the rent at lower floors of this mall were also observed incremental. In respect of any comparison, presently there is no any comparable Mall available in the vicinity having such areas for offices and shopping space, however some projects/malls are under construction in vicinity / Clifton Area and near future this could be possible. Therefore basis of our experience and in comparison to other similar properties in the other places of city and considering the facilities location and other aspects of Dolmen City Mall and Harbour Front the reasonable rent for the property can be taken in between the range of 0.45% to 0.55% of the total value of structure for Dolmen City REIT and 0.8% to 0.9% for Harbour front. Whereas, the renting percentage is assessed 0.5% for upper basement due to its convenient location and ease of accessibility. However, for the rest we have taken an average rate of 0.45% for Dolmen City Mall and 0.85% for Harbour Front respectively.

CALCULATION FOR DOLMEN CITY SHOPPING MALL					
S.#	Description	Area	Rent/SFT	Rent %	Rental Value In PKR
1	Lower Basement (-5000)	-			
2	Upper Basement (-2000)	5,285.00	337.50	0.50%	1,783,687.50
3	Ground Floor	187,347.00	472.50	0.45%	88,521,457.50
4	Mezzanine Floor	-			
5	First Floor	181,342.00	438.75	0.45%	79,563,802.50
6	Second Floor	173,335.00	416.25	0.45%	72,150,693.75
7	Third Floor	-			
	Total Rental Value Of Dolmen City Shopping Mall per Month	547,309.00			242,019,641.25
	Total Rental Value Of Dolmen City Shopping Mall per annum	547,309.00			2,904,235,695.00

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING

S.#	Description	Area	Rent/SFT (0.85%)	Rental Value
1	Ground Floor	5,581.00	255.00	1,423,155.00
2	Third Floor	10,878.00	255.00	2,773,890.00
3	Fourth Floor	14,578.00	255.00	3,717,390.00
4	Fifth Floor	14,578.00	255.00	3,717,390.00
5	Sixth Floor	14,578.00	255.00	3,717,390.00
6	Seventh Floor	14,578.00	255.00	3,717,390.00
7	Eighth Floor	14,578.00	255.00	3,717,390.00
8	Ninth Floor	14,321.00	255.00	3,651,855.00
9	Tenth Floor	14,321.00	255.00	3,651,855.00
10	Eleventh Floor	14,358.00	297.50	4,271,505.00
11	Twelfth Floor	14,319.00	297.50	4,259,902.50
12	Thirteenth Floor	14,500.00	297.50	4,313,750.00
13	Fourteenth Floor	14,293.00	297.50	4,252,167.50
14	Fifteenth Floor	14,500.00	297.50	4,313,750.00
15	Sixteenth Floor	14,230.00	297.50	4,233,425.00
16	Seventeenth Floor	14,219.00	297.50	4,230,152.50
17	Eighteenth Floor	15,223.00	297.50	4,528,842.50
18	Nineteenth Floor	15,223.00	297.50	4,528,842.50
19	Twentieth Floor	7,688.00	297.50	2,287,180.00
	Total Rental Value of Harbour Front Multistory Building per month	250,963.00		71,307,222.50
	Total Rental Value of Harbour Front Multistory Building per annum	250,963.00		855,686,670.00

DOLMEN CITY SHOPPING MALL:

TOTAL RENTAL VALUE OF DOLMEN CITY: PKR. 2,904,235,695.00
(Rupees Two Billion Nine Hundred Four Million Two Hundred Thirty Five Thousand Six Hundred and Ninety Five Only)

The projected rent for the next three years may be forecasted with an annual increment of 10% of the current market rent. The projected rent is given below:

First Year: PKR. 2,904,235,695.00
Second Year (Increment of 10%): PKR. 3,194,659,264.50
Third Year (Increment of 10%): PKR. 3,514,125,190.95

HARBOUR FRONT MULTISTORY BUILDING:

TOTAL RENTAL VALUE OF HARBOUR FRONT: PKR. 855,686,670.00
(Rupees Eight Hundred Fifty Five Million Six Hundred Eighty Six Thousand Six Hundred and Seventy Only)

The Projected rent for the next Three Years may be forecasted with an annual Increment of 10% of the current market rent. The projected rent is given below:

First Year: PKR. 855,686,670.00
Second Year (Increment of 10%): PKR. 941,255,337.00
Third Year (Increment of 10%): PKR. 1,035,380,870.70

GRAND TOTAL RENTAL VALUE OF PROPERTY: **PKR. 3,759,922,365.00**
 (I.e.; PKR. 2,904,235,695.00+ PKR. 855,686,670.00)
 (Rupees Three Billion Seven Hundred Fifty Nine Million Nine Hundred Twenty Two Thousand Three Hundred and Sixty Five Only)

In order to determine the effect of marketing on a company's growth is never been black and white. There are many factors those combine to create a successful and growing business. However, without marketing and sales a company gets very little, if any, promotion or exposures, meaning the chances of growth are slim to none. This is a well-known fact among marketers, evident in the amount of Rupees successful corporations allocate towards sales and marketing every year.

Generally the expenditure in between the range of 12% to 18% of gross rental income based on the experience "MYK Associates Pvt. Ltd" taken 15% on average basis, However capitalization rate should be in the range between 6% - 8%. This can be taking a figure of 7% on average basis.

TOTAL YEARLY RENTAL INCOME: **PKR. 3,759,922,365.00**
Less operating cost (Assuming 15% of yearly rental income): **PKR. 563,988,354.75**
First year income after less operating cost: **PKR. 3,195,934,010.25**
Capitalization rate: **7%**
PROPERTY VALUE BASED ON VALUER'S ESTIMATED
INCOME CAPITALIZATION VALUE: **PKR.45,656,200,146.43**

PART III: INCOME CAPITALIZATION APPROACH (DCR):

[As per projected Net Operating Income (NOI)]

Arif Habib Dolmen REIT Management Limited has shared the occupancy projected status of the REIT property (Dolmen City Mall and Harbour Front) for the period of 1st July 2019 to 30th June 2020 with the projected rent and expenses for the assessment of value based on the Income Capitalization Approach. The tenancy profile of Dolmen Mall is based on long term agreements with built in rent escalation thus representing a clear picture of future revenue. Out of the three approaches identified in REIT Regulations 2015 and amendment-2018 Income Capitalization Approach is generally based on the principle that the value of the property reflects the quality and quantity of income it is expected to generate over time. It is the most typical approach used for income producing properties i.e. rental properties. Being based on actual agreements, this in comparison to income as per valuer's assessment represents the more representative determination for rental properties. Accordingly it is the most relevant approach for determination of valuation of REIT Management Property for reporting purposes. We have applied our estimated capitalization rate of 7% on the given data to determine the value of property remained same as in our previous report and are as follows:

REIT - Income Projections		Amount (in PKR)
Revenue		
Gross Rental Revenue		3,530,070,086.92
Ancillary Income		193,562,000.00
Sub - Total Operating Revenue (A)		3,723,632,086.92

LESS OPERATING COST:

Operating Costs		
SECP Monitoring fees	0.1% of fund size (PKR 22,237,000,000)	22,237,000.00
Property Management Fee	6% of Gross Rental Revenue (incl 13% SST)	240,553,126.03
Ancillary Income collection charges	15% of Ancillary Income (incl 13% of SST)	33,524,620.00
Insurance Expense		17,850,000.00
Property Tax		19,323,150.00
Renovation expense		133,125,355.00
Other Recurring Expenses		39,706,225.13
Marketing Expenses		70,500,000.00
Sub - Total Operating Costs (B) =		576,819,476.16

NET OPERATING INCOME (A-B)
(i.e.: PKR. 3,723,632,086.92 – PKR. 576,819,476.16)

PKR. 3,146,812,610.76

CAPITALIZATION RATE
Property Value based on DCR's (projected NOI based on Existing rental agreements and expected rent for the vacant Area) Capitalization Value:

7%

PKR. 44,954,465,868.02

CONCLUSION:

We have carried out a detailed evaluation and inspection of the REIT Properties i.e. Dolmen City Mall and the Harbour Front constructed on Plot No: HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for valuation vides REIT Regulations-2015 and Amendment to REIT Regulations 2018.

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	22,848	Rupees Twenty Two Billion Eight Hundred Forty Eight Million Only
Sales Compression Approach	62,131	Rupees Sixty Two Billion One Hundred Thirty One Million Only.
Income Capitalization Approach		
i. Property Value based on Valuer estimated Income Capitalization Value	45,656	Rupees Forty Five Billion Six Hundred Fifty Six Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	44,954	Rupees Forty Four Billion Nine Hundred Fifty Four Million Only

This report is an evaluation appraisal report designed to give a conclusion of assets value and not to be considered as accounting report. In this report a fair market valuation determined carefully of the properties M/s. Dolmen City REIT, constructed on amalgamated HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi to the best of our ability and knowledge.

Therefore, evaluation report reflects our findings at the place mentioned therein and to the date and time of its inspection. Our assessment is computed with the assumption of market variables which influenced the value and that may vary unexpectedly time to time. In this report we have evaluated the cost of above said properties on the assumption of that it is free from any levies and encumbrances irrespective of any nature in title or otherwise. Our physical appraisal is based on the information and data provided by the officials of the REIT Management Company - M/s. Arif Habib Dolmen REIT Management Limited for REIT or their coordinating staff and accepted in good faith without any responsibility. We have carried out the exercise of valuation with due care and diligence and according to the REIT Regulations-2015 and Amendment-2018


Engr. Muhammad Touqir
Surveying Engineer & Evaluations


Syed Shabab Raza
Manager, Evaluation & Inspection


(Iftikhar Ahmed)
Senior General Manager.
B.E., LL.B., LL.M.

SUMMARY OF CURRENT REPORT AS PER MYK (Dated June 30, 2019)

DESCRIPTION	ASSESSMENT
Average Base Cost of Land	PKR. 625,000.00 per Square Yard
Construction Cost of Shopping Mall	PKR. 6,500 to PKR.11,250 per Sq. Foot
Construction Cost of Office Building	PKR. 10,000 per Sq. Foot (except 20 th Floor) PKR. 7,000 per Sq. Foot (for 20 th Floor)
Depreciation on Structure	@ 2% per annum for 7 Years by diminishing method
Dolmen Mall Sales Market Value	PKR. 53,742,505,000.00
Harbour Front Sales Market Value	PKR. 8,389,085,000.00
Dolmen Mall Average Rental rate	Upper Basement (-2000) = 0.50% of total value Ground Floor = 0.45% of total value First Floor = 0.45% of total value Second Floor = 0.45% of total value
Per annum Growth	10%
Harbour Front Average Rental rate	0.85% of total value (Average of all Floors)
Per annum Growth	10%
Operation Cost	12- 18 % of Yearly rental
Occupancy	100%

SUMMARY OF REPORT AS PER MYK (Dated December 31, 2018)

DESCRIPTION	ASSESSMENT
Average Base Cost of Land	PKR. 575,000.00 per Square Yard
Construction Cost of Shopping Mall	PKR. 6,250 to PKR.11,000 per Sq. Foot
Construction Cost of Office Building	PKR. 9,000 to PKR.10,000 per Sq. Foot (except 20 th Floor) PKR. 6,000 to PKR.7,000 per Sq. Foot (for 20 th Floor)
Depreciation on Structure	@2% per annum for 6.5 Years by diminishing method
Dolmen Mall Sales Market Value	PKR. 52,374,232,500.00
Harbour Front Sales Market Value	PKR. 7,806,720,500.00
Dolmen Mall Average Rental rate	Upper Basement (-2000) = 0.50% of total value Ground Floor = 0.45% of total value First Floor = 0.45% of total value Second Floor = 0.45% of total value
Per annum Growth	10%
Harbour Front Average Rental rate	0.85% of total value (Average of all Floors)
Per annum Growth	10%
Operation Cost	12 - 18% of Yearly rental
Occupancy	100%

(VALUER DECLARATION UNDER REIT REGULATIONS – 2015 & AMMENDMENTS - 2018)

DECLARATION

I, Engr. Iftekhar Ahmed, Senior General Manger of MYK Associates (Pvt.) Limited carried out a valuation of “Dolmen City and Harbour Front” at HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for the projected period of 1st July-2019 to 30th June-2020 (5th Valuation Report) of M/s Arif Habib Dolmen REIT properties, to the best of my knowledge and belief declare:

1. That after an inspection of the Real Estate and a study of pertinent factors, including valuation trends and an analysis of neighborhood data the market value of the subject Real Estate as on June 30, 2019 are as below:

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	22,848	Rupees Twenty Two Billion Eight Hundred and Forty Eight Million Only
Sales Compression Approach	62,131	Rupees Sixty Two Billion One Hundred Thirty One Million Only.
Income Capitalization Approach		
i. Property Value based on MYK estimated Income Capitalization Value	45,656	Rupees Forty Five Billion Six Hundred Fifty Six Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	44,954	Rupees Forty Four Billion Nine Hundred Fifty Four Million Only .

2. That the statements of fact contained in this report are true and correct.
3. That I have not withheld any information.
4. That I have no interest in the Real Estate that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. That I have not been instructed either by my company or the client to report a predetermined value for the subject Real Estate.
6. That I am neither a director nor an employee of the RMC and do not have any financial interest, direct or indirect, in the RMC.
7. That I have personally inspected the Real Estate that is the subject of this report.

DECLARED BY:


(Iftekhar Ahmed)
Senior General Manager.

WITNESSED BY:


(Muhammed Sharjeel Siddiqui)
Manager Operation
Date: 30-06-2019



MYK ASSOCIATES PRIVATE LIMITED

| Surveyors | Evaluators | Inspectors | Muccadums | Consulting Engineers |



MYK Ref. No: KHI/14764/06/2019

Dated: 30 / 06 / 2019

Zohaib Yaqoob,
CFO /Company Secretary,
Arif Habib Dolmen REIT Management Limited,
1st Floor, Arif Habib Center,
23-M. T. Khan Road,
Karachi.
Tel. No: +92(21) 32466823

Sub: **CONSULTANCY SERVICES FOR VALUATION OF DOLMEN CITY REIT SCHEME, KARACHI.**

CONFIDENTIALITY UNDERTAKING

(Under Schedule V (F) of the REIT Regulation 2015)

We, M/s MYK Associates Private Limited as the valuer of Dolmen City REIT, hereby undertake that we shall maintain the secrecy and confidentiality of the documents and information of clients that we shall have access to, from any intentional or inadvertent disclosure to any unauthorized person(s).

Undertaken by:

(Muhammad Younis Khan)
Chief Executive Officer (CEO)



Head Office: MYK HOUSE 52-A, Block 'B', Street No. 5, Sindhi Muslim Cooperative Housing Society, Karachi-75400, Pakistan.

T: (+92-21) 38704421-28

www.mykassociates.com

E: info@mykassociates.com

Lahore Branch
House No. 9, Green Avenue
Old Muslim Town, Lahore,
T: (+92-42) 35845836-37
(+92-42) 35914572

Faisalabad Branch
1st Floor, Gill Plaza, Adjacent Gill Electronics,
Bahman Chowk, Farooq Shaheed Road,
Madina Town, Faisalabad
T: (+92-41) 8530430, 8714698
(+92-41) 8754075, 4549448

Multan Branch
2nd Floor of Plot No. 181, Shaqat Colony
Al-Tamash Road, Multan Cantt, Multan,
T: (+92-61) 4519468
(+92-61) 4503301

Gujranwala Branch
1st Floor of Trust Plaza, 16 Main Block,
Gujranwala,
T: (+92-55) 3843799
(+92-55) 3253799

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE UNIT HOLDERS OF DOLMEN CITY REIT

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Arif Habib Dolmen REIT Management Limited** ("the REIT Management Company" or "RMC") for and on behalf of Dolmen City REIT ("the Scheme") for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

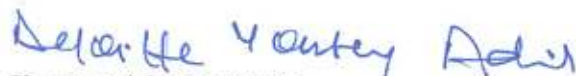
The responsibility for compliance with the Regulations is that of the Board of Directors of the RMC of the Scheme. Our responsibility is to review whether the Statement of Compliance reflects the status of the Scheme's compliance with the provisions of the Regulations and report if it does not and to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

As a part of our audit of 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 RMC's corporate governance procedures and risks.

The Regulations requires the RMC 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out any procedures to assess and determine the RMC's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 Scheme's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Scheme for the year ended June 30, 2019.

Further, we highlight the instance of non-compliance with the requirement of the Regulations as reflected in the paragraph 18 where it is stated in the Statement of Compliance that the position of chief financial officer and company secretary has been held by the same person.



Chartered Accountants

Place: Karachi

Date: October 09, 2019

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED 30 JUNE 2019.

The Board of Directors (the Board) of Arif Habib Dolmen REIT Management Limited (“the REIT Management Company” or “RMC”) being the management company of the Scheme manages its affairs and has complied with the requirement of the Regulation in the following manner:

1. The total number of directors are 9 (nine) as per the following:

- a) Male: 8
- b) Female: 1

2. The composition of the board is as follows:

Category	Names
Non-Executive Director	Mr. Nasim Beg - Chairman Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajidullah Sheikh
Independent Director	Ms. Tayyaba Rasheed Mr. Qamar Hussain Mr. Tayyeb Afzal
Chief Executive	Mr. Muhammad Ejaz

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4. The RMC 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 RMC. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / unitholders as empowered by the relevant provisions of the Companies Act 2017, REIT Regulations 2015 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 Companies Act 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of 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 these Regulations.

9. Following directors have acquired the prescribed Directors’ Training Program certification:

- 1. Mr. Sajidullah Sheikh
- 2. Ms. Tayyaba Rasheed
- 3. Mr. Tayyeb Afzal
- 4. Mr. Nadeem Riaz
- 5. Mr. Abdus Samad A. Habib
- 6. Mr. Faisal Nadeem
- 7. Mr. Qamar Hussain
- 8. Mr. Muhammad Ejaz

Following director meet the board experience criteria as given in Regulations:

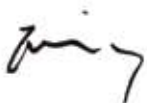
- 1. Mr. Nasim Beg

10. The board has approved appointment of CFO, 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. CFO and CEO 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. Qamar Hussain	Chairman
Mr. Tayyeb Afzal	Member
Mr. Abdus Samad A. Habib	Member
 - b) Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Faisal Nadeem	Member
Mr. Abdus Samad A. Habib	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 committee were as per following:
 - a) Audit Committee: 4 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 Scheme have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Scheme and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these 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 other requirements of the Regulations have been complied with except that the position of chief financial officer and company secretary has been held by the same person. A letter has been written to SECP seeking exemption for this requirement for which response is awaited. Further, in April 2019, SECP has issued draft Listed Companies (Code of Corporate Governance) Regulations, 2019 (Draft Regulations) in which above mentioned requirement is not mandatory and will be applied based on "comply or explain" approach. Therefore, once the proposed Draft Regulations become applicable, the existing non-compliance will become redundant.

For and behalf of the board.



Nasim Beg
Chairman
17 September 2019

INDEPENDENT AUDITOR'S REPORT

TO THE UNIT HOLDERS OF DOLMENT CITY REIT

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Dolmen City REIT** (the Scheme), which comprise the statement of financial position as at June 30, 2019, the statement of profit or loss, statement of comprehensive income, the statement of changes in unit holders' fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 Scheme's affairs as at June 30, 2019 and of the profit, other 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 Scheme 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.

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.

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Valuation of investment property</p> <p>Investment property amounted to Rs. 44,954.466 million as at June 30, 2019. See note 4 to the financial statements.</p> <p>The total amount of investment property is the most significant account balance on the statement of financial position.</p> <p>The Scheme's investment property comprise of The Harbor Front and Dolmen City Mall (the properties).</p> <p>The Company's investment properties are stated at fair value based on valuations carried out by independent qualified professional valuer (the "management expert") with the changes routed through the statement of profit or loss.</p> <p>The management expert under REIT Regulations, 2015 is also required to carry out valuation on three approaches and explicitly state the approach that is most appropriate for the Scheme. The management expert has stated that Income Capitalisation Approach - "Projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the producing properties i.e. rental properties vacant area" is the most appropriate/relevant approach used for valuation."</p> <p>The valuations are dependent on significant unobservable inputs that involve management's significant judgment. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in Note 4 to the financial statements.</p>	<p>Valuation was assessed by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key controls around hiring of management's expert and also for review of work performed by valuer; • evaluating the competence, capabilities and objectivity of the management expert; • assessing the accuracy and completeness of the source data provided to the management's expert, and ensuring its completeness and accuracy; • obtaining the valuation report and employing the services of auditor's expert for assessing the reasonableness of the significant unobservable inputs and estimates used by the management's expert and for assessing whether the valuation approach recommended by management's expert represents the most appropriate approach; and • considering the adequacy of disclosures and amounts recognised in respect of investment property in the financial statements.

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

Management is responsible for the other information. The other information comprises the information contained in annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Scheme'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 Scheme'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 Scheme'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 Scheme 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.

We also provide the board of directors 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 board of directors, 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 Scheme 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 Scheme's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Scheme and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is *Nadeem Yousuf Adil*.


Chartered Accountants

Place: Karachi

Date: October 09, 2019



Financial Statements

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 June 2019	30 June 2018
		(Rupees in '000)	
ASSETS			
Non - current assets			
Total non - current assets - Investment property	4	44,954,466	41,119,132
Current assets			
Rent receivables	5	150,171	128,048
Short term deposits, prepayments and other assets	6	285,127	264,541
Profit accrued		13,091	6,509
Bank balances	7	1,619,355	1,479,790
Total current assets		2,067,744	1,878,888
Total assets		47,022,210	42,998,020
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up (2,223,700,000 units of Rs. 10 each)	8	22,237,000	22,237,000
Reserves		23,996,196	19,995,181
Total unit holders' fund		46,233,196	42,232,181
LIABILITIES			
Non - current liabilities			
Formation costs payable to REIT management company	10	-	50,339
Security deposits	11	200,469	163,950
Total non - current liabilities		200,469	214,289
Current liabilities			
Payable to REIT management company	12	77,499	81,692
Security deposits	11	135,299	135,829
Accrued expenses and other liabilities	13	360,359	317,225
Unclaimed dividend		15,388	16,804
Total current liabilities		588,545	551,550
Total unit holders' fund and liabilities		47,022,210	42,998,020
		(Rupees)	
Net assets value per unit		20.79	18.99

CONTINGENCIES AND COMMITMENTS

14

The annexed notes from 1 to 23 form an integral part of the financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019	30 June 2018
		(Rupees in '000)	
INCOME			
Rental income		3,344,499	3,046,978
Marketing income		182,606	210,165
		3,527,105	3,257,143
Administrative and operating expenses	15	(513,267)	(484,207)
Net operating income		3,013,838	2,772,936
Other income - profit on deposits		139,613	112,842
		3,153,451	2,885,778
Management fee	12.1	(90,415)	(83,194)
Sindh Sales Tax on management fee	12.1	(11,754)	(10,815)
Trustee remuneration	13.1	(15,069)	(13,866)
Sindh Sales Tax on trustee remuneration	13.1	(1,959)	(1,803)
		(119,197)	(109,678)
Profit before change in fair value of investment Property		3,034,254	2,776,100
Change in fair value of investment property / unrealised gain	4	3,835,334	2,279,168
Profit before taxation		6,869,588	5,055,268
Taxation	16	-	-
Profit after taxation		6,869,588	5,055,268
		(Rupees)	
Earnings per unit - Distributable income		1.36	1.25
Earnings per unit - Undistributable income / Unrealised fair value gains		1.72	1.02
Earnings per unit - basic and diluted	18	3.09	2.27

The annexed notes from 1 to 23 form an integral part of the financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	(Rupees in '000)	
Profit after taxation for the year	6,869,588	5,055,268
Other comprehensive income	-	-
Total comprehensive income for the year	6,869,588	5,055,268


The annexed notes from 1 to 23 form an integral part of the financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

Note	30 June 2019	30 June 2018
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,869,588	5,055,268
Adjustments for:		
Change in fair value of investment property / Unrealised gain	(3,835,334)	(2,279,168)
Profit on deposits	(139,613)	(112,842)
Provision against rent receivables	6,964	-
	2,901,605	2,663,258
Working capital changes		
Increase in current assets		
- Rent receivables	(29,087)	(36,913)
- Short term deposits, prepayments and other assets	(15,226)	(359)
(Decrease) / increase in current liabilities		
- Payable to the REIT management company	(4,193)	3,161
- Security deposits received - net	35,989	71,046
- Accrued expenses and other liabilities	43,134	67,733
Cash generated from operations	2,932,222	2,767,926
Taxes paid (withheld at source)	(5,360)	(6,131)
Formation costs paid	(50,339)	(54,916)
Net cash generated from operations	2,876,523	2,706,879
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on deposits received	133,031	131,504
Net cash generated from investing activities	133,031	131,504
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash used in financing activities - Dividend paid	(2,869,989)	(4,544,124)
Net increase / (decrease) in cash and cash equivalents during the year	139,565	(1,705,741)
Cash and cash equivalents at beginning of the year	1,479,790	3,185,531
Cash and cash equivalents at end of the year	1,619,355	1,479,790

The annexed notes from 1 to 23 form an integral part of the financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CHANGES IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED 30 JUNE 2019

	Units	Reserves			Total Reserves	Unit holders' fund
		Capital Reserves		Revenue Reserves		
		Premium on issue of units - net Note 9.	Fair Value Reserve Note 18.1.1	Unappropriated profit		
(Rupees in '000)						
Balance as at 30 June 2017	22,237,000	281,346	16,602,964	2,614,188	19,498,498	41,735,498
Transactions with owners						
Cash dividend for the year ended 30 June 2017 (Rs. 1.15 per unit)	-	-	-	(2,557,255)	(2,557,255)	(2,557,255)
Cash dividend for the period ended 30 September 2017 (Rs. 0.30 per unit)	-	-	-	(667,110)	(667,110)	(667,110)
Cash dividend for the period ended 31 December 2017 (Rs. 0.30 per unit)	-	-	-	(667,110)	(667,110)	(667,110)
Cash dividend for the period ended 31 March 2018 (Rs. 0.30 per unit)	-	-	-	(667,110)	(667,110)	(667,110)
	-	-	-	(4,558,585)	(4,558,585)	(4,558,585)
Total comprehensive income for the year - profit for the year	-	-	2,279,168	2,776,100	5,055,268	5,055,268
Balance as at 30 June 2018	22,237,000	281,346	18,882,132	831,703	19,995,181	42,232,181
Transactions with owners						
Cash dividend for the year ended 30 June 2018 (Rs. 0.30 per unit)	-	-	-	(667,110)	(667,110)	(667,110)
Cash dividend for the period ended 30 September 2018 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
Cash dividend for the period ended 31 December 2018 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
Cash dividend for the period ended 31 March 2019 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
	-	-	-	(2,868,573)	(2,868,573)	(2,868,573)
Total comprehensive income for the year - profit for the year	-	-	3,835,334	3,034,254	6,869,588	6,869,588
Balance as at 30 June 2019	22,237,000	281,346	22,717,466	997,384	23,996,196	46,233,196

The annexed notes from 1 to 23 form an integral part of the financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1** Dolmen City REIT (the Scheme) was established under Trust Deed, dated 20 January 2015, executed between Arif Habib Dolmen REIT Management Limited (AHDRML), as the REIT Management Company (RMC) and Central Depository Company of Pakistan Limited (CDCPL), as the Trustee; and is governed under the Real Estate Investment Trust Regulations, 2015 (REIT Regulations, 2015), promulgated and amended from time to time by the Securities & Exchange Commission of Pakistan (SECP).

The Trust Deed of the Scheme was registered on 20 January 2015 whereas approval of the registration of the REIT Scheme has been granted by the SECP on 29 May 2015. The Scheme is a Perpetual, Closed-end, Shariah Compliant, Rental REIT. The Scheme is listed on Pakistan Stock Exchange. The Scheme is rated AAA (rr) by VIS Credit Rating Company Limited. The registered office of the REIT Management Company is situated at Arif Habib Center, 23 M.T. Khan Road, Karachi. All of the activities undertaken by the Scheme during the year ended 30 June 2019 including but not limited to deposits and placements with banks, rental and marketing income earned were all in accordance with principle of Shariah.

- 1.2** The Scheme is the subsidiary of International Complex Projects Limited (ICPL). As at 30 June 2019, ICPL directly holds 75 percent units of the Scheme. The Scheme started its commercial activities on 01 June 2015.

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 comprise of:

- International Financial Reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance, 1984; and
- The Real Estate Investment Trust Regulations 2015 (the REIT Regulations) and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, REIT Regulations and requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, REIT Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the basis of 'historical cost convention' except for investment property which is stated at fair value.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistan Rupees which is the Scheme's functional and presentation currency and have been rounded off to the nearest thousand except otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2.4 Use of significant estimates and judgments

In preparing these financial statements, management has made judgement, estimates and assumptions that affect the application of the Scheme's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements and the assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent years related to valuation of investment property (note 3.1 & 4) and rent receivable.

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended 30 June 2019

The following standards, amendments and interpretations are effective for the year ended June 30, 2019. These standards, interpretations and the amendments are either not relevant to the Scheme's operations or are not expected to have significant impact on the Scheme's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
- IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 01, 2018
- Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
- IFRS 4 'Insurance Contracts': Amendments regarding the interaction of IFRS 4 and IFRS 9.	January 01, 2018
- IFRS 15 'Revenue from contracts with customers' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date.	July 01, 2018
- Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018

Management anticipates that all the above mentioned amendments will be adopted in the Scheme's accounting policies for the first period beginning after the date of pronouncement. Information on the relevant amendments that are not yet effective have been provided below. The Scheme's management is yet to assess the impact of these amendments on the Scheme's financial statements, unless specifically stated.

Consequently, the following changes in accounting policies have taken place effective from July 01, 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2.5.1 Impact of initial application of IFRS 9 'Financial Instruments'

The Scheme has applied IFRS 9 'Financial Instruments' (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after July 1, 2018.

Additionally, the Scheme adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2019 and to the comparative period.

IFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Scheme's financial statements are described below:

The Scheme has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Scheme has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is July 1, 2018. Accordingly, the Scheme has applied the requirements of IFRS 9 to instruments that continue to be recognised as at July 1, 2018 and has not applied the requirements to instruments that have already been derecognised as at July 1, 2018. Comparative amounts in relation to instruments that continue to be recognised as at July 01, 2018 have not been restated as allowed by IFRS 9.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the Scheme's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- All other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

When a debt investment measured at FVTOCI 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. When an equity investment designated as measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is subsequently transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Debt instruments that are measured subsequently at amortised cost or at FVTOCI are subject to impairment. See (b) below.

The directors of the Scheme reviewed and assessed the Scheme's existing financial assets as at July 1, 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Scheme's financial assets as regards their classification and measurement:

- financial assets classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Scheme's financial assets as at 1 July 2018.

Financial assets and financial liabilities	Original classification as per IAS 39	New classification as per IFRS 9	Carrying amount as per IAS 39 as on June 30, 2018	Carrying amount on initial adoption of IFRS 9 on July 01, 2018	Effect on July 01, 2018 on Retained Earnings
--------------------------------------------	---------------------------------------	----------------------------------	---------------------------------------------------	----------------------------------------------------------------	----------------------------------------------

----- Rupees in '000 -----

Financial assets

Bank balances	LR	AC	1,479,790	1,479,790	-
Security deposits	LR	AC	944	944	-
Profit accrued	LR	AC	6,509	6,509	-
Rent receivables	LR	AC	128,048	128,048	-

Financial liabilities

Security deposits	OFL	AC	135,829	135,829	-
Payable to REIT management Company	OFL	AC	81,692	81,692	-
Accrued expenses and other liabilities	OFL	AC	143,423	143,423	-
Unclaimed dividend	OFL	AC	16,804	16,804	-

- "LR" is loans and receivables
- "AC" is amortised cost
- "OFL" is other financial liabilities

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Scheme to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

Specifically, IFRS 9 requires the Scheme to recognise a loss allowance for expected credit losses on:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

- (1) Debt investments measured subsequently at amortised cost or at FVTOCI;
- (2) Lease receivables;
- (3) Trade receivables and contract assets; and
- (4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Scheme to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Scheme is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The Scheme has determined that the application of IFRS 9's impairment requirements at July 01, 2018 does not have a material impact on provision for doubtful debts measured under IAS 39.

The consequential amendments to IFRS 7 have also resulted in more extensive disclosures about the Scheme's exposure to credit risk in the financial statements.

(c) **Classification and measurement of financial liabilities**

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. This change has no impact on the classification and measurement of the Scheme's financial statements.

(d) **General hedge accounting**

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required.

There is no impact of the said change on these financial statements as the Scheme does not carry out any hedging activity.

2.5.2 **Impact of application of IFRS 15 Revenue from Contracts with Customers**

In the current year, the Scheme has applied IFRS 15 'Revenue from Contracts with Customers' which is effective for annual period beginning on or after July 01, 2018. IFRS 15 introduced a 5-step approach to revenue recognition.

The application of IFRS 15 does not have a significant impact on the financial position and/or financial performance of the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

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

	Effective from accounting period beginning
- Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
- IFRS 16 'Leases': This standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.	January 01, 2019
- Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 01, 2019
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in Conceptual Framework and the Standards.	January 01, 2020
- Amendments to IFRS 3 'Business Combination' Amendment in the definition of business'.	January 01, 2020
- Amendments to Reference to the Conceptual Framework in IFRS Standards.	January 01, 2020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (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 14 – Regulatory Deferral Accounts
- IFRS 17 – Insurance Contracts

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below, which have been consistently applied to all the periods presented.

3.1 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at purchase cost on initial recognition including cost directly attributable to the acquisition of the investment property and subsequently at fair value with any change therein recognised in statement of profit or loss.

The Scheme determines the fair value of its investment property after every six months by a qualified valuer fulfilling the minimum criteria stated by the REIT Regulations, 2015. The valuer under REIT Regulations, 2015 is also required to carry out valuation on three approaches and explicitly state the approach that is most appropriate for the Scheme. The valuer has stated that Income Capitalisation Approach - "Projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area" is the most appropriate / relevant approach used for income producing properties i.e rental properties.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Scheme and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss currently.

3.2 Financial assets

Financial assets are recognised in the Scheme's statement of financial position when the Scheme becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortised cost and effective interest method

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost (net carrying amount) of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

For purchased or originated credit-impaired financial assets, the Scheme's recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Derecognition of financial assets:

The Scheme derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Scheme neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Scheme recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Scheme retains substantially all the risks and rewards of ownership of a transferred financial asset, the Scheme continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.3 Financial liabilities

Financial liabilities includes security deposits, trade payables, accrued and other liabilities and are recognised at the time when the Scheme becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.4 Provisions

Provisions are recognised when the Scheme has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.5 Impairment

Financial assets

The Scheme recognizes a loss allowance for expected credit losses on rent receivables as well as specific provisioning against trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Scheme recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the regional historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Value in use is determined through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss is reversed if there has been change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.6 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand and balances held with banks.

3.7 Revenue recognition

Rental income from investment property including incentives is recognised as revenue on a straight line basis over the non cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.

Ancillary and marketing income is recognised when the event is performed.

Profit on bank deposits is recognised on a time proportionate basis using effective yield method.

The Company has determined that the application of IFRS 15 does not have a material impact on recognition of rental income measured under IAS 18.

3.8 Taxation

Income of the Scheme is exempt from income tax under clause 99 of the Part I of the 2nd Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year as reduced by capital gains whether realised and unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Scheme is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

The Scheme provides for deferred taxation using the statement of financial position liability method on all major temporary differences between the amounts used for financial reporting purposes and amounts used for taxation purposes. In addition, the Scheme also records deferred tax asset on unutilised tax losses to the extent that it is no longer probable that the related tax benefit will be realised. However, the Scheme has not recognised any amount in respect of taxation in these financial statements as the RMC has distributed more than ninety percent of its accounting income for the current year through distribution of interim dividends during the year and declaration and distribution of final dividend subsequent to year end (refer note 22) and intend to avail the tax exemption in future years by distributing at least ninety percent of its accounting income for the year as reduced by capital gains, whether realised or unrealised, to its unit holders every year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

3.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognised amounts and the Scheme intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

3.10 Net assets value per unit

The net assets value (NAV) per unit as disclosed on the statement of financial position is calculated by dividing the net assets of the Scheme by the number of units outstanding at the year end.

3.11 Earnings per unit

Earnings per unit (EPU) is calculated by dividing the profit or loss attributable to units holders' of the Scheme by the weighted average number of units outstanding during the year.

3.12 Proposed distribution

Distributions are recognised in the period in which such distributions are declared / approved.

	Note	30 June 2019 (Rupees in '000)	30 June 2018
4. INVESTMENT PROPERTY			
Carrying amount at beginning of the year	4.1	41,119,132	38,839,964
Add: Change in fair value of investment property / unrealised gain		3,835,334	2,279,168
Carrying amount at end of the year		<u>44,954,466</u>	<u>41,119,132</u>

4.1 The Investment property comprise of the buildings named as the "DOLMEN CITY MALL" and the "HARBOUR FRONT", comprising of two Basements (5,285 square feet), Ground floor (187,347 square feet), Mezzanine Floor (19,879 square feet), First floor (275,399 square feet), Second floor (272,972 square feet), Plant and Transformer Rooms (27,667 square feet), Third to Nineteenth floors (270,271 square feet) i.e. having a total covered area of 1,567,678 square feet with 15,201.68 square yards undivided share in the Plot bearing No. HC-3, Block 4, KDA, Scheme 5, Marine Drive, Karachi.

The investment property has been valued by MYK Associates (Private) Limited ('MYK' or 'the Valuer') as at 30 June 2019. The Valuer used all prescribed approaches to value the investment property as per the clause 7 (a) of Schedule VI to the REIT Regulations, 2015. The valuation of MYK are summarised below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	(Rupees in million)	
Cost approach	22,818	21,632
Sales comparison approach	62,131	59,712
Income capitalisation approach		
(a) Valuer's assessment of rental income – using 7% capitalisation rate	45,656	43,729
(b) On projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area – using 7% capitalisation rate	44,954	41,119

The clause 7 (c) of Schedule VI to the REIT Regulations, 2015, states that the Valuer shall provide an explanation of the relative strengths and weakness of various approaches and explicitly state the approach that is most appropriate for the REIT Scheme. MYK in its valuation report has stated that out of three approaches identified in REIT Regulations, 2015 "Income Capitalization Approach" is the most typical approach used for income producing properties i.e. rental properties. MYK has determined two values under Income Capitalization Approach as stated above, however recommended that the projected NOI based on existing rental agreements and expected rent for the vacant area is most appropriate for the Scheme. Accordingly, Investment Property has been valued in these financial statements under Income capitalization approach based on existing rental agreements and expected rent for the vacant area.

The forced sales value of the investment property is assessed to be Rs. 49,705.272 million (30 June 2018: Rs. 47,770.068 million).

The fair value measurement for the investment property has been categorised as Level 3 fair value measurements which is considered as highest and best use of investment property.

Significant unobservable inputs

	Sensitivity	
	Change in input	Effect on fair value (Rupees in '000)
- Present revenue (based on exiting leasing contracts)	+ 5%	2,659,737
- Present revenue (based on exiting leasing contracts)	- 5%	(2,659,737)
- Present operating costs (based on projected costs)	+ 5%	(412,014)
- Present operating costs (based on projected costs)	- 5%	412,014
- Capitalization rate	+ 1%	(5,619,308)
- Capitalization rate	- 1%	7,492,411

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	(Rupees in '000)	
5. RENT RECEIVABLES		
Unsecured		
Rent Receivables	182,804	153,717
Loss Allowance	(32,633)	(25,669)
	150,171	128,048

5.1 The following table shows movement in loss allowance for receivables:

	(Rupees in '000)
Balance as at July 1, 2018	25,669
Provision for the year	6,964
Amounts recovered	-
Balance as at 30 June 2019	32,633

5.2 As at June 30, 2019, rent receivables aggregating to Rs. 150.171 million (2018: Rs. 128.048 million) were past due but not impaired. The ageing of these receivables are as follows:

	30 June 2019	30 June 2018
	(Rupees in '000)	
Upto 6 months	120,355	96,599
More than 6 months	29,816	31,450
5.2.1	150,171	128,048

5.2.1 The rent receivable represents amount receivable upto six months and more than six months amounting to Rs. 120.355 million (2018: Rs.96.599 million) and Rs.29.816 million (2018: Rs. 31.450 million) respectively net off provision for doubtful balances. More than six months balances mainly represents sales tax amounts which have not been paid by the tenants due to stay order granted by Honourable High Court of Sindh (SHC). The matter has been further explained in Note 19.1.

5.3 The balance include receivables of Rs. 0.7 million (2018: 0.7 million) which represents maximum aggregate amount outstanding at any time during the year from associated companies namely International Complex Projects Limited, Retail Avenue (Private) Limited and Sindbad Wonderland (Private) Limited that represents sales tax amounts which have not been paid by the tenants due to stay order granted by Honourable High Court of Sindh (SHC). The matter has been further explained in Note 19.1.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019						Total
	Not yet due	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	Past due 365 days	
Not due balances	-	-	-	-	-	702,361	702,361
Past due but not impaired	-	-	-	-	-	-	-
	-	-	-	-	-	702,361	702,361

	2018						Total
	Not yet due	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	Past due 365 days	
Not due balances	-	-	-	-	-	702,361	702,361
Past due but not impaired	-	-	-	-	-	-	-
	-	-	-	-	-	702,361	702,361

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
6. SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER ASSETS			
Considered good - Unsecured			
Security deposit		959	944
Prepayments		15,463	252
Advance tax		268,705	263,345
		285,127	264,541
Considered doubtful - Unsecured			
		4,728	4,728
		289,855	269,269
Less: Provision for doubtful balances		(4,728)	(4,728)
		285,127	264,541
7. BANK BALANCES			
Term deposit receipts	7.1	1,299,182	1,310,000
Saving accounts	7.2	320,173	167,304
Current accounts		-	2,486
		1,619,355	1,479,790

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

7.1 These represent term deposit receipts with Islamic banks and these carry expected profit rate of 12.50% (2018: 6.50%) per annum with maturity of one month. These include security deposits received by the Scheme from tenants (Note 11).

7.2 This represents deposits held in riba free saving accounts carrying expected profit rates ranging from 2.68% to 9.51% (2018: 2.05% to 6.40%) per annum.

8. UNIT HOLDERS' FUND

8.1 Issued, subscribed and paid up units

Number of units			30 June 2019	30 June 2018
2019	2018		(Rupees in '000)	
		Ordinary shares of Rs.10/- each		
1,667,775,000	1,667,775,000	- fully paid in kind	16,677,750	16,677,750
555,925,000	555,925,000	- fully paid in cash	5,559,250	5,559,250
2,223,700,000	2,223,700,000		22,237,000	22,237,000

8.2 Pattern of unit holding

2019			2018	
Percentage	Units Held		Percentage	Units Held
		International Complex Projects Limited (ICPL)		
75%	1,667,775,000		75%	1,667,775,000
25%	555,925,000	General public / others	25%	555,925,000
100%	2,223,700,000		100%	2,223,700,000

9. PREMIUM ON ISSUE OF UNITS - NET

This represents premium received amounted to Rs. 555.925 million against units issued to the general public / others at strike price of Rs. 11 per unit, which had been adjusted with formation costs of Rs. 274.579 million during the year ended 30 June 2015 as permitted by section 81 of the Companies Act, 2017 (section 83 of the repealed Companies Ordinance, 1984).

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
10. FORMATION COSTS PAYABLE TO REIT MANAGEMENT COMPANY			
Unsecured			
Formation costs	10.1	50,339	105,255
Less: Current maturity		(50,339)	(54,916)
		-	50,339

10.1 This represent amount payable on account of reimbursement of formation costs incurred by RMC to launch the Scheme under the provisions of Trust Deed and Prospectus. This is interest free and payable in installments annually over a period of five years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
11. SECURITY DEPOSITS			
Security deposits from tenants	11.1	335,768	299,779
Less: Current portion		(135,299)	(135,829)
		200,469	163,950

11.1 This represents amounts received from tenants of the investment properties as security deposit under tenancy agreements. These are maintained in a separate bank account (note 7).

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
12. PAYABLE TO REIT MANAGEMENT COMPANY			
Management fee payable		22,543	22,203
Sindh sales tax		4,617	4,573
	12.1	27,160	26,776
Current portion of formation costs	10	50,339	54,916
		77,499	81,692

12.1 Under the provisions of REIT Regulations, 2015, RMC is entitled to an annual management fee not exceeding three percent of Net Operating Income (NOI) of the Scheme. The management fee is payable on quarterly basis in arrears. The Sindh Government has levied Sindh Sales Tax on the remuneration of RMC through Sindh Sales Tax on Services Act 2011, effective from 01 July 2014. The current applicable tax rate is 13% being effective from 1 July 2016.

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
13. ACCRUED EXPENSES AND OTHER LIABILITIES			
Trustee remuneration	13.1	17,028	15,668
Provision for government levies		2,658	1,329
Monitoring fee payable to SECP	15.1	22,237	22,237
Payable to associated undertakings	13.2	27,396	41,488
Unearned rental income		109,719	92,073
Sales tax and withholding income tax		44,895	45,963
Charity payable	13.3	-	2,486
Federal Excise Duty	13.4	11,980	11,980
Takaful fee		-	1,537
Accrued expenses		119,066	74,106
Shariah advisory fee		62	220
Other liabilities		5,318	8,138
		360,359	317,225

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

- 13.1** The Trustee is entitled to an annual remuneration for services rendered upto 0.6% of the annual NOI under the provisions of the REIT Regulations, 2015. However, the Trustee charged annual remuneration at a rate of 0.5% of the annual NOI. The Sindh Government has levied Sindh Sales Tax on the remuneration of the Trustee through Sindh Sales Tax on Services Act 2011, effective from 01 July 2015. The current applicable rate is 13% being effective from 1 July 2016.

	30 June 2019	30 June 2018
	(Rupees in '000)	
13.2 Payable to Associated undertakings		
- International Complex Projects Limited	1,819	1,819
- Dolmen Real Estate Management (Private) Limited - Property Manager	25,577	39,669
	27,396	41,488

- 13.3** According to the instructions of the Shariah Advisor of the Scheme, any income earned by the Scheme through non shariah compliant avenues, such income / portion of the income earned on these non-shariah compliant avenues should be donated for charitable purposes.

- 13.4** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the RMC has been applied. The RMC is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable SHC through its order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act, 2005 (FED Act) on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the SHC, as directed, will have effect in the manner prescribed in the judgment. Subsequently, the SHC in its decision dated 30 June 2016 on CP No. D-3547 of 2013 in respect of constitutional petition filed by management companies of mutual funds maintained the aforesaid order on the FED.

The Sindh Revenue Board and the Federal Board of Revenue have filed appeals before Supreme Court of Pakistan (SCP) against the SHC's decision dated 2 June 2016, which is pending for decision. With effect from 01 July 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by Finance Act, 2016. Therefore, the Scheme has discontinued making the provision in this regard. As a matter of abundant caution, without prejudice to the above, an accumulated provision of Rs. 11.980 million has been maintained in the Scheme's Financial Statements.

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
15. ADMINISTRATIVE AND OPERATING EXPENSES			
SECP monitoring fee	15.1	22,237	22,237
Property management fee	15.2	226,093	203,982
Ancillary income collection fee	15.2	31,627	33,924
Common area maintenance charges		10,551	18,527
Legal and professional charges		6,268	3,948
Shariah Advisory Fee		249	220
Utility expenses		1,592	989
Marketing expenses		64,688	55,445
Takaful fee		17,000	23,102
Property and advertisement taxes		18,403	18,856
Auditors' remuneration	15.3	2,020	2,170
Renovation expense		100,108	93,424
Provision against rent receivables		6,964	-
Others		5,467	7,383
		513,267	484,207

15.1 Under the provisions of REIT Regulations, 2015, the scheme is required to pay an annual fee to SECP an amount equals to 0.10% of initial REIT Fund.

15.2 Property management fee and ancillary income collection fee charged by Dolmen Real Estate Management (Private) Limited as a Property Manager.

	30 June 2019	30 June 2018
(Rupees in '000)		
15.3 Auditors' remuneration		
Audit fee	1,200	1,200
Interim review fee	500	500
Fee for review of code of corporate governance	75	75
Certifications / others	96	250
Out of pocket expenses	149	145
	2,020	2,170

16. TAXATION

The Scheme's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Board of Directors of the RMC have distributed more than ninety percent of the Scheme's accounting income for the year as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash to avail the exemption through distribution of interim dividends during the year and declaration and distribution of final dividend subsequent to year end (refer note 22). Accordingly, no tax provision has been made in the financial statements for the year ended 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include Arif Habib Dolmen REIT Management Limited being the Management Company, Central Depository Company of Pakistan Limited, being the Trustee to the Scheme, MYK Associates (Private) Limited being Valuer, International Complex Projects Limited being the Holding Company, Dolmen Real Estate Management (Private) Limited, being Property Manager for rent collection, ancillary income collection and common area maintenance charges, connected person, associated companies, directors and key executives of the RMC, trustee, valuer and promoter of RMC.

The services provided under REIT Regulations or the trust deed or offering document, by the RMC, Trustee, Valuer, Property Manager shall not be deemed related party transaction.

Transactions with related parties are in the normal course of business, at contracted rates and terms determined in accordance with commercial rates.

There are no potential conflicts of interest of the related party with respect to the Scheme.

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

	30 June 2019	30 June 2018
	(Rupees in '000)	
17.1 Transactions during the year		
International Complex Projects Limited (ICPL) - Holding Company		
- Rental income	45,421	41,292
- Purchase of equipment for maintenance	2,032	4,056
- Payment against purchase of equipment for maintenance	3,340	269
- Payment against guarantee commission	475	492
Dolmen Real Estate Management (Private) Limited - Associate due to common directorship:		
- Common area maintenance charges	10,551	18,527
- Expenses incurred on behalf of Scheme	2,595	1,002
- Reimbursement of expenses incurred on behalf of Scheme	1,759	921
Retail Avenue (Private) Limited - Associate due to common directorship:		
- Rental income	8,749	7,954
- Marketing income	-	140

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	(Rupees in '000)	
Sindbad Wonderland (Private) Limited - Associate due to common directorship:		
- Rental income	60,976	27,975
MCB - Arif Habib Savings and Investment Limited - Associate due to common directorship:		
- Marketing income	356	2,000
17.2 Amounts outstanding as at year end		
International Complex Projects Limited		
- Rent receivable	171	171
- Net payable in respect of purchase consideration of investment property	1,819	1,819
- Payable against purchase of equipment for maintenance	2,479	3,787
Dolmen Real Estate Management (Private) Limited - Property Manager		
- Common area maintenance charges	3,632	18,527
- Expenses payable incurred on behalf of Scheme	1,211	375
Retail Avenue (Private) Limited		
- Rent receivable	66	66
Sindbad Wonderland (Private) Limited		
- Rent receivable	466	466

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019	30 June 2018
(Rupees in '000)			
18. EARNINGS PER UNIT - BASIC AND DILUTED			
Profit after taxation for year		6,869,588	5,055,268
Number of units			
Weighted average number of ordinary units during the year		2,223,700,000	2,223,700,000
(Rupees)			
Earnings per unit - basic and diluted	18.1	3.09	2.27
18.1 Earnings per unit comprises as follows:			
Distributable income - earnings per unit		1.36	1.25
Undistributable unrealised fair value gains - earnings per unit	18.1.1	1.72	1.02
		3.09	2.27
18.1.1			
Under the provision of Trust Deed, the amount available for distribution shall be total of income and realised gain net off expenses. Accordingly, unrealised fair value gain is not distributable.			

19. FINANCIAL RISK MANAGEMENT

Risk management framework

The Scheme activities exposes it to varying degrees of risk.

Risk is inherent in the Scheme's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Scheme's constitutive documents and REIT Regulations, 2015 and directives of the SECP. The Board of Directors of the RMC supervises the overall risk management approach within the Scheme.

The Scheme has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

19.1 Credit risk

Credit risk is the risk of a financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the Scheme, as and when they fall due.

	30 June 2019	30 June 2018
	(Rupees in '000)	
The maximum exposure to credit risk at the reporting date is:		
Rent receivables	150,171	128,048
Advances and other assets	959	944
Profit accrued	13,091	6,509
Bank balances	1,619,355	1,479,790
	1,783,576	1,615,291

The RMC and property manager monitors tenants' balances on an ongoing basis. Credit evaluations are performed by the property manager before lease agreements are entered into with tenants.

The age wise analysis of rent receivable represents amount receivable upto six months and more than six months Rs. 120.355 million (2018: Rs.96.599 million) and Rs.29.816 million (2018: Rs. 31.450 million) net off provision for doubtful balances respectively. More than six months balances mainly represents sales tax amounts which have not been paid by the tenants due to stay order granted by Honourable High Court of Sindh (SHC). The SHC in its judgment dated August 18, 2017 disposed-off the petitions in the favour of petitioners and struck down the levy on renting of immovable property services. However, Sindh Revenue Board (SRB) has challenged the decision of the (SHC) in the Supreme Court of Pakistan (SCP) which is pending adjudication. Subsequently, through the Sindh Sales Tax on Services (Amendment) Act, 2018 has amended the definition of economic activity by inclusion of "supply of provision of immovable property by way of lease rent, license or other similar arrangement" under the purview of economic activity as defined under SSTA Act, 2011 and has also amended section 84 of the SSTA Act, 2011 to retrospectively apply the aforesaid amendment brought through the Amendment Act, 2018 to provide legal cover to all the notices and proceedings issue or initiated by SRB. The management of RMC based opinion from tax advisors believe that the Amendment Act, 2018 does not address the aspect whether or not renting of immovable property is a 'service' which has been held as 'not a service' by SHC in its decision. Based on above, the management is not charging the SST on invoices to their customers. If such decision of SHC is reversed by SCP than due SST will be recovered accordingly unless directed otherwise by SCP in its order, and the same fact as also been mentioned on the rent invoices.

Bank balances are held with reputable banks having high quality external credit ratings as follows:

Bank	Rating by	Rating	
		Short term	Long term
Habib Bank Limited	JCR-VIS	A-1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AA+
Faysal Bank Limited	PACRA	A1+	AA
UBL Ameen Islamic Bank Limited	JCR-VIS	A-1+	AAA
Bank Al-Falah Limited	PACRA	A1+	AA+
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Bank Al-Habib Limited	PACRA	A1+	AA+

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

19.2 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset.

RMC closely monitors the Scheme's liquidity and cash flow position and it ensures that sufficient level of cash and cash equivalents are maintained by the Scheme to meet its liabilities, as and when they fall due.

Maturity analysis for financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on remaining period at reporting date to the contractual maturity date.

	2019			
	Carrying amount	Contractual cash flows	up to one year	Two to five year
	(Rupees in '000)			
Formation costs payable to REIT management Company	50,339	50,339	50,339	-
Payable to REIT management Company	22,543	22,543	22,543	-
Security deposits	335,768	335,768	135,299	200,469
Accrued expenses and other liabilities	168,808	168,808	168,808	-
Unclaimed dividend	15,388	15,388	15,388	-
	592,846	592,846	392,377	200,469

	2018			
	Carrying amount	Contractual cash flows	up to one year	Two to five year
	(Rupees in '000)			
Formation costs payable to REIT management company	105,255	105,255	54,916	50,339
Payable to REIT management Company	22,203	22,203	22,203	-
Security deposits	299,779	299,779	135,829	163,950
Accrued expenses and other liabilities	143,643	143,643	143,643	-
Unclaimed dividend	16,804	16,804	16,804	-
	587,684	587,684	373,395	214,289

19.3 Market Risk

Market risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk, currency risk, profit rate risk, and other price risk.

19.3.1 Currency Risk

Currency risk is a risk that fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Scheme is not exposed to currency risk as of the reporting date. There are no foreign currency denominated financial instruments held by the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

19.3.2 Profit rate risk

Profit rate risk is the risk that fair value or future cash flows of the financial instrument will fluctuate because of change in market profit rates. The scheme does not have any fixed rate financial instrument at fair value through profit or loss, therefore the scheme is not exposed to fair value changes for fixed rate instruments. However the cash and cash equivalents deposited at variable rates expose the Scheme to fluctuations in cash flow due to change in market profit rates. The cash flow sensitivity analysis for variable rate of instrument is depicted below:

Cash flow Sensitivity Analysis for variable rate instruments

The following figures demonstrates the sensitivity to a reasonably possible change in profit rates, with all other variables remaining constant, on the Scheme's profit before taxation:

	Increase / Decrease in basis points	Effect on Profit Before Taxation (Rupees in '000)
30 June 2019	+100	16,194
	-100	(16,194)
30 June 2018	+100	14,773
	-100	(14,773)

19.3.3 Other price risk

Other price risk includes all other risk other than the profit rate risk and currency risk affecting the fair value or future cash flows of financial instrument because of change in market prices. The Scheme is not exposed to any significant other price risk as of the reporting date.

19.4 Unit holders' capital risk management

Management's objective when managing unit holders' funds is to safeguard the Scheme's ability to continue as a going concern so that it can continue to provide optimum returns based on income earned and realised gains as per trust deed to its unit holders and to ensure reasonable safety of unit holders' funds.

The Scheme manages its investment property and other assets by monitoring return on net assets and makes adjustments to it in the light of changes in market's conditions. The Scheme is not exposed to externally imposed minimum unit holders' maintenance requirement.

20. FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Scheme is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Level 1 : Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2 : Fair value measurements using 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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

Level 3 : Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair values of all the financial assets and liabilities at the reporting date approximate to their carrying value.

Fair value of the investment property is shown under note no.4.

21. SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE SCHEMES FINANCIAL POSITION AND PERFORMANCE

The Scheme had its investment properties revalued by a firm of independent valuers as required by Clause 16 of the REIT Regulations. This resulted in a fair value increase of Rs. 3,835.334 million (Note 4).

22. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the RMC in their meeting held on 10 July 2019 have declared and approved a final cash dividend for the year ended 30 June 2019 of Rs. 0.33 per unit amounting to Rs. 733.82 million. These financial statements do not include the effect of above announcement which will be accounted for in the period in which it is approved.

23. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors of the Arif Habib Dolmen REIT Management Limited (RMC) on 17 September 2019.



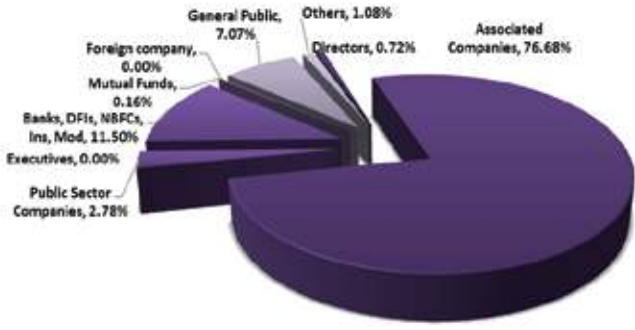
Chief Financial Officer



Chief Executive Officer



Director



یونٹ کی تعداد	%	یونٹ ہولڈرز کی اقسام
16,055,482	0.72 %	ڈائریکٹران
1,705,112,500	76.78 %	مستحقہ کمپنیاں
-	0.00 %	ایگزیکٹو
61,826,450	2.78 %	پبلک سیکورٹیز
255,786,851	11.50 %	بینک، DFIs، NBFCs، انشورنس، مضاربہ
3,646,204	0.16 %	میوچل فنڈز
-	0.00 %	غیر ملکی کمپنیاں
-	0.00 %	عام عوام
157,180,565	7.07 %	- مقامی
102,000	0.00 %	- غیر ملکی
23,989,948	1.08 %	دیگر
2,223,700,000	100 %	کل

مالیاتی اور کاروباری جھلکیاں

اہم کاروباری اور مالیاتی اعداد و شمار مختصراً ”مالیاتی اور کاروباری جھلکیوں“ کی سرخی کے تحت (صفحہ نمبر 28) اور تصویر ہی نا کے (صفحہ نمبر 29) پر پیش کئے گئے ہیں۔

آڈٹ کمیٹی

ادارتی نظم و ضبط کے تحت آڈٹ کمیٹی نے بورڈ کی منظور کردہ سوچیں گئی ذمہ داریوں کو انجام دیا۔

آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز ڈی اینٹ یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کے باعث، انہوں نے 30 جون 2020 کو اختتام پزیر ہونے والے مالی سال کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ بیرونی آڈیٹرز کو انٹینیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش ریٹنگ حاصل ہے۔ RMC کی آڈٹ کمیٹی کی تجویز پر RMC کے بورڈ نے میسرز ڈی اینٹ یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی DCR کے آڈیٹرز کی حیثیت سے مالیاتی سال 30 جون 2020 کے لئے باہمی طے شدہ معاوضہ پر تقرری کی سفارش کی ہے۔

ڈائریکٹرز کے انتخابات

کمپنیز ایکٹ 2017 کی دفعہ 161 (منسوخ شدہ کمپنیز آرڈینینس 1984 کی دفعہ 180) کی شیفوں کے مطابق اکتوبر 2018 میں RMC کے سات (7) منتخب ڈائریکٹرز کے عہدے کی تین سالہ مدت مکمل ہو گئی تھی اور تمام ڈائریکٹرز ریٹائر ہو گئے تھے۔ نئے انتخابات سال کے دوران 26 اکتوبر 2018 کو منعقد ہوئے اور بورڈ کی جانب سے ڈائریکٹرز کی طے کردہ تعداد بلا مقابلہ منتخب ہوئی۔ مزید برآں چیئرمین، چیف ایگزیکٹو اور بورڈ کی ڈپٹی کمپنوں میں اسی تاریخ کو تقرریاں کی گئیں۔

بعد ازاں کے واقعات

30 جون 2019 سے لے کر اس رپورٹ کی تاریخ تک کوئی اہم تبدیلیاں رونما نہیں ہوئی سوائے جتنی منافع منقسمہ کے اعلان کے جسے 0.33 روپے فی یونٹ یعنی 3.3 فیصد کے حساب سے تقسیم کیا گیا۔ اس کے علاوہ عبوری منافع منقسمہ 0.99 روپے فی یونٹ یعنی 9.9 فیصد کے حساب سے اعلان اور تقسیم کیا گیا۔ اس کے اثرات کی عکاسی اگلے سال کے مالیاتی گوشواروں میں ہوگی۔


ملحقہ پارٹیوں کے سودے

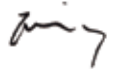
REIT کے ضوابط اور اداری نظم و ضبط کی ضروریات کی پاسداری کرتے ہوئے DCR نے ملحقہ پارٹیوں کے ساتھ تمام سودے آڈٹ کمیٹی اور بورڈ کے جائزہ اور منظوری کے لئے ان کے رویہ پر پیش کئے۔ ان سودوں کو آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اپنے متعلقہ اجلاسوں میں منظور کیا۔ ملحقہ پارٹیوں کے ساتھ سودوں کو آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 17 میں بیان کیا گیا ہے۔

اعتراف

ہم DCR کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج کی انتظامیہ، DCR کے ٹرسٹیوں، پراپرٹی مینیجر اور کاروباری شراکت داروں کے مسلسل تعاون اور مدد پر ان کے مشکور ہیں۔ ہم انتظامی ٹیم کی کوششوں کا اعتراف کرتے ہیں۔

برائے ذمہ داری


محمد انوار
چیف ایگزیکٹو


نیم بیک
چیئرمین

کراچی: 17 ستمبر 2019

ڈائریکٹرز کا معاوضہ

نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز) سوائے ان ڈائریکٹرز کے جو عارف حبیب گروپ کی دیگر کمپنیوں میں بطور ایگزیکٹو ڈائریکٹر کام کر رہے ہیں انہیں بورڈ اور کمیٹی کے اجلاس میں حاضر ہونے کا معاوضہ دیا جاتا ہے جسے بورڈ وقتاً فوقتاً منظور کرتا ہے۔

مزید جب اور جیسے بورڈ کسی نان ایگزیکٹو ڈائریکٹر کو کوئی اضافی کردار اور ذمہ داریاں سونپتا ہے تو بورڈ اس کی سوچیں گئی ذمہ داریوں اور کردار کے مطابق اسے معاوضہ فراہم کرتا ہے۔

بورڈ کی تشکیل بندی

بورڈ کی موجودہ تشکیل بندی درج ذیل ہیں:

8	مرد	(a)
1	خواتین	(b)

تشکیل بندی

نام	عہدہ
جناب نسیم بیگ	نان ایگزیکٹو ڈائریکٹر
جناب طیب افضل	آزاد ڈائریکٹر
جناب قمر حسین	آزاد ڈائریکٹر
محترمہ طیبہ رشید	آزاد ڈائریکٹر
جناب ندیم ریاض	نان ایگزیکٹو ڈائریکٹر
جناب عبدالصمد اے حبیب	نان ایگزیکٹو ڈائریکٹر
جناب فیصل ندیم	نان ایگزیکٹو ڈائریکٹر
جناب ساجد اللہ شیخ	نان ایگزیکٹو ڈائریکٹر
جناب محمد اعجاز	چیف ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں

آڈٹ کمیٹی	
جناب قمر حسین	چیرمین
جناب عبدالصمد اے حبیب	ممبر
جناب طیب افضل	ممبر

انسانی وسائل اور معاوضہ کمیٹی	
محترمہ طیبہ رشید	چیرمین
جناب فیصل ندیم	ممبر
جناب عبدالصمد اے حبیب	ممبر
جناب محمد اعجاز	ممبر

پینٹ ہولڈنگ کی ساخت

DCR کے پونٹ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔ 30 جون 2019 کو DCR کے 4,060 پونٹ ہولڈرز تھے۔ پونٹ ہولڈنگ کی تفصیلی ساخت اور DCR کی پونٹ ہولڈنگ کی اقسام بشمول ڈائریکٹرز اور ایگزیکٹو اگر کوئی ہوں تو بطور گوشوارہ II منسلک کی گئی ہیں۔

30 جون 2019 کو DCR کی پونٹ داری کی ساخت اس رپورٹ سے منسلک گوشوارہ II میں موجود ہے۔

نئی حکومت نے ایک سال مکمل کر لیا ہے، اس دوران کچھ سخت معاشی فیصلے کئے گئے جس کی وجہ سے ہر کاروباری شعبے پر قابل ذکر باؤ رہا، تاہم آگے کی جانب ہم تجارتی ماحول میں استحکام دیکھ رہے ہیں اور توقع کرتے ہیں کہ اس کی عکاسی دفاتر کے لئے دستیاب جگہوں کی طلب میں اضافے سے ہوگی۔ قلیل مدت میں متعلقہ معاشی اشاریوں سے اندازہ ہے کہ صارفین کی ساخت اور خوردہ فروشی کو متاثر کرے گی۔ آگے کی جانب توقع ہے کہ حکومت اپنی مالیاتی پالیسی میں نرمی لائے جس سے REIT کے پونٹ نہتاً پرکشش ہو جائیں گے۔

جامعہ اد کے پیشہ ورانہ انتظام، لیز کا طویل دورانیہ، وسیع مارکیٹنگ سرگرمیاں اور مشہور زمانہ کرایہ داروں کے ساتھ ہم پر اعتماد ہیں کہ ڈولمین ٹی خریداروں، خوردہ فروشوں اور کارپوریٹرز کے لئے ایک پسندیدہ جگہ رہے گا اس بات کا ثبوت VIS کریڈٹ ریٹنگ ایجنسی کی جانب سے اکتوبر 2019 میں جاری کردہ AAA(rr) ریٹنگ سے ہوتی ہے جو کہ مستحکم ترین NAV کی نشاندہی کرتی ہے۔ مسلسل بڑی تعداد میں لوگوں کی آمد اور کرایہ داروں کا اطمینان DCR کے آپریٹرز کی کامیابی کا منہ بولتا ثبوت ہے۔ آگے کی جانب دیکھیں تو کرایہ جاتی اضافہ آمدن کا بنیادی عنصر ہوگا کیونکہ مال کی تقریباً تمام جگہ پُر ہو چکی ہے۔ عالمی معیار کے مطابق زیادہ سے زیادہ قابل لیز رہائی قریب 90 فیصد خیال کیا جاتا ہے کیونکہ کرایہ داری ایک مانع کی طرح ہے اور نئے کرایہ داروں کو کھپانے کے لئے کچھ نہ کچھ خالی جگہ رکھنا ضروری ہے۔

ٹرسٹی، RMC، شریعہ مشیر اور SECP کی ہر سطح پر نگرانی REIT ضوابط اور دیگر لاگو قوانین اور معیارات کی پاسداری کو یقینی بناتی ہے۔ ان عناصر کی وجہ سے DCR کے پونٹ ہولڈرز کو تسلسل کے ساتھ بہتر منفعت حاصل ہوتی رہے گی۔

ادارتی نظم و ضبط

DCR پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ RMC بورڈ اور انتظامیہ ادارتی نظم و ضبط پر عملدرآمد کے لئے کوشاں ہیں اور اپنی ذمہ داریوں جیسے آپریٹرز اور کارکردگی کی نگرانی، مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت سے مکمل طور پر آگاہ ہیں۔

بورڈ اس موقع پر اقرار کرتا ہے کہ DCR کی حسابات کی کتب درست انداز میں تیار کی گئی ہیں اور مناسب حساباتی پالیسیوں کو اختیار کیا گیا ہے اور مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ نہیں ٹھوٹے خاطر رکھا گیا ہے سوائے ان تبدیلیوں کے جنہیں مالیاتی گوشواروں کے نوٹ 2.5 میں بتایا گیا ہے اور حساباتی تخمینوں کی بنیاد محقول اور مضبوط فیصلوں پر ہے۔ مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات، جو پاکستان میں لاگو ہیں کٹھنوں کو خاطر رکھا گیا ہے۔ اندرونی گرفت کے انتظام کی شکل مضبوط ہے اور موثر انداز میں نافذ عمل ہے اور اس کی نگرانی کی جاتی ہے۔ DCR کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور NAV میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔ ٹیکسوں، ڈیوٹیوں، محصولات یا دیگر کی مد میں کوئی قابل ذکر رقم واجب الادا نہیں ہے۔ ضابطہ کی پاسداری کرتے ہوئے بورڈ اس بات کا اعادہ کرتا ہے کہ DCR کے چلنے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر خرابی و شہ نہیں ہے اور ادارتی نظم و ضبط کے بہترین طور پر بقوں سے کوئی قابل ذکر انحراف نہیں کیا گیا۔

DCR کی ہمیشہ کوشش رہی ہے کہ بہتر ادارتی نظم و ضبط اور اچھے اور شفاف طور پر بقوں کے ذریعے ترقی حاصل کی جائے۔

ڈائریکٹران اور اعلیٰ عہدیداران کی اسکیم کے یونٹس میں خرید و فروخت

DCR کے یونٹس میں RMC کے ڈائریکٹران، چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر، کمپنی بیکریٹری اور ان کے شریک حیات اور کم عمر فیملی ممبران نے جو خرید و فروخت کی ہے وہ منسلک گوشوارہ-1 میں درج ہیں۔

بورڈ اور اس کی کمیٹیوں کے اجلاس میں ڈائریکٹرز کی حاضری

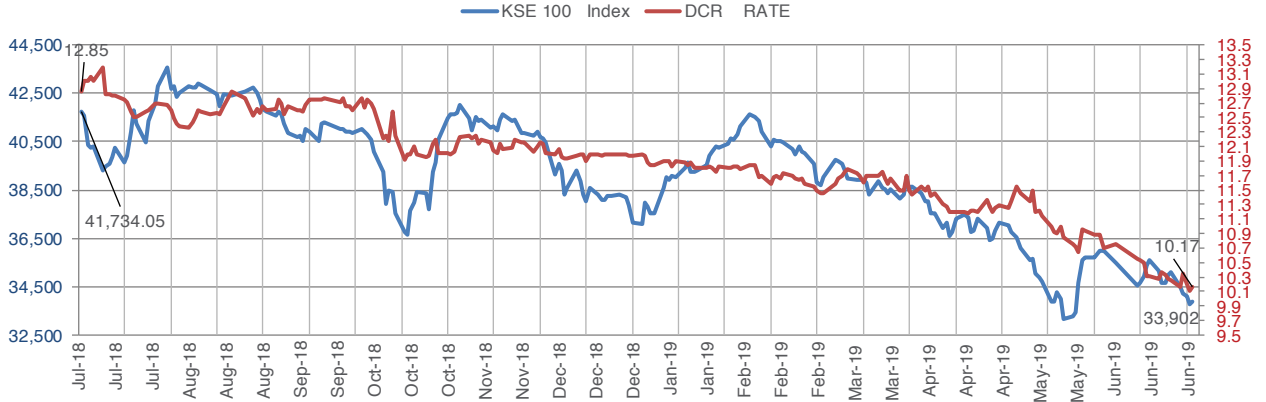
اختتامی سال 30 جون 2019 کے دوران بورڈ کے پانچ (5)، آڈٹ کمیٹی کے چار (04) اور انسانی وسائل اور معاوضہ کمیٹی کا ایک (01) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل رہی:

ڈائریکٹر کا نام	بورڈ کا اجلاس	آڈٹ کمیٹی	انسانی وسائل اور معاوضہ کمیٹی
جناب نسیم بیگ	5	-	-
جناب قمر حسین	3	3	-
محترمہ مدتیہ رشید	2	-	1
جناب ندیم ریاض	5	-	-
جناب عبدالصمد اے حبیب	3	3	1
جناب فیصل ندیم	4	-	-
جناب ساجد اللہ شیخ	2	-	-
جناب محمد اعجاز	5	-	1
جناب اسد اللہ خواجہ*	4	3	-

* جناب اسد اللہ خواجہ نے 25 فروری 2019 کو استعفیٰ دے دیا تھا اور جناب طیب افضل کو اس اتفاقاً قیامی سامی پر 18 اپریل 2019 کو مقرر کیا گیا تھا۔

DCR VERSUS KSE 100 INDEX

(July 2018 to June 2019)



کاروباری ماحول

DCR کے اردگرد کاروباری ماحول غیر مستحکم رہا۔ بڑھتی ہوئی کاروباری لاگت و شرح سود، کرنسی کی قدر میں کمی اور جائیداد کے کاروبار سے متعلق ٹیکس کی قانون سازی میں غیر یقینی کیفیت نے جائیداد کے کاروبار کی طلب پر دباؤ میں اضافہ کر دیا۔ تاہم کراچی جو پاکستان کا ایک تیزی سے بڑھتا ہوا شہر ہے وہاں پر آفس اور خوردہ فروشی کے لئے تجارتی جگہ کی طلب میں مسلسل اضافہ ہو رہا ہے۔ اسکاٹی لائن کو سپلائی میں مسلسل اضافہ کی نگاہ سے دیکھا جا رہا ہے جو کہ اس وقت ابتدائی تعمیراتی ڈھانچہ (Gray Structure) یا منصوبہ بندی کے مراحل میں ہے تاہم مالیاتی سال کے دوران اس میں کوئی ترقیاتی کام نہیں دیکھا گیا۔ اس طرح آنے والے مالیاتی سال میں بھی ہم کوئی قابل ذکر سپلائی کی پیش بندی نہیں کر رہے ہیں جو کہ DCR کے کاروباری افعال پر اثرات مرتب کرے۔

حال ہی میں بینک بذات خود دفاتر کے لئے جگہ کی ضروریات کی طلب کو پورا کر رہے ہیں جن میں HBL (26 منزلہ) میں منتقل ہو رہا ہے اور سٹ بینک بھت ٹاور (خوردہ فروشی، دفاتر اور رہائش) میں منتقل ہو رہا ہے۔ اگرچہ زیادہ تر ٹھوس دفتری جگہ کے شعبے کی گماندگی کرتے ہیں تاہم اس سے DCR کے دفتری شعبے کی کاروباری کارکردگی پر کوئی اثرات نظر نہیں آتے۔

جبکہ دوسری جانب خوردہ فروشی کے لئے بھی جگہوں میں اضافہ نظر نہیں آ رہا۔ ملحقہ مستقبل میں مسابقت واحد بحریہ آئکن ٹاور سے ہوگی جو کہ 62 منزلہ عمارت ہے اور خوردہ فروشی، سیر و تفریح، دفاتر اور رہائشی جگہ پر مشتمل ہے۔ ملک میں نئے معیاری مال کے تعارف سے کئی نئے فوائد حاصل ہونگے جن میں عالمی برانڈز پاکستان کو اپنی اگلی منزل کی طرح دیکھیں گی۔ تاہم عدالت عالیہ سندھ کے حکم استماعی کی وجہ سے ترقیاتی کام سست روی کا شکار تھا۔ اب ترقیاتی کام آخری مراحل میں ہے اور ہم پیش بندی کرتے ہیں کہ اگلے مالیاتی سال تک بھی یہ جگہ کے لئے دستیاب نہیں ہوگا۔

منصوبہ بندی اور تعمیراتی مراحل میں مگنر کاؤٹ کے پیش نظر DCR کے دفاتر اور خوردہ فروشی کے شعبے کو ملک میں ایک بہتر منظم شدہ کاروبار جائیداد تصور کیا جائے گا اور توقع ہے کہ اس کی طلب میں تیزی ہی رہے گی۔

DCR میں پائیدار کرایہ جاتی سطح ایک حساس معاملہ ہے۔ بنیادی خطرات میں (i) دفاتر اور خوردہ فروشی کی سپلائی میں قابل ذکر اضافہ جس کے تحت علاقے میں قیمتوں میں کمی آئے گی۔ تاہم نئے پروجیکٹس میں بچت کو مد نظر رکھتے ہوئے سہولیات میں کمی آجائے گی، جبکہ DCR نے صنعت میں ایک معیار قائم کیا ہے جسکو اسکے کرایہ دار بھی تسلیم کرتے ہیں۔ (ii) بڑھتی ہوئی شرح سود کے پیش نظر DCR کی منفعیت میں مسابقت پیدا ہوگی تاہم طویل مدت میں REIT کے یونٹ منظم منفعیت فراہم کریں گے اور افراط زر کی تلافی کرتے ہوئے سرمایہ کاروں کی منفعیت میں مسلسل اضافہ ہوگا۔ (iii) موجودہ کرایہ داروں کی عدم ادائیگی کو ڈولمین میں بہت معمولی خطرہ تصور کیا جاتا ہے کیونکہ بڑے کرایہ داروں میں زیادہ تر یا تو کثیر الملکی کمپنیاں ہیں یا بڑے فریٹھیٹرز ہیں اور DCR کا پراپرٹی مینیجر نہ صرف سخت چھان بین، پروفائٹنگ اور کرایہ جاتی پالیسیاں اختیار کرتا ہے بلکہ ہر کرایہ دار کے ساتھ خوشگوار تعلقات قائم رکھتا ہے اور ان کی نگرانی کرتا ہے۔

REITs کی نمو کے لئے قانونی فریم ورک اور ٹیکس کے نظام کا طویل مدت تک سازگار اور اس میں تسلسل برقرار رکھنا بنیادی حیثیت رکھتا ہے۔ حال ہی میں نافذ شدہ فنانس ایکٹ 2019 کے ذریعے اگم ٹیکس آرڈیننس کے فرسٹ شیڈول کے ڈویژن III، پارٹ A میں منافع منقسمہ پر 15 فیصد کے حساب سے ٹیکس عائد کیا گیا ہے۔ تاہم یہاں پر اس قسم کی کوئی وضاحت نہیں کہ REIT کے ادا کردہ منافع منقسمہ پر بھی 15 فیصد ٹیکس لاگو ہے۔ یہ بات بھی تسلیم کرنی چاہئے کہ REITs ایک انتہائی اہم سرمایہ کاری کا شعبہ ہے اور اس میں معیشت کے لئے بہت زیادہ امکانی فوائد ہیں۔ جن میں جائیداد کے کاروبار کی سودوں کو دستاویزی شکل دینا، جائیداد کی ماییت کی بالکل درست تفصیلات، سرکاری محصولات میں اضافہ اور چھوٹے سرمایہ کاروں کو جائیداد کے کاروبار کی طرف مائل کرتے ہوئے بچت کو پروان چڑھانے کے مواقع فراہم کرنا شامل ہیں۔ یہ بات بھی اہم ہے کہ REITs کو جس طرح صوبہ سندھ میں تعاون اور مراعات فراہم کی گئی ہیں اس طرح ملک بھر میں فراہم ہونی چاہئیں۔

یوم متنا: ڈولمین مال میں یوم متنا کو فیملز کے لئے ایک یادگار لمحات کے طور پر منایا گیا جس میں ان ماؤں کو فرائض خستین پیش کیا گیا جو کہ مال کی بڑا آسائش سہولیات سے استفادہ کرتی ہیں۔ ڈولمین مال نے خریداروں کو غیر معمولی رعایتی نرخ اور ایشیا نے خورد و نوش کی پرکشش ڈیلز فراہم کیں تاکہ ماؤں کے ساتھ انتہائی قیمتی رشتے کو بہترین انداز میں منایا جاسکے۔ مال میں موجود کئی اندرونی اور بیرونی برآمدنے اپنے اسٹال لگا کر اور اپنی مصنوعات سجا کر اس میں شرکت کی۔ یہ تقریب کئی ایک دلفریب سرگرمیوں پر مشتمل تھی۔ اس تقریب میں 97,226 لوگوں کی آمد ریکارڈ کی گئی۔

منافع منقسمہ کی تقسیم

بورڈ آف ڈائریکٹرز نے سال کے پہلے نو ماہ میں 0.99 روپے فی یونٹ یعنی 9.9 فیصد کے حساب سے ہر سہ ماہی میں برابری کے تناسب سے منافع منقسمہ کا اعلان اور اسے تقسیم کیا۔ سال کے اختتام پر بورڈ نے 0.33 روپے فی یونٹ یعنی 3.3 فیصد کے حتمی منافع منقسمہ کا اعلان کیا اور اسے تقسیم کیا۔ بعد ازاں مجموعی طور پر DCR نے کل منافع منقسمہ 1.32 روپے فی یونٹ کا اعلان کیا اور تقسیم کیا جس کی بنیاد سالانہ منافع منقسمہ کی منفعت 13.2 فیصد ہوگی اور IPO سرمایہ کاروں کو 11 روپے کی اسٹراٹک پر آس پر 12 فیصد منافع منقسمہ ادا کیا گیا۔ سال کے اختتام 30 جون 2019 کو کل ادا شدہ منافع منقسمہ قابل تقسیم آمدنی 2.935 بلین روپے 96.746 فیصد رہا۔

شرعی کی پاسداری

شرعی اصولوں کی پاسداری کی تحت فنڈ کی جائیداد کو عالمی اور مشہور زمانہ ری ٹرانزیکشنز کی ناکفل سنڈکیٹ سے الحاق شدہ "A" ریٹنگ کی حامل پاکستانی کمپنیوں کی ناکفل پالیسوں کے ذریعے تحفظ فراہم کیا گیا۔ شرعی مشیر نے اپنی سالانہ شریعہ جائزہ رپورٹ میں تمام پہلوؤں سے شریعت کے اصولوں کی پاسداری کی تصدیق کی ہے۔

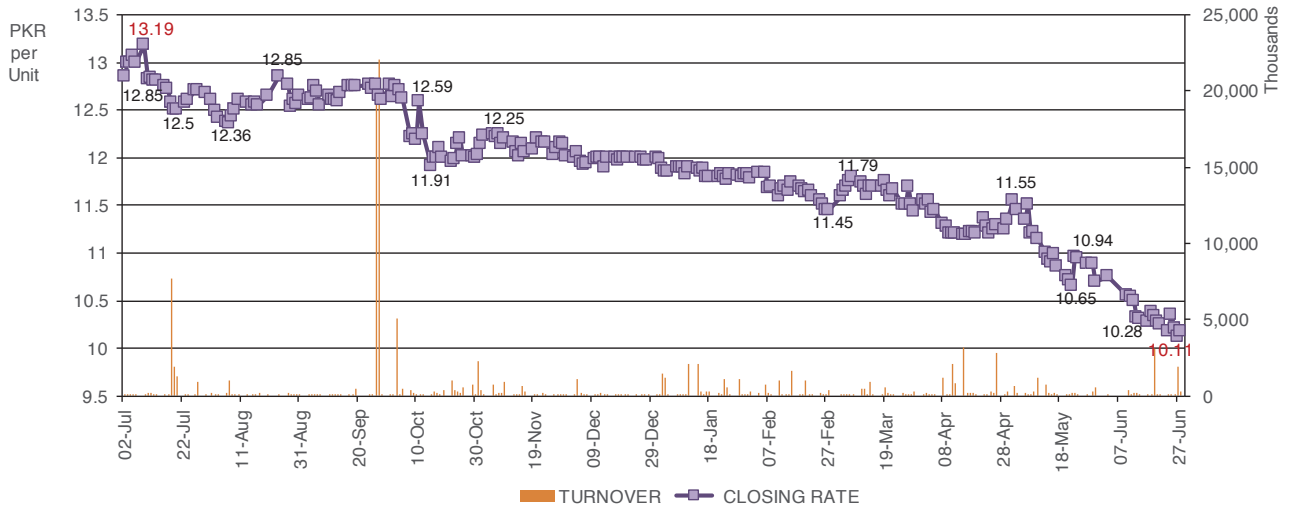
حصص کی کارکردگی

جائزہ سال کے بارہ ماہ کے دوران 'DCR' کی پاکستان اسٹاک ایکسچینج میں خرید و فروخت ہوئی جس میں یونٹ کی اوسط قیمت 11.87 روپے رہی (جبکہ گزشتہ سال اوسطاً 11.98 روپے تھی) اور بلند ترین قیمت 13.19 روپے اور کم ترین قیمت 10.11 روپے فی یونٹ رہی۔ اسی مدت کے دوران KSE100 انڈیکس 33,166.62 سے 41,614.39 کی حدود کے درمیان رہا۔ شدید اتار چڑھاؤ کی حامل مارکیٹ میں DCR کا یونٹ 0.17 Beta کے ساتھ واضح طور پر مستحکم رہا (جس سے مراد یہ ہے کہ اگر مارکیٹ میں 100 فیصد تبدیلی ہوئی تو DCR میں صرف 17 فیصد تبدیلی ہوگی یعنی Beta سے کم اتار چڑھاؤ اور چمک پذیری کی عکاسی ہوتی ہے) اور جس کا ہم تغیر مارکیٹ میں صرف 0.22 رہا (جو کہ دو پر خطر اثاثوں پر منفعت میں تبدیلی کی پیمائش ہے جس سے DCR کے اسٹاک کی کارکردگی مارکیٹ کی کارکردگی سے ہم ربط کم مثبت کی نشاندہی کرتی ہے)۔

30 جون 2019 کو اختتام پزیر سال میں DCR کی فی یونٹ خالص اثاثی قدر (NAV) 20.79 روپے (30 جون 2018 کو 18.99 روپے) رہی۔ سال کے اختتام پر 28 جون 2019 کو یونٹ کی قیمت 10.17 روپے رہی جو اپنی NAV کے مقابلے 51.08 فیصد رعایتی نرخ پر تھی۔

STOCK MARKET PERFORMANCE OF DCR UNIT

July 2018 to June 2019



DCR کے پراپرٹی منیجر نے جائیداد کی جگہ کی اچھی ساکھ کرایہ داری اور برائڈ ایجنٹ کو برقرار رکھنے میں کلیدی کردار ادا کیا ہے اور کراچی کے ہاسیوں کے لئے ڈالین مال آنا خریداری کرنا اور اس کا حصہ بننے کے لئے پکیشن بنایا ہے۔ ڈالین میگزین سہ ماہی بنیاد پر خریداریوں کو شاپنگ فیسلٹی، سال کے دوران تقریبات، برائڈ کے اشتہارات اور عارضی پیشکشوں کے معلومات فراہم کرتا ہے جس کی 20,000 سے زائد نقول خریداریوں، پی آر فہرست، کرایہ داروں اور مال کے اندر موجود خریداریوں کو تقسیم کی جاتی ہیں۔

مالیاتی سال 2019 میں کسٹمر پروگرامز اور مارکیٹنگ اور برائڈ مگ سرگرمیوں کے نتیجے میں 10 ملین لوگوں کی ایک قابل ذکر تعداد کی آمد ہوئی (اوسطاً ماہانہ 843,463 لوگوں کی آمد)۔ رمضان اور عید کی شاندار خریداری کی تقاریر سے لے کر یوم آزادی، نئے سال کی تقریبات اور ڈالین شاپنگ فیسلٹی کے علاوہ ڈالین سٹی مال میں مختلف موسموں میں قابل رشک تقریبات منعقد ہوئیں۔

مختلف تقریبات جیسے رمضان، عید، نئے سال اور ڈالین بازار کے موقع پر عارضی لیزنگ کی وجہ سے ضمنی آمدن میں اضافہ ہوا۔ نئے کیا سبک اور کارٹس متعارف کروائے گئے۔ مزید برآں مختلف برائڈ جیسے کہ کافلی، نیشنل بسکٹس، جنید جمشید، انڈس موٹر، شامینا نے بھی ضمنی آمدن میں اضافہ کیا۔ ڈالین ٹریول ڈائری ایک ایسا ایونٹ ہے جو اپریل 2019 میں منعقد ہوا جس کا مقصد سفری صنعت کی مارکیٹنگ کے لئے ایک پلیٹ فارم فراہم کرنا تھا۔ اس تقریب نے گاؤں اور سفری سہولت کاروں (قومی اور عالمی) اور ایئر لائن کمپنیوں کے درمیان رابطہ کا کردار ادا کیا۔

گزشتہ سال کی طرح اس سال بھی ڈالین شاپنگ فیسلٹی، رمضان مہم اور عید بازار میں امتیازی طور پر بڑے پیمانے پر لوگوں کی آمد ہوئی۔ قابل ذکر تقریبات میں یوم آزادی کی تقریبات، یوم ستا کی تقریبات، عالمی یوم صحت، اسکول واپسی کی تقریب، لان فیسلٹی، دنیا کی کھوج (ڈالین ٹریول ڈائری)، ڈالین گیس فٹ (صحت مندرجہ ذیل زندگی کے لئے ایک قسم کی تقریب)، یوم قرارداد پاکستان، عالمی یوم خواتین اور دیگر مزید شامل ہیں۔

یوم آزادی: مال میں منعقد ہونے والی یوم آزادی کی تقریب تمام تقریبات میں نمایاں تھی۔ اس سال قیام پاکستان کی 71 ویں سالگرہ کو انتہائی گرمجوشی سے منایا گیا جس میں اندرونی حصے کو بہت خوبصورتی سے سجایا گیا تھا۔ اس عزم کی عکاسی متوازی مارکیٹنگ، سرگرمیوں، تریبل اور زیبائش میں نظر آئی۔ مجموعی طور پر اس تقریب میں آنے والوں کی تعداد 186,786 رہی۔

یوم پاکستان: اس سال ڈالین مال میں یوم پاکستان (23 مارچ) کو 22 مارچ 2019 سے 24 مارچ 2019 تک منایا گیا۔ اس تقریب میں جذبہ حب الوطنی کے تحت اجمالی، تخلیقی تخصیبات اور دلچسپ سرگرمیوں کی وجہ سے مال کی پمپری میں اضافہ ہوا۔ مال میں موجود آؤٹ لیٹس نے بھی ان تقریبات میں شرکت کرتے ہوئے اپنی مصنوعات کو عارضی نرخ پر پیش کیا۔

تقریباً 130,000 لوگوں کی آمد ہوئی جو کہ گزشتہ سال کی بہ نسبت 24 فیصد زیادہ ہے۔

ڈالین شاپنگ فیسلٹی: 26 واں سالانہ ڈالین فیسلٹی ڈالین مال میں 17 دن (21 دسمبر 2018 تا 6 جنوری 2019) منایا گیا۔ شاپنگ حالیہ چند برسوں سے ایک بڑی تقریب بن گئی ہے۔ دنیا کے بڑے مال کے نقش قدم پر اور اپنی روایات کے تسلسل کے ساتھ، ڈالین شاپنگ فیسلٹی متوقع طور پر سال کا سب سے بڑا شاپنگ ایونٹ رہا جس میں زندگی کی مختلف ضروریات کو بہترین طریقے سے اجاگر کیا گیا اس میں بہترین لین دین، امتیازی تخائف، خوش کن تقریبات اور نہ ختم ہونے والا براہ راست جشن شامل تھا۔ DSF میں بڑے عالمی اور مقامی برائڈز نے رعایتی نرخ پر مصنوعات، حیران کن تھے تخائف، تفریح سے بھر پور مقابلے، بہترین اشتہاری مہمات اور مزید رکھنا پیش کئے۔ مایہ ناز فنکاروں اور شریک برائڈز نے نئے کئی دلچسپ سرگرمیاں منعقد کیں جن میں ڈالین ڈراما میں قیمتی تخائف پیش کئے گئے۔

اس تقریب میں 619,699 لوگوں کی آمد ہوئی اوسطاً یومیہ شرکت 36,450 رہی جس سے گزشتہ سال کی بہ نسبت 13 فیصد اضافہ کی عکاسی ہوتی ہے۔

لان (ملبوسات): فیسلٹی: لان فیسلٹی کا مرکزی مقصد موسم گرما کے لئے لان کے برائڈز کو اپنی مصنوعات کو پروان چڑھانے کے لئے ایک پلیٹ فارم فراہم کرنا تھا۔ تمام بڑے ریٹیلرز اور برائڈ پارٹنرز نے اس تقریب میں خصوصی اشتہاری مہم کا اعلان کیا تھا جس کے تحت کسٹمرز کو بڑے پیمانے پر دلچسپ پیشکشیں فراہم کی گئیں۔ جن برائڈز نے اس میں مصنوعات سجائیں ان میں کھادی، کپڑے، شامینا، الکریم اسٹوڈیو اور جنید جمشید شامل ہیں۔

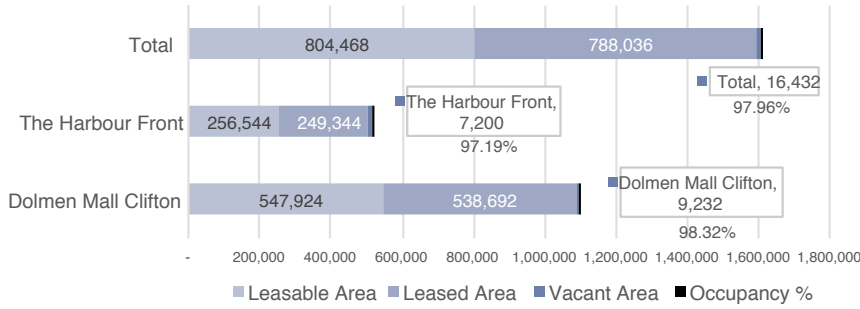
مال کو خوبصورتی کے ساتھ خوشنما پروم، بینروں اور پھولوں اور برفلائی کٹرنوں سے سجایا گیا تھا جس نے تقریب میں ایک لذت بخش فضا پیدا کر دی۔

سالانہ رمضان مہم: مال کو رمضان کے مقدس مہینے کے دوران دیدہ زیب زیورات سے خوبصورتی کے ساتھ سجایا گیا جس کی وجہ سے شاندار فضا پیدا ہوئی۔ رمضان کے مہینے کی سرگرمیاں فیملیوں کے لئے شاندار خریداری، انعامات، ایشیا خورد و نوش اور تفریح سے بھر پور تھیں۔ ضمنی سرگرمیوں میں مہندی کا سبب اپ رمضان کے آخری ہفتے میں لگا لگا گیا اور آنے والی خواتین نے عید کی خوشی کے جذبے سے مہندی لگوائی۔ ایک مرتبہ پھر ہم نے اس سال ڈالین عید کی خیال کو شامل کیا۔ عید کے تخائف پر مشتمل 37 ہاسٹیل صافین کے درمیان تقسیم کی گئیں اور گاؤں نے اس تقریب میں 20,612 کو پین بھرے۔ گزشتہ رمضان کی بہ نسبت موجودہ سال کے رمضان میں 12 فیصد نمو دیکھی گئی۔ لوگوں کی کل آمد 1,013,825 رہی جس کا اوسطاً یومیہ 34,960 بنتا ہے۔

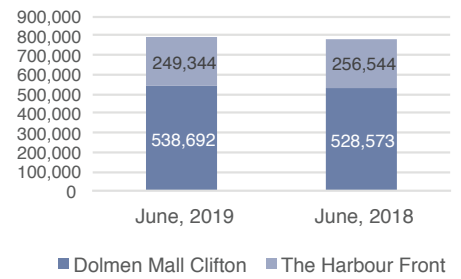
DCR کی جائیداد کے تصرف کی شرح سال 2015 میں آغاز سے متواتر رہی ہے۔ موجودہ سال اس میں 0.29 فیصد کی معمولی تبدیلی ہوئی اور جون 2019 کے اختتام پر اسکی شرح 97.96 فیصد رہی (30 جون 2018 کی شرح 97.67 فیصد)۔ DCR کے مال میں نئے کرایہ داروں کی آمد دیکھی گئی جن میں دیگر کے علاوہ لائٹ لاسٹ، بیکرز یو اے، F.A.D، سواروئکی، ہاسکن روبنز، ایسکو اریزکونی، مارسلز شامل ہیں اور چند کرایہ دار چلے گئے جن میں امانتے، روٹیری، مینگم، کاٹن اینڈ کاٹن، گولڈن چیک اور پاپاروٹی اور دیگر شامل ہیں۔ DCR میں کل خالی جگہ 16,432 مربع فٹ ہے جس کے لئے امکانی کرایہ داروں کی ایک تعداد لائن میں ہے۔

ڈالمن مال کلفٹن اور ہاربر فرنٹ میں سال کے اختتام پر تصرف کی سطح درج ذیل رہی:

DCR - Occupancy Level
(Area in square feet)



DCR - Occupancy Variation
(Area in square feet)



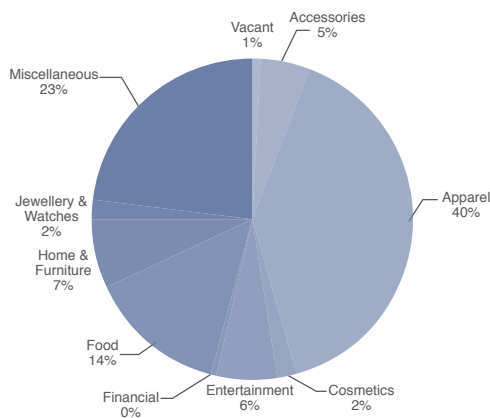
30 جون 2019 کو ویڈیو ایوریج لیز کی مدت اختتام (WALE) ڈالمن سٹی کے قابل لیز رقبہ کی بنیاد پر (کل رقبہ 68% فیصد) تقریباً 3.34 سال رہا اور ہاربر فرنٹ (کل رقبہ 32% فیصد) جو تقریباً 3.82 سال رہا (DCR کی موجودہ اوسط لیز کی اختتامی مدت 3.13 سال ہے)۔

DCR کا کرایہ جاتی پروفائل

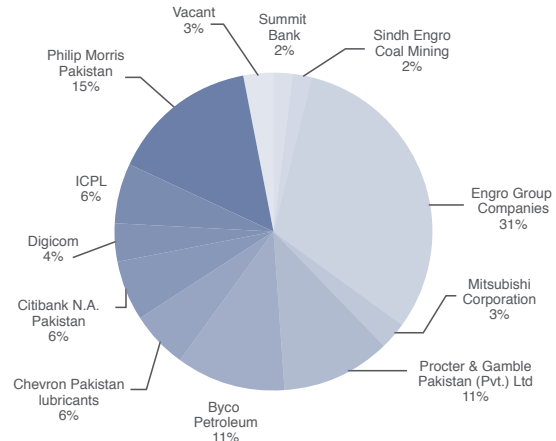
مذکورہ ریسٹل اسٹیٹ کا موجودہ تصرف قابل اعتماد کرایہ داروں پر مشتمل ہے (زیادہ تر عالمی برانڈز اور کثیر الملکی کارپوریشنز ہیں) جو کہ تیز ترین آمدن کما رہے ہیں۔ ڈالمن مال کلفٹن میں ہاربر فرنٹ اور ڈالمن ہاربر فرنٹ کے ساتھ مقامی اور عالمی مستحکم برانڈز جیسے بیگو، نیکیسٹ، آلڈو، کھاڈی، ٹمبر لینڈ اور چارلس اینڈ کیتھ شامل ہیں۔ اس میں 192 اسٹورز ہیں (بشمول خالی اسٹورز کے)۔ جیسا کہ نیچے دینے گئے چارٹ سے پتا چلتا ہے کہ خوردہ فروشی کی اقسام میں سب سے زیادہ لمبوسات (40 فیصد) جبکہ غذائی مصنوعات (14 فیصد) دوسرے نمبر پر ہیں۔ دیگر اقسام میں ملا جلا رجحان پایا جاتا ہے۔ مال ایک مضبوط معاشی ٹیٹ ورک فراہم کرتا ہے کیونکہ اس میں شہر کے اعلیٰ ترین مقامی اور عالمی برانڈز کام کر رہے ہیں۔

ہاربر فرنٹ کے موجودہ کرایہ جاتی پورٹ فولیو میں مقامی اور کثیر الملکی کارپوریشنز میں دیگر کے علاوہ اینگروپ، فلپ مورس، منوشی کارپوریشن اور پروکٹر اینڈ گیمبل شامل ہیں۔ ہاربر فرنٹ میں کرائے کے لئے 17 منزلیں موجود ہیں۔

MALL - TENANCY PROFILE
(As AT JUNE 2019)



HARBOUR FRONT - TENANCY PROFILE
(As AT JUNE 2019)



ڈائریکٹرز رپورٹ

ڈولمین سٹی ریٹ کے معزز یونٹ ہولڈرز

عارف حبیب ڈولمین ریٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم ڈولمین سٹی ریٹ ("DCR" یا "اسکیم") کے 30 جون 2019 کو ختم ہونے والے مالی سال کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے بعد ازاں یعنی رپورٹیں پیش کرتے ہوئے انتہائی مسرت محسوس کر رہے ہیں۔

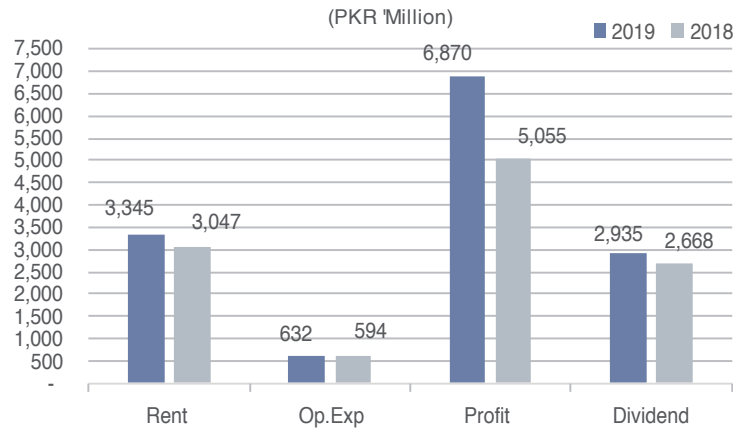
جائزہ

ڈائریکٹرز یہ بتاتے ہوئے مسرت محسوس کرتے ہیں کہ اللہ عزوجل کی رحمت سے DCR نے جون 2019 میں اپنے آپریٹنگز کا ایک اور شاندار سال مکمل کر لیا ہے۔ پاکستان کی واحد سٹڈ ریٹ کی حیثیت سے یہ بازار سرمایہ پر چھائی رہی۔ سال کے دوران DCR نے پیشگی دستاویز کے مطابق مستحکم نتائج فراہم کئے۔ DCR کی کارکردگی میں تسلسل کی عکاسی منافع منقسمہ کی ادائیگی میں اضافے، شریعت کے مطابق شریعہ مشیر کے تصدیق نامے اور کاروباری حضرات کے لئے پسندیدہ جگہ رہا جس کا ثبوت اسکے تصرف کی شرح اور آمدنی میں اضافہ ہے۔ اسی طرح ہارفرنٹ ملک میں اعلیٰ معیاری دفتری جگہوں کی فراہمی کیلئے علامتی نشان بنا رہا۔ یہ بات حوصلہ افزا ہے کہ جائزہ سال کے دوران SECP نے ریٹ سے متعلق انضباطی نظام میں کئی تغیری اصلاحات کیں جس کی وجہ سے کاروبار میں استحکام کی راہ ہموار ہوئی تاہم حکومت کو ریٹ سے متعلق نگیس کے نظام کو بہتر بنانا چاہئے اور ہنگامی بنیاد پر اقدامات کرنے چاہئیں جس کے نتیجے میں ریٹ سے پھلے پھولیں۔

مالیاتی کارکردگی

DCR کے فنڈ کا سالانہ 30 جون 2019 کو 46,233 ملین روپے (30 جون 2018 میں 42,232 ملین) ہو گیا جس کی وجہ سے یہ پاکستان کی سب سے بڑی، شریعہ پاسدار، کلوڈ ڈیٹا اینڈ سٹوریج سروس فراہم کنندہ بن گئی۔

جائزہ سال کے دوران DCR کی کراہی جاتی آمدن 3,344.499 ملین روپے رہیں (30 جون 2018 میں 3,046.978 ملین روپے) جس سے گزشتہ سال کی بہ نسبت 9.76 فیصد اضافہ کی عکاسی ہوتی ہے، جبکہ مارکیٹنگ آمدن 182.606 ملین روپے (30 جون 2018 میں 210.165 ملین روپے) رہیں اور شریعہ پاسدار بینک ڈپازٹس پر منافع 139.613 ملین روپے (30 جون 2018 میں 112.842 ملین روپے) رہا۔ انتظامی، کاروباری اور دیگر اخراجات 632.464 ملین روپے (30 جون 2018 کو 593.885 ملین روپے) رہے۔










3,835 ملین روپے کی رقم بھی جائیداد کی قدر میں تبدیلی کے طور پر ریکارڈ کی گئی جس کی تفصیل ایک آزاد تفصیل کنندہ MYK ایسوی ایٹس (پرائیویٹ) لمیٹڈ (MYK) نے کی تھی (حوالہ: مالیاتی گوشواروں کا نوٹ نمبر 4) جس سے منافع بعد از نگیس 6.87 ملین (30 جون 2018 میں 5.055 ملین) روپے ہو گیا اور فی یونٹ آمدن (EPU) 3.09 روپے رہی۔ EPU کو 1.36 روپے کی قابل تقسیم آمدن پر اور 1.72 روپے تفصیل مالیت پر ناقابل تقسیم منافع کے طور پر ریکارڈ کیا گیا۔










**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes

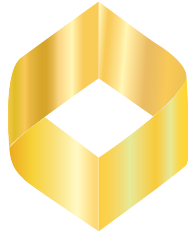


Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan.

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

Arif Habib Centre,
23, M.T. Khan Road, Karachi-74000
TEL: (92-21) 32460717-9, 32468102
FAX No: (92-21) 32466824
E-MAIL: reit@arifhabibdolmenreit.com
Website: www.arifhabibdolmenreit.com