ANNUAL REPORT
2023 - 24

TURNING OUR BLUEPRINTS
GREEN

TPL REIT Fund I

TPL

In our commitment to sustainability, TPL REIT Fund I (TPLRFI) embraces a blueprint that transcends conventional planning, it's a dedication to creating a resilient future. By integrating sustainable practices into every phase of development, TPLRFI is building a future that balances innovation with environmental responsibility. Our approach ensures that, what we design today supports both the needs of our stakeholders and the well-being of future generations. The TPLRFI Report 2024 highlights these efforts, demonstrating how our sustainable strategies are shaping projects and setting new standards for environmental responsibility.

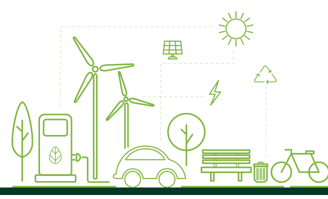
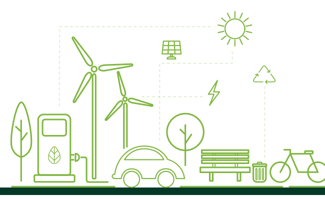


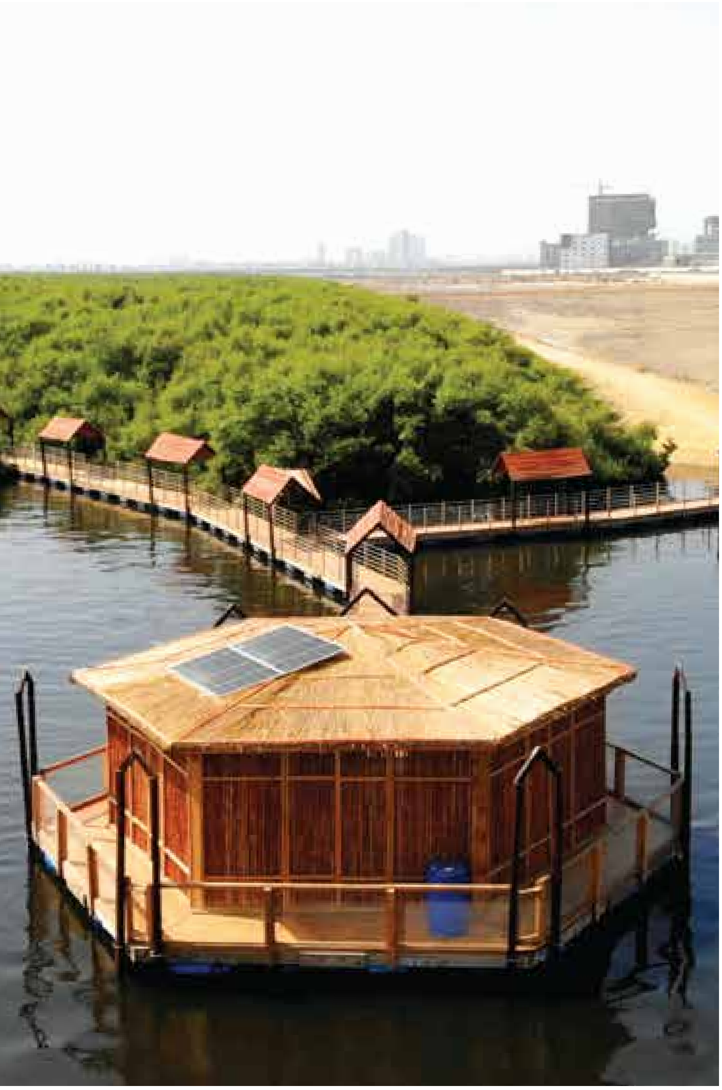
Table of Contents

One Hoshang - Flagship Project

One Hoshang embodies the concept of efficient space utilization and adaptability. By transforming a historic building into Pakistan's ultra high-end residential tower, we effectively merge heritage with modern luxury. This project symbolizes our ability to repurpose and redesign spaces, ensuring both growth and sustainability.



The Mangrove



The Mangrove project represents TPL REIT Fund I's unwavering commitment to sustainable development and environmental preservation. By integrating advanced green building practices and energy-efficient systems, the project minimizes its ecological impact while prioritizing the conservation of the mangrove habitat along Korangi Creek. This initiative rejuvenates the ecosystem, fostering biodiversity and creating a green sanctuary for Karachi's residents. With a design that balances development and ecological preservation, TPLRFI ensures that the surrounding natural environment, including the adjacent biodiversity park, thrives as a vital space for nature and community recreation.

VISION

To become the leading asset-focused investment hub in Pakistan and the largest investment provider for local and international investors looking to tap into Pakistan's growing real estate sector.

MISSION

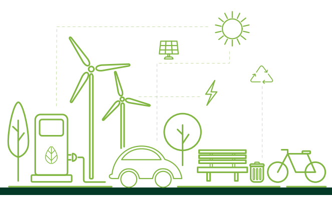
To elevate the real estate landscape of Pakistan by building sustainable communities and workplaces that help in reducing carbon footprint in the country. We aim to enhance the lives and well-being of the Pakistani population while bringing Pakistan to the global forefront of the real estate sector by refining and uplifting the industry.

CORE VALUES

Take Ownership

Pledge to Learn

Lead with Compassion



ESG AT TPL REIT FUND I

The Fund's strategic direction is fundamentally guided by Environmental, Social, and Governance (ESG) principles. In collaboration with various consultants, the Fund has developed and implemented an Environmental & Social Management System (ESMS) that applies across its entire project portfolio. This system emphasizes improving labor conditions, protecting the environment, and advancing governance practices.

OUR COMMITMENT TO UNSDGs

The Fund has strategically integrated specific United Nations Sustainable Development Goals (UNSDGs) into its vision and long-term plans, enhancing social responsibility, building reputation, opening new market opportunities, managing risks, stimulating innovation and generating long-term value. In line with this commitment, we have developed the TPL Biodiversity Park, which not only supports UNSDG 15 (Life on Land) but also plays a positive role in combating climate change. Through this project, we aim to create awareness for the importance of mangroves in Korangi Creek. In addition, we will be engaging local communities through livelihood opportunities, and promoting sustainable practices. Additionally, the development of One Hoshang Pakistan's first ultra-high-end luxury residential tower reflects our commitment to preserving heritage by restoring the 130-year-old façade of the Homie Katrak Chambers and incorporating a world-class museum into the tower, which showcases its historical significance.

Perfomance Metrics and Baseline KPIs (FY 2023-24)

While we are tracking multiple KPIs across our initiatives, some of the key ESG KPIs being monitored and reported across the projects are depicted in the accompanying table. Regular ESG audits by a dedicated internal team ensure ongoing alignment between senior management and the Fund's ESG goals.

Category	Focus Area	Key Performance Indicators	Unit	HKC	Mangrove
Labour	Audits and Inspections/ Employee Engagement	External Audits completed	No.	1	1
		Internal ESG Audits completed	No.	10	6
	Training Details	Toolbox meetings held (No. Safety Talks)	No.	335	144
		Total HSE training Man-hours (Health Awareness)	Hrs.	392	-
		Man-hours worked	No.	268,720	91,661
	Accidents Resulting in Injury	First Aid Cases Reported	No.	4	5
		Fatalities reported	No.	-	-
Environment	Total Consumption	Fuel	kL	114	7
		Energy	kWh	1,272	-
		Water	kL	136	639.5
	Waste Water*	Hydrogen Ions - (Optimal Range = 6 to 9)	pH	8.12	7.69
	Drinking Water*	Hydrogen Ions - (Optimal Range = 6.5 to 8.5)	pH	7.91	7.49
	Air Quality*	Carbon Monoxide - CO (SEQS Limits = 5)	µg m-3	2.75	1.85
		Nitrogen - NO2 (Max = 80)	µg m-3	35.58	26.89
		Particulate Matter - SPM (Max = 500)	µg m-3	282.64	218.51
		Particulate Matter - PM2.5 (Max = 75)	µg m-3	46.93	40.88
	Noise Exposure*	A-weighted decibel - (Max = 75)	dB (A)	72.58	55.06
	Lighting Level*	Illuminance (Min = 250)	Lx	727.57	257
	Waste Management	Total Waste Generated (as collected)	kg	42,586,690	1,875
Governance	Employee Engagement	Safety Inductions Conducted	No.	323	140
	Stakeholder Engagement	Stakeholder Engagement Meetings held from ESG Audit Form	No.	11	N/A

*This depicts the annual average values

Company Information

Board of Directors - TPL RMC

Mr. Muhammad Adnan Afaq	Independent Director
Ms. Vanessa Eastham Fisk	Independent Director
Mr. Imran Hussain	Independent Director
Mr. Abdul Wahab Al-Halabi	Non-Executive Director
Mr. Ali Jameel	Non-Executive Director
Mr. Naveed Kamran Baloch	Independent Director
Mr. Osman Asghar Khan	Independent Director

Chief Executive Officer
Mr. Ali Asgher

Chief Financial Officer
Mr. Imad Zahid Nagi

Company Secretary
Ms. Shayan Mufti

Audit, Risk & Oversight Committee

Mr. Muhammad Adnan Afaq	Chairman
Ms. Vanessa Eastham Fisk	Member
Mr. Ali Jameel	Member
Mr. Hashim Sadiq Ali	Secretary

Human Resource, Nomination and Remuneration Committee

Mr. Imran Hussain	Chairman
Mr. Ali Asgher	Member
Mr. Ali Jameel	Member
Mr. Nader Bashir Nawaz	Secretary

Investment Committee

Mr. Abdul Wahab Al-Halabi	Chairman
Mr. Muhammad Adnan Afaq	Member

Trustee
Digital Custodian Company Limited
4-F Perdesi House, Old Queens Road, Karachi.

Legal Counsel
Jam Naveed Zafar
Lex Firma, Advocates
Barristers and Legal Consultants

Auditors
KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers
Bank AL Habib Limited
National Bank of Pakistan
Faysal Bank Limited

REIT Accountant
Grant Thornton Anjum Rahman

Registrar
Digital Custodian Company Ltd.
4-F Perdesi House,
Old Queens Road, Karachi.

REIT Fund Rating
RFR 3+ (Stable Outlook) by
PACRA Credit Rating Company

REIT Manager Rating
RM 3+ (Stable Outlook) by
PACRA Credit Rating Company

Registered Office
TPL REIT Management Company Ltd.
20th Floor, Sky Tower,
East Wing, Dolmen City, HC-3,
Block 4, Abdul Sattar Edhi Avenue,
Clifton, Karachi

Web Presence
www.tplfunds.com

Board of Directors

Muhammad Adnan Afaq
Independent Director

Imran Hussain
Independent Director

Vanessa Eastham Fisk
Independent Director

Mr. Ali Jameel
Non-Executive Director

Abdul Wahab Al-Halabi
Non-Executive Director

Naveed Kamran Baloch
Independent Director

Osman Asghar Khan
Independent Director

Ali Asgher
Chief Executive Officer

CEO's Message

Ali Asgher

Dear Valued Stakeholders,

As we reflect on the past year, I am delighted to report that TPL REIT Fund I has achieved remarkable milestones, solidifying our position as a pioneer in Pakistan's sustainable real estate investment landscape. Despite ongoing economic challenges, we have not only persevered but progressed, demonstrating the strength of our vision and the efficacy of our viable development strategy.

Our financial performance this year has been particularly noteworthy. As of June 2024, I'm pleased to report that our fund's Net Asset Value (NAV) has fairly grown to PKR 32.2 billion, up from PKR 29.0 billion in the previous fiscal year. Moreover, the successful completion of our third and final drawdown, amounting to PKR 3,375 million in December 2023, has further strengthened our financial position.

A key moment for TPL REIT this year was our successful listing on the Pakistan Stock Exchange on May 2, 2024. Our Offer for Sale (OFS) received an overwhelming response, with units offered at PKR 17.59 each. The base offer of PKR 403 million, representing 1.25% of our outstanding units, was complemented by a Green Shoe option of PKR 394 million. The market reception resulted in a total subscription oversubscribed by 1.4 times the base offer. This strong demand underscores the trust our investors place in TPL REIT's potential and reaffirms our commitment to delivering sustainable value in the Pakistani real estate sector.

Our commitment to sustainable development remains at the core of our operations. Building upon our previous achievements, we have continued to make significant progress on our flagship projects. The One Hoshang, state of the art residential development, which seamlessly blends historical preservation with modern living, has advanced considerably and is believed to reach a handover phase by 2026. Simultaneously, The Mangrove Project, a sustainable mixed-use gated community development spanning over 40 acres of prime waterfront property, is moving forward as planned, with the masterplan and various approvals obtained from regulatory authorities.

These projects highlight our commitment to environmentally responsible, socially beneficial development and our ability to innovate amid challenges. By following LEED guidelines together with IFC performance standards and applying our ESG policy and Environmental and Social Management System (ESMS), we are setting new benchmarks for sustainable real estate in Pakistan.

As we look forward, TPL REIT is well-positioned to capitalize on emerging opportunities in the Pakistani real estate market. Our strong financial foundation, coupled with our approach to sustainable development, provides us with a unique competitive advantage. Our success thus far is a testament to the hard work and dedication of our employees, the guidance of our board of directors, and the trust placed in us by our investors. As we continue to grow and evolve, we are excited about the prospects of expanding our portfolio, exploring new sustainable development opportunities, and further cementing our position as the leading REIT Fund in Pakistan.

Sincerely,
Ali Asgher
CEO, TPLRMC

HORIZONTAL ANALYSIS - BALANCE SHEET

	30 June 2024	30 June 2023	30 June 2022
		(Rupees in '000)	
Preliminary expenses and floatation costs	15,611	20,734	25,885
Security deposits	100	100	100
Investments in SPVs at fair value	34,652,687	31,082,959	15,340,691
Advances and prepayments	21,817	20,747	1,485
Due from related parties	160,000	2,000	-
Bank balances	29,274	991,671	2,647,064
TOTAL ASSETS	34,879,489	32,118,211	18,015,225
Total unit holders' fund	32,800,526	29,049,153	15,960,667
Payable to the REIT management company	2,042,240	2,435,576	1,023,477
Payable to the trustee	3,812	3,273	267
Payable to the SECP	25,000	25,000	558
Advance against issuance of units	-	600,000	1,000,000
Accrued expenses and other liabilities	7,911	5,209	30,256
TOTAL EQUITY AND LIABILITIES	34,879,489	32,118,211	18,015,225

VERTICAL ANALYSIS - BALANCE SHEET

	30 June 2024	30 June 2023	30 June 2022
		(Rupees in '000)	
Preliminary expenses and floatation costs	0.04%	0.06%	0.14%
Security deposits	0.00%	0.00%	0.00%
Investments - financial assets designated at fair value through profit or loss	99.35%	96.78%	85.15%
Advances and prepayments	0.06%	0.06%	0.01%
Due from related parties	0.46%	0.01%	0.00%
Bank balances	0.08%	3.09%	14.69%
TOTAL ASSETS	100%	100%	100%
Total unit holders' fund	94.04%	90.44%	88.60%
Payable to the REIT management company	5.86%	7.58%	5.68%
Payable to the trustee	0.01%	0.01%	0.00%
Payable to the SECP	0.07%	0.08%	0.00%
Advance against issuance of units	0.00%	1.87%	5.55%
Accrued expenses and other liabilities	0.02%	0.02%	0.17%
TOTAL EQUITY AND LIABILITIES	100%	100%	100%

HORIZONTAL ANALYSIS - PROFIT & LOSS

	For the year ended 30 June 2024	For the year ended 30 June 2023	For the period from 23 December 2021 to 30 June 2022
		(Rupees in '000)	
INCOME			
Unrealised gain on revaluation	564,728	11,122,268	6,285,691
Dividend income	445,000	-	-
Bank profit	29,318	130,088	7,977
TOTAL REVENUE	1,039,046	11,252,356	6,293,668
OPERATING EXPENSES	(662,673)	(2,038,870)	(1,433,001)
PROFIT FOR THE PERIOD BEFORE TAXATION	376,373	9,213,486	4,860,667
Taxation	-	-	-
PROFIT FOR THE PERIOD	376,373	9,213,486	4,860,667

VERTICAL ANALYSIS - PROFIT & LOSS

	For the year ended 30 June 2024	For the year ended 30 June 2023	For the period from 23 December 2021 to 30 June 2022
		(Rupees in '000)	
INCOME			
Unrealised gain on revaluation	54.35%	98.84%	99.87%
Dividend income	42.83%	0.00%	0.00%
Bank profit	2.82%	1.16%	0.13%
TOTAL REVENUE	100.00%	100.00%	100.00%
OPERATING EXPENSES	-63.78%	-18.12%	-22.77%
PROFIT FOR THE PERIOD BEFORE TAXATION	36.22%	81.88%	77.23%
Taxation	0.00%	0.00%	0.00%
PROFIT FOR THE PERIOD	36.22%	81.88%	77.23%

HORIZONTAL ANALYSIS - CASH FLOWS

	For the year ended 30 June 2024	For the year ended 30 June 2023	For the period from 23 December 2021 to 30 June 2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation	376,373	9,213,486	4,860,667
Adjustments:			
Unrealised gain on revaluation	(564,728)	(11,122,268)	(6,285,691)
Amortization of preliminary expenses and floatation costs	5,123	5,151	85
	(559,605)	(11,117,117)	(6,285,606)
Changes in working capital	(549,165)	1,393,238	1,027,003
Net cash used in operating activities	(732,397)	(510,393)	(397,936)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash consideration paid on acquisition of SPV	-	-	(2,380,000)
Right issue subscription of investments	(3,005,000)	(2,995,000)	(1,200,000)
Net cash used in investing activities	(3,005,000)	(2,995,000)	(3,580,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units	2,775,000	1,850,000	5,625,000
Advance against issuance of units		-	1,000,000
Net cash generated from financing activities	2,775,000	1,850,000	6,625,000
Net change in cash and cash equivalents	(962,397)	(1,655,393)	2,647,064
Cash and cash equivalents at beginning of the period	991,671	2,647,064	-
Cash and cash equivalents at end of the period	29,274	991,671	2,647,064

VERTICAL ANALYSIS - CASH FLOWS

	For the year ended 30 June 2024	For the year ended 30 June 2023	For the period from 23 December 2021 to 30 June 2022
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation	-39.11%	-556.57%	183.62%
Adjustments:			
Unrealised gain on revaluation	58.68%	671.88%	-237.46%
Amortization of preliminary expenses and floatation costs	-0.53%	-0.31%	0.00%
	58.15%	671.57%	-237.46%
Changes in working capital	57.06%	-84.16%	38.80%
Net cash used in operating activities	76.10%	30.83%	-15.03%
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash consideration paid on acquisition of SPV	0.00%	0.00%	-89.91%
Advance against issuance of units	312.24%	180.92%	-45.33%
Net cash used in investing activities	312.24%	180.92%	-135.24%
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units	-288.34%	-111.76%	212.50%
Advance against issuance of units	0.00%	0.00%	37.78%
Net cash generated from financing activities	-288.34%	-111.76%	250.28%
Net change in cash and cash equivalents	100.00%	100.00%	100.00%
Cash and cash equivalents at beginning of the period	-103.04%	-159.91%	0.00%
Cash and cash equivalents at end of the period	-3.04%	-59.91%	100.00%

RATIO ANALYSIS

		For the year ended 30 June 2024	For the year ended 30 June 2023	For the period from 23 December 2021 to 30 June 2022
Profitability Ratios				
Net profit to revenue	Percent	36.22%	81.88%	77.23%
Return on equity	Percent	1.22%	49.85%	43.79%
Liquidity Ratio				
Current ratio	Ratio	0.10	0.33	1.29
Cash to current liabilities	Ratio	0.01	0.32	1.29
Investment Valuation ratio				
Earning per unit	Rupees	0.23	6.97	4.38
Ending NAV per unit	Rupees	17.87	19.39	14.38

DIRECTORS' REPORT

The Board of Directors of TPL REIT Management Company Limited is pleased to present its report together with Financial Statements of **TPL REIT Fund I** (the Fund) for the year ended June 30, 2024.

ECONOMIC REVIEW

The global growth projection for 2024 is set at 3.2%, aligning closely to the World Economic Outlook forecast. This is credited to strengthened global economic activity, characterized by rebound in activity in China and India although some challenges were observed in the US and Japan. In the US, after a sustained period of outperformance a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net-trade. In Japan, negative growth surprise stemmed from temporary supply disruption linked to the shutdown of a major automobile plants. The varying momentum in economic activity earlier in the year has led to a reduction in output disparities as cyclical influences diminish, aligning activities more closely with their potential. Looking ahead, the forecast for 2025 anticipates a growth rate of 3.3%.

Global disinflation momentum is slowing, signaling challenges ahead. In the United States, heightened inflation in the first quarter has postponed monetary policy normalization, placing advanced economies like the Europe and Canada, where inflation is moderating more predictably, ahead in their easing cycles. Meanwhile, several central banks in emerging markets remain cautious about reducing rates due to external risks from shifts in interest rate differentials and resultant currency depreciation against the US dollar.

On the Inflation front, global headline inflation is forecasted to decrease to 5.8% in 2024 and further to 4.4% in 2025. Overall, while there are challenges posed by tightening monetary conditions and fiscal constraints, there's also a positive trend towards lower inflation rates, which could positively impact economic prospects moving forward.

In Pakistan, economic performance continued to improve during FY24. A major improvement occurred in the 2nd half of FY 2024 as headline inflation came down to its lowest in 30-months, landing at 12.6% in June 2024, compared to 29.4% in June 2023. For FY24 the headline inflation averaged at 23%, a significant drop from the 29% average of the same period last year. This reversion was majorly on the back of change in inflation's base-year, monetary tightening, favorable global commodity prices, exchange rate stability and moderating consumption witnessed due to low disposable incomes and higher tax rates. Building on the lower Inflation numbers and high real rates differential, SBP reduced interest rates by 100bps in June 2024. With the current term structure and expected downward trajectory of inflation, it is anticipated that the SBP will set a direction towards a pro-longed easing cycle in the near to medium term.

Among the primary sectors, the real sector exhibited encouraging signs, with the agriculture outlook remaining promising due to the healthy crop growth. In the manufacturing sector, Large Scale Manufacturing (LSM) output increased by 0.45% during July-April 2024 after a brief contraction period. Nearly 50% of LSM sub-sectors have recovered and posted positive growth.

Fiscal indicators showed improvement, with the primary surplus increasing to PKR 1,611 billion during July-April 2024, compared to PKR 99 billion in the same period last year. Fiscal deficit reduced to 4.5% of GDP during FY24, compared to 4.7% of the GDP in the same period last year. The positive momentum on the fiscal front can be attributed to higher tax-collection during the period against expenditures, composed largely of markup payments on external debt.

The external accounts demonstrated significant progress, with the current account posting a deficit of $0.5 billion for July-April 2024, a substantial improvement from the $3.9 billion deficit in the same period last year. This improvement was largely driven by an increase in exports, which grew by 17.3% YoY, aided by ease in import restrictions and exchange rate stability.

The Pakistan Stock Exchange (PSX) emerged as the best performing market in the world during FY24. The benchmark KSE-100 Index posted a staggering 89% return in FY24 led by successful initiation and completion of IMF Stand-by Agreement, a smooth conduct of general elections, and timely initiation of IMF's program.

Looking ahead, the future looks quite promising as the government has commenced discussions with the IMF for a new three-year program aimed at bolstering the external sector, managing monetary crunch and fostering investment flows. A staff-level agreement was reached in July 2024 for a 37-month Extended Fund Facility valued at $7 billion, which is currently pending under approval from the IMF's executive board.

REAL ESTATE MARKET REVIEW

The global Real Estate market is forecasted to achieve a staggering value of $635 trillion by 2024. Among its segments, Residential Real Estate stands out as the largest, expected to reach a market volume of $516 trillion by the same year. Looking ahead, the sector is projected to grow annually at a rate of 2.77% (CAGR 2024-2029), reaching a market volume of $727 trillion by 2028. In the global context, United States is poised to lead the global Real Estate market, with an impressive projected value of US$132 trillion in 2024.

The global economy showed resilience in the first quarter of 2024, despite geopolitical uncertainties and high economic costs. Although growth remains below historical levels, easing inflation and clearer indications on policy rate reductions are expected to boost momentum in the latter half of the year and into 2025. Office markets showed signs of gradual improvement, with global leasing volumes increasing by 7% compared to the previous year.

In Pakistan, the real estate sector experienced positive growth, with property values increasing by an average of 15% across all sectors. However, with an inflation rate of 23% and improving economic conditions, price growth in certain sectors has yet to catchup. The residential sector showed resilience with prices rising in all major cities by on average 19%, evident from the Housing Price Index of FY24. This recovery can be attributed to a partial rebound in the sluggish economy, which had previously been impacted by high policy rates and stringent monetary conditions.

In contrast, the commercial sector saw only marginal growth, as businesses continued to grapple with the lingering effects of inflation. Part of the challenge faced by the industry stem from adverse movement in macro-economic indicators, which is having a dampening effect on overall consumption.

Transactions in the real estate market have remained depressed, and the envisioned pick up post the conclusion of General Elections, is yet to materialize. The overall contribution of real estate to GDP has oscillated in the range of 5.1-5.8% over the past 2 decades and clocked in at 5.8% for the 2-year period (FY23-24). Despite the stable contribution, the overall slowdown in GDP growth to 1.34% (2-year average FY23-24) from 6.0% (2-year average FY21-22) and real estate contribution to GDP remaining stagnant at 5.7-5.8%, is indicative of the trend that real estate activity has fallen, largely in line with the GDP growth slowdown. Even though the real estate market largely remains undocumented, given the contribution to GDP and growth in Real Estate activities, it can be stated that real estate returns have not kept in line with uptick with the inflationary pressure.

The construction sector also faced challenges with high global commodity prices, devalued PKR, and scarce forex reserves. The steel sector experienced a 1.4% contraction in production during the first half of FY24, an improvement from the 2.1% decline recorded in the same period last year, respectively, largely due to reduced demand from key sectors such as automotive, electrical equipment, heavy machinery, and agricultural equipment. The prices of finished steel products e.g. re-bars, utilized in construction and other industries saw a slight decline, from PKR 265,000/Ton to PKR 260,000/Ton attributable to declining Iron ore prices in International market, down 5% YoY, as a result of sluggish demand from China and India. In contrast, Cement prices reached new highs at PKR 1,480/50kg bag increasing by 29% during FY24, attributable to 33% increase in FED on Cement introduce in the new finance bill.

Further, measures introduced in the Finance Act 2024-25, such as the imposition of 5% FED on sale of new properties and a 15.6% uptick in minimum wages, are all expected to increase the cost of construction and final pricing of units.

It is expected that the stabilization of exchange rates and inflation in the forthcoming quarters will mitigate these pressures, creating a conducive environment for the real estate sector to efficiently address the recovering demand.

REIT INDUSTRY

As we anticipate the year 2025, REIT sector is now undergoing a period of respite, as persistent hurdles amid elevated interest rates affected the growth of sector in previous years. Nevertheless, there are indications hinting towards a potential soft-landing in the monetary policy, with Federal Reserve directing a shift towards a more accommodative stance in FY25. As we look ahead to the second half of 2024, the economic and commercial real estate (CRE) environment will be shaped by the higher interest rate environment and expectations around when the Federal Reserve may begin easing monetary policy moving forward.

Global REIT performance shows that health care, residential, and data centers have outperformed in 2024, while timberland, telecommunications, and industrial sectors have declined. Despite experiencing average returns throughout 2023, FY24 presented modest return in the FTSE Index of 6.25%, the sector remained resilient and provided a safeguard against inflation, which hovered at around 5-6% in 2024. This suggests the possibility of positive returns within the sector as global economy enters a brief recovery period.

The outlook for commercial real estate (CRE) and Real Estate Investment Trusts (REITs) in the second half of 2024 emphasizes four key themes. Firstly, REITs have demonstrated strong operational performance, evidenced by high absolute and relative occupancy rates despite supply-demand imbalances. Secondly, REITs with disciplined balance sheets are enjoying greater operational flexibility and experiencing less financial stress compared to counterparts burdened with higher debt and costs. Thirdly, public real estate has continued to outperform private real estate, with a cumulative total return outperformance of nearly 33% over the past six quarters. Despite this, the valuation divergence between public and private real estate remains significant, suggesting that there is still potential for further REIT outperformance in FY 2025.

Pakistan's Real Estate Investment Trusts (REITs) sector witnessed notable progress and increased investor interest. With 19 licensed Real Estate Management Companies (RMCs), including three publicly listed REIT schemes with market capitalization of PKR 63 billion. The year saw expanding investment opportunities and diversifying market, Zameen.com's registration of Punjab's inaugural REIT under Zameen Developments, unveiling 'Zameen Five,' marked a significant milestone. The country is set to see the launch of developmental REITs, with plans to introduce the 'Silk Islamic Development REIT' followed by the 'Silk World Development REIT', the registration for which has been completed in July 2024. Another important event for the REIT sector of Pakistan occurred with successful listing of TPL REIT Fund I, receiving an overwhelming response from investors of 1.4x over subscription to the base offer size. Furthermore, Imarat Group's announcement of a REIT fund featuring 15 projects added to the diversity of real estate investment options, indicating increasing confidence in the sector's prospects.

OPERATING RESULTS

TPL REIT Fund I

The unconsolidated financial results of TPL REIT Fund I are as follows:

Description	Rupees '000
Profit after taxation for the year	376,373
Other comprehensive income	-
	376,373
Appropriations:	-
Unappropriated profit brought forward	**376,373**
Earnings per unit (Rupees)	**0.23**

During the year under review the total income of the Fund stood at PKR 1,039 million including fair value gain of PKR 565 million on investments compared to total income of PKR 11,252 million during the comparative period last year.

Total operating expenses during the year stood at PKR 663 million compared to PKR 2,039 million during the comparative period last year. Total expenses includes management and performance fee accrued to Management Company to the tune of PKR 529 million and PKR 66 million respectively.

The net profit after tax stood at PKR 376 million as at the year-end compared to PKR 9,213 million during comparative period last year. This translates into earning per unit of PKR 0.23 per unit.

The net assets of Fund increased to PKR 32,800 million on June 30, 2024 from PKR 29,049 million on June 30, 2023.

HKC (Private) Limited

As of June 30, 2024 the Development property of the Company is valued at PKR 4,729 million. Savills Pakistan Private Limited is the valuator of the Fund for determination of the fair value of the investment property.

The property owned by the company consists of a land parcel of 2,539 square yards of commercial property situated at corner of Abdullah Haroon Road and Hoshang Road, Karachi.

National Management and Consultancy Services (Private) Limited

As of June 30, 2024 the Investment property of the Company is valued at PKR 25,904 million out of which PKR 23,784 million pertains to fair value of the land and PKR 2,120 million pertains to the development work at the property. Savills Pakistan Private Limited is the valuator of the Fund for determination of the fair value of the investment property.

The Investment property owned by the company consists of a land parcel of 40 acre commercial property situated at Korangi Creek, Karachi.

TPL Technology Zone Phase - 1 (Private) Limited

As of June 30, 2024 the Investment property of the Company is valued at PKR 2,505 million out of which PKR 1,650 million pertains to fair value of the land and PKR 855 million pertains to the development work at the property. Savills Pakistan Private Limited is the valuator of the Fund for determination of the fair value of the investment property.

The Investment property owned by the company consists of an open commercial plot measuring 10,002 square yards situated at Korangi Industrial Area, Karachi.

PROJECT PROGRESS REPORT

HKC (Private) Limited

The project has demonstrated substantial progress, with design and initial construction works, including piling, shoring, and excavation completed. All regulatory approvals required for the project have been secured. Main construction works commenced in November 2023 and till date the grey structure upto 2nd floor has been completed. The tendering process for Civil Architectural & MEP Works has concluded, while procurement for Owner Furnished Material (OFM) is ongoing.

National Management and Consultancy Services (Private) Limited

The project has achieved several key milestones, including the completion of the concept master plan design, master plan approval and infrastructure engineering study. At the same time, various NoC related to height and utilities have also been obtained.

At present, the detailed building design, led by SSH, for the individual plots is under way and expected to be completed by 4Q FY25. Currently concept of C2 Type building is in progress, whereby schematics stage of C4 building has been achieved.

Moreover, the tender preparation for the infrastructure package, which includes road works, public health engineering works & electrical works, is on-going and is expected to be awarded by 2Q FY 25 to initiate infrastructure works at the site.

The development of the Bio Diversity Park has been completed. The official launch of the park for public access is planned for 2QFY 25. Soft element of Park including Digital Facility at Learning Centre, Coffee Shop, & lighting at pathways & platforms are being finalized.

Sales & Site office construction is in final stage and facility commissioning is planned in Sep 2024.

TPL Technology Zone Phase - 1 (Private) Limited

The Fund continues to adopt a go slow approach in relation to this project keeping in view the depressed demand in office space market on off plan sales. However, with forecasted improved economic indicators the fund plans to conclude on the various alternatives available in consultation with the Anchor Investors.

OUTLOOK

The development progress of initial asset portfolio aligns with the stipulated timeline. Key developments underway include the initiation of main construction works for One Hoshang Project, with expected project completed by 2026. Along with it, the project secured No Objection Certificate for sales, following which the off plan sales for the project have been initiated.

REIT fund's largest development asset, Mangrove, is making substantial progress in its design phase. The detailed master plan and infra engineering study has been completed. The detailed building design of the project is underway. Furthermore, the Bio Diversity Park has been completed to increase awareness for mangrove preservation and attract foot fall at site. The Sale Site Office is near completion. During FY 25, the infrastructure works at site and main construction works for the Phase 1 buildings shall be initiated.

Given the challenging macroeconomic environment, a cautious approach has been adopted for the Technology Park project. The decline in business activity has adversely affected the demand outlook for commercial office space. Consequently, alternative strategies are being explored to mitigate any potential dilution in returns from this project.

Furthermore, the REIT Manager is actively evaluating potential acquisition targets across major cities in Pakistan. These acquisitions are intended for in-kind contributions against REIT units from potential sellers, aligning with the investment criteria of the REIT Fund.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

The Company has an Environmental, Social, and Governance ("ESG") policy explicating its responsible and impact investing, thereby demonstrating its commitment to sustainability and responsible governance. An ESG focused committee is being constituted together with development of frameworks to ensure the effective implementation in furtherance of these cardinal principles.

ANTI-HARASSMENT POLICY

The Company possesses and has implemented a comprehensive Anti-Harassment policy to ensure a safe, respectful, and inclusive work environment for all employees irrespective of gender. A dedicated committee has also been established to oversee its enforcement and address any related issues that may arise. We are continuously working to enhance the frameworks and procedures in order to ensure that all reports of harassment are handled anonymously.

FUND RATING

PACRA Credit Rating Company has assigned a REIT Fund Rating of RFR 3+ (Stable Outlook) to the Fund.

PACRA Credit Rating Company has assigned REIT Manager Rating of RM 3+ (Stable Outlook) to the Management Company of the Fund.

AUDITORS

The current auditors, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and, being eligible, offer themselves for reappointment at the Annual General Meeting. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, as the auditors of the Fund for the financial year 2025 at a fee to be mutually agreed.

PATTERN OF UNIT HOLDING

Categories of Unitholders	No of Unit Holders	Unit held	Percentage
Associated Companies, undertakings and related parties.	1	697,598,500	38.02%
Banks Development Financial Institutions, Non-Banking Financial Institutions.	8	1,105,351,000	60.24%
Insurance Companies	3	7,458,500	0.41%
Modarabas and Mutual Funds	14	7,060,778	0.38%
Joint Stock Companies	11	11,048,649	0.60%
Others	6	1,908,550	0.10%
General Public (Local)	1,339	4,383,322	0.24%
General Public (Foreign)	68	190,701	0.01%
TOTAL	**1,450**	**1,835,000,000**	**100.00%**

ACKNOWLEDGEMENT

The Board of the Company would like to take this opportunity to thank its valued sponsors, Securities & Exchange Commission of Pakistan, State Bank of Pakistan and other regulatory authorities, financial institutions and the auditors for their continued guidance and assistance. The Board also wishes to place on record its deep appreciation for the staff for their commitment and hard work.

On behalf of the Board of
TPL REIT Management Company Limited

Chief Executive Officer

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

TPL REIT مینجمنٹ کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز ۳۰ جون ۲۰۲۴ کو ختم ہونے والے سال کے لیے TPL REIT فنڈ I (فنڈ) کے مالی گوشواروں کے ساتھ اپنی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔

اقتصادی جائزہ

۲۰۲۴ء کے لئے عالمی نمو کا تخمینہ ۳٫۲ فیصد مقرر کیا گیا ہے، جو عالمی اقتصادی نقطہ نظر کی پیش گوئی کے قریب تر ہے۔ عالمی اقتصادی سرگرمی کو تقویت دینے سے ممکن ہوا ہے، جس کی خصوصیت چین اور بھارت میں سرگرمی میں بحالی ہے، حالانکہ امریکہ اور جاپان میں چند مشکلات دیکھی گئیں۔ امریکہ میں مسلسل کارکردگی کا مظاہرہ کرنے کے بعد شرح نمو میں توقع سے کہیں زیادہ سست روی سے کھپت میں کمی اور خالص تجارت سے منفی شراکت کی عکاسی ہوتی ہے۔ جاپان میں، ایک بڑے آٹوموبائل پلانٹ کی بندش سے منسلک عارضی سپلائی میں خلل کی وجہ سے منفی نمو کی پریشانی پیدا ہوئی۔ سال کے شروع میں معاشی سرگرمیوں میں کشیدہ رفتار کی وجہ سے پیداوار کی عدم مساوات میں کمی واقع ہوئی ہے کیونکہ گردشی اثرات کم ہو رہے ہیں، جس سے سرگرمیوں کو ان کی صلاحیت کے ساتھ زیادہ ہم آہنگ کیا جا سکتا ہے۔ مستقبل کو دیکھتے ہوئے، ۲۰۲۵ کے لئے پیش گوئی میں ۳٫۳ فی صد شرح نمو کی پیش گوئی کی گئی ہے۔

عالمی سطح پر افراط زر کی رفتار سست روی کا شکار ہے، جس سے آئندہ مشکلات کا سامنا ہو سکتا ہے۔ امریکہ میں، پہلی سہ ماہی میں بڑھتی ہوئی افراط زر نے مانیٹری پالیسی کو معمول پر لانے میں تاخیر کی ہے، جس سے یورپ اور کینیڈا جیسی ترقی یافتہ معیشتیں، جہاں افراط زر زیادہ متوقع طور پر اعتدال میں آ رہا ہے، اپنے آسان سرکل میں بڑھ رہے ہیں۔ دریں اثنا ابھرتی ہوئی مارکیٹوں میں متعدد مرکزی بینک شرح سود میں فرق کی تبدیلی اور اس کے نتیجے میں امریکی ڈالر کے مقابلے میں کرنسی کی قدر میں کمی سے بیرونی خطرات کی وجہ سے شرح سود میں کمی کے بارے میں محتاط ہیں۔

افراط زر کے محاذ پر، عالمی ہیڈ لائن افراط زر ۲۰۲۴ء میں ۵٫۸ فیصد اور ۲۰۲۵ء میں مزید ۴٫۴ فیصد تک کم ہونے کی پیش گوئی کی گئی ہے۔ مجموعی طور پر، جہاں مالیاتی حالات کو سخت کرنے اور مالی رکاوٹوں کی وجہ سے چیلنجز درپیش ہیں، وہیں افراط زر کی کم شرح کی طرف بھی ایک مثبت رجحان ہے، جو آگے بڑھنے کے اقتصادی امکانات پر مثبت اثر ڈال سکتا ہے۔

پاکستان میں مالی سال ۲۴ء کے دوران معاشی کارکردگی میں بہتری کا سلسلہ جاری رہا۔ مالی سال ۲۰۲۴ کی دوسری ششماہی میں ایک بڑی بہتری دیکھنے میں آئی کیونکہ ہیڈ لائن افراط زر ۳۰ ماہ کی کم ترین سطح پر آ گیا، جون ۲۰۲۴ء میں ۱۲٫۶ فیصد، جبکہ جون ۲۰۲۳ء میں یہ ۲۹٫۴ فیصد تھا۔ مالی سال ۲۴ء کے لئے ہیڈ لائن افراط زر کی اوسط ۲۳ فیصد رہی جو گزشتہ سال کے اسی عرصے کے اوسط ۲۹ فیصد سے نمایاں کمی ہے۔ یہ تبدیلی بنیادی طور پر افراط زر کے بنیادی سال میں تبدیلی، مالیاتی سختی، عالمی اجناس کی موزوں قیمتوں، شرح تبادلہ میں استحکام اور قابل استعمال کم آمدنی اور زیادہ ٹیکس کی شرح کی وجہ سے کھپت میں اعتدال کی وجہ سے تھی۔ افراط زر کے کم اعداد و شمار اور زیادہ حقیقی شرحوں کے فرق کی بنیاد پر اسٹیٹ بینک نے جون ۲۰۲۴ء میں شرح سود میں ۱۰۰ بی پی ایس کی کمی کی۔ موجودہ مدتی ڈھانچے اور افراط زر میں متوقع کمی کے پیش نظر یہ توقع کی جاتی ہے کہ اسٹیٹ بینک مستقبل قریب سے درمیانی مدت میں طویل مدتی نرمی کے سرکل کی سمت کا تعین کرے گا۔

بنیادی شعبوں میں، حقیقی شعبے نے حوصلہ افزاء اشارے دکھائے، صحت مند فصل کی نمو کی وجہ سے زراعت کا نقطہ نظر امید افزاء رہا۔ مینوفیکچرنگ کے شعبے میں لارج اسکیل مینوفیکچرنگ (ایل ایس ایم) کی پیداوار میں جولائی تا اپریل ۲۰۲۴ء کے دوران ۰٫۴۵ فیصد اضافہ ہوا۔ ایل ایس ایم کے تقریباً ۵۰ فیصد ذیلی شعبے بحال ہوئے اور مثبت نمو درج کی ہے۔

مالی اشاروں میں بہتری دیکھی گئی اور جولائی تا اپریل ۲۰۲۴ء کے دوران پرائمری سرپلس بڑھ کر ۱۶۱۱ بلین روپے تک پہنچ گیا جو گزشتہ سال کے اسی عرصے میں ۹۹ بلین روپے تھا۔ مالی سال ۲۴ء کے دوران مالیاتی خسارہ کم ہو کر جی ڈی پی کا ۴٫۵ فیصد رہ گیا جو گزشتہ سال کے اسی عرصے میں جی ڈی پی کا ۴٫۷ فیصد تھا۔ مالی محاذ پر مثبت رفتار کی وجہ اخراجات کے مقابلے میں اس عرصے کے دوران زیادہ ٹیکس وصولی کو قرار دیا جا سکتا ہے، جو زیادہ تر بیرونی قرضوں پر مارک اپ ادائیگیوں پر مشتمل ہے۔

جولائی تا اپریل ۲۰۲۴ء کے دوران کرنٹ اکاؤنٹ خسارہ ۰٫۵ بلین ڈالر رہا جو گزشتہ سال کے اسی عرصے کے ۳٫۹ بلین ڈالر خسارے کے مقابلے میں نمایاں بہتری ہے۔ یہ بہتری بڑی حد تک برآمدات میں اضافے کی وجہ سے تھی، جس میں سال بہ سال ۷٫۳ افیصد اضافہ ہوا، جس میں درآمدی پابندیوں میں نرمی اور شرح تبادلہ میں استحکام معاون رہا۔

پاکستان اسٹاک ایکسچینج (پی ایس ایکس) مالی سال ۲۴ء کے دوران دنیا کی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ بن کر اُبھری۔ بینچ مارک KSE-100 انڈیکس نے مالی سال ۲۴ء میں ۸۹ فیصد منافع حاصل کیا جو کہ آئی ایم ایف اسٹینڈ بائی معاہدے کے کامیاب آغاز اور تکمیل، عام انتخابات کے پُرامن انعقاد اور آئی ایم ایف کے پروگرام کے بروقت آغاز کی وجہ سے ممکن ہوا۔

مستقبل کو دیکھتے ہوئے، مستقبل کافی امید افزا نظر آتا ہے کیونکہ حکومت نے بیرونی شعبے کو مضبوط بنانے، مالیاتی بحران سے نمٹنے اور سرمایہ کاری کے بہاؤ کو فروغ دینے کے مقصد سے ایک نئے تین سالہ پروگرام کے لئے آئی ایم ایف کے ساتھ مذاکرات کا آغاز کیا ہے۔ جولائی ۲۰۲۴ء میں ۷ بلین ڈالر مالیت کی ۳۷ ماہ کی توسیعی فنڈ سہولت کے لیے عملے کی سطح کا معاہدہ طے پایا جو اس وقت آئی ایم ایف کے ایگزیکٹو بورڈ کی منظوری کے تحت زیر التوا ہے۔

رئیل اسٹیٹ مارکیٹ کا جائزہ

عالمی رئیل اسٹیٹ مارکیٹ میں ۲۰۲۴ء تک ۶۳۵ ٹریلین ڈالر کی حیرت انگیز قدر حاصل کرنے کی پیش گوئی کی گئی ہے۔ اس کے شعبوں میں، رہائشی رئیل اسٹیٹ سب سے اہم ہے، توقع ہے کہ اسی سال تک مارکیٹ کا حجم ۵۱۶ ٹریلین ڈالر تک پہنچ جائے گا۔ مستقبل کو دیکھتے ہوئے، اس شعبے کے سالانہ ۲ء۷۷ فیصد (سی اے جی آر ۲۰۲۴-۲۰۲۵) کی شرح سے بڑھنے کا امکان ہے، جو ۲۰۲۸ء تک مارکیٹ کا حجم ۲۷ء۷ ٹریلین ڈالر تک پہنچ جائے گا۔ عالمی تناظر میں، ریاستہائے متحدہ امریکہ ۲۰۲۴ء میں ۲ء۱۳۲ ٹریلین امریکی ڈالر کی متاثر کن متوقع قیمت کے ساتھ عالمی رئیل اسٹیٹ مارکیٹ کی قیادت کرنے کے لئے تیار ہے۔

جغرافیائی سیاسی غیر یقینی صورتحال اور زیادہ معاشی اخراجات کے باوجود عالمی معیشت نے ۲۰۲۴ء کی پہلی سہ ماہی میں لچک کا مظاہرہ کیا۔ اگرچہ شرح نمو تاریخی سطح سے نیچے ہے، لیکن افراط زر میں کمی اور پالیسی ریٹ میں کمی کے واضح اشارے سال کی آخری ششماہی اور ۲۰۲۵ء میں رفتار کو فروغ ملنے کی توقع ہے۔ آفس مارکیٹوں میں بتدریج بہتری کے اشارے ملے، عالمی لیزنگ کے حجم میں گزشتہ سال کے مقابلے میں ۷ فیصد اضافہ ہوا۔

پاکستان میں رئیل اسٹیٹ سیکٹر میں مثبت نمو دیکھنے میں آئی اور تمام شعبوں میں پراپرٹی کی قیمتوں میں اوسطاً ۱۵ فیصد اضافہ ہوا۔ تاہم، افراط زر کی شرح ۲۳ فیصد اور معاشی حالات میں بہتری کے ساتھ، کچھ شعبوں میں قیمتوں میں اضافہ ابھی تک نہیں ہوا ہے۔ تمام بڑے شہروں میں قیمتوں میں اوسطاً ۱۹ فیصد اضافے کے ساتھ رہائشی شعبے نے لچک کا مظاہرہ کیا، جو مالی سال ۲۰۲۴ء کے ہاؤسنگ پرائس انڈیکس سے ظاہر ہوتا ہے۔ اس بحالی کی وجہ سست معیشت میں جزوی بحالی کو قرار دیا جا سکتا ہے، جو پہلے زیادہ پالیسی شرحوں اور سخت مالیاتی شرائط سے متاثر ہوئی تھی۔

اس کے برعکس، تجارتی شعبے میں صرف معمولی نمو دیکھی گئی، کیونکہ کاروباری ادارے افراط زر کے طویل اثرات سے نبرد آزما رہے۔ صنعت کو درپیش چیلنجز کا ایک حصہ میکرو اکنامک انڈیکیٹرز میں منفی نقل و حرکت کی وجہ سے ہے، جس کا مجموعی کھپت پر منفی اثر پڑ رہا ہے۔

رئیل اسٹیٹ مارکیٹ میں لین دین مایوس کن رہا ہے، اور عام انتخابات کے اختتام کے بعد متوقع تیزی ابھی تک عملی شکل اختیار نہیں کر سکی ہے۔ جی ڈی پی میں رئیل اسٹیٹ کا مجموعی حصہ گزشتہ ۲ دہائیوں کے دوران ۵ء۱ سے ۸ء۵ فیصد کے درمیان رہا ہے اور ۲ سال کی مدت (مالی سال ۲۴-۲۳) میں ۸ء۵ فیصد رہا ہے۔ مستحکم شراکت کے باوجود جی ڈی پی کی شرح نمو میں مجموعی طور پر سست روی ۶ء۰ فیصد (۲ سال کی اوسط مالی سال ۲۱-۲۲) سے بڑھ کر ۳۴ء۱ فیصد (۲ سال کی اوسط مالی سال ۲۳-۲۴) اور جی ڈی پی میں رئیل اسٹیٹ کا حصہ ۷ء۵-۸ء۵ فیصد پر برقرار رہنا اس رجحان کی نشاندہی کرتا ہے کہ رئیل اسٹیٹ کی سرگرمیوں میں کمی آئی ہے، جو بڑی حد تک جی ڈی پی نمو کی سست روی کے مطابق ہے۔ اگرچہ رئیل اسٹیٹ مارکیٹ بڑے پیمانے پر غیر دستاویزی ہے، جی ڈی پی میں شراکت اور رئیل اسٹیٹ سرگرمیوں میں اضافے کو دیکھتے ہوئے، یہ کہا جا سکتا ہے کہ رئیل اسٹیٹ کے منافع افراط زر کے دباؤ کے مطابق نہیں رہے ہیں۔

تعمیراتی شعبے کو عالمی سطح پر اجناس کی زیادہ قیمتوں، روپے کی قدر میں کمی اور غیر ملکی زرمبادلہ کے کم ذخائر کی وجہ سے بھی مشکلات کا سامنا ہے۔ مالی سال ۲۰۲۴ء کی پہلی ششماہی کے دوران سٹیل سیکٹر کی پیداوار میں ۴ء۱۴ فیصد کمی واقع ہوئی جو گزشتہ سال کے اسی عرصے میں ریکارڈ کی گئی ۲ء۱ فیصد کمی سے بہتر ہے، جس کی بڑی وجہ آٹوموٹو، برقی آلات، ہیوی مشینری اور زرعی آلات جیسے اہم شعبوں کی طلب میں کمی ہے۔ بین الاقوامی مارکیٹ میں خام لوہے کی قیمتوں میں کمی اور چین اور بھارت کی جانب سے طلب میں کمی کے نتیجے میں سال بہ سال ۵ فیصد کمی کی وجہ سے تیار سٹیل مصنوعات مثلاً تعمیرات اور دیگر صنعتوں میں استعمال ہونے والی ری بارز کی قیمتوں میں معمولی کمی دیکھی گئی جو کہ ۲۶۵،۰۰۰ روپے فی ٹن سے کم ہو کر ۲۶۰،۰۰۰ روپے فی ٹن رہ گئی۔ اس کے برعکس سیمنٹ کی قیمتیں مالی سال ۲۰۲۴ء کے دوران ۲۹ فیصد اضافے کے ساتھ ۱۴۸۰ روپے فی ۵۰ کلوگرام کی نئی بلند ترین سطح پر پہنچ گئیں جس کی بنیادی وجہ نئے فنانس بل میں متعارف کرائے گئے سیمنٹ پر ایف ای ڈی میں ۳۳ فیصد اضافہ ہے۔

مزید برآں فنانس ایکٹ ۲۵-۲۰۲۴ء میں متعارف کرائے گئے اقدامات، جیسے کہ نئی جائیدادوں کی فروخت پر ۵ فیصد ایف ای ڈی کا نفاذ اور کم از کم اجرت میں ۶ء۱۵ فیصد اضافہ، ان تمام سے تعمیرات کی لاگت اور یونٹس کی حتمی قیمت میں اضافے کی توقع ہے۔

توقع ہے کہ آئندہ سہ ماہیوں میں شرح تبادلہ اور افراط زر میں استحکام اس دباؤ کو کم کرے گا، جس سے رئیل اسٹیٹ سیکٹر کے لئے بحالی کی طلب کو مؤثر طریقے سے پورا کرنے کے لئے سازگار ماحول پیدا ہوگا۔

REIT انڈسٹری

جیسا کہ ہم سال ۲۰۲۵ء کی توقع کر رہے ہیں، REIT سیکٹر اب آسانی کے دور سے گزر رہا ہے، کیونکہ بلند شرح سود کے درمیان مسلسل رکاوٹوں نے پچھلے سالوں میں اس شعبے کی نمو کو متاثر کیا ہے۔ اس کے باوجود، مالیاتی پالیسی میں ممکنہ سوفٹ لینڈنگ کے اشارے مل رہے ہیں، جس میں فیڈرل ریزرو نے مالی سال ۲۵ء میں زیادہ نرم موقف اختیار کرنے کی ہدایت کی ہے۔ جیسا کہ ہم ۲۰۲۴ء کی دوسری ششماہی کی طرف دیکھ رہے ہیں، اقتصادی اور تجارتی رئیل اسٹیٹ (سی آر ای) کا ماحول زیادہ شرح سود کے ماحول اور توقعات سے تشکیل دیا جائے گا جب فیڈرل ریزرو آگے بڑھتے ہوئے مانیٹری پالیسی کو آسان بنانا شروع کر سکتا ہے۔

عالمی REIT کی کارکردگی سے معلوم ہوتا ہے کہ صحت کی دیکھ بھال، رہائشی اور ڈیٹا سینٹرز نے ۲۰۲۴ء میں بہتر کارکردگی کا مظاہرہ کیا ہے، جبکہ ٹمبر لینڈ، ٹیلی کمیونیکیشن اور صنعتی شعبوں میں گراوٹ آئی ہے۔ ۲۰۲۳ء کے دوران اوسط منافع کا تجربہ کرنے کے باوجود، مالی سال ۲۰۲۴ء نے ایف ٹی ایس ای انڈیکس میں ۲۵ء۶ فی صد کے معمولی منافع کا مظاہرہ کیا، یہ شعبہ لچکدار رہا اور افراط زر کے خلاف تحفظ فراہم کیا، جو ۲۰۲۴ء میں تقریباً ۶-۵ فی صد تھا۔ اس سے اس شعبے کے اندر مثبت منافع کے امکانات کی نشاندہی ہوتی ہے کیونکہ عالمی معیشت ایک مختصر بحالی کی مدت میں داخل ہو رہی ہے۔

۲۰۲۴ء کی دوسری ششماہی میں کمرشل رئیل اسٹیٹ (سی آر ای) اور رئیل اسٹیٹ انویسٹمنٹ ٹرسٹ (آر ای آئی ٹی) کا نقطہ نظر چار اہم موضوعات پر زور دیتا ہے۔ سب سے پہلے، آر ای آئی ٹی نے مضبوط آپریشنل کارکردگی کا مظاہرہ کیا ہے، جس کا ثبوت رسد اور طلب کے عدم توازن کے باوجود اعلیٰ مطلق اور نسبتاً قبضے کی شرح ہے۔ دوسری بات یہ ہے کہ نظم وضبط والی بیلنس شیٹ رکھنے والے آر ای آئی ٹیز زیادہ آپریشنل لچک سے لطف اندوز ہو رہے ہیں اور زیادہ قرض اور اخراجات کے بوجھ تلے دبے ہم منصبوں کے مقابلے میں کم مالی دباؤ کا سامنا کر رہے ہیں۔ تیسری بات یہ ہے کہ پبلک رئیل اسٹیٹ نے نجی رئیل اسٹیٹ سے بہتر کارکردگی کا مظاہرہ جاری رکھا ہوا ہے، گزشتہ چھ سہ ماہیوں کے دوران مجموعی طور پر ۳۳ فیصد منافع حاصل ہوا ہے۔ اس کے باوجود، سرکاری اور نجی رئیل اسٹیٹ کے درمیان ویلیوایشن کا فرق نمایاں ہے، جس سے پتہ چلتا ہے کہ مالی سال ۲۰۲۵ء میں آر ای آئی ٹی کی مزید بہتر کارکردگی کے امکانات موجود ہیں۔

پاکستان کے رئیل اسٹیٹ انویسٹمنٹ ٹرسٹ (آر ای آئی ٹی) کے شعبے میں نمایاں پیش رفت دیکھنے میں آئی اور سرمایہ کاروں کی دلچسپی میں اضافہ ہوا۔ ۱۹ لائسنس یافتہ رئیل اسٹیٹ مینجمنٹ کمپنیوں (آر ایم سیز) کے ساتھ، جن میں ۶۳ بلین روپے کی مارکیٹ کیپٹلائزیشن کے ساتھ تین پبلک لسٹڈ آر ای آئی ٹی اسکیمیں بھی شامل ہیں۔ اس سال سرمایہ کاری کے مواقع میں اضافہ اور مارکیٹ میں تنوع دیکھا گیا، Zameen.com کی جانب سے زمین ڈویلپمنٹ کے تحت پنجاب کے افتتاحی آر ای آئی ٹی کی رجسٹریشن، 'زمین فائیو' کی رونمائی ایک اہم سنگ میل کی

حیثیت رکھتی ہے۔ ملک میں ترقیاتی آر ای آئی ٹیز کا اجراء متوقع ہے جس میں 'سلک اسلامک ڈویلپمنٹ ریٹ' متعارف کرانے کا منصوبہ ہے جس کے بعد 'سلک ورلڈ ڈویلپمنٹ ریٹ' متعارف کرایا جائے گا، جس کے لیے رجسٹریشن جولائی ۲۰۲۴ء میں مکمل ہوچکی ہے۔ پاکستان کے آر ای آئی ٹی سیکٹر کے لئے ایک اور اہم واقعہ ٹی پی ایل آر ای آئی ٹی فنڈ ون کی کامیاب لسٹنگ کے ساتھ پیش آیا، جسے سرمایہ کاروں کی جانب سے بیس آفر سائز کی سبسکرپشن پر ۲۔۴ اگنا زبردست ردعمل ملا۔ مزید برآں، امرت گروپ کی جانب سے ۱۵ منصوبوں پر مشتمل آر ای آئی ٹی فنڈ کے اعلان نے رئیل اسٹیٹ سرمایہ کاری کے اختیارات کے تنوع میں اضافہ کیا، جو اس شعبے کے امکانات میں بڑھتے ہوئے اعتماد کی نشاندہی کرتا ہے۔

آپریٹنگ نتائج

ٹی پی ایل REIT فنڈ I

ٹی پی ایل REIT فنڈ I کے غیر متفقہ مالی نتائج درج ذیل ہیں:

تفصیل	'۰۰۰ روپے
سال کے لیے ٹیکس کے بعد منافع	۳۷۶،۳۷۳
دیگر جامع آمدنی	-
	۳۷۶،۳۷۳
تصرفات	-
آگے لایا گیا غیر موزوں منافع	۳۷۶،۳۷۳
آمدنی فی یونٹ (روپے)	۰ء۲۳

زیرِ جائزہ سال کے دوران فنڈ کی کل آمدنی ۰۳۹،۱ ملین روپے رہی جس میں سرمایہ کاری پر ۵۶۵ ملین روپے کا فیئر ویلیو منافع شامل ہےجو گزشتہ سال کی اسی مدت میں ۲۵۲،۱۱ ملین روپے تھی۔

اس مدت کے دوران کل آپریٹنگ اخراجات ۶۶۳ ملین روپے رہے جو گزشتہ سال کی اسی مدت میں ۰۳۹،۲ ملین روپے تھے۔ کل اخراجات میں مینجمنٹ کمپنی کی انتظامی اور کارکردگی فیس بالترتیب ۵۲۹ ملین روپے اور ۶۶ ملین روپے شامل ہے۔

اس مدت کے دوران بعد از ٹیکس خالص منافع ۳۷۶ ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت میں ۲۱۳،۹ ملین روپے خالص منافع تھا۔ اس کے نتیجے ۰ء۲۳ روپے فی یونٹ آمدنی ہوئی ہے۔

فنڈ کے خالص اثاثہ جات ۳۰ جون ۲۰۲۳ کو ۰۴۹،۲۹ ملین روپے سے بڑھ کر ۳۰ جون ۲۰۲۴ء کو ۸۰۰،۳۲ ملین روپے ہو گئے۔

HKC (پرائیویٹ) لمیٹڈ

۳۰ جون ۲۰۲۴ء کو کمپنی کی ڈویلپمنٹ پراپرٹی کی قیمت ۲۹،۷۴۸ ملین روپے لگائی گئی ہے ساولز پاکستان پرائیویٹ لمیٹڈ انویسٹمنٹ پراپرٹی کی مناسب قیمت کے تعین کے لیے فنڈ کا ویلیوایٹر ہے۔

کمپنی کی ملکیتی جائیداد عبداللہ ہارون روڈ اور ہوشنگ روڈ، کراچی کے کونہ میں واقع کمرشل پراپرٹی ۵۳۹،۲ مربع گز کی اراضی پر مشتمل ہے۔

نیشنل مینجمنٹ اینڈ کنسلٹنسی سروسز (پرائیویٹ) لمیٹڈ

۳۰ جون ۲۰۲۴ء کو کمپنی کی انویسٹمنٹ پراپرٹی کی قیمت ۹۰۴،۲۵ روپے لگائی گئی ہے جس میں سے ۷۸۴،۲۳ ملین روپے زمین کی مناسب قیمت اور ۱۲۰،۲ ملین روپے جائیداد پر ترقیاتی کاموں سے متعلق ہے۔ ساولز پاکستان پرائیویٹ لمیٹڈ انویسٹمنٹ پراپرٹی کی مناسب قیمت کے تعین کے لیے فنڈ کا ویلیوایٹر ہے۔

کمپنی کی ملکیت میں انوسٹمنٹ پراپرٹی ۱۴۰ ایکڑ کمرشل پراپرٹی پر مشتمل ہے جو کورنگی کریک، کراچی میں واقع ہے۔

TPL ٹیکنالوجی زون فیز-1 (پرائیویٹ) لمیٹڈ

۳۰ جون ۲۰۲۴ء کو کمپنی کی انویسٹمنٹ پراپرٹی کی قیمت ۲،۵۰۵ ملین روپے ہے جس میں سے ۱،۶۵۰ ملین روپے زمین کی مناسب قیمت اور ۸۵۵ ملین روپے جائیداد پر ترقیاتی کام سے متعلق ہے۔ ساولز پاکستان پرائیویٹ لمیٹڈ انویسٹمنٹ پراپرٹی کی منصفانہ قیمت کے تعین کے لیے فنڈ کا ویلیویٹر ہے۔

کمپنی کی ملکیت میں انوسٹمنٹ پراپرٹی ایک کھلے صنعتی پلاٹ پر مشتمل ہے جس کی پیمائش ۱۰،۰۰۲ مربع گز ہے جو کورنگی انڈسٹریل ایریا، کراچی میں واقع ہے۔

منصوبے کی پراگریس رپورٹ

HKC (پرائیویٹ) لمیٹڈ

منصوبے میں کافی پیش رفت ہوئی ہے، جس میں ڈیزائن اور ابتدائی تعمیراتی کام شامل ہیں، بشمول پائلنگ، شورنگ، اور کھدائی مکمل ہوگئی ہے۔ منصوبے کے لئے درکار تمام ریگولیٹری منظوریاں حاصل کر لی گئی ہیں۔ اہم تعمیراتی کام نومبر ۲۰۲۳ میں شروع ہوا تھا اور اب تک دوسری منزل تک گرے اسٹرکچر مکمل ہو چکا ہے۔ سول آرکیٹیکچرل اور ایم ای پی ورکس کے لئے ٹینڈرنگ کا عمل مکمل ہو چکا ہے، جبکہ اونر فرنشڈ میٹریل (اوایف ایم) کی خریداری جاری ہے۔

نیشنل مینجمنٹ اینڈ کنسلٹنسی سروسز (پرائیویٹ) لمیٹڈ

منصوبے نے کئی اہم سنگ میل حاصل کر لئے ہیں، جن میں تصوراتی ماسٹر پلان ڈیزائن، ماسٹر پلان کی منظوری اور انفراسٹرکچر انجینئرنگ اسٹڈی کی تکمیل شامل ہے۔ اس کے ساتھ ہی اونچائی اور یوٹیلیٹیز سے متعلق مختلف این او سی بھی حاصل کر لئے گئے ہیں۔

فی الحال ایس ایس ایچ کی سربراہی میں انفرادی پلاٹوں کے لئے تفصیلی بلڈنگ ڈیزائن پر کام جاری ہے اور توقع ہے کہ مالی سال ۲۰۲۵ کی چوتھی سہ ماہی تک مکمل ہو جائے گا۔ فی الحال سی ۲ ٹائپ بلڈنگ کا تصور جاری ہے، جس کے ذریعے سی ۴ بلڈنگ کے منصوبہ بندی کے مرحلے کو حاصل کیا گیا ہے۔

مزید برآں، انفراسٹرکچر پیکیج کے لئے ٹینڈر کی تیاری، بشمول روڈ ورکس، پبلک ہیلتھ انجینئرنگ ورکس اور الیکٹریکل ورکس جاری ہے اور توقع ہے کہ سائٹ پر بنیادی ڈھانچے کا کام مالی سال ۲۵ کی دوسری سہ ماہی تک شروع ہو جائے گا۔

بائیوڈائیورسٹی پارک کی ڈویلپمنٹ مکمل ہو چکی ہے۔ عوامی رسائی کے لئے پارک کے باضابطہ آغاز کی منصوبہ بندی مالی سال ۲۵ کی دوسری سہ ماہی کے لئے کی گئی ہے۔ پارک کے سافٹ عنصر بشمول لرننگ سینٹر، کافی شاپ میں ڈیجیٹل سہولت اور راستوں اور پلیٹ فارمز پر روشنیوں کو حتمی شکل دی جا رہی ہے۔

سیلز اینڈ سائٹ آفس کی تعمیر آخری مرحلے میں ہے اور ستمبر ۲۰۲۴ء میں سہولت کے آغاز کی منصوبہ بندی کی گئی ہے۔

TPL ٹیکنالوجی زون فیز-۱ (پرائیویٹ) لمیٹڈ

فنڈ نے آف پلان فروخت پر آفس اسپیس مارکیٹ میں کم طلب کو مدنظر رکھتے ہوئے اس منصوبے کے سلسلے میں ایک سست رویہ اپنایا ہوا ہے۔ تاہم بہتر معاشی اشاروں کی پیش گوئی کے ساتھ فنڈ اینکر انویسٹرز کی مشاورت سے دستیاب مختلف متبادلات پر کام مکمل کرنے کا ارادہ رکھتا ہے۔

مستقبل کا نقطہ نظر

ابتدائی اثاثوں کے پورٹ فولیو کی ترقیاتی پیش رفت مقررہ ٹائم لائن کے ساتھ مطابقت رکھتی ہے۔ جاری اہم پیشرفتوں میں ون ہوشنگ پروجیکٹ کے لئے مرکزی تعمیراتی کاموں کا آغاز شامل ہے، متوقع منصوبہ ۲۰۲۶ء تک مکمل ہو جائیگا۔ اس کے ساتھ ساتھ منصوبے نے فروخت کے لیے این او سی حاصل کر لیا ہے جس کے بعد منصوبے کے لیے آف پلان فروخت کا آغاز کر دیا گیا ہے۔

آر ای آئی ٹی فنڈ کا سب سے بڑا ترقیاتی اثاثہ مینگروو نے اپنے ڈیزائن کے مرحلے میں کافی پیش رفت حاصل کر لی ہے۔ تفصیلی ماسٹر پلان اور انفرا انجینئرنگ اسٹڈی مکمل ہو چکی ہے۔ منصوبے کے تفصیلی بلڈنگ ڈیزائن کا کام جاری ہے۔ مزید برآں، بائیو ڈائیورسٹی پارک کو مینگروز کے تحفظ کے لئے آگاہی بڑھانے اور سائٹ کی طرف راغب کرنے کے لئے مکمل کیا گیا ہے۔ سیل سائٹ آفس تکمیل کے قریب ہے۔ مالی سال ۲۵ کے دوران سائٹ پر بنیادی ڈھانچے کے کام اور فیز ا کی عمارتوں کے لئے مرکزی تعمیراتی کام شروع کیے جائیں گے۔

چیلنجنگ میکرو اکنامک ماحول کو دیکھتے ہوئے ٹیکنالوجی پارک منصوبے کے لئے محتاط نقطہ نظر اپنایا گیا ہے۔ کاروباری سرگرمی میں کمی نے تجارتی دفتر کی جگہ کے لئے طلب کے نقطہ نظر کو بُری طرح متاثر کیا ہے۔ نتیجتاً، اس منصوبے سے حاصل ہونے والے منافع میں کسی بھی ممکنہ کمی کے سدِ باب کے لئے متبادل حکمت عملی تلاش کی جا رہی ہے۔

مزید برآں، آر ای آئی ٹی مینجر پاکستان کے بڑے شہروں میں ممکنہ حصول کے اہداف کا فعال طور پر جائزہ لے رہا ہے۔ ان حصولات کا مقصد ممکنہ فروخت کنندگان کی جانب سے آر ای آئی ٹی یونٹس کے مقابل اپنی نوعیت کا تعاون کرنا ہے، جو آر ای آئی ٹی فنڈ کے سرمایہ کاری کے معیار سے مطابقت رکھتا ہے۔

ماحولیاتی، سماجی اور گورننس پالیسی

کمپنی کے پاس ماحولیاتی، سماجی اور گورننس ("ای ایس جی") پالیسی ہے جو اس کی ذمہ دارانہ اور مؤثر سرمایہ کاری کو بڑھاتی ہے، اس طرح استحکام اور ذمہ دارانہ نگرانی کے لئے اس کے عزم کا مظاہرہ کرتی ہے۔ ان بنیادی اصولوں کو آگے بڑھانے میں مؤثر نفاذ کو یقینی بنانے کے لئے فریم ورک کی ترقی کے ساتھ ساتھ ایک خاص ای ایس جی کمیٹی تشکیل دی جا رہی ہے۔

انسداد ہراسانی پالیسی

کمپنی کے پاس ایک جامع انسداد ہراسانی پالیسی ہے اور اس پر عمل درآمد کیا جاتا ہے تاکہ صنف سے قطع نظر تمام ملازمین کے لئے محفوظ، قابل احترام اور جامع کام کے ماحول کو یقینی بنایا جا سکے۔

اس کے نفاذ کی نگرانی اور پیدا ہونے والے کسی بھی متعلقہ مسئلے کو حل کرنے کے لئے ایک خاص کمیٹی بھی قائم کی گئی ہے۔ ہم فریم ورک اور طریقہ کار کو بہتر بنانے کے لئے مسلسل کام کر رہے ہیں تاکہ اس بات کو یقینی بنایا جا سکے کہ ہراسانی کی تمام رپورٹس کو خفیہ طور پر ہینڈل کیا جائے۔

فنڈ کی درجہ بندی

PACRA کریڈٹ ریٹنگ کمپنی نے فنڈ کو RFR 3+ (مستحکم آؤٹ لک) کی REIT فنڈ ریٹنگ تفویض کی ہے۔

PACRA کریڈٹ ریٹنگ کمپنی نے فنڈ کی مینجمنٹ کمپنی کو RM 3+ (مستحکم آؤٹ لک) کی REIT مینیجر ریٹنگ تفویض کی ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور انہوں نے سالانہ اجلاس عام میں دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ لہٰذا، بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی سفارش پر، باہمی متفقہ فیس پر مالی سال ۲۰۲۵ء کے لئے فنڈ کے آڈیٹرز کے طور پر میسرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

یونٹ ہولڈنگ کا نمونہ

یونٹ ہولڈرز کی کیٹگریز	یونٹ ہولڈرز کی تعداد	ملکیتی یونٹ	فیصد
ایسوسی ایٹڈ کمپنیاں، انڈرٹیکنگز اور متعلقہ فریقین	۱	۶۹۷،۵۹۸،۵۰۰	۳۸٫۰۲
بینکس ڈویلپمنٹ فنانشل انسٹیٹیوشنز، نان بینکنگ فنانشل انسٹیٹیوشنز	۸	۱،۱۰۵،۳۵۱،۰۰۰	۶۰٫۲۴
انشورنس کمپنیاں	۳	۷،۴۵۸،۵۰۰	۰٫۴۱
مضاربہ اور میوچل فنڈز	۱۴	۷،۰۶۰،۷۷۸	۰٫۳۸
مشترکہ اسٹاک کمپنیاں	۱۱	۱۱،۰۴۸،۶۴۹	۰٫۶۰
دیگرز	۶	۱،۹۰۸،۵۵۰	۰٫۱۰
عام لوگ (مقامی)	۱،۳۳۹	۴،۳۸۳،۳۲۲	۰٫۲۴
عام لوگ (غیر مقامی)	۶۸	۱۹۰،۷۰۱	۰٫۰۱
کمپنی کا کل مجموعہ	۱،۴۵۰	۱،۸۳۵،۰۰۰،۰۰۰	۱۰۰٫۰۰

اظہار تشکر

کمپنی کا بورڈ اپنے قابل قدر معاونین، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور دیگر ریگولیٹری اتھارٹیز، مالیاتی اداروں اور آڈیٹرز کی مسلسل رہنمائی اور مدد کے لیے شکرگزار رہے۔ بورڈ عملے کے عزم اور محنت کو بھی سراہتا ہے۔

منجانب بورڈ
ٹی پی ایل REIT مینجمنٹ کمپنی لمیٹڈ

چیف ایگزیکٹو آفیسر

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

30 June 2024

Valuation Report

Commercial Property, Korangi Creek, Karachi, Pakistan

savills

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

savills

30 June 2024

Ref: V-0085

Mr. Muhammad Shumail Nini
E: shumail.nini@savills.pk
M: +92 (346) 8211 003

Suite # 1A, Level 1, Harbour House,
37-A, Lalazar Avenue, Beach Hotel Road,
Off MT Khan Road, Karachi, Pakistan
savills.pk

Mr. Ali Asghar
Chief Executive Officer
TPL REIT Management Company Limited &
TPL REIT Fund I.
20th Floor, Sky Tower - East Wing,
Dolmen City, Block 4, Clifton,
Karachi, Pakistan.

Dear Sir,

CLIENT:	TPL REIT Management Company Limited & TPL REIT Fund I
PROPERTY:	COMMERCIAL PROPERTY, KORANGI CREEK, KARACHI, PAKISTAN.

In accordance with the email dated 26 June 2024, we have undertaken a valuation of the Property.

We draw your attention to our accompanying report together with the General Assumptions and Conditions upon which our Valuations have been prepared, details of which are provided at the rear of our report.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully
For and on behalf of Savills

Muhammad Shumail Nini
Senior Manager

Savills Pakistan (Pvt) Ltd
Karachi

Engr. Sajjad Ali
Senior Manager

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Contents

Table of Contents

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

savills

Executive Summary

Ref No: 2024/V-0085

4

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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Property	Commercial Property, Korangi Creek, Karachi, Pakistan.
Registered Owner	National Management & Consultancy Services (Private) Limited ("NMC") (as per information provided by the Client)
Purpose of Valuation	Valuation as required by REIT Regulations
Interest Valued	Leasehold
Basis of Value	Market Value
Plot Area	Plot Area 40 Acres (as per client information)
Built-up Area	The subject plot is an open land parcel
Property Description	The subject property is situated at Korangi Creek, Karachi. It currently comprises of an under-construction site office and undeveloped land parcel having a mixed-use title.
Occupancy Details	The property is vacant
Valuation Approach	Sale Comparison / Cost Approach
Date of Inspection	27 June 2024
Date of Valuation	30 June 2024
Adopted Market Value	**PKR 25,904,240,280/-** **(RUPEES TWENTY-FIVE BILLION NINE HUNDRED FOUR MILLION TWO HUNDRED FORTY THOUSAND TWO HUNDRED EIGHTY ONLY)**
Forced Sale Value 85%	**PKR 22,018,604,238/-** **(RUPEES TWENTY-TWO BILLION EIGHTEEN MILLION SIX HUNDRED FOUR THOUSAND TWO HUNDRED THIRTY-EIGHT ONLY)**

Ref No: 2024/V-0085

5

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

1. Instructions and Terms of Reference

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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1.1 Instructions

You have instructed us to provide our opinions of value on the following bases:

The current Market Value of the property, subject to the ownership documents provided and subject to the assumptions contained within this report. We confirm that our valuation is reported in Pakistani Rupees (PKR).

1.2 Basis of Valuation

In undertaking our valuations, we have adopted the RICS definition of Market Value, as defined below:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We also conform to the valuation standards prescribed by International Valuation Standards Council (IVSC) to the extent possible.

1.3 General Assumptions and Conditions

Our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.4 Date of Valuation

Our opinions of market value are as at 30 June 2024. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.5 Purpose of Valuation

You have instructed us that our valuations are required for REIT purposes only.

1.6 Conflicts of Interest

We are not aware of any conflict of interest preventing the firm or valuers involved, from providing an independent valuation of the Properties. We confirm we have completed the necessary conflict of interest checks and are in full compliance with professional standards. We will be acting as External Valuers, as defined in the Red Book Global.

1.7 Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Engr. Sajjad Ali, Senior Manager, Asad Nadeem, Management Executive and Rameez Ilyas, Management Executive. The valuations have been reviewed by Muhammad Shumail Nini, Senior Manager and S. Fazal Ahmad, Director Valuations.
The property was inspected on 27 June 2024.

We confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuations competently.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

1.8 Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuations are stated in the relevant sections of our report below. Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.9 Liability Cap

Savills liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with this assignment shall be limited to an amount that does not exceed the fees received by Savills from the client for this assignment.

Savills does not accept any duty, liability or responsibility to any party other than the Instructing Party with respect to the report unless and to the extent otherwise agreed with such party in writing. No employees, partners or consultants individually has a contract with the instructing party or owes a duty of care or personal responsibility to any parties relying on this report. All parties agree that they will not bring a claim against any such individual personally in connection with our services.

1.10 Confidentiality and Responsibility

We would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

2. The Property, Statutory & Legal Aspects

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

2.1 Site Location and Description

The site consists of a land parcel of 40 acres in Korangi Creek, Karachi. The Subject Property is currently an open piece of land and under construction site office. The land parcel is surrounded by mangroves on the side facing the water, and is surrounded by industries, universities and low-cost housing on the other sides. Site can be accessed from Korangi Creek Road passing through Pakistan Refinery Road and Salim Habib Road. The location of the site is provided below:

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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2.2 Connectivity and Nearby Developments

1. Salim Habib University
2. Omni Karting Track
3. Scilife Pharma
4. Pinnacle Biotech
5. Youngs Pvt. Ltd.
6. Universal Packaging Company
7. Tufail Chemicals
8. Pakistan Refinery Limited
9. BOL Media Group
10. PAK KIET University

Subject Site

2.3 Site's Immediate Neighbourhood

The subject site is bounded as under:

North: Korangi Creek Industrial Park

South: Sea/Mangroves

East: Mangroves

West: Mangroves

2.4 Custodian of The Title Record

Custodian of the Title record for NMC is Cantt Board Korangi Creek (CBKC).

2.5 Condition

We have not been provided with a Condition Report for the Property.

2.6 Planning & Statutory Background

We have not undertaken any detailed research into the planning permission of the Property. Unless advised by you and stated in this report, we have assumed that the Property have received the appropriate permits/ certificates issued by the relevant authorities.

Should subsequent planning information be found to the contrary, we reserve the right to amend our valuations.

2.7 Purchase History and Transfer

There have been no transfers of the subject property in the last 3 years.

2.8 Environmental Considerations

Unless advised by you and stated in the following schedules, we have assumed that the Property is not adversely affected by environmental matters and that ground conditions are sufficient for any proposed developments/extensions.

We recommend that specialists be instructed to verify this and should it subsequently be established that contamination or hazardous materials exist at the Property, or on any neighbouring land, then we may wish to review our valuation advice.

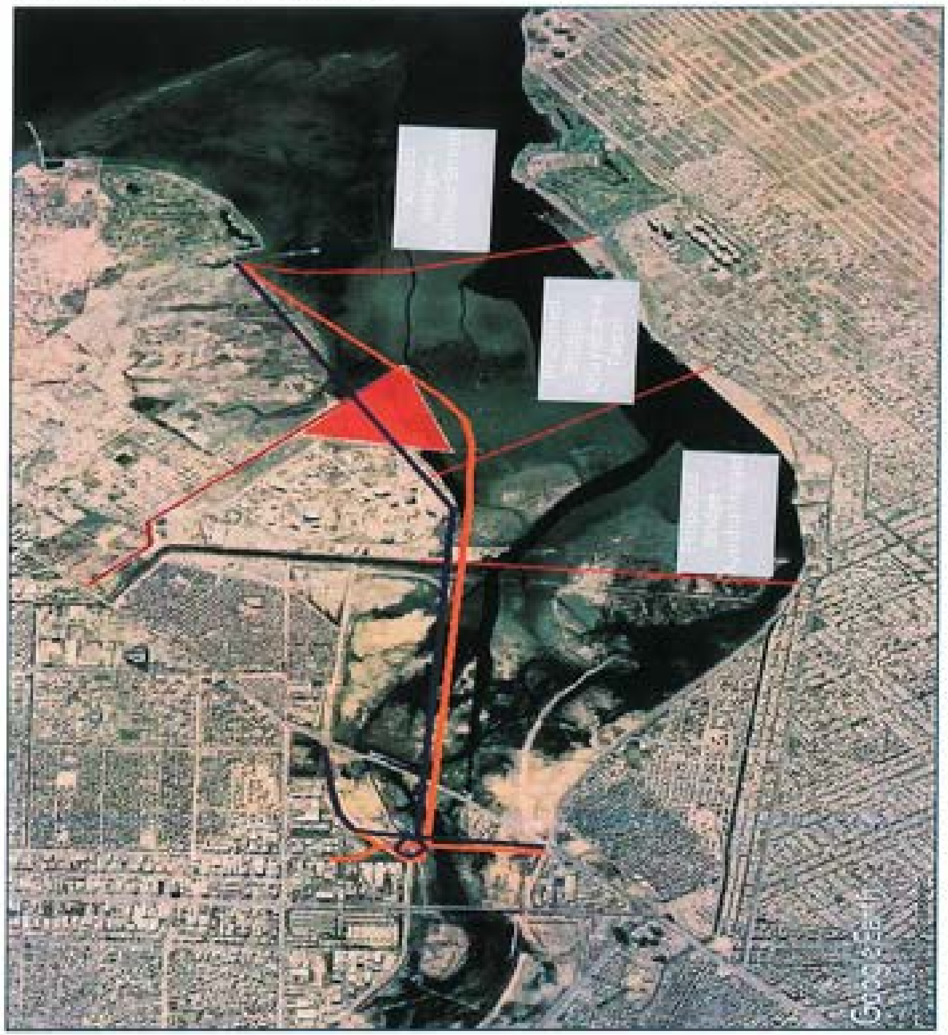
2.9 Legal Title

Unless otherwise specifically stated, we have relied upon information that has been provided to us by the instructing party. We have assumed the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

As we are not experts in this area, should subsequent legal advice find to the contrary, we reserve the right to amend our valuations.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

2.10 Upcoming Infrastructure Development



The Sindh government has approved construction of the Korangi Link Road, connecting the Korangi Causeway to PAF Airmen Golfclub. The road is expected to be around 12 KM long and will have four lanes. The project has been approved under a Public Private Partnership by the Sindh Government and the RFP has already been issued for its development.

The main benefit brought by this development would be improved accessibility and reduced traffic congestion.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

2.11 **Photographs**

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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Ref No: 2024/V-0085

15

3. Project Overview

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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Project Mangrove (Korangi Creek)

As per information provided by the Client, the proposed development will be a Master Planned Community to be developed on a land parcel of 40 acres located on the waterfront. The project shall feature residential apartments, commercial office space, retail space, service apartments and hotels.

The project is being developed on the concept of "Commute less, live more", reducing carbon footprint through providing the opportunity to residents to be near to their workplace.

Registered Owner	National Management & Consultancy Services (Private) Limited ("NMC")
Target Customers	Diverse range of customers including individuals, families, corporations, entrepreneurs, local brands, travelers, etc.
Business Model	The hotel shall be retained and operated by the REIT. The remaining developed and un-developed inventory will be sold on off plan basis.

Status of Project Mangrove

The highest and best use study was completed by Colliers International (Pvt.) Ltd and SSH, an international consultant with over 6 decades of experience and presence across 10 countries, was engaged for master planning of the project that has been completed and master plan approval has been received from Cantt Board Korangi Creek (CBKC).

The development advisor has engaged SSH for the detailed master plan of the project. Master Plan Design has been prepared and is awaiting approval from the management. EA Consulting has been onboarded to provide support in the detailed Master Plan and detailed building design in local context. The detailed building design of the project has also been awarded to SSH in November 2023 and is to be spread over an 18-month period. Main works of phase 1 are targeted to be initiated in 1Q 2025.

Following are recent milestones achieved during last 6 months:

- The concept design for the project has been completed.
- Biodiversity Park (including a 1,260ft floating walkway through the mangroves) has been completed.
- Completion of construction works of Sales Site Office.
- Infra Tendering Preparation & Cost Estimates process initiated.
- The initial construction works related to piling shoring and excavation completed.

Various NOCs have been obtained from relevant regulatory authorities, details of which can be referred from the table below:

S.No.	Subject	Approval Date	Approving Authority	Status
1.	NOC for Water Connection	17-Jun-22	KW&SB	Granted
2.	NOC for Electrical Connections	14-Jul-22	K-Electric	Granted
3.	NOC for Gas Connection	21-Jul-22	SSGC	Granted

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

4.	Height Clearance	17-Aug-10	Civil Aviation Authority	Granted
5.	Height Clearance	12-Oct-22	Air Force Headquarters	Granted
6.	Master Plan	Nov-22	Cantonment Board Korangi Creek	Granted
7.	Sub-division plan	20-Oct-22	Cantonment Board Korangi Creek	Granted

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

4. Valuation Advice

4.1 Approach to Valuation

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the property to the market.

Typically, REITs can be valued using one or more of the following valuations methods; Sales Comparison Approach, Depreciated Replacement Cost Approach, Income Capitalization Approach & Residual Land Value Approach. However, Depreciated Replacement Cost Approach is appliable only on constructed properties, and Income Capitalization Approach is used wherein the property being valued is already generating revenue. Residual Land Value approach is applicable where a development plan is available in concept or architectural terms. Therefore, given the nature of the property, we have considered the Sales Comparison / Cost Approach as most appropriate to determine the fair market value. We have taken the development costs as per information provided by the Client.

This approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

By analysing such sales, which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

4.2 Valuation Assumptions

In arriving at our opinion of the value of the property, we have made the following assumptions:

- Our valuations assume all services are provided to the site boundaries.
- We have specifically assumed that the sale and marketing of the subject property will be handled in a professional manner.
- We have assumed that the information provided by the client, commercial/ residential agents and other parties is accurate, complete and up to date. We have tried to verify all information; however, this is an imperfect market and verification can be difficult at times and impossible at others. If the information provided proves inaccurate, we reserve the right to amend our report and valuations accordingly.
- We have not made any allowance for vendor's sale costs, nor for any tax liabilities which may arise upon the disposal of the property or any parts thereof.

4.3 Suitability for Loan Security

We have not been provided with detail of the loan terms of the Property / client and therefore cannot pass comment of the Property's suitability to loan security, however we believe the Property would be marketable.

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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We would advise you that whilst we have valued the assets reflecting current market conditions, there are certain risks, which may or may not become uninsurable. Before undertaking any financial transaction based upon these valuations, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

4.4 Comparable

Description	Size	Demand/Transaction	Discounts/Premiums
A land parcel was sold approximately 1.5 year ago. Location of the land parcel is carved out from 32 acres adjacent to Project Mangrove. The location is in the middle, neither at the creek-end or towards the road.	7.33 acre	PKR 314,600,000/- per acre (Transaction)	**Discounts:** Size: 20% - Subject plot is bigger in size than the comparable **Premiums:** Corner: 15% - Subject site is a corner plot. Access, Visibility & Location: 25% - The subject property has better access, visibility and location as compared to the comparable Development Potential: 35% - The subject property can be utilized to develop a master planned community Regulatory Approvals: 35% - Subject plot has NOCs from multiple Government Authorities and has its master plan approved

4.5 Justification for not using three comparables

In light of the current market conditions, we present the following justifications for not using three comparables in our asset valuation:

- **Market Conditions and Availability:** There are very limited properties that can be compared to our subject property. Therefore, we have been unable to find three comparable properties.

- **Unique Asset Features:** The property has distinctive attributes (such as location, size, and inherent features) that differentiate it from typical offerings. As such, available comparables may not provide a reliable basis for valuation.

- **Expert Appraisal:** We have engaged qualified valuation professionals who utilized rigorous methodologies to assess the property's worth, ensuring a thorough analysis that considers market trends.

- **Consistency with Industry Practices:** It is acceptable in the industry to rely on fewer than three comparables when adequate suitable options are not available.

In summary, our valuation process reflects a reasoned responses to challenges of the unique nature of the asset, maintaining our commitment to accuracy and transparency.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED

4.6 Capital Work in Progress (CWIP)

According to our discussions with TPL RMC management, development costs incurred on the National Management and Consultancy Services Private Limited project are to be included in the asset valuation. As per information provided by the Client, the total cost incurred on the project as of June 30, 2024, is PKR 2,120,480,280/-

4.7 Valuation

We are of the opinion that the market value of the property subject to the contents, terms, and conditions contained within our report are as follows:

PKR 25,904,240,280/-
(RUPEES TWENTY-FIVE BILLION NINE HUNDRED FOUR MILLION TWO HUNDRED FORTY THOUSAND TWO HUNDRED EIGHTY ONLY)

Break-up:

Land Area: 40 Acres @ PKR 594,594,000/- per acre	=	PKR 23,783,760,000/-
Development cost incurred as of June 30, 2024	=	PKR 2,120,480,280/-

Note: All discounts and premiums as described in para 4.4 have been applied while arriving at the land cost.

Forced Sale Value 85%

PKR 22,018,604,238/-
(RUPEES TWENTY-TWO BILLION EIGHTEEN MILLION SIX HUNDRED FOUR THOUSAND TWO HUNDRED THIRTY-EIGHT ONLY)

Prepared by Savills
Yours faithfully,

Muhammad Shumail Nini
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

Engr. Sajjad Ali
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

5. General Assumptions & Conditions

5.1 General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not validated the Title Deeds or Site Plans.
2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.
3. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
4. That there is unrestricted access to the Property and that it is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
5. Sewers, mains services and roads giving access to the Property have been adopted, and any lease provides rights of access and egress over all communal development roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
6. That the Property is free from environmental hazards and has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
7. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
8. No allowance will be made for any expenses of realisation.
9. When valuing a property on a no inspection basis that has previously been inspected by Savills, the client confirmed there to be no material changes to the property since the date of our last inspection.
10. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
11. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
12. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of an Administrative Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
13. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

Annexures

Report & Valuation

Commercial Property, Korangi Creek, Karachi, Pakistan.

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Annexure-A: Declaration by Valuer

Annexure "A"

DECLARATION

We, Muhammad Shumail and Sajjad Ali of Savills Pakistan Pvt. Ltd. carried out a valuation of Land Parcel located at Korangi Creek, Karachi and do solemnly and sincerely, to the best of our 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 neighbourhood data the market value of the subject Real Estate as on June 30, 2024 is PKR 25,904,240,280/- (Rupees Twenty-Five Billion Nine Hundred Four Million Two Hundred Forty Thousand Two Hundred Eighty Only)
2. That the statements of fact contained in this report are true and correct.
3. That we have not withheld any information.
4. That we have no interest in the Real Estate that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
5. That we have not been instructed either by our company or the client to report a predetermined value for the subject Real Estate.
6. That we are neither a director nor an employee of the TPL REIT Management Company Limited ("TPL RMC") and do not have any financial interest, direct or indirect, in the TPL RMC.
7. That we have personally inspected the Real Estate that is the subject of this report.

Declared by:

Name and signature: Muhammad Shumail
Designation: Senior Manager
Date: June 30, 2024

Name and signature: Sajjad Ali
Designation: Senior Manager
Date: June 30, 2024

Karachi

Witnessed by:

Name and signature: Hammad Rana
Designation: CEO
Date: June 30, 2024

Ref No: 2024/V-0085 26

30 June 2024

Valuation Report

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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30 June 2024

Ref: V-0084

Mr. Muhammad Shumail Nini
E: shumail.nini@savills.pk
M: +92 (346) 8211 003

Suite # 1A, Level 1, Harbour House,
37-A, Lalazar Avenue, Beach Hotel Road,
Off MT Khan Road, Karachi, Pakistan
savills.pk

Mr. Ali Asghar
Chief Executive Officer
TPL REIT Management Company Limited &
TPL REIT Fund I.
20th Floor, Sky Tower - East Wing,
Dolmen City, Block 4, Clifton,
Karachi, Pakistan.

Dear Sir,

CLIENT:	TPL REIT Management Company Limited & TPL REIT Fund I
PROPERTY:	COMMERCIAL PROPERTY, PLOT NO. 22/7, SURVEY NO CL-9, ABDULLAH HAROON ROAD, KARACHI, PAKISTAN

In accordance with your instructions, as per email dated 26 June 2024, we have undertaken a valuation of the Property.

We draw your attention to our accompanying report together with the General Assumptions and Conditions upon which our Valuations have been prepared, details of which are provided at the rear of our report.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully
For and on behalf of Savills

Savills Pakistan (Pvt) Ltd Karachi

Muhammad Shumail Nini
Senior Manager

Engr. Sajjad Ali
Senior Manager

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY HKC (PRIVATE) LIMITED

Contents

Table of Contents

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

Executive Summary

Ref No: 2024/V-0084

4

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY HKC (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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Property	Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan
Registered Owner	Although we have not received any ownership documents from the Client, we have been advised by the Client that the property is owned by HKC (Private) Limited - 94.58% owned subsidiary of TPL REIT FUND I
Purpose of Valuation	Valuation as required by REIT Regulations
Interest Valued	Leasehold
Basis of Value	Market Value
Plot Area	Plot Area 2,539 sq. yds. (as per client information)
Built-up Area	The subject plot is a land parcel with ongoing development works at site
Property Description	The subject property is situated on the corner of Abdullah Haroon Road and Hoshang Road, Karachi. The existing internal structure of the subject property has been demolished and currently having 2 basement and 01 upper floor while the rest of project is under construction. It is also listed under the Sindh Heritage Act as a protected building; therefore, the façade must be protected. The property is currently being redeveloped.
Occupancy Details	The Property is vacant.
Valuation Approach	1. Sales Comparable / Cost Approach 2. Residual Land Value Approach
Date of Inspection	27 June 2024
Date of Valuation	30 June 2024
Market Value (Cost Approach)	PKR 4,762,080,431/- (RUPEES FOUR BILLION SEVEN HUNDRED SIXTY-TWO MILLION EIGHTY THOUSAND FOUR HUNDRED THIRTY-ONE EIGHTY ONLY)
Forced Sale Value 85%	PKR 4,047,768,366/- (RUPEES FOUR BILLION FORTY-SEVEN MILLION SEVEN HUNDRED SIXTY-EIGHT THOUSAND THREE HUNDRED SIXTY-SIX ONLY)
Market Value (Residual Land Value)	PKR 4,729,433,675/- (RUPEES FOUR BILLION SEVEN HUNDRED TWENTY-NINE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND SIX HUNDRED SEVENTY-FIVE ONLY)
Forced Sale Value 85%	PKR 4,020,018,624/- (RUPEES FOUR BILLION TWENTY MILLION EIGHTEEN THOUSAND SIX HUNDRED TWENTY-FOUR ONLY)

1. Instructions and Terms of Reference

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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1.1 Instructions

You have instructed us to provide our opinions of value on the following bases:

The current Market Value of the property, subject to the ownership documents provided and subject to the assumptions contained within this report. We confirm that our valuation is reported in Pakistani Rupees (PKR).

1.2 Basis of Valuation

In undertaking our valuations, we have adopted the RICS definition of Market Value, as defined below:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We also conform to the valuation standards prescribed by International Valuation Standards Council (IVSC) to the extent possible.

1.3 General Assumptions and Conditions

Our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.4 Date of Valuation

Our opinions of market value are as at 30 June 2024. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.5 Purpose of Valuation

You have instructed us that our valuations are required for REIT purposes only.

1.6 Conflicts of Interest

We are not aware of any conflict of interest preventing the firm or valuers involved, from providing an independent valuation of the Properties. We confirm we have completed the necessary conflict of interest checks and are in full compliance with professional standards. We will be acting as External Valuers, as defined in the Red Book Global.

1.7 Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Engr. Sajjad Ali, Senior Manager, Asad Nadeem, Management Executive and Rameez Ilyas, Management Executive. The valuations have been reviewed by Muhammad Shumail Nini, Senior Manager and S. Fazal Ahmad, Director Valuations.

The property was inspected on 27 June 2024.

We confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuations competently.

1.8 Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuations are stated in the relevant sections of our report below. Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.9 Liability Cap

Savills liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with this assignment shall be limited to an amount that does not exceed the fees received by Savills from the client for this assignment.

Savills does not accept any duty, liability or responsibility to any party other than the Instructing Party with respect to the report unless and to the extent otherwise agreed with such party in writing. No employees, partners or consultants individually has a contract with the instructing party or owes a duty of care or personal responsibility to any parties relying on this report. All parties agree that they will not bring a claim against any such individual personally in connection with our services.

1.10 Confidentiality and Responsibility

We would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

2. The Property, Statutory & Legal Aspects

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY HKC (PRIVATE) LIMITED

2.1 Site Location and Description

The subject property is situated at the junction of Abdullah Haroon Road and Hoshang Road and is near Marriot Hotel and Hoshang Pearl project. It is a corner property adjacent to Hina Palace Apartments on Hoshang Road and the HSJ Icon development on Abdullah Haroon Road. The Property is listed as a heritage site with any proposed development to be undertaken only on the condition that the façade on both sides of the building shall be preserved as heritage, including doors, windows and columns. The property previously comprised of an old, dilapidated ground plus two floors structure, however, due to prevailing development on site, the interior of the structure has been completely demolished keeping the façade of the property intact.

According to documentation provided by the Client, the proposed building has been designed by a leading architectural firm specializing in development of heritage sites. The Client has submitted their design proposal to the regulatory authorities for a G+37 story building. The Client has also received a height approval of 450 ft from the Civil Aviation Authority. The location of the site is provided below:

2.2 Connectivity and Nearby Developments

1 Hoshang Pearl
2 HSJ Icon
3 Marriot Hotel
4 Karachi Club
5 Chapal Skymark
6 Chief Minister House
7 Consulate of Japan
8 Frere Hall
Subject Site

2.3 Site's Immediate Neighbourhood

The subject site is bounded as under:

North: Plot No. 17 (HSJ Icon)
South: Hoshang Road
East: Abdullah Haroon Road
West: Plot No. 22/6 (Hina Apartments)

2.4 Custodian of The Title Record

Custodian of the Title record for HKC is Board of Revenue.

2.5 Condition

We have not been provided with a Condition Report for the Property.

2.6 Planning & Statutory Background

We have not undertaken any detailed research into the planning permission of the Property. Unless advised by you and stated in this report, we have assumed that the Property has received the appropriate permits/ certificates issued by the relevant authorities.

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

Should subsequent planning information be found to the contrary, we reserve the right to amend our valuations.

2.7 Purchase History and Transfer

There have been no transfers of the subject property in the last 3 years.

2.8 Environmental Considerations

According to the information provided by the Client, the project has been environmentally approved by SEPA, therefore, we have assumed that the Property is not adversely affected by environmental matters and that ground conditions are sufficient for any proposed developments/extensions.

We recommend that specialists be instructed to verify this, and should it subsequently be established that contamination or hazardous materials exist at the Property, or on any neighbouring land, then we may wish to review our valuation advice.

2.9 Legal Title

Unless otherwise specifically stated, we have relied upon information that has been provided to us by the instructing party. We have assumed the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

As we are not experts in this area, should subsequent legal advice find to the contrary, we reserve the right to amend our valuations.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY HKC (PRIVATE) LIMITED

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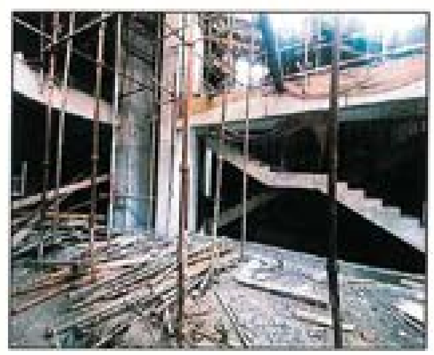
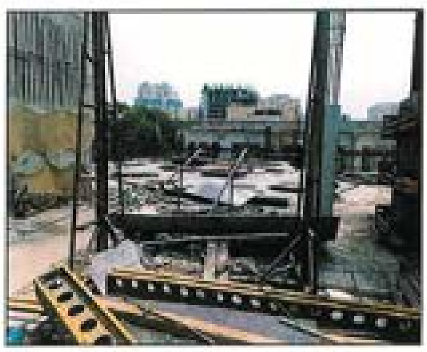
2.10 Photographs



Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.



3. Project Overview

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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Project One Hoshang (HKC)

Luxury residential apartments to be developed on a land parcel located in central and upscale area of Civil Lines, Karachi. This project is to be built within a 130-year-old façade and includes a museum to showcase heritage. It consists of 16 Three-Bed Room Apartments, 14 Four-Bed Room Apartments, One Duplex Penthouse, and two Retail showrooms. This project targets to be LEED Gold Certified residential space with world class amenities.

Registered Owner	HKC (Private) Limited
Target Customers	High Net worth Individuals
Business Model	Apartments and Retail Space to be sold on off-plan basis

Status of Project One Hoshang (HKC)

All regulatory approvals related to development works have been received and the detailed design of the project has been completed. Construction was onboarded in March 2023 and initial works for the project have been completed including facade protection, excavation, piling and shoring.

As per our site inspection we found that the subject property is currently having 2 basements and 01 upper floor while the rest of project is under construction. Main structural works commenced towards the end of November 2023 and as per TPL Projection are expected to be completed by July 2025. The finishing works were expected to be initiated during 2H2024 and the overall Project Completion and handover is targeted for June 2026, as per the plans of the Client.

Various NOCs have been obtained from relevant regulatory authorities, details of which can be referred from the table below:

S.No.	Subject	Date	Approving Authority	Status
1.	Provision of Site Coordinates in WGS 84	02-Jul-18	Survey of Pakistan	Granted
2.	Height Clearance as per Rule 68 and Aviation safety standards	08-May-19	Civil Aviation Authority	Granted
3.	NOC for New Electrical Connections	24-Jun-19	K-Electric	Granted
4.	NOC for Gas Connection	24-Jun-19	SSGC	Granted
5.	NOC - Public Health & Sanitation	19-Jun-19	KW&SB	Granted
6.	NOC for Construction of Building HKC	01-Aug-19	Air Force Headquarters	Granted

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

7.	NOC For Proposed Addition and Alteration of Heritage Building	13-Apr-21	Department of Heritage and Culture	Granted
8.	Environment	16-Apr-21	Sindh Environmental Protection Agency	Granted
9.	NOC for demolition	In place since 2004; Re-enforced 2021	Sindh Building Control Authority	Granted
10.	Architectural Plan	10-Feb-23	Sindh Building Control Authority	Granted
11.	Structural Plan and Construction Permit	03-Mar-23	Sindh Building Control Authority	Granted
12.	NOC for Sale	05-Sep-23	Sindh Building Control Authority	Granted

4. Valuation Advice

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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4.1 Approach to Valuation

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the property to the market.

Typically, REITs can be valued using one or more of the following valuations methods; Sales Comparison Approach, Depreciated Replacement Cost Approach, Income Capitalization Approach & Residual Land Value Approach. However, Depreciated Replacement Cost Approach is appliable only on constructed properties, and Income Capitalization Approach is used wherein the property being valued is already generating revenue. Residual Land Value approach is applicable where a development plan is available in concept or architectural terms. Therefore, given the nature of the property, we have considered the Sales comparable / Cost Approach and Residual Land Value as most appropriate to determine the fair market value.

In assessing the value of the subject, we have considered the following approaches:

Cost Approach

The approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility whether by purchase or construction.

Residual Value Approach

This is a means of valuing assets, land, or properties by reference to their development potential. The value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

4.2 Valuation Assumptions

In arriving at our opinion of the value of the property, we have made the following assumptions:

- Our valuations assume all services are provided to the site boundaries.
- We have specifically assumed that the sale and marketing of the subject property will be handled in a professional manner.
- We have assumed that the information provided by the client, commercial/ residential agents and other parties is accurate, complete and up to date. We have tried to verify all information; however, this is an imperfect market and verification can be difficult at times and impossible at others. If the information provided proves inaccurate, we reserve the right to amend our report and valuations accordingly.
- We have not made any allowance for vendor's sale costs, nor for any tax liabilities which may arise upon the disposal of the property or any parts thereof.

4.3 Suitability for Loan Security

We have not been provided with detail of the loan terms of the Property / client and therefore cannot pass comment of the Property's suitability to loan security, however we believe the Property would be marketable.

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the assets reflecting current market conditions, there are certain risks, which may or may not become uninsurable. Before undertaking any financial transaction based upon these valuations, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

4.4 Comparable

Description	Size	Demand/Transaction	Discounts/Premiums
A property located on Hoshang Road, between Hina Apartments and Paragon's Hoshang Tower, is available for sale.	2,975 sq. yd.	PKR 750,000/- per sq. yd. (Demand)	**Premiums:** Heritage: 30% - Subject property is listed as heritage Corner: 5% - Subject site is a two-side corner property **Discounts:** Negotiations: 10% - This comparable is available for sale.
A property was sold in the vicinity non as old US embassy.	13,100 sq. yd.	PKR 381,679/- per sq. yd. (Transaction)	**Premiums:** Size: 50% - The subject property is smaller in size than our property.

4.5 Justification for not using three comparables

In light of the current market conditions, we present the following justifications for not using three comparables in our asset valuation:

- **Market Conditions and Availability:** There are very limited properties that can be compared to our subject property. Therefore, we have been unable to find three comparable properties.

- **Unique Asset Features:** The property has distinctive attributes (such as location, size, and inherent features) that differentiate it from typical offerings. As such, available comparables may not provide a reliable basis for valuation.

- **Expert Appraisal:** We have engaged qualified valuation professionals who utilized rigorous methodologies to assess the property's worth, ensuring a thorough analysis that considers market trends.

- **Consistency with Industry Practices:** It is acceptable in the industry to rely on fewer than three comparables when adequate suitable options are not available.

In summary, our valuation process reflects a reasoned responses to challenges of the unique nature of the asset, maintaining our commitment to accuracy and transparency.

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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4.6 Capital Work in Progress (CWIP)

According to our discussions with TPL RMC's management, development costs incurred on the One Hoshang project are to be included in the asset valuation. As per information provided by the Client, the total cost incurred on HKC Private Limited as of June 30, 2024, is PKR 2,878,142,431/-

4.7 Valuation

We are of the opinion that the market value of the property subject to the contents, terms, and conditions contained within our report are as follows:

Sales Comparable / Cost Approach

PKR 4,762,080,431/-
(RUPEES FOUR BILLION SEVEN HUNDRED SIXTY-TWO MILLION EIGHTY THOUSAND FOUR HUNDRED THIRTY-ONE EIGHTY ONLY)

Break-up:

Land Area: 2,539 sq. yds. @ PKR 742,000/- per sq. yd.	=	PKR 1,883,938,000/-
Development cost incurred as of June 30, 2024	=	PKR 2,878,142,431/-

Forced Sale Vale 85%

PKR 4,047,768,366/-
(RUPEES FOUR BILLION FORTY-SEVEN MILLION SEVEN HUNDRED SIXTY-EIGHT THOUSAND THREE HUNDRED SIXTY-SIX ONLY)

Residual Value Approach

PKR 4,729,433,675/-

(RUPEES FOUR BILLION SEVEN HUNDRED TWENTY-NINE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND SIX HUNDRED SEVENTY-FIVE ONLY)

Forced Sale Vale 85%

PKR 4,020,018,624/-
(RUPEES FOUR BILLION TWENTY MILLION EIGHTEEN THOUSAND SIX HUNDRED TWENTY-FOUR ONLY)

Data and Assumptions

Project Details		
Particulars	**Units**	**Area**
Land	sq. yd.	2,539.32
Residential Area (a)	sq. ft.	109,366
Commercial Area (b)	sq. ft.	5,245
Net Covered Area (c=a+b)	**sq. ft.**	**114,611**
Circulation & Services (d)	sq. ft.	88,561
Amenities Area (e)	sq. ft.	18,841
Gross Covered Area (f =c+d+e)	**sq. ft.**	**222,013**
Parking Area (g)	sq. ft.	98,508
Total Covered Area (h=f+g)	**sq. ft.**	**320,521**

Apartment Sizes (sq. ft.)	Gross Area (sq. ft.)	Net Covered Area (sq. ft.)
3 Bed	5,031	3,126
4 Bed	5,694	3,757
Penthouse	9,692	6,752
Showrooms	3,321	2,623

Categories	No. of Units
3 Bed	16
4 Bed	14
Penthouse	1
Showrooms	2
Total	**33**

Residential Area			
	*Gross Area (sq. ft.)	No. of Units	Total Area
3 Bed	5,031	16	80,496
4 Bed	5,694	14	79,716
Penthouse	9,692	1	9,692
Total Gross Residential Area (sq. ft.)			**169,904**

*Note: Gross area includes dedicated parking space for residential apartments.

Commercial Area			
	Gross Area (sq. ft.)	No. of Units	Total Area
Showrooms	3,321	2	6,642
Total Gross Commercial Area (sq. ft.)			**6,642**

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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Sales Rates		
Apartment Sale Rate	PKR/sqft	70,000
Retail Sale Rate	PKR/sqft	175,000

Escalation and Discount Rate	
Apartment Sale Rate Escalation	13.0%
Retail Sale Rate Escalation	12.5%
Construction Cost Escalation	12.0%
Discount Rate	23.0%

Construction Costs	
Residential, Commercial, Circulation & Services and Amenities area	PKR 27,500 per sq. ft.
Parking Area	PKR 8,500 per sq. ft.
Design & Ground Works (Portion of Cost)	20%
Grey Structure & Finishing (Portion of Cost)	80%
Developer Margin	5%

Prepared by Savills
Yours faithfully,

Savills Pakistan (Pvt) Ltd. Karachi

Muhammad Shumail Nini
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

Engr. Sajjad Ali
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

5. General Assumptions & Conditions

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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5.1 General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not validated the Title Deeds or Site Plans.
2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.
3. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
4. That there is unrestricted access to the Property and that it is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
5. Sewers, mains services and roads giving access to the Property have been adopted, and any lease provides rights of access and egress over all communal development roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
6. That the Property is free from environmental hazards and has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
7. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
8. No allowance will be made for any expenses of realisation.
9. When valuing a property on a no inspection basis that has previously been inspected by Savills, the client confirmed there to be no material changes to the property since the date of our last inspection.
10. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
11. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
12. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of an Administrative Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
13. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

Annexures

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY HKC (PRIVATE) LIMITED

Report & Valuation

Commercial Property, Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi, Pakistan.

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Annexure-A: Declaration by Valuer

Annexure "A"

DECLARATION

We, Muhammad Shumail and Sajjad Ali of Savills Pakistan Pvt. Ltd. carried out a valuation of Plot No. 22/7, Survey No CL-9, Abdullah Haroon Road, Karachi and do solemnly and sincerely, to the best of our 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 neighbourhood data the market value of the subject Real Estate as on June 30, 2024 is "Cost Approach" PKR 4,762,080,431/- (Rupees Four Billion Seven Hundred Sixty-Two Million Eighty Thousand Four Hundred Thirty-One Eighty Only), and Residual Land Value Approach PKR 4,729,433,675/- (Rupees Four Billion Seven Hundred Twenty-Nine Million Four Hundred Thirty-Three Thousand Six Hundred Seventy-Five Only)
2. That the statements of fact contained in this report are true and correct.
3. That we have not withheld any information.
4. That we have no interest in the Real Estate that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
5. That we have not been instructed either by our company or the client to report a predetermined value for the subject Real Estate.
6. That we are neither a director nor an employee of the TPL REIT Management Company Limited ("TPL RMC") and do not have any financial interest, direct or indirect, in the TPL RMC.
7. That we have personally inspected the Real Estate that is the subject of this report.

Declared by:

Name and signature: Muhammad Shumail
Designation: Senior Manager
Date: June 30, 2024

Name and signature: Sajjad Ali
Designation: Senior Manager
Date: June 30, 2024

Karachi

Witnessed by:

Name and signature: Hammad Rana
Designation: CEO
Date: June 30, 2024

Ref No: 2024/V-0084

27

30 June 2024

Valuation Report

Commercial Property, Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan.

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REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

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30 June 2024

Ref: V-0086

Mr. Muhammad Shumail Nini
E: shumail.nini@savills.pk
M: +92 (346) 8211 003

Suite # 1A, Level 1, Harbour House,
37-A, Lalazar Avenue, Beach Hotel Road,
Off MT Khan Road, Karachi, Pakistan
savills.pk

Mr. Ali Asghar
Chief Executive Officer
TPL REIT Management Company Limited &
TPL REIT Fund I.
20th Floor, Sky Tower - East Wing,
Dolmen City, Block 4, Clifton,
Karachi, Pakistan.

Dear Sir,

CLIENT:	TPL REIT Management Company Limited & TPL REIT Fund I
PROPERTY:	PLOT NO. 25-B, KORANGI INDUSTRIAL AREA, QAYYUMABAD, KARACHI, PAKISTAN

In accordance with the email dated 26 June 2024, we have undertaken a valuation of the Property.

We draw your attention to our accompanying report together with the General Assumptions and Conditions upon which our Valuations have been prepared, details of which are provided at the rear of our report.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully
For and on behalf of Savills

Muhammad Shumail Nini
Senior Manager

Savills Pakistan (Pvt) Ltd
Karachi

Engr. Sajjad Ali
Senior Manager

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

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Contents

Table of Contents

Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

savills

Executive Summary

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

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Property	Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan.
Registered Owner	TPL Technology Zone Phase 1 (Pvt) Ltd. (As per information provided by the Client)
Purpose of Valuation	Valuation as required by REIT Regulations
Interest Valued	Leasehold
Basis of Value	Market Value
Plot Area	Plot Area 10,002 sq. yds. (As per client information)
Built-up Area	The subject plot is an open land parcel with boundary wall and gates.
Property Description	The subject property is situated at Qayyumabad, Karachi. Currently the subject plot is commercial plot with boundary wall and is currently vacant.
Occupancy Details	The Property is vacant.
Valuation Approach	Sales Comparison / Cost Approach
Date of Inspection	27 June 2024
Date of Valuation	30 June 2024
Adopted Market Value	**PKR 2,505,524,083/-** **(RUPEES TWO BILLION FIVE HUNDRED FIVE MILLION FIVE HUNDRED TWENTY-FOUR THOUSAND EIGHTY-THREE ONLY)**
Forced Sale Value 85%	**PKR 2,129,695,471/-** **(RUPEES TWO BILLION ONE HUNDRED TWENTY-NINE MILLION SIX HUNDRED NINETY-FIVE THOUSAND FOUR HUNDRED SEVENTY-ONE ONLY)**

Ref No: 2024/V-0086

5

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

1. Instructions and Terms of Reference

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

1.1 **Instructions**

You have instructed us to provide our opinions of value on the following bases:

The current Market Value of the property, subject to the ownership documents provided and subject to the assumptions contained within this report. We confirm that our valuation is reported in Pakistani Rupees (PKR).

1.2 **Basis of Valuation**

In undertaking our valuations, we have adopted the RICS definition of Market Value, as defined below:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We also conform to the valuation standards prescribed by International Valuation Standards Council (IVSC) to the extent possible.

1.3 **General Assumptions and Conditions**

Our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.4 **Date of Valuation**

Our opinions of market value are as at 30 June 2024. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.5 **Purpose of Valuation**

You have instructed us that our valuations are required for financial reporting purposes only.

1.6 **Conflicts of Interest**

We are not aware of any conflict of interest preventing the firm or valuers involved, from providing an independent valuation of the Properties. We confirm we have completed the necessary conflict of interest checks and are in full compliance with professional standards. We will be acting as External Valuers, as defined in the Red Book Global.

1.7 **Valuer Details and Inspection**

The due diligence enquiries referred to below were undertaken by Engr. Sajjad Ali, Senior Manager, Asad Nadeem, Management Executive and Rameez Ilyas, Management Executive. The valuations have been reviewed by Muhammad Shumail Nini, Senior Manager and S. Fazal Ahmad, Director Valuations.

The property was inspected on 27 June 2024.

We confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuations competently.

1.8 Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuations are stated in the relevant sections of our report below. Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.9 Liability Cap

Savills liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with this assignment shall be limited to an amount that does not exceed the fees received by Savills from the client for this assignment.

Savills does not accept any duty, liability or responsibility to any party other than the Instructing Party with respect to the report unless and to the extent otherwise agreed with such party in writing. No employees, partners or consultants individually has a contract with the instructing party or owes a duty of care or personal responsibility to any parties relying on this report. All parties agree that they will not bring a claim against any such individual personally in connection with our services.

1.10 Confidentiality and Responsibility

We would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

2. The Property, Statutory & Legal Aspects

2.1 Site Location and Description

The site consists of a land parcel of 10,002 sq. yds. in Qayyumabad, Karachi. The Subject Property is currently an open plot with boundary wall. The property is located on main Korangi Crossing Road near Thal Engineering Electric Systems Business, approximately 500 meters from of KPT Interchange. The Property has a frontage on the main Korangi Crossing Road, hence enjoys high visibility. The plot comprises of one more gate located off main Korangi Crossing Road, which provides another convenient access to the site. The plot can also be accessed from two gates located on the side road. Accessibility is restricted due to the plot being located behind one other plot on the road entrance.

Being located in a prominent area of Korangi, the Property is easily accessible by both public and private transport. Public transport options such as buses reach the subject area from all over the city, whereas taxis and other means of transport are also readily available. The location of the site is provided below:

Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

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2.2 Connectivity and Nearby Developments

1 Centre Point Tower
2 Grove Residency
3 Thal Engineering
4 MTN Fleet and Logistics Solutions
5 Sanofi-Aventis
Subject Site

2.3 Site's Immediate Neighbourhood

The subject site is bounded as under:

North: Thal Engineering
South: Korangi Crossing Road
East: Malir River/Undeveloped Land
West: Plot

2.4 Custodian of The Title Record

Custodian of the Title record for TTZ is Karachi Development Authority (KDA)

2.5 Condition

We have not been provided with a Condition Report for the Property.

2.6 Planning & Statutory Background

We have not undertaken any detailed research into the planning permission of the Property. Unless advised by you and stated in this report, we have assumed that the Property has received the appropriate permits/certificates issued by the relevant authorities.

Should subsequent planning information be found to the contrary, we reserve the right to amend our valuations.

2.7 Purchase History and Transfer

There have been no transfers of the subject property in the last 3 years.

2.8 Environmental Considerations

Unless advised by you and stated in the following schedules, we have assumed that the Property is not adversely affected by environmental matters and that ground conditions are sufficient for any proposed developments/extensions.

We recommend that specialists be instructed to verify this and should it subsequently be established that contamination or hazardous materials exist at the Property, or on any neighbouring land, then we may wish to review our valuation advice.

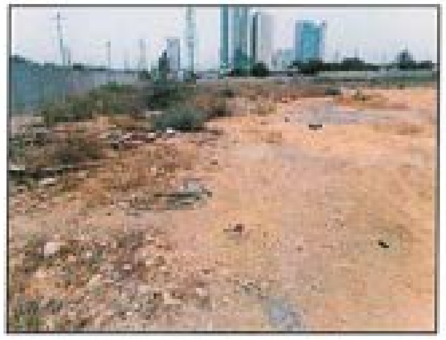
2.9 Legal Title

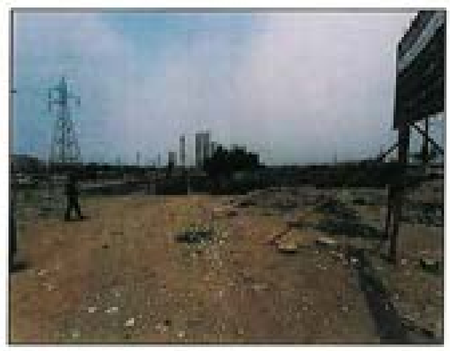
Unless otherwise specifically stated, we have relied upon information that has been provided to us by the instructing party. We have assumed the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

As we are not experts in this area, should subsequent legal advice find to the contrary, we reserve the right to amend our valuations.

2.10 Photographs





3. Project Overview

Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

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Project Technology Park

As per information provided by the Client, the proposed development is going to be the first of its kind, Technology Park in Pakistan, with high-end IT infrastructure designed for tech companies looking for an office space that fosters innovation, collaboration, stimulates health, wellness and social sustainability. The development is also going to comprise of a 42 key business hotel with high quality accommodation and personalized service, high-end restaurant and luxurious amenities.

The Project will be classified as a Special Technology Zone (STZ). The STZ Authority Ordinance 2002, enables all the inhabitants to enjoy import duty concessions and tax holidays which will make the proposed development attractive to many companies.

Registered Owner	TPL Technology Zone Phase 1 (Pvt) Ltd
Target Customers	Offices: Tech Companies including tech startups, software houses, tech support, etc. Hotel: Local & International business travelers and delegates
Business Model	Partial office space to be sold on off-plan basis, while the remaining office space will be retained and rented out. The hotel shall be retained and operated by the REIT

Status of Project Technology Park

The land parcel has been acquired by TPL Technology Zone Phase 1 (Pvt.) Limited. The detailed design for the project is 50% completed. The architectural plans have been submitted to SBCA for approval. Furthermore, in April 2024, the Sindh Master Plan Authority approved the change of land use from Industrial to Commercial in line with the KB and TP Regulations 2022.

Various NOCs have been obtained from relevant regulatory authorities, details of which can be referred from the table below:

S.No.	Subject	Approval Date	Approving Authority	Status
1.	Provision of Site Coordinates in WGS 84	15-Apr-21	Survey of Pakistan	Granted
2.	Height Clearance as per Rule 68 and Aviation safety standards	31-May-21	Civil Aviation Authority	Granted
3.	NOC	19-Jul-21	Air Force Headquarters	Granted
4.	NOC - Issuance of provisional confirmation of Electricity Connections	21-Apr-21	K Electric	Granted
5.	NOC	19-May-21	Sui Southern Gas Company	Granted
6.	Architectural Plan	-	Sindh Building Control Authority	Not finalized
7.	Structural Plan	-	Sindh Building Control Authority	Not finalized

8.	Strategic asset safety	-	Strategic Plans Division	Post Architectural approval, minimum 4 weeks process
9.	Commercialization	01-Apr-24	Sindh Master Plan Authority	Approved the change of land use from Industrial to Commercial

REPORT AND VALUATION OF COMMERCIAL PROPERTY OWNED BY TPL TECHNOLOGY ZONE PHASE-1 (PRIVATE) LIMITED

4. Valuation Advice

4.1 Approach to Valuation

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the property to the market.

Typically, REITs can be valued using one or more of the following valuations methods; Sales Comparison Approach, Depreciated Replacement Cost Approach, Income Capitalization Approach & Residual Land Value Approach. However, Depreciated Replacement Cost Approach is appliable only on constructed properties, and Income Capitalization Approach is used wherein the property being valued is already generating revenue. Residual Land Value approach is applicable where a development plan is available in concept or architectural terms. Therefore, given the nature of the property, we have considered the Sales Comparison Approach as most appropriate to determine the fair market value.

This approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

By analysing such sales, which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

4.2 Valuation Assumptions

In arriving at our opinion of the value of the property, we have made the following assumptions:

- Our valuations assume all services are provided to the site boundaries.
- We have specifically assumed that the sale and marketing of the subject property will be handled in a professional manner.
- We have assumed that the information provided by the client, commercial/ residential agents and other parties is accurate, complete and up to date. We have tried to verify all information; however, this is an imperfect market and verification can be difficult at times and impossible at others. If the information provided proves inaccurate, we reserve the right to amend our report and valuations accordingly.
- We have not made any allowance for vendor's sale costs, nor for any tax liabilities which may arise upon the disposal of the property or any parts thereof.

4.3 Suitability for Loan Security

We have not been provided with detail of the loan terms of the Property / client and therefore cannot pass comment of the Property's suitability to loan security, however we believe the Property would be marketable.

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the assets reflecting current market conditions, there are certain risks, which may or may not become uninsurable. Before undertaking any financial transaction based upon these valuations, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

4.4 Comparable

Description	Size	Demand/Transaction	Discounts/Premiums
Commercial Plot Available for sale on main Korangi road DHA phase-1	1,000 sq. yd.	PKR 900,000/- per sq. yd. (Demand)	**Discounts:** Negotiations: 10% - This comparable is available for sale. Orientation: 10% - The subject property is irregular in shape. Uneven: 5% - The subject property is below road level requiring filling and being at risk of waterlogging. Access, Visibility & Location: 20% - The comparable has better access and location. DHA: 30% - DHA properties trade at a premium due to cleaner land titles as compared to Korangi. Size: 20% - Subject plot is bigger in size than the comparable.
Commercial Plot Available for sale on main Korangi road DHA phase-1	2,000 sq. yd.	PKR 900,000/- per sq. yd. (Demand)	**Discounts:** Negotiations: 10% - This comparable is available for sale. Orientation: 10% - The subject property is irregular in shape. Uneven: 5% - The subject property is below road level requiring filling and being at risk of waterlogging. Access, Visibility & Location: 20% - The comparable has better access and location. DHA: 30% - DHA properties trade at a premium due to cleaner land titles as compared to Korangi. Size: 15% - Subject plot is bigger in size than the comparable.
Plot was sold 1 year ago on Main Korangi Road	920 Sq. yd	PKR 850,000/- Per Sq. yd (Transaction)	**Discounts:** Orientation: 10% - The subject property is irregular in shape.

			Uneven: 5% - The subject property is below road level requiring filling and being at risk of waterlogging. Access, Visibility & Location: 10% - The comparable has better access and location. DHA: 30% - DHA properties trade at a premium due to cleaner land titles as compared to Korangi. Size: 20% - Subject plot is bigger in size than the comparable.

4.5 Capital Work in Progress (CWIP)

According to our discussions with TPL RMC's management, Development cost incurred on the Technology Park project are to be included in the asset valuation. As per information provided by the Client, the total cost incurred on TPL Technology Zone Phase I Private Limited as of June 30, 2024, is PKR 855,194,083/-

4.6 Valuation

We are of the opinion that the market value of the property subject to the contents, terms, and conditions contained within our report are as follows:

PKR 2,505,524,083/-
(RUPEES TWO BILLION FIVE HUNDRED FIVE MILLION FIVE HUNDRED TWENTY-FOUR THOUSAND EIGHTY-THREE ONLY)

Break-up:

Land Area: 10,002 sq. yds. @ PKR 165,000/- per sq. yd.	=	PKR 1,650,330,000/-
Development cost incurred as of June 30, 2024	=	PKR 855,194,083/-

Forced Sale Value 85%

PKR 2,129,695,471/-
(RUPEES TWO BILLION ONE HUNDRED TWENTY-NINE MILLION SIX HUNDRED NINETY-FIVE THOUSAND FOUR HUNDRED SEVENTY-ONE ONLY)

Prepared by Savills
Yours faithfully,

Muhammad Shumail Nini
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

Savills Pakistan (Pvt) Ltd
Karachi

Engr. Sajjad Ali
Senior Manager
For and on behalf of:
Savills Pakistan Pvt. Ltd.

5. General Assumptions & Conditions

5.1 General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not validated the Title Deeds or Site Plans.
2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.
3. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
4. That there is unrestricted access to the Property and that it is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
5. Sewers, mains services and roads giving access to the Property have been adopted, and any lease provides rights of access and egress over all communal development roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
6. That the Property is free from environmental hazards and has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
7. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
8. No allowance will be made for any expenses of realisation.
9. When valuing a property on a no inspection basis that has previously been inspected by Savills, the client confirmed there to be no material changes to the property since the date of our last inspection.
10. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
11. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
12. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of an Administrative Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
13. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

Annexures

Annexure-A: Declaration by Valuer

Annexure "A"

DECLARATION

We, Muhammad Shumail and Sajjad Ali of Savills Pakistan Pvt. Ltd. carried out a valuation of Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan and do solemnly and sincerely, to the best of our 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 neighbourhood data the market value of the subject Real Estate as on June 30, 2024 is PKR 2,505,524,083/- (Rupees Two Billion Five Hundred Five Million Five Hundred Twenty-Four Thousand Eighty-Three Only)
2. That the statements of fact contained in this report are true and correct.
3. That we have not withheld any information.
4. That we have no interest in the Real Estate that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
5. That we have not been instructed either by our company or the client to report a predetermined value for the subject Real Estate.
6. That we are neither a director nor an employee of the TPL REIT Management Company Limited ("TPL RMC") and do not have any financial interest, direct or indirect, in the TPL RMC.
7. That we have personally inspected the Real Estate that is the subject of this report.

Declared by:

Name and signature: Muhammad Shumail
Designation: Senior Manager
Date: June 30, 2024

Name and signature: Sajjad Ali
Designation: Senior Manager
Date: June 30, 2024

Witnessed by:

Name and signature: Hammad Rana
Designation: CEO
Date: June 30, 2024

Al-Hilal
Shariah Advisors

September 26, 2024

بسم الله الرحمن الرحيم

الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2024 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in TPL REIT Fund 1 managed by TPL REIT Management Limited are permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited
Suite 807, 8th Floor, Horizon Towers, Com 2/6, Khayaban-e-Saadi,
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Tel: +92-21-35305931-37, Web: www.alhilalsa.com

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Management's Statement of Compliance with the Shariah Principles
For the year ended June 30, 2024

TPL REIT Fund I (the Fund) has fully complied with the Shariah Principles specified in the Trust Deed of the Fund and in the Guidelines issued by the Shariah Advisor of the Fund for its operations, investment and placements for the year ended June 30, 2024. This has been duly confirmed by the Shariah Advisor of the Fund.

Chief Executive Officer

Karachi
September 23, 2024

TPL REIT Management Company Limited
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INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of TPL REIT Management Company, Management Company of TPL REIT Fund I ("the Fund")

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) – External Shariah Audit of the Fund for assessing compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended 30th June 2024. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended 30th June 2024) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations, and reproduced as under, -

"Shariah principles and rules" means requirements, standards, rulings or permissions, pertaining to Islamic financial services, derived from the following, -

i) legal and regulatory framework administered by the Commission;

ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by Commission;

iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;

iv) guidance and recommendations of the Shariah advisory committee, as notified by Commission; and

v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Fund for the year ended 30th June 2024, which are annexed.

KPMG Taseer Hadi & Co.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Fund with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and principles. The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended 30th June 2024 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Fund's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Fund's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

KPMG

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We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion the Fund's financial arrangements, contracts and transactions for the year ended 30th June 2024 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 23 October 2024

Karachi

Unconsolidated Financial Statements of TPL REIT Fund I

KPMG

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INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of TPL REIT Management Company Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **TPL REIT Management Company Limited** ("the Company") for the year ended 30 June 2024 in accordance with the requirements of Regulation No.36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 10 October 2024

Karachi

UDIN: CR202410106DRMfA0Xdc

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

TPL REIT Management Company Limited
For the year ended June 30, 2024

The Regulation 15 (xxxvii) of the Real Estate Investment Trust Regulations, 2022 requires the REIT Management Company to ensure that it confirms with provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2022 (The Regulations). The TPL REIT Management Company Limited complied with requirement of the Regulations for the year ended June 30, 2024.

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:
   a. Male: 6
   b. Female: 1

2. The composition of the Board is as follows:

Independent directors	Mr. Muhammad Adnan Afaq Ms. Vanessa Eastham Fisk Mr. Imran Hussain Mr. Osman Asghar Khan Mr. Naveed Kamran Baloch
Non-executive directors	Mr. Muhammad Ali Jameel Mr. Abdul Wahab Al-Halabi
Chief Executive Officer	Mr. Ali Asgher

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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TPLRMC

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9 The Board has duly complied with the Directors' Training Program as required under Regulation 19 of the Listed Companies Code of Corporate Governance, 2019. Majority of the Board members have completed their certification while one director was granted exemption by SECP and one Director is exempted based on prescribed qualification and experience. All directors are well conversant with their duties and responsibilities as directors of a listed company.

10 The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Code. During the year there was change in the position of the Company Secretary.

11. The Chief financial officer and chief executive officer have duly endorsed the financial statements before approval of the Board;

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

a) Audit and Risk Committee

Name	Designation	Type of Directorship
Mr. Muhammad Adnan Afaq	Chairman	Independent
Ms. Vanessa Eastham Fisk	Member	Independent
Mr. Muhammad Ali Jameel	Member	Non-Executive
Mr. Hashim Sadiq Ali	Secretary	-

b) HR, Remuneration and Nomination Committee

Name	Designation	Type of Directorship
Mr. Imran Hussain	Chairman	Independent
Mr. Ali Asgher	Member	Chief Executive Officer
Mr. Muhammad Ali Jameel	Member	Non-Executive
Mr. Nader Bashir Nawaz	Secretary	-

c) Investment Committee

Name	Designation	Type of Directorship
Mr. Abdul Wahab Al-Halabi	Chairman	Non-Executive
Mr. Muhammad Adnan Afaq	Member	Independent Director

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

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14. The frequency of meetings of the committee were as per following: -

Name of committee	Frequency of meetings
Audit and Risk Committee	4 meetings were held during the Year. The meetings of the Audit Committee are held on a quarterly basis
HR, Remuneration and Nomination Committee	2 meetings were held during the Year. The meeting of the HR and Remuneration Committee is held on a half-yearly basis.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

For and behalf of the board

Chief Executive Officer

Director

Karachi
September 23, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of TPL REIT Fund 1

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **TPL REIT Fund-I** (the Fund), which comprise the unconsolidated statement of assets and liabilities as at 30 June 2024, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in unit holders fund, the unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information and we state we have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of assets and liabilities, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in unit holders fund, the unconsolidated 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 Fund's affairs as at 30 June 2024 and of the profit and other comprehensive income, the changes in unit holders' fund 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 unconsolidated Financial Statements* section of our report. We are independent of the Fund 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 Matter

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

KPMG Taseer Hadi & Co.

Following is the Key audit matter:

S. No.	Key Audit Matter	How the matters were addressed in our audit
1.	**Valuation of Investments** (Refer Note 5)	
	The carrying amount of the investment held by Fund amounted to Rs. 34,652.68 million, which constitute 99.35% of the total assets as at 30 June 2024. These comprise of investments made by the Fund in its subsidiaries, namely National Management and Consultancy Services (Private) Limited, HKC (Private) Limited, and TPL Technology Zone Phase – 1 (Private) Limited, amounting to 28,675.2 million, 3,098.5 million, and 2,879 million, respectively and are measured at fair value under IFRS 13, "Fair Value Measurement." The investments are classified as a Level 3 financial instrument in the fair value hierarchy, as their valuation relies on significant unobservable inputs. Due to the complexity and judgment involved in the valuation of the Level 3 investments and its significance to the unconsolidated financial statements, we have determined that the valuation of investment is a key audit matter.	Our audit procedures in this area included, amongst others: • Obtaining an understanding of the process relating to valuation of investment held in subsidiaries and testing design and implementation of key internal controls; • Obtaining and inspecting the results of valuation carried out by management of the Company itself and through externally appointed experts, and incorporated in the financial statements, on which the management assessment of valuation of investment was based including evaluating the contents of externally appointed experts' reports comply with the requirements of REIT Regulation 2022; • Assessing the appointment of external expert engaged by the management by evaluating whether the external expert is independent and complies with the necessary competence requirements of REIT Regulations 2022, this also included evaluating their scope of work; • Evaluating the completeness and appropriateness of information and source data used in the valuation by inspecting the relevant underlying documentation; • Evaluating the appropriateness of key methods used by the management and reasonableness of key estimates and assumptions used by the management in valuation exercise; and • Assessing the appropriateness of disclosures as presented in unconsolidated financial statements for compliance with the requirements of the applicable accounting and reporting standards as applicable in Pakistan.

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Information other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included In the Annual Report, but does not include the unconsolidated financial statements, consolidated financial statements and our Auditor's Reports thereon. We were provided with the Director's Report to the unitholders prior to the date of this Auditor's Report and the remaining parts of the Annual Report are expected to be made available to us after that date.

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 materiality 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 on the other information that we obtained prior to the date of this Auditor's Report, 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 Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 the REIT Regulations, 2022 and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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

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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 unconsolidated 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 unconsolidated 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 Fund'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 Fund'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 unconsolidated 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 Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance 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.

KPMG

KPMG Taseer Hadi & Co.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated 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 Fund as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of assets and liabilities, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in unit holders fund 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 Fund's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KPMG Taseer Hadi & Co.
KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 October 2024

Karachi

UDIN: AR202410106cAW1eD0bY

TPL REIT FUND I
UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2024

	Note	2024	2023
ASSETS	**Note**	**(Rupees in '000)**	
Non-current assets			
Preliminary expenses and floatation costs	4	15,611	20,734
Security deposits		100	100
Investments	5	34,652,687	31,082,959
		34,668,398	31,103,793
Current assets			
Advances and prepayments	6	21,817	20,747
Due from related parties	7	160,000	2,000
Bank balances	8	29,274	991,671
		211,091	1,014,418
TOTAL ASSETS		34,879,489	32,118,211
LIABILITIES			
Current liabilities			
Payable to the REIT Management Company	9	2,042,240	2,435,576
Payable to the Trustee	10	3,812	3,273
Payable to the SECP	11	25,000	25,000
Advance against issuance of units		-	600,000
Accrued expenses and other liabilities		7,911	5,209
		2,078,963	3,069,058
TOTAL LIABILITIES		2,078,963	3,069,058
NET ASSETS		32,800,526	29,049,153
CONTINGENCIES AND COMMITMENTS	12		
		(Number of units)	
Units in issue	13	1,835,000,000	1,497,500,000
		(Rupees per unit)	
Net assets value per unit		17.87	19.39
REPRESENTED BY:		**(Rupees in '000)**	
Total unit holders' fund			
Issued, subscribed and paid up units		18,350,000	14,975,000
Fair value reserve		17,972,687	17,407,959
Accumulated loss		(3,522,161)	(3,333,806)
		32,800,526	29,049,153

The annexed notes 1 to 24 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

TPL REIT FUND I
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		(Rupees in '000)	
INCOME			
Unrealised gain on remeasurement of investments through profit or loss	5	564,728	11,122,268
Dividend income	15	445,000	-
Profit on bank deposits		29,318	130,088
Total income		1,039,046	11,252,356
EXPENSES			
Management fee of the REIT Management Company	9.2	528,919	382,014
Performance fee of the REIT Management Company	9.3	66,419	1,592,744
Remuneration of the Trustee	10.1	14,105	10,124
SECP monitoring fee	11.1	25,000	25,000
Auditor's remuneration	16	6,210	4,971
Legal and professional fee		11,907	12,057
Amortisation of preliminary expenses and floatation costs	4	5,123	5,151
Fund rating fee		347	347
Share registrar fee		339	339
Bank and custody charges		4,140	6,744
Participation fee / (reversal)		-	(750)
Printing charges		164	129
Total expenses		662,673	2,038,870
PROFIT BEFORE TAXATION		376,373	9,213,486
Taxation	17	-	-
PROFIT AFTER TAXATION		376,373	9,213,486
		----------- (Rupees) -----------	
EARNING PER UNIT - BASIC AND DILUTED	18	0.23	6.97

The annexed notes 1 to 24 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

TPL REIT FUND I
UNCONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(Rupees in '000)	
PROFIT AFTER TAXATION	376,373	9,213,486
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	376,373	9,213,486

The annexed notes 1 to 24 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

TPL REIT FUND I

UNCONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS FUND

FOR THE YEAR ENDED 30 JUNE 2024

	Issued, subscribed and paid up units	Reserves: Capital reserve - Fair value reserve	Reserves: Revenue reserve - Accumulated loss	Total
	-----------------------	(Rupees in '000)	-----------------------	
Balance as at 30 June 2022	11,100,000	6,285,691	(1,425,024)	15,960,667
Total comprehensive income for the year	-	-	9,213,486	9,213,486
Reclassification adjustment for changes in fair value of investments	-	11,122,268	(11,122,268)	-
Transactions with owners:				
Issue of 387,500,000 units	3,875,000	-	-	3,875,000
Balance as at 30 June 2023	14,975,000	17,407,959	(3,333,806)	29,049,153
Total comprehensive income for the year	-	-	376,373	376,373
Reclassification adjustment for changes in fair value of investments	-	564,728	(564,728)	-
Transactions with owners:				
Issue of 337,500,000 units	3,375,000	-	-	3,375,000
Balance as at 30 June 2024	**18,350,000**	**17,972,687**	**(3,522,161)**	**32,800,526**

The annexed notes 1 to 24 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

TPL REIT FUND I
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before taxation	376,373	9,213,486
Adjustments for:		
Unrealised gain on remeasurement of investments through profit or loss	(564,728)	(11,122,268)
Amortisation of preliminary expenses and floatation costs	5,123	5,151
	(559,605)	(11,117,117)
Changes in:		
Advances and prepayments	(1,070)	(19,262)
Due from related parties	(158,000)	(2,000)
Payable to the REIT Management Company	(393,336)	1,412,099
Payable to the Trustee	539	3,006
Payable to the SECP	-	24,442
Accured expenses and other liabilities	2,702	(25,047)
	(549,165)	1,393,238
Net cash used in operating activities	(732,397)	(510,393)
CASH FLOWS FROM INVESTING ACTIVITIES		
Subscribed right shares of NMC	(2,830,000)	(1,920,000)
Subscribed right shares of TTZ	-	(1,075,000)
Subscribed right shares of HKC	(175,000)	-
Net cash used in investing activities	(3,005,000)	(2,995,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issuance of units	2,775,000	1,850,000
Net decrease in cash and cash equivalents	(962,397)	(1,655,393)
Cash and cash equivalents at beginning of the year	991,671	2,647,064
Cash and cash equivalents at end of the year	29,274	991,671

The annexed notes 1 to 24 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

1 THE FUND AND ITS OPERATIONS

TPL REIT FUND-I (the Fund) was established under a Trust Deed, dated 10 December 2021, executed between TPL REIT Management Company as the Management Company and Digital Custodian Company (formerly MCB Financials Services Limited) as the Trustee and is governed under the Real Estate Investment Trust Regulations, 2022 (REIT Regulations, 2022), promulgated and amended from time to time by the Securities and Exchange Commission of Pakistan (SECP).

The Trust Deed of the Fund was registered on 10 December 2021 whereas the Fund was authorised by the SECP as a unit trust scheme on 23 December 2021.

During the year, the Fund has been listed on the Pakistan Stock Exchange Limited (PSX) with the approval of the SECP on 20 May, 2024 under the REIT Regulations, 2022.

The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake REIT Management Services. The registered office of the Management Company is situated at 20th Floor, Sky tower, East Wing, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, Pakistan.

The Fund is a perpetual close end, shariah compliant, hybrid scheme. All of the activities undertaken by the Fund including but not limited to deposits and placements with banks were all in accordance with principle of Shariah.

The principal activity of the Fund is investing in real estate projects through Special Purpose Vehicles (SPVs) in accordance with the constitutive documents and applicable laws to generate income / returns for investors through rental income and capital appreciation.

As of 23 December 2023, The Pakistan Credit Rating Agency Limited (PACRA) in its rating report has assigned a long-term rating of RFR 3+, a stable outlook, to the Fund.

As of 23 December 2023, The Pakistan Credit Rating Agency Limited (PACRA) in its rating report has assigned a long-term rating of RM 3+, a stable outlook, to the REIT Management Company Limited.

Title to the assets of the Fund are held in the name of Digital Custodian Company Limited as trustee of the Fund.

1.1 The Fund has the following related party relationships during the year:

Company Name	Relationship	Common Directorship	Percentage of Shareholding
TPL REIT Management Company Limited	Management Company (RMC)	N/A	-
TPL Investment Management Limited	Subsidiary of RMC	N/A	-
HKC (Private) Limited	Subsidiary Company	N/A	94.92%
TPL Technology Zone Phase-I (Private) Limited (formerly G-18 (Private) Limited)	Subsidiary Company	N/A	100%
National Management and Consultancy Services (Pirvate) Limited	Subsidiary Company	N/A	100%
TPL Properties Limited	Associated Company	N/A	-
TPL Logistic Park (Private) Limited	Associated Company of RMC	N/A	-
TPL Security Services (Private) Limited	Associated Company of RMC	N/A	-
TPL Corp Limited	Associated Company of RMC	N/A	-
TPL Holdings (Private) Limited	Associated Company of RMC	N/A	-

Company Name	Relationship	Common Directorship	Percentage of Shareholding
TPL Property Management (Private) Limited	Associated Company of RMC	N/A	-
TPL Developments (Private) Limited	Associated Company of RMC	N/A	-
TPL Insurance Limited	Associated Company of RMC	N/A	-
TPL Life Insurance Limited	Associated Company of RMC	N/A	-
TPL Trakker Limited	Associated Company of RMC	N/A	-
Key Management Personnel of RMC	-	N/A	-
Digital Custodian Company Limited	Trustee	N/A	-

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements of the Fund for the year ended 30 June 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan for financial reporting comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act 2017; and

- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance 1984; and

- The Real Estate Investment Trust Regulations, 2022 (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, the REIT Regulations and requirements of the Trust Deed differ with the requirements of IFRS, the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the REIT Regulations and requirements of the Trust Deed have been followed.

These unconsolidated financial statements are separate financial statements, herein after referred to as the “unconsolidated financial statements”, of the Fund in which investments in subsidiaries are stated at fair value through profit or loss. The consolidated financial statements of the Fund and its subsidiaries have been prepared separately.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared on the basis of 'historical cost convention' except for investments which are measured at fair value.

2.3 Functional and presentation currency

The unconsolidated financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. The amounts are rounded-off to nearest thousand rupees, unless other wise stated.

2.4 Use of judgments and estimates

The preparation of the unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which forms the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, estimates and assumptions made by the management that may have a risk of material adjustments to the unconsolidated financial statements in the subsequent years are as follows:

	Notes
i) Fair value of investments	3.1.1

Information about judgments made in applying accounting policies that have an effect on the amounts recognised in the unconsolidated financial statements are discussed in the relevant policy notes.

2.5 Changes in accounting standards, interpretations and amendments to published approved accounting and reporting standards

2.5.1 New standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after 01 July 2023 are as follows:

The Fund has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies information disclosed in the financial statements.

The amendments require the disclosure of material, rather than 'significant, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting Companies to provide useful, Company-specific accounting policy information that users need to understand other information in the financial statements.

The information disclosed in Note 3 material accounting policies has been assessed to be in line with the amendments.

There are certain interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant effect on the Funds operations and therefore not detailed in these unconsolidated financial statements.

2.5.2 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as ‘current’. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the Company’s right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An Company's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An Company shall apply those amendments retrospectively in accordance with IAS 8.

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information a Company provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for the companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If a Company (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the Company shall disclose that fact.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Lack of Exchangeability (amendments to IAS 21) clarify:

  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Earlier application is permitted.

Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The above standards, interpretations and amendments are not likely to have a significant impact on the Fund's unconsolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies are consistently applied in the preparation of these unconsolidated financial statements and are the same as those applied in earlier periods presented. The material accounting policies applied in the preparation of these financial statements are set out below;

3.1 Financial instruments

3.1.1 Financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity of another entity.

3.1.2 Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3.1.3 Classification and subsequent measurement

Financial asset

- On initial recognition, a financial asset is classified as: amortised cost, fair value through other comprehensive income (OCI) - debt investment, fair value through OCI - equity investment, or fair value through profit or loss.

- Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Fund are measured at FVTPL.

Financial assets - Business model assessment

The Fund makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual mark-up income, maintaining a particular mark-up rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Fund considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

3.1.4 Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Fund enters into transactions whereby it transfers assets recognised in its statement of assets and liabilities, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Fund also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.

3.1.5 Offsetting

Financial assets and ?nancial liabilities are offset and the net amount is reported in the unconsolidated statement of ?nancial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Provisions

Provisions are recognised when the Fund 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.

3.3 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of bank balances.

3.4 Taxation

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash.

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

3.5 Net asset value per unit

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

3.6 Income

- Unrealised gains / (losses) arising on remeasurement of investment classified as financial assets at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

- Profit on bank balance is recognised on a time proportion basis using the effective interest rate method.

- Dividends are recognised as dividend income in the statement of profit or loss when the right of payment has been established.

3.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Fund determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on valuation technique for which any unobservable input are judged to be insignificant in related to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised statement of in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.8 Earnings per unit

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

4 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2024	2023
		(Rupees in '000)	
Balance at the beginning of the year		20,734	25,885
Amortisation during the year	4.1	(5,123)	(5,151)
Balance at the end of the year		15,611	20,734

4.1 The Fund has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the Fund as preliminary expenses and floatation costs which are to be amortised by the Fund over a period of five years effective from 24 June 2022, i.e., after the financial close of the Fund in accordance with the Real Estate Investment Trust Regulations, 2022.

5 INVESTMENTS	Note	2024	2023
		(Rupees in '000)	
At Fair Value Through Profit or Loss			
5.1 Cost of Investments			
Balance at the beginning of the year		13,675,000	9,055,000
Right issue subscription of NMC	5.2	2,830,000	1,920,000
Advance for future issue of shares	5.3	-	(1,200,000)
Right issue subscription of HKC	5.3	175,000	1,200,000
Acquired 100% shareholding of TPL Technology Zone Phase - 1 (Pvt) Limited (TTZ)	5.4	-	1,625,000
Right issue subscription of TTZ	5.4	-	1,075,000
		16,680,000	13,675,000
Unrealised gain on remeasurement of investments through profit or loss			
Balance at the beginning of the year		17,407,959	6,285,691
Movement during the year		564,728	11,122,268
		17,972,687	17,407,959
Balance at the end of the year		34,652,687	31,082,959

	Note	2024	2023
5.2 Investments in National Management and Consultancy Services (Private) Limited	**Note**	**(Rupees in '000)**	
Investment property at fair value	5.2.1	25,904,241	23,814,229
Short-term investments		1,360,045	351,877
Advances, prepayments and other receivables		424,478	38,740
Bank balances		1,072,899	1,143,539
Accrued liabilities and other payables		(85,186)	(7,223)
Due to related party		(1,252)	(12,401)
Other assets less liabilities - net	5.3.2	2,770,984	1,514,532
Fair value as at end of the year		28,675,225	26,843,293
Less: cost of investment		(11,630,000)	(8,800,000)
Unrealised gain at the end of the year		17,045,225	18,043,293

5.2.1 This represents land parcel of 40 acres commercial property situated at Korangi Creek, Karachi. As of 30 June 2024, Savills Pakistan (Private) Limited the independent valuer of the Fund determined the fair value of the property at Rs. 23,783 (30 June 2023: Rs. 23,280) million, while development costs incurred till 30 June 2024 amounted to Rs. 2,432.16 (30 June 2023: Rs. 533.83) million. The valuation was carried out on the basis of present market values for similar property in the vicinity of land and replacement values of similar type of land based on present cost and adjustments are applied on such similar properties based on reasonable qualitative and quantitave factors to determine the valuation of the investment property. The valuation has been conducted in accordance with International Valuation Standards, employing the market approach as outlined under IFRS 13 to determine the property's value.

The investment property has been valued by external, independent property valuers, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The other valuation methods were not considered as they are not applicable to the current stage of the property. The valuation under Cost Approach requires a completed property, while the Income Capitalisation Approach is suitable for income-generating properties. Since the property is currently under development and neither fully constructed nor generating income, these methods were deemed inappropriate for this valuation.

The significant unobservable inputs used in the valuation are:

- Market price per acre for comparable properties

Other Adjustments:

- Premium for corner plot
- Premium for access, visibility, and location
- Premium for development potential
- Premium for regulatory approval
- Discount for size

Sensitivity Analysis

If the market price per square meter were to increase / decrease by 1% , the fair value of the investment property would increase / decrease by Rs. 125.84 million. Similarly, if the other adjustment were to increase / decrease by 1%, the fair value would increase / decrease by Rs. 111.98 million.

Any significant movement in the assumption used for the valuation of investment property such as comparable market price, adjustments based on the condition of the property would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The investment property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The market approach is applied, but significant adjustments are made according to condition, characteristic and location, which are not directly observable in the market.

5.3.2 These include the short term investments carried at FVTPL classified at level 2 in fair value hierarchy, cash and cash equivalent and short term liabilities where the time value of money impact is minimal hence are determined to be at fair value.

5.3 Investments in HKC (Private) Limited	Note	2024	2023
		(Rupees in '000)	
Fair value of property under construction	5.3.1	4,729,433	3,558,330
Advances, prepayments and other receivables		20,191	14,231
Bank balances		6,651	313,033
Trade and other payables		(432,560)	(24,463)
Current maturity of long-term financing		(775,000)	(775,000)
Contract liabilities		(172,250)	-
Due to related parties		(58,018)	(4,010)
Accrued mark-up		(46,836)	(46,819)
Other assets less liabilities - net	5.3.2	(1,457,822)	(523,028)
Fair value as at end of the year		3,271,611	3,035,302
Fair value of 94.92% (30 June 2023: 94.58%) shareholding		3,098,448	2,870,687
Less: cost of investments		(2,350,000)	(2,175,000)
Unrealised gain at the end of the year		748,448	695,687
Total Investments in HKC (Private) Limited			
Fair value of 94.92% (30 June 2023: 94.58%) shareholding		3,098,448	2,870,687
		3,098,448	2,870,687

5.3.1 This represents a project of luxury residential apartments along with some retails space being constructed on a land parcel of 2,539 square yards of commercial property situated at corner of Abdullah Haroon Road and Hoshang Road, Karachi. As of 30 June 2024 Savills Pakistan (Private) Limited the independent valuer of the Fund determined the fair value of the property at Rs. 4,729.43 (30 June 2023: Rs. 3,558.33) million using a residual value approach.

The valuation has been conducted in accordance with International Valuation Standards, employing the residual value approach which is a hybrid of the market approach, the income approach and the cost approach which all comes under IFRS 13. This is based on the completed “gross development value” and the deduction of development costs and the developer’s return to arrive at the residual value of the development property.

Residual value approach is applicable to determine the fair value of the development property as it indicates the residual amount after deducting all known or anticipated costs required to complete the development from the anticipated value of the project when completed after consideration of the risks associated with completion of the project.

The fair value measurement for the development property has been categorised as a Level 3 fair value based in the inputs to the valuation technique used.

The significant unobservable inputs used in the valuation are:

- Estimated sales rate.
- Estimated construction cost rate.
- Estimated escalation rate for sale and cost.
- Discount rate.

Sensitivity Analysis

Any significant movement in the assumption used for the valuation of development property such as estimated sales price, construction costs, related escalation rates and discount rate would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The development property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The residual approach is applied, but significant adjustments are made according to condition, characteristic and location, which are not directly observable in the market.

5.3.2 These include the cash and cash equivalent and bank loan (at KIBOR plus spread), short term trade payables and contract liabilities where the time value of money impact is minimal hence are determined to be at fair value.

5.4 Investments in TPL Technology Zone Phase - 1 (Private) Limited	Note	2024	2023
		(Rupees in '000)	
Investment property at fair value	5.4.1	2,505,194	2,450,248
Bank balances		3,059	2,422
Advance to contractor - secured		539,000	539,000
Profit on bank receivable		51	16
Advance tax		164	117
Accrued liabilities and other payables		(18,594)	(15,061)
Due to related parties		(149,859)	(93,233)
Other assets less liabilities - net	5.5.2	373,821	433,261
Fair value as at end of the year		2,879,015	2,883,509
Less: cost of investments		(2,700,000)	(2,700,000)
Unrealised gain at the end of the year		179,015	183,509

5.4.1 This represents land located in an Open Industrial Plot No. 25-B, measuring 10,002 square yards, situated at Sector 30, Korangi Industrial Area, Karachi. As of 30 June 2024, Savills Pakistan (Private) Limited the valuer of the Fund determined the fair value of the property at Rs. 1,650.33 (30 June 2023: 1,650.23) million. The valuation was carried out on the basis of present market values for similar property in the vicinity of land and replacement values of similar type of land based on present cost and adjustments are applied on such similar properties based on reasonable qualitative and quantitave factors to determine the valuation of the investment property. The valuation has been conducted in accordance with International Valuation Standards, employing the market approach as outlined under IFRS 13 to determine the property's value.

The other valuation methods were not considered as they are not applicable to the current stage of the property. The valuation under Cost Approach requires a completed property, while the Income Capitalisation Approach is suitable for income-generating properties. Since the property is currently under development and neither fully constructed nor generating income, these methods were deemed inappropriate for this valuation.

The significant unobservable inputs used in the valuation are:

- Market price per square yard for comparable properties
- Discount for size

Other adjustments:
- Discount for access, visibility, and location
- Discount for the irregularity in shape
- Discount for the uneven surface
- Discount for cleaner land titles
- Discount for availability for sale

Sensitivity Analysis

If the market price per square yard were to increase / decrease by 1% , the fair value of the investment property would increase / decrease by Rs. 16.47 million. Similarly, if the other adjustment were to increase / decrease by 1%, the fair value would increase / decrease by Rs. 65.88 million.

Any significant movement in the assumption used for the valuation of investment property such as comparable market price, adjustments based on the condition of the property would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The investment property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The market approach is applied, but significant adjustments are made according to condition and location, which are not directly observable in the market.

5.4.2 These include the cash and cash equivalent and advance to contractor and short term trade payables where the time value of money impact is minimal hence are determined to be at fair value.

6 ADVANCES AND PREPAYMENTS	Note	2024	2023
		(Rupees in '000)	
Advance tax	6.1	21,627	20,684
Prepayments		190	63
		21,817	20,747

6.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular “C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R” dated May 12, 2015 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, 150A and 151 of ITO 2001.

7 DUE FROM RELATED PARTIES	Note	2024	2023
		(Rupees in '000)	
TPL Technology Zone Phase - I (Private) Limited	7.1	122,000	2,000
HKC (Private) Limited		38,000	-
		160,000	2,000

7.1 This represents payments made by TPL REIT Fund 1 on behalf of TTZ Phase - I (Pvt) Limited and HKC (Pvt) Limited in respect of development costs and are repayable on demand.

7.2 Detail and aging analysis of the gross amount due from related parties is as follows:

	30 June 2024			
	0 to 30 Days	31 to 180 days	More than 181 days	Total
	(Rupees in '000)			
TPL Technology Zone Phase - I (Private) Limited	-	120,000	2,000	122,000
HKC (Private) Limited	-	38,000	-	38,000
	-	158,000	2,000	160,000

	30 June 2023			
	0 to 30 Days	31 to 180 days	More than 181 days	Total
	(Rupees in '000)			
TPL Technology Zone Phase - I (Private) Limited	2,000	-	-	2,000
	2,000	-	-	2,000

		Note	2024	2023
8	BANK BALANCES		(Rupees in '000)	
	Balances with banks in:			
	Current account		9	600,009
	Savings account	8.1	29,265	391,662
			29,274	991,671

8.1 This represents Islamic saving accounts maintained with commercial bank carrying profit at the rate of 19.70% (30 June 2023: 18.90%) per annum.

		Note	2024	2023
9	PAYABLE TO THE REIT MANAGEMENT COMPANY		(Rupees in '000)	
	Preliminary expenses, floatation costs and other payable	9.1	26,720	26,720
	Management fee payable	9.2	139,758	121,690
	Performance fee payable	9.3	1,875,762	2,287,166
			2,042,240	2,435,576

9.1 This represents amount incurred by the REIT Management Company relating to the formation of the Fund.

9.2 Under the provisions of the REIT Regulations, 2022, a REIT Management Company is entitled to a management fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund, the REIT Management Company is entitled to an annual management fee calculated at 1.5% per annum on the net assets of the Fund. The management fee is also subjected to Sindh sales tax at the rate of 13%. The fee is paid quarterly in arrears.

		Note	2024	2023
9.3	Performance fee payable		(Rupees in '000)	
	Performance fee payable at the end of accelerator period	9.3.2	1,855,836	1,809,343
	Performance fee payable after the close of each accounting period		19,926	477,823
		9.3.1	1,875,762	2,287,166

9.3.1 The Fund has classified the total amount of performance fee payable as current as it does not have a contractual and legally enforceable right to defer payment once the payment conditions have been met.

9.3.2 Under the provisions of the REIT Regulations, 2022, a REIT Management Company is entitled to a performance fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund, the REIT Management Company is entitled to performance as follows:

a) 15% charged on the year-on-year increase in the NAV of the Fund over a High Watermark, calculated at the end of each accounting period; and

b) 15% of the profit on sale of real estate assets and/or sale/winding up of SPV.

The Fund will pay 30% of the performance fee due to the REIT Management Company in arrears after the close of each accounting period and accrue the remaining 70% to be paid at the end of the accelerator period.

"Accelerator Period" means the period starting at Financial Close and ending on the first dividend distribution to the Unit Holders by the Fund or listing of the Fund, whichever is later.

The performance fee is also subjected to Sindh sales tax at the rate of 13%.

10 PAYABLE TO THE TRUSTEE	Note	2024	2023
		(Rupees in '000)	
Trustee fee payable	10.1	3,728	3,245
Share registrar fee payable		84	28
		3,812	3,273

10.1 Under the provisions of the REIT Regulations, 2022, a Trustee is entitled to a trustee fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund, the Trustee is entitled to an annual fee calculated at 0.04% on the annual net assets of the Fund. The trustee fee is also subjected to Sindh sales tax at the rate of 13%. The fee is paid quarterly in arrears.

11 PAYABLE TO THE SECP	Note	2024	2023
		(Rupees in '000)	
Annual fee payable	11.1	25,000	25,000

11.1 Under the provisions of the REIT Regulations, 2022, the Fund is required to pay annual monitoring fee to SECP equal to 0.15% of the average fund size per annum. The annual monitoring fee is capped at Rs. 25 million per annum except in the first year. The fee shall be paid in arrears within four months of close of accounting year.

12 CONTINGENCIES AND COMMITMENTS

Contingencies

There are no material contingencies outstanding as at 30th June 2024 (2023: nil).

Commitments

There are no commitments outstanding as at 30th June 2024 (30 June 2023: as per units subscription agreements with the anchor investors and strategic investor of the Fund, the Fund will issue units at the par value of Rs. 10 per unit amounting to Rs. 3,375 million in subsequent period subject to achievement of certain milestones as per the agreements).

13 UNITS IN ISSUE

2024	2023		Note	2024	2023
(Number of units)				(Rupees in '000)	
		Ordinary units of Rs. 10 each fully paid			
		consideration other than cash			
710,000,000	710,000,000	(against equity shares)		7,100,000	7,100,000
787,500,000	787,500,000	in cash		7,875,000	7,875,000
		Ordinary units of Rs. 10 each fully paid			
337,500,000	-	issued as right shares		3,375,000	-
1,835,000,000	1,497,500,000		13.1 & 13.2	18,350,000	14,975,000

13.1 Voting rights, board selection, right of first refusal and block voting are in proportion to their respective unit holding.

13.2 Pattern of Unit Holding	Note	2024 Percentage (%)	2024 Number of units held	2023 Percentage (%)	2023 Number of units held
TPL Properties Limited (Strategic Investor)		38%	697,598,500	47%	710,000,000
Anchor Investors		60%	1,105,351,000	53%	787,500,000
Others - including individuals	13.2.1	2%	32,050,500	0%	-
		100%	1,835,000,000	100%	1,497,500,000

13.2.1 During the current year the units of the Fund listed on the Pakistan Stock Exchange. The Strategic Investor and Anchor Investor offered their units in proportion to their unit holding.

The offer consists of a Base Offer of 22,937,500 Units, which is 1.25% of the total units of the REIT Fund I, having a face value of Rs. 10 each and a Green Shoe Option of up to 22,387,000 units representing a further 1.22% of the total units of the REIT Fund I. The offer is being made through the Fixed Price Method at an Offer Price of Rs. 17.59 per unit.

14 FAIR VALUE RESERVE

The fair value reserve pertains to cumulative net changes in fair value of investment which is not free for distribution by way of dividend in accordance with the constitutive document of the Fund and hence the unrealised gain on remeasurement of investments through profit or loss is reclassified to fair value reserve.

15 DIVIDEND INCOME

	Note	2024	2023
		(Rupees in '000)	
National Management and Consultancy Services (Private) Limited	16.1	445,000	-

15.1 This represents the dividend income received during the year from the subsidiary company of the Fund.

16 AUDITOR'S REMUNERATION

	2024	2023
	(Rupees in '000)	
Fee for annual audit	5,000	2,500
Other certifications	270	969
Out of pocket	500	325
	5,770	3,794
Sindh sales tax	440	286
	6,210	4,080

17 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders.

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

During the current year the Fund have incurred accounting loss when the net income is reduced by capital gains (whether realised or unrealised), therefore there is no distributable income for the current year.

18 EARNINGS PER UNIT - BASIC AND DILUTED

	2024	2023
	(Rupees in '000)	
Profit for the period year taxation	376,373	9,213,486
	(Number of Units)	
Weighted average number of units outstanding during the year	1,668,094,262	1,322,328,767
	(Rupees)	
Earnings per unit - basic and diluted	0.23	6.97

There is no dilutive effect on the earnings per unit of the Fund, as the fund has no potential units.

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include TPL REIT Management Company Limited being the Management Company, Digital Custodian Company Limited, being the Trustee of the Fund, directors and officers of the Management Company and other associated companies within the Group.

Transactions with connected persons are in the normal course of business, at agreed / contracted rates and terms determined in accordance with market rates and the Trust Deed respectively.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the REIT Regulations, 2022.

Details of significant transactions with connected persons during the year and balances with them at year end, if not disclosed elsewhere in these unconsolidated financial statements are as follows:

	Note	2024	2023
		(Rupees in '000)	
TPL REIT Management Company Limited			
REIT Management Company			
Management fee of the REIT Management Company		528,919	382,014
Payments made to the REIT Management Company		988,675	562,659
Performance fee of the REIT Management Company		66,419	1,592,744
Digital Custodian Company Limited			
Trustee			
Remuneration of the Trustee		14,105	10,124
Share registrar fee		339	339
Payments made to the Trustee		13,905	7,457
HKC (Private) Limited			
Subsidiary of the Fund			
1,166,666 Right shares subscribed at subscription price of Rs. 150/- per share		175,000	-
8,000,000 Right shares subscribed at subscription price of Rs. 150/- per share		-	1,200,000
Short term financing for liquidity management		118,000	-
Repayment against short-term financing		80,000	-
NATIONAL MANAGEMENT AND CONSULTANCY SERVICES (Private) Limited			
Subsidiary of the Fund			
Dividend received	15	445,000	-
Right shares subscribed at subscription price of Rs. 10,000/- per share		2,830,000	1,920,000
TPL TECHNOLOGY ZONE PHASE - 1 (Private) Limited			
Subsidiary of the Fund			
107,500,000 Right shares subscribed at subscription price of Rs. 10/- per share		-	1,075,000
Short term financing for liquidity management		120,000	2,000
TPL Properties Limited			
Holding company of the REIT Management company and strategic investor			
Issuance of 162,500,000 units for acquisition of 100% equity stake in TPL Technology Zone Phase - 1 Private Limited		-	1,625,000

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities are exposed to a variety of financial risks namely credit risk, liquidity risk, and market risk. The Fund manage these risk through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Fund's constitutive documents and REIT Regulation, 2022 and directives of the SECP. The Board of Directors of the REIT Management Company (RMC) have overall responsibility for the establishment, development and oversight of the Fund's risk management framework and policies. The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The audit committee of REIT Management Company (RMC) oversees how RMC monitors compliance of risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The RMC's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee

20.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Fund attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties and arises principally from the Fund's deposits with banks.

The carrying amount of the financial assets represents maximum exposure to credit risk as at 30 June 2024 and 30 June 2023:

	2024	2023
Financial Assets	(Rupees in '000)	
Bank balances	29,274	991,671
Deposits	100	100
	29,374	991,771

The Fund manages credit risk as follows:

Due from related party and deposits:

Due from related party and deposits comprises of payments which are neither past due nor impaired based on past relationship, credit rating and financial soundness of the counter parties chances of default are remote and also there is no material impact of changes in credit risks of such receivables hence no impairment allowance is necessary in respect of these amounts.

The Fund has placed its funds (bank balances) with banks having sound credit ratings. The credit quality of Fund's major balances can be assessed with reference of external credit ratings as follows:

	30 June 2024			
Bank balances	Rating agency	Long-term rating	Short-term rating	(Rupees in '000)
National Bank of Pakistan	PACRA	AAA	A1+	9
Bank Al Habib Limited	PACRA	AAA	A1+	29,262
Faysal Bank Limited	PACRA / VIS	AA	A1+	3
				29,274

	30 June 2023			
Bank balances	Rating agency	Long-term rating	Short-term rating	(Rupees in '000)
National Bank of Pakistan	PACRA	AAA	A1+	600,009
Bank Al Habib Limited	PACRA	AAA	A1+	391,662
				991,671

The Fund believes that no ECL allowance is necessary in respect of bank balances as the Fund is satisfied that recovery of the amount due is possible.

20.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The table below summarises the maturity profile of the Fund's financial liabilities based on contractual undiscounted payment dates and present market interest rates:

	30 June 2024				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
Payable to the REIT Management Company	1,855,836	139,758	19,926	26,720	2,042,240
Payable to the Trustee	-	3,812	-	-	3,812
Payable to the SECP	-	-	25,000	-	25,000
Accrued expenses and other liabilities	-	7,911	-	-	7,911
	1,855,836	151,481	44,926	26,720	2,078,963

	30 June 2023				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
Payable to the REIT Management Company	1,809,343	121,690	477,823	26,720	2,435,576
Payable to the Trustee	-	3,273	-	-	3,273
Payable to the SECP	-	-	25,000	-	25,000
Accrued expenses and other liabilities	-	5,209	-	-	5,209
	1,809,343	130,172	502,823	26,720	2,469,058

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Refer note 9.3 where the major liability amounting to 1,855 million pertains to the Management Company of the Fund and is contingent upon the distribution of first dividend, which depend on the Fund's ability to generate distributable profits and maintain sufficient liquidity for such distributions .Further the Fund manages liquidity risk by maintaining sufficient cash in bank accounts. At 30 June 2024, the Fund had financial assets of Rs 189.27 million (30 June 2023: Rs 993.67 million), which include Rs 29.27 million (30 June 2023: Rs 991.67 million) of cash placed in bank accounts.

20.3 Market risk

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

20.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. As at reporting date, the Fund is not materially exposed to currency risk and accordingly, the sensitivity to a reasonably possible change in the exchange rate with all other variables held constant in not reported.

20.3.2 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 Fund does not have any fixed rate financial instrument at fair value through profit or loss. Therefore, the Fund is not exposed to fair value changes for fixed rate instruments. However, the bank and term deposit at variable rates expose the Fund 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:

Sensitivity Analysis for variable rate instruments

A change of 100 basis points in profit rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as carried out in 30 June 2024.

	Profit or loss		Equity	
	100 bps Increase	100 bps decrease	100 bps Increase	100 bps decrease
	(Rupees in '000)			
30 June 2024				
Bank Deposits	293	(293)	293	(293)
30 June 2023				
Bank Deposits	3,917	(3,917)	3,917	(3,917)

20.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As of the reporting date, the Fund is exposed to equity risk to the extent of its investment in subsidiaries.

	Profit or loss		Equity	
	100 bps Increase	100 bps decrease	100 bps Increase	100 bps decrease
	(Rupees in '000)			
30 June 2024				
Investments	(346,527)	346,527	(346,527)	346,527
30 June 2023				
Investments	(310,830)	310,830	(310,830)	310,830

21 UNIT HOLDERS' CAPITAL RISK MANAGEMENT

Management's objective when managing unit holders' funds is to safeguard the Fund'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 Fund manages its other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The Fund is not exposed to externally imposed minimum unit holders' maintenance requirement.

	2024	2023
	(Rupees in '000)	
Debt	-	-
Total unit holders fund	32,800,526	29,049,153
Total units	32,800,526	29,049,153
Gearing ratio (%)	0.00%	0.00%

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund 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.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

The Fund uses valuation technique which are developed from recognised valuation models under IFRS 13. The significant inputs into these model may not be observable in the market and derived from the market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of appropriate valuation model to be used and selection of appropriate assumptions.

Valuation Technique	Significant unobservable Input	Inter- relationship between key unobservable input and fair value measurement
The adjusted Net Assets Method - Cost Approach	Fair value of property	The estimated fair value of investment would increase / (decrease) if there is any change in the Fair value of property.

	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments	-	-	34,652,687	34,652,687
	-	-	34,652,687	34,652,687

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Investments	-	-	31,082,959	31,082,959
	-	-	31,082,959	31,082,959

22.1.2 The Fund uses ' the adjusted net assets value' technique for valuation of its invesment in its subsidiaries categorised as level 3 in Fair value hierarchy.

22.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, not measured at fair value:

	2024				
	Fair Value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total
	---------- (Rupees in '000) ----------				
Financial assets not measured at fair value					
Security deposit	-	-	100		100
Due from related parties	-	-	160,000	-	160,000
Bank balance	-	-	29,274	-	29,274
	-	-	189,374	-	189,374
Financial liabilities not measured at fair value					
Payable to the REIT Management Company	-	-	2,042,240	-	2,042,240
Payable to the Trustee			3,812		3,812
Payable to the SECP	-	-	25,000	-	25,000
Accured expenses and other liabilities			7,911		7,911
	-	-	2,078,963	-	2,078,963

	2023				
	Fair Value through other comprehensive income	Fair value through profit or loss	Financial assets at amortised cost	Other financial liabilities	Total
	---------- (Rupees in '000) ----------				
Financial assets not measured at fair value					
Security deposit	-	-	100	-	100
Bank balance	-	-	991,671	-	991,671
	-	-	991,771	-	991,771
Financial liabilities not measured at fair value					
Payable to the REIT Management Company	-	-	2,435,576	-	2,435,576
Payable to the Trustee			3,273		3,273
Payable to the SECP	-	-	25,000	-	25,000
Advance against issuance of units			600,000		600,000
Accured expenses and other liabilities			5,209		5,209
	-	-	3,069,058	-	3,069,058

22.3 The Fund has not disclosed the fair value for these financial assets and financial liabilities as their carrying amounts are reasonable approximation of fair value.

23 GENERAL

All amounts have been rounded off to nearest thousand rupees unless otherwise stated.

24 DATE OF AUTHORIZATION OF ISSUE

These unconsolidated financial statements were authorised for issue 23 September 2024 on by the Board of Directors of the TPL REIT Management Company Limited.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

Consolidated Financial Statements of TPL REIT Fund I

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of TPL REIT Fund-1

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **TPL REIT Fund-1** ("the Fund") and its subsidiaries ("the Group"), which comprise the consolidated statement of assets and liabilities as at 30 June 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in unit holders' fund, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Valuation of Investment Properties**	
	Refer note 5 to the consolidated financial statements. The investment properties amounted to Rs. 28,409 million as of 30 June 2024. Investment properties represent 78% of the Group's total assets. The Group's investment properties are stated at fair value based on valuations carried out by independent qualified professional valuer (the "management valuer") with the changes recognized in the statement of profit or loss. We identified valuation of investment properties as a key audit matter because the valuation is dependent on significant unobservable inputs that involve management's judgment. Details of the valuation techniques and significant unobservable inputs used in the valuations are disclosed in note 5 to the consolidated financial statements.	**Our audit procedures in this area included, amongst others:** • Obtaining an understanding of the process relating to the valuation of the investment properties; • Obtaining and inspecting the results of valuation carried out by management's expert and evaluating the contents of valuation reports comply with the requirements of REIT Regulation 2022; • Assessing the appointment of external expert engaged by the management by evaluating whether the external expert is independent and complies with the necessary competence requirements of REIT Regulations 2022, this also included evaluating their scope of work; • Evaluating the completeness and appropriateness of information and source data used in the valuation by inspecting the relevant underlying documentation; • Evaluating the appropriateness of key methods used by the management and reasonableness of key estimates and assumptions used by the management in valuation exercise through engaging our own specialist; • Assessing the appropriateness of disclosure presented in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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S. No.	Key audit matters	How the matters were addressed in our audit
2.	**Valuation of Development Property**	
	Refer note 7 to the consolidated financial statements. The development property amounted to Rs. 4,554 million as of 30 June 2024. Development property represents 12% of the Group's total assets. The Group's development property is stated at cost. Several estimates and judgments are involved in determining the net realizable value of the development property. The significance of the balance, coupled with the estimates and judgments involved in its valuation, has resulted in the valuation of development property being considered a key audit matter.	• Obtaining an understanding of the process relating to the valuation of the development property; • Obtaining and inspecting the results of valuation carried out by management's expert and evaluating the contents of valuation reports comply with the requirements of REIT Regulation 2022; • Assessing the appointment of external expert engaged by the management by evaluating whether the external expert is independent and complies with the necessary competence requirements of REIT Regulations 2022, this also included evaluating their scope of work; • Evaluating the completeness and appropriateness of information and source data used in the valuation by inspecting the relevant underlying documentation; • Evaluating the appropriateness of key methods used by the management and reasonableness of key estimates and assumptions used by the management in valuation exercise through engaging our own specialist • Assessing the appropriateness of disclosure presented in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements, unconsolidated financial statements and our Auditor's Reports thereon. We were provided with the Director's report to the unitholders prior to the date of this Auditor's Report and the remaining parts of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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 of the Management Company for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and the REIT Regulations, 2022 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors of the Management Company is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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

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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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors of the Management Company 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.

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We also provide the Board of Directors of the Management Company 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 of the Management Company, we determine those matters that were of most significance in the audit of the consolidated 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.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 4 October 2024

Karachi

UDIN: AR202410106kNwO7Mvlf

TPL REIT FUND I
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2024

	Note	2024	2023
		(Rupees in '000)	
ASSETS			
Non-current assets			
Preliminary expenses and floatation costs	4	15,611	20,734
Security deposit		100	100
Investment properties	5	28,409,435	26,264,477
		28,425,146	26,285,311
Current assets			
Development property	7	4,553,882	3,449,655
Short term investments	8	1,360,045	351,877
Advances, prepayments and other receivables	9	1,005,701	612,851
Bank balances	10	1,111,884	2,450,664
		8,031,512	6,865,047
TOTAL ASSETS		36,456,658	33,150,358
LIABILITIES			
Non-current liabilities			
Long-term financing	11	-	775,000
		-	775,000
Current liabilities			
Payable to the REIT Management Company	12	2,056,694	2,438,081
Payable to the Trustee	13	3,812	3,273
Payable to the SECP	14	25,000	25,000
Advance against issuance of units		-	600,000
Accrued markup	11.1	46,836	46,819
Accrued expenses, trade payables and other liabilities	15	544,247	51,952
Contract liabilities	16	172,250	-
Current maturity of long-term financing	11	775,000	-
Due to related parties	17	34,676	105,140
		3,658,515	3,270,265
TOTAL LIABILITIES		3,658,515	4,045,265
NET ASSETS		32,798,143	29,105,093
		(Rupees in '000)	
Unit holders' fund		32,649,732	28,946,372
Contingencies and commitments	19		
		(Number of units)	
Units in issue	18	1,835,000,000	1,497,500,000
		(Rupees per unit)	
Net assets value per unit		17.79	19.32
REPRESENTED BY:			
Unit holders of the Group			
Issued, subscribed and paid up units		18,350,000	14,975,000
Fair value reserve		17,736,053	17,232,693
Accumulated loss		(3,436,321)	(3,261,321)
Non-controlling interest		148,411	158,721
		32,798,143	29,105,093

The annexed notes 1 to 27 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

TPL REIT FUND I
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		(Rupees in '000)	
INCOME			
Unrealised gain on revaluation of investment properties	5	503,360	10,882,140
Unrealised loss on investments at fair value through profit or loss		(3,898)	(545)
Profit on bank deposits		337,354	254,399
Profit on GOP ijarah sukuks		122,869	8,760
Dividend income		37,849	2,038
Total income		997,534	11,146,792
EXPENSES			
Management fee of the REIT Management Company	12.2	528,919	382,014
Performance fee of the REIT Management Company	12.3	66,419	1,592,744
Remuneration of the Trustee	13.1	14,105	10,124
SECP monitoring fee	14.1	25,000	25,000
Auditor's remuneration	20	21,195	14,230
Legal and professional fee		13,535	14,740
Amortisation of preliminary expenses and floatation costs	4.1	5,123	5,151
Fund rating fee		347	347
Share registrar fee		339	339
Bank and custody charges		4,309	6,773
Participation fee / (reversal)		-	(750)
Amortisation of intangible assets		-	99
Printing charges		193	186
Total expenses		679,484	2,050,997
PROFIT BEFORE TAXATION		318,050	9,095,795
Taxation	21	-	(436)
PROFIT AFTER TAXATION		318,050	9,096,231
PROFIT / (LOSS) ATTRBUTABLE TO:			
Unit holders of the Group		318,352	9,096,520
Non-controlling interest		(302)	(289)
		318,050	9,096,231
		(Rupees)	
EARNING PER UNIT - BASIC AND DILUTED	22	0.19	6.88

The annexed notes 1 to 27 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

TPL REIT FUND I
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(Rupees in '000)	
PROFIT AFTER TAXATION ATTRIBUTABLE TO:		
Unit holders of the Group	318,352	9,096,520
Non-controlling interest	(302)	(289)
	318,050	9,096,231
Other comprehensive income for the year	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	318,050	9,096,231

The annexed notes 1 to 27 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

TPL REIT FUND I
CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDERS FUND
FOR THE YEAR ENDED 30 JUNE 2024

	Attributable to Unit Holders of the Fund					
		Reserves				
	Issued, Subscribed and paid up units	Capital reserve - Fair value reserve (Note 19)	Revenue reserve / (Accumulated loss)	Total	Non-Controlling Interest	Total
	(Rupees in '000)					
Balance as at 30 June 2022	11,100,000	6,350,553	(1,489,887)	15,960,666	173,196	16,133,862
Total comprehensive income/ (loss) for the year	-	-	9,096,520	9,096,520	(289)	9,096,231
Reclassification adjustment for changes in fair value of investment properties	-	10,882,140	(10,882,140)	-	-	-
Transaction with unit holders:						
Issue of 387,500,000 units	3,875,000	-	-	3,875,000	-	3,875,000
Sale of shares by non-controlling interest	-	-	14,186	14,186	(14,186)	-
Balance as as at 30 June 2023	14,975,000	17,232,693	(3,261,321)	28,946,372	158,721	29,105,093
Total comprehensive income / (loss) for the year	-	-	318,352	318,352	(302)	318,050
Reclassification adjustment for changes in fair value of investment properties	-	503,360	(503,360)	-	-	-
Transactions with unit holders:						
Issue of 337,500,000 units	3,375,000	-	-	3,375,000	-	3,375,000
Sale of shares by non-controlling interest	-	-	10,008	10,008	(10,008)	-
Balance as at 30 June 2024	18,350,000	17,736,053	(3,436,321)	32,649,732	148,411	32,798,143

The annexed notes 1 to 27 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

TPL REIT FUND I
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	318,050	9,095,795
Adjustments for:		
Unrealised gain on revaluation of investment properties	(503,360)	(10,882,140)
Unrealised loss on investments at fair value through profit or loss	3,898	545
Dividend income	(37,849)	-
Amortisation of preliminary expenses and floatation costs	5,123	5,151
Amortisation of intangible assets	-	99
	(532,188)	(10,876,345)
Changes in:		
Additions to development property	(1,104,227)	(317,203)
Advances, prepayments and other receivables	(392,850)	(66,163)
Payable to the REIT Management Company	(381,387)	1,414,604
Payable to the Trustee	539	3,006
Payable to the SECP	-	24,442
Accrued expenses, trade payables and other liabilities	492,295	(52,694)
Contract liabilities	172,250	-
Accrued markup	17	45,304
Due to related parties	(70,464)	(77,589)
	(1,283,827)	973,707
Net cash used in operating activities	(1,497,965)	(806,843)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to investment properties	(1,641,598)	(426,714)
Investments in mutual funds	(342,273)	(51,732)
Investments in GOP ijarah sukuks	(669,793)	(300,689)
Dividend received	37,849	-
Net cash used in investing activities	(2,615,815)	(779,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term loan	-	(1,077,151)
Proceeds from long term loan	-	375,000
Proceeds from issuance of units	2,775,000	1,850,000
Net cash generated from financing activities	2,775,000	1,147,849
Net decrease in cash and cash equivalents	(1,338,780)	(438,129)
Cash and cash equivalents acquired with subsidiary	-	3,502
Cash and cash equivalents at beginning of the year	2,450,664	2,885,291
Cash and cash equivalents at end of the year	1,111,884	2,450,664

The annexed notes 1 to 27 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

1 THE GROUP AND ITS OPERATIONS

The Fund in the Group was established under a Trust Deed, dated 10 December 2021, executed between TPL REIT Management Company as the Management Company and Digital Custodian Company (formerly MCB Financials Services Limited) as the Trustee and is governed under the Real Estate Investment Trust Regulations, 2022 (REIT Regulations, 2022), promulgated and amended from time to time by the Securities and Exchange Commission of Pakistan (SECP).

The Trust Deed of the Fund in the Group was registered on 10 December 2021 whereas the Fund in the Group was authorised by the SECP as a unit trust scheme on 23 December 2021.

During the year, the Fund in the Group has been listed on the Pakistan Stock Exchange Limited (PSX) with the approval of the SECP on 20 May, 2024 under the REIT Regulations, 2022.

The Management Company of the Fund in the Group has been registered as Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake REIT Management Services. The registered office of the Management Company is situated at 20th Floor, Sky tower, East Wing, HC-3 , Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, Pakistan.

The Fund in the Group is a perpetual close end, shariah compliant, hybrid scheme. All of the activities undertaken by the Fund in the Group including but not limited to deposits and placements with banks were all in accordance with principle of Shariah.

The principal activity of the Fund in the Group is investing in real estate projects through Special Purpose Vehicles (SPVs) in accordance with the constitutive documents and applicable laws to generate income/returns for investors through rental income and capital appreciation.

As of 23rd December 2023 PACRA Credit Rating Company has assigned a rating of RFR 3+ (Stable Outlook) to the Fund.

As of 23rd December 2023 PACRA Credit Rating Company has assigned a rating of RM 3+ (Stable Outlook) to the REIT Management Company Limited.

Title to the assets of the Group are held in the name of Digital Custodian Company Limited (formerly MCB Financials Services Limited) as the Trustee of the Group.

The Group consists of TPL REIT Fund - I (the Fund) and its subsidiary Companies that have been consolidated in these consolidated financial statements.

Address:

The Group's and the Management Company's registered office is situated at 20th Floor, Sky Tower - East Wing, Dolmen City, HC-3, Abdul Sattar Edhi Avenue, Block No. 4, Clifton, Karachi, Sindh

1.1 Composition of the Group

As at the reporting date, the unitholding the Fund has in its subsidiary Companies are as follows:

	Ownership Interest			
	2024		2023	
Subsidiary	The Group	NCI	The Group	NCI
National Management and Consultancy Services (Pirvate) Limited	100%	-	100.00%	-
HKC (Private) Limited	94.92%	5.08%	94.58%	5.42%
TPL Technology Zone Phase-I (Private)	100%	-	100.00%	-

National Management And Consultancy Services (Private) Limited

National Management and Consultancy Services (Private) Limited ("the Company") was incorporated in Pakistan as a private limited company on 20 September,1989 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to purchase, acquire, take on lease or in any other lawful manner any area, house, land, building, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon and by advancing money to and entering into contracts and arrangements of all kind with builders, tenants and others. The registered office of the Company is situated at 20th Floor, Sky Tower, East Wing, Dolmen City HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi. The Company is classified as a Special Purpose Vehicle (SPV) as per the Real Estate Investment Trust Regulations, 2022, and in turn is a subsidiary of TPL REIT Fund I which owns 100% shareholding of the Company as of reporting date.

HKC (Private) Limited

HKC (Private) Limited (the Company) was incorporated in Pakistan on 13 September 2005 as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is principally engaged in the acquisition and development of real estates and renovation of buildings and letting out. During the year 2020, the Company changed its status from Public Unlisted Company to Private Limited Company. The registered office of the Company is situated at 20th Floor, Sky Tower, East Wing, Dolmen City HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi . The Company is classified as a Special Purpose Vehicle (SPV) as per the Real Estate Investment Trust Regulations, 2022, and in turn is a subsidiary of TPL REIT Fund I which owns 94.92% shareholding of the Company as of reporting date.

TPL Technology Zone Phase - 1 (Private) Limited

TPL Technology Zone Phase - 1 (Private) Limited (formerly G-18 (Private) Limited) was incorporated in Pakistan as a private limited company on April 12, 2018 under the Companies Act, 2017. The principal activity of the Company is to purchase, acquire, take on lease or in any other lawful manner any area, house, land, building, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build townships, markets or other buildings residential and commercial or conveniences thereon and by advancing money to and entering into contracts and arrangements of all kind with builders, tenants and others. The Company is classified as a Special Purpose Vehicle (SPV) as per the Real Estate Investment Trust Regulations, 2022 and in turn is a subsidiary of TPL REIT Fund I which owns 100% shareholding of the Company as of reporting date.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group for the year ended 30 June 2024 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 International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Companies Act, 2017 and Part VIIIA of the repealed Companies Ordinance, 1984; and

- The Real Estate Investment Trust Regulations, 2022 (the REIT Regulations) and requirements of the Trust Deed.

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

2.2 Basis of measurement

These consolidated financial statements have been prepared on the basis of 'historical cost convention' except as otherwise stated.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency. The amounts are rounded-off to nearest thousand rupees, unless other wise stated.

2.4 Use of judgements and estimates

The preparation of the consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which forms the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, estimates and assumptions made by the management that may have a risk of material adjustments to the consolidated financial statements in the subsequent years are as follows:

i) Valuation of investment properties (Note 3.3)
i) Valuation of investments at fair value through profit or loss (Note 3.2)

Information about judgments made in applying accounting policies that have an effect on the amounts recognized in the consolidated financial statements are discussed in the relevant policy notes.

2.5 Changes in accounting standards, interpretations and amendments to published approved accounting and reporting standards

2.5.1 New standards, amendments and interpretations to published approved accounting and reporting standards which are effective for the accounting periods beginning on or after 01 July 2023 are as follows:

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 01 July 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies information disclosed in the consolidated financial statements.

The amendments require the disclosure of material, rather than 'significant, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting Companies to provide useful, Company-specific accounting policy information that users need to understand other information in the consolidated financial statements.

The information disclosed in Note 3 material accounting policies has been assessed to be in line with the amendments.

There are certain interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and therefore not detailed in these consolidated financial statements.

2.6 Standards, interpretations and amendments to accounting and reporting standards, that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as ‘current’. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the companies' right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. The Group's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. The Group shall apply those amendments retrospectively in accordance with IAS 8

- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information a company provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the Group must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If the Group (a seller lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the Group shall disclose that fact

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review

- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for the Group to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Group's liabilities and cash flows, and the Group's exposure to liquidity risk. Under the amendments, the Group also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors the Group might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

- Lack of Exchangeability (amendments to IAS 21) clarify:

    - when a currency is exchangeable into another currency; and
    - how the Group estimates a spot rate when a currency lacks exchangeability

Further, the Group will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the consolidated financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the Group because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. Earlier application is permitted.

Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the Group to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
The above standards, interpretations and amendments are not likely to have a significant impact on the Group's consolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies are consistently applied in the preparation of these consolidated financial statements and are the same as those applied in earlier periods presented. The material accounting policies applied in the preparation of these consolidated financial statements are set out below;

3.1 Basis of Consolidation

3.1.1 Subsidiaries

Subsidiaries are the Companies controlled by the Group. The Group controls the Companies when it is exposed to, or has rights to, variable returns from its involvement with the Companies and has the ability to act those returns through its power over the Companies. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of the subsidiaries have been consolidated on a line-by-line basis and all intra-group balances and transactions have been eliminated.

3.1.2 Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.1.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Financial instruments

3.2.1 Financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity.

3.2.2 Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

3.2.3 Classification and subsequent measurement

Financial asset

- On initial recognition, a financial asset is classified as: amortised cost, fair value through other comprehensive income (OCI) - debt investment, fair value through OCI - equity investment, or fair value through profit or loss.

- Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Group are measured at FVTPL.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual mark-up income, maintaining a particular mark-up rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- "how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and"

- "the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity."

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

3.2.4 Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of assets and liabilities, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of profit or loss.

3.3 Investment property

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred, if the recognition criteria is met.

The Group determines the fair value of its investment property after every six months through an independent qualified valuer fulfilling the minimum criteria stated by the REIT Regulations, 2022. The valuer under REIT Regulations, 2022 is required to carry out the valuation and explicitly state the reasoning for the approach adopted that is most appropriate for the Group.

Subsequent to initial recognition, the change in the carrying amount of investment property under construction in any given period will include additions recognised at cost as well as changes in the property's fair value. Gains or losses arising from changes in the fair values are included in the statement of profit or loss and comprehensive income in the year in which they arise. Fair values are determined based on the periodic valuation performed by an accredited independent valuer.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the derecognition of investment property are recognised in the statement of profit or loss and other comprehensive income in the year of retirement or disposal. Gain or loss on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset.

Maintenance and normal repairs are charged to statement of profit or loss and other comprehensive income, as and when incurred. Major renewals and improvements, if any, are capitalized, if recognition criteria is met.

3.4 Development property

Property acquired, constructed or in the course of construction for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties. The Group will sell the completed housing units and not provide any construction services as a contractor engaged by the buyer. In addition, the buyer of housing units does not have an ability to specify the major structural elements of the design or major structural changes before construction and / or construction is in progress. All project costs incurred or to be incurred till the completion of project are capitalised as development properties and is stated in lower of cost and net realisable value. Accordingly, the cost of development properties under construction includes:

a) cost of leasehold land;
b) amounts paid to contractors for construction;
c) planning and design costs, cost of site preparation, professional fee for legal services, property transfer taxes, development charges, construction overheads and other related costs necessary to bring the premises in saleable condition; and
d) contractors for developing inner perimeter, including but not limited to road development, amenities and utilities and other infrastructure.

Interest on borrowings specifically taken out for financing the construction of property under construction is capitalized as part of the cost of the property in accordance with IAS 23 Borrowing Costs. The amount capitalized should be the actual interest expense incurred or an appropriate portion thereof, based on the Company's financing arrangements.

Upon completion of construction, development property under construction will be transferred to completed inventory and reclassified as such. The transfer will be made at the carrying amount of the property as of the date of completion.

Inventory property under construction is carried at the lower of cost and net realizable value (NRV). NRV is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The carrying amount of inventory property under construction is reviewed at each reporting date for indications of impairment. If the carrying amount exceeds the NRV, an impairment loss is recognized in profit or loss.

3.5 Provisions

Provisions are recognised when the Group 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.

3.6 Taxation

The Fund's and SPV's income (the Group) is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash.

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

3.7 Net asset value per unit

The net assets value (NAV) per unit as disclosed on the consolidated statement of assets and liabilities is calculated by dividing the net assets of the Group by the number of units outstanding at the year end.

3.8 Income

- Unrealized capital gains / (losses) arising on revaluation of investment property are included in the 'consolidated statement of profit or loss' in the year in which they arise.

- Unrealized capital gains / (losses) arising on revaluation of investment classified as financial assets 'at fair value through profit or loss' are included in the 'consolidated statement of profit or loss' in the year in which they arise.

- Dividends are recognised as dividend income in the statement of profit or loss when the right of payment has been established.

- Profit on bank balance is recognized on a time proportion basis using the effective interest rate method.

- Realized capital gains / (losses) arising on sales of investment are included in the 'consolidated statement of profit or loss' on the date on which the transaction takes place.

3.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The Group evaluates the fair value of its investment property every six months using an independent qualified valuer.The valuer uses/ utilise the "Market Approach," which involves analysing comparable properties and making necessary adjustments to reflect the unique characteristics of the subject property, including discounts and premiums, to accurately determine its fair value.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on valuation technique for which any unobservable input are judged to be insignificant in related to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised statement of in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

3.10 Borrowing Cost

Finance costs comprise mark-up / interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit or loss qualifying assets are capitalised up to the date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the consolidated statement of profit or loss.

3.11 Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

4 PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	2024	2023
		(Rupees in '000)	
Balance at the beginning of the year		20,734	25,885
Amortization during the year	4.1	(5,123)	(5,151)
Balance at the ending of the year		15,611	20,734

4.1 The Fund in the Group has recorded all expenses incurred in connection with the incorporation, registration, establishment and authorization of the Fund as preliminary expenses and floatation costs which are to be amortized by the Fund over a period of five years effective from 24 June 2022, after the financial close commencing from financial close of the Fund in accordance with the Real Estate Investment Trust Regulations, 2022.

5 INVESTMENT PROPERTIES	Note	2024	2023
		(Rupees in '000)	
Carrying amount at the beginning of the year		26,264,477	12,700,716
Development expenditures		1,641,598	1,217,361
Unrealized gain on revaluation of investment properties	5.1	503,360	10,882,140
Acquisition of investment property of TTZ		-	1,464,260
Carrying amount at the end of the year		28,409,435	26,264,477

	Note	Fair value of land / property	Capitalized costs	Total
		(Rupees in '000)		
As at 30 June 2024				
Mangrove	5.2	23,783,760	2,120,481	25,904,241
Technology Park	5.3	1,650,000	855,194	2,505,194
		25,433,760	2,975,675	28,409,435
As at 30 June 2023		24,930,400	1,334,077	26,264,477

	Cost	Fair value	Unrealize gain
5.1 Movement in unrealize gain in investment property:	--------------- (Rupees in '000) ---------------		
As at 30 June 2024			
Mangrove	6,882,076	23,783,760	16,901,684
Technology Park	1,464,260	1,650,000	185,740
	8,346,336	25,433,760	17,087,424
As at 30 June 2023	8,346,336	24,930,400	16,584,064

5.2 This represents leashold land parcel of 40 acres commercial property situated at Korangi Creek, Karachi which is under development. This land is carried at revaluation basis and no depreciation is charged on it.

Total development costs capitalised as at 30 June 2024 is Rs. 2,121.65 million (30 June 2023: Rs. 534 million).

As of 30 June 2024, Savills Pakistan Private Limited the valuer of the Company determined the fair value of the property at Rs. 25,904 million (30 June 2023 : Rs. 23,814.2 million). The valuation was carried out on the basis of present market values for similar property in the vicinity of land and replacement values of similar type of land based on present cost.

The forced sale value of the investment property is assessed to be Rs. 21,831.20 million (30 June 2023: Rs. 20,242.1 million).

The other valuation methods were not considered as they are not applicable to the current stage of the property. The Depreciated Replacement Cost Approach requires a completed property, while the Income Capitalization Approach is suitable for income-generating properties. Since the property is currently under development and neither fully constructed nor generating income, these methods were deemed inappropriate for this valuation.

The significant unobservable inputs used in the valuation are:

- Market price per acre for similar completed properties
- Premium for corner plot
- Premium for access, visibility, and location
- Premium for development potential
- Premium for regulatory approval
- Discount for size

Sensitivity Analysis

If the market price per square meter were to increase / decrease by 1 % , the fair value of the investment property would increase / decrease by Rs 125.84 million. Similarly, if the other adjustment were to increase / decrease by 1 %, the fair value would increase / decrease by Rs 111.98 million.

Any significant movement in the assumption used for the valuation of investment property such as comparable market price, adjustments based on the condition of the property would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The investment property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The market approach is applied, but significant adjustments are made according to condition and location, which are not directly observable in the market.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based in the inputs to the valuation technique used.

5.3 This represents leasehold land located in an Open Industrial Plot No. 25-B, measuring 10,002 square yards, situated at Sector 30, Korangi Industrial Area, Karachi. This land is carried at revaluation basis and no depreciation is charged on it.

Total development costs capitalised as at 30 June 2024 is Rs. 603.78 million (30 June 2023: Rs. 565.10 million).

Total borrowing costs capitalised as at 30 June 2024 is Rs. 251.42 million (30 June 2023: Rs. 235.16 million).

As of 30 June 2024, Savills Pakistan Private Limited the valuer of the Company determined the fair value of the property at Rs. 2,505.194 million (30 June 2023: Rs. 2,450.2 million). The valuation was carried out on the basis of present market values for similar property in the vicinity of land and replacement values of similar type of land based on present cost.

The forced sale value of the investment property is assessed to be Rs. 2,142.28 million (30 June 2023: Rs. 2,082.71 million).

The other valuation methods were not considered as they are not applicable to the current stage of the property. The Depreciated Replacement Cost Approach requires a completed property, while the Income Capitalization Approach is suitable for income-generating properties. Since the property is currently under development and neither fully constructed nor generating income, these methods were deemed inappropriate for this valuation.

The significant unobservable inputs used in the valuation are:

- Market price per square yard for similar completed properties.
- Discount for size.
- Discount for access, visibility, and location.
- Discount for the irregularity in shape.
- Discount for the uneven surface.
- Discount for cleaner land titles.
- Discount for availability for sale.

Sensitivity Analysis

If the market price per square yard were to increase / decrease by 1 % , the fair value of the investment property would increase / decrease by Rs 16.47 million. Similarly, if the other adjustment were to increase / decrease by 1 %, the fair value would increase / decrease by Rs 65.88 million.

Any significant movement in the assumption used for the valuation of investment property such as comparable market price, adjustments based on the condition of the property would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The investment property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The market approach is applied, but significant adjustments are made according to condition and location, which are not directly observable in the market.

The fair value measurement for the investment property has been categorised as a Level 3 fair value based in the inputs to the valuation technique used.

Valuation Techniques

The valuers has performed inquiries and verifications from various estate agents, brokers and dealers, the location and condition of the property, size, utilisation and current trends in price of real estate including assumptions that ready buyers are available in the current scenario and analyzed through detailed market surveys, the properties that have recently sold or purchased or offered / quoted for sale into given vicinity to determine better estimates of the fair value of comparable properties. The adjustments are applied on such comparable properties based on reasonable qualitative and quantitative factors to determine the valuation of underlying investment property. The valuation has been conducted in accordance with International Valuation Standards, employing the market approach which comes under IFRS 13.

Investment Property	Valuation Technique	Significant unobservable Input	Sensitivity to changes in significant unobservable inputs
Mangrove	Comparable Transaction Method - Market Approach	Adjustments to comparable asset value	The estimated fair value of investment property would increase if: - Higher premium assigned for corner plot; - Higher premium is applied for access; - Higher premium is allocated for development potential; - Higher premium is given for regulatory approval; and - Lower discount is applied for property size.
Technology Park	Comparable Transaction Method - Market Approach	Adjustments to comparable asset value	The estimated fair value of investment property would increase if: - Lower discount is applied for property size; - Lower discount is applied for access; - Lower discount is applied for irregularity in shape; - Lower discount is applied for uneven surface; - Lower discount is applied for cleaner for land titles; and - Lower discount is applied for availability for sale.

	2024			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Mangrove	-	-	25,904,241	25,904,241
Technology Park	-	-	2,505,194	2,505,194
	-	-	28,409,434	28,409,434

	2023			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Mangrove	-	-	23,814,229	23,814,229
Technology Park	-	-	2,450,248	2,450,248
	-	-	26,264,477	26,264,477

6 INTANGIBLE ASSETS

	Additions during the year	Cost	Accumlated amortization	Net book value
	(Rupees in '000)			
Computer software				
As at 30 June 2024	-	99	99	-
As at 30 June 2023	-	99	99	-

7 DEVELOPMENT PROPERTY

	2024	2023
	(Rupees in '000)	
Land	1,675,740	1,675,740
Design, development & related costs	2,353,548	1,421,780
Borrowing Costs	524,594	352,135
	4,553,882	3,449,655

One Hoshang	Note	Acquisition cost of land	Capitalized costs	Total
		(Rupees in '000)		
As at 30 June 2024	7.1	1,675,740	2,878,142	4,553,882
As at 30 June 2023		1,675,740	1,773,915	3,449,655

7.1 This represents land parcel of 2,539 square yards of commercial property situated at corner of Abdullah Haroon Road and Hoshang Road, Karachi.

7.2 During the year borrowing cost amounting to Rs. 172.46 million (2023: Rs. 102.68 million) was capitalised on borrowings from financial institutions at the rate of three months KIBOR + 2.25% and is netted against investment income on the temporary investment on those borrowings for construction of development property. The borrowing costs have been capitalised for development property as these are qualifying assets.

7.3 The property is subject to equitable mortgage charge against the financing facility from financial institution as disclosed in note 11.1 of these consolidated financial statements.

Residual value approach is applicable to determine the fair value of the development property as it indicates the residual amount after deducting all known or anticipated costs required to complete the development from the anticipated value of the project when completed after consideration of the risks associated with completion of the project.

The fair value measurement for the development property has been categorised as a Level 3 fair value based in the inputs to the valuation technique used.

The significant unobservable inputs used in the valuation are:

- Estimated sales rate
- Estimated construction cost rate
- Estimated escalation rate for sale and cost
- Discount rate

Sensitivity Analysis

Any significant movement in the assumption used for the valuation of development property such as estimated sales price, construction costs, related escalation rates and discount rate would result in the significantly lower/higher fair value of the asset.

Fair Value Hierarchy

The development property under construction is classified within Level 3 of the fair value hierarchy because it is valued using significant unobservable inputs. The residual approach is applied, but significant adjustments are made according to condition, characteristic and location, which are not directly observable in the market.

8 SHORT-TERM INVESTMENTS	Note	2024	2023
		(Rupees in '000)	
Investments in mutual funds	8.1	394,005	51,732
GOP Ijarah sukuks	8.3	966,040	300,145
		1,360,045	351,877

8.1 Investments in mutual funds

2024	2023	Name of Fund	2024	2023
(Units)			(Rupees in '000)	
5,544,937	1,034,650	AKD Islamic Daily Dividend Fund	277,247	51,732
2,133,139	-	Meezan Rozana Amdani Fund	106,657	-
95,058	-	Mahana Islamic Cash Plan	10,101	-
7,773,134	1,034,650		394,005	51,732

8.2 During the year dividend of Rs. 37.85 million was received from Shariah-compliant mutual funds which were reinvested.

	As at June 30, 2024		
	Carrying amount	Market Value	Deficit on revaluation of investments
8.3 Investments in GOP ijarah sukuks	(Rupees in '000)		
GOP Ijarah Sukuk Certificates	970,584	966,040	(4,544)

	As at June 30, 2023		
	Carrying amount	Market Value	Deficit on revaluation of investments
	(Rupees in '000)		
GOP Ijarah Sukuk Certificates	300,690	300,145	(545)

8.4 This represents the investment in Shariah-approved Government of Pakistan (GOP) ijarah sukuks carrying the profit rates of 19.44% to 23.66% (30 June 2023: 22.68%).

9 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES	Note	2024	2023
		(Rupees in '000)	
Tax withheld on bank profits and dividend	9.1	98,170	42,059
Advance to contractors			
- unsecured		300,000	539,000
- secured	9.2	539,000	-
Prepayments		19,082	72
Bank profit receivable		9,892	11,987
GOP Ijarah Sukuks profit receivable		33,803	13,979
Advance Tax		5,754	5,754
		1,005,701	612,851

9.1 The income of the Group is exempt from tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO 2001). Further, the Group is exempt under clause 47(B) of Part IV of Second Schedule to the ITO 2001 from withholding of tax under section 150, 151 and 233 of ITO 2001. The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2022 made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR various withholding agents have deducted advance tax under section 150, and 151 of ITO 2001.

9.2 This represents mobilisation advance extended to contractor and its partially secured by coverage of guarantee issued in favor of the subsidiary company in the Group.

10 BANK BALANCES	Note	2024	2023
		(Rupees in '000)	
Balances with banks in:			
Current account		71	748,638
Savings accounts	10.1	1,111,813	1,702,026
		1,111,884	2,450,664

10.1 This represents Islamic savings accounts maintained with commerial bank carrying profit at the rate ranging between 11.00% - 20.75% (30 June 2023: 7.00% - 18.60%) per annum.

11 LONG-TERM FINANCING	Note	2024	2023
		(Rupees in '000)	
Bank Alfalah Limited - secured	11.1	775,000	775,000
Current maturity of long term financing		(775,000)	-
		-	775,000

11.1 HKC (the subsidiary) has availed the facility of Rs. 775 million from a commercial bank through an agreement dated 8 June 2022 of which is utilised in full. The purpose of availing the facility is to finance the subsidiary company's residential / commercial building project. The amount received is repayable in 3 equal semi-annual installments over a period of 3 years after completion of grace period of 18 months inclusive, at the rate of 3 months KIBOR plus 225 basis points.

The facility has been secured against an equitable mortgage charge on property located at Plot No. 22/7. Street CL-9, Civil Lines Quarter, Karachi having a total area of 2,539 square yards.

12 PAYABLE TO THE REIT MANAGEMENT COMPANY	Note	2024	2023
		(Rupees in '000)	
Payable by TPL REIT Fund I in the Group:			
Preliminary expenses, floatation costs and other payable	12.1	26,720	26,720
Management fee payable	12.2	139,758	121,690
Performance fee payable	12.3	1,875,763	2,287,166
		2,042,241	2,435,576
Payable by Subsidiary companies in the Group:			
National Management and Consultancy Services (Private) Limited		1,252	1,101
HKC (Private) Limited		1,474	1,404
TPL Technology Zone Phase-1 (Private) Limited		11,727	-
	12.4	14,453	2,505
Total		2,056,694	2,438,081

12.1 This represents amount incurred by the REIT Management Company relating to the formation of the Fund in the Group.

12.2 Under the provisions of the REIT Regulations, 2022, a REIT Management Company is entitled to a management fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund, the REIT Management Company is entitled to an annual management fee calculated at 1.5% per annum on the net assets of the Fund. The management fee is also subjected to Sindh sales tax at the rate of 13%. The fee is paid quarterly in arrears.

12.3 Performance fee payable	Note	2024	2023
		(Rupees in '000)	
Performance fee payable at the end of accelerator period	12.3.1	1,855,837	1,809,343
Performance fee - current portion	12.3.2	19,926	477,823
		1,875,763	2,287,166

12.3.1 The Fund in the Group has classified the total amount of performance fee payable as current as it does not have a contractual and legally enforceable right to defer payment once the payment conditions have been met.

12.3.2 Under the provisions of the REIT Regulations, 2022, a REIT Management Company is entitled to a performance fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund in the Group, the REIT Management Company is entitled to performance as follows:

a) 15% charged on the year-on-year increase in the NAV of the Fund over a High Watermark, calculated at the end of each accounting period; and

b) 15% of the profit on sale of real estate assets and/or sale/winding up of SPVs.

The Fund in the Group will pay 30% of the Performance Fee due to the Management Company in arrears after the close of each accounting period and accrue the remaining 70% to be paid at the end of the Accelerator Period.

"Accelerator Period" means the period starting at financial close and ending on the first dividend distribution to the unit holders by the Fund in the Group or listing of the Fund in the Group, whichever is later.

The performance fee is also subjected to Sindh sales tax at the rate of 13%.

12.4 These pertains to the charges paid on behalf of the subsidiary companies by REIT Management Company Limited which are repayable on demand.

		Note	2024	2023
13	PAYABLE TO THE TRUSTEE		(Rupees in '000)	
	Trustee fee payable	13.1	3,728	3,245
	Share registrar fee payable		84	28
			3,812	3,273

13.1 Under the provisions of the REIT Regulations, 2022, the Trustee is entitled to a trustee fee which shall be stated in the Information Memorandum. As per the Information Memorandum of the Fund in the Group, the Trustee is entitled to an annual fee calculated at 0.04% per annum on the net assets of the Fund in the Group. The Trustee fee is also subjected to Sindh sales tax at the rate of 13%. The fee is paid quarterly in arrears.

		Note	2024	2023
14	PAYABLE TO THE SECP		(Rupees in '000)	
	Annual fee payable	14.1	25,000	25,000

14.1 Under the provisions of the REIT Regulations, 2022, the Fund in the Group is required to pay annual monitoring fee to SECP equal to 0.15% of the average fund size per annum. The annual monitoring fee is capped at Rs. 25 million per annum except in the first year. The fee shall be paid in arrears within four months of close of accounting year.

		Note	2024	2023
15	ACCRUED EXPENSES, TRADE PAYABLES AND OTHER LIABILITIES		(Rupees in '000)	
	Accrued expenses		411,199	28,064
	Auditor's remuneration	20	22,582	14,853
	Withholding taxes		110,466	9,035
			544,247	51,952
16	CONTRACT LIABILITIES			
	Advance from customers		172,250	-
			172,250	-

The contract liabilities primarily relate to the advance consideration received from customer in respect of installment for purchase of apartments, for which the revenue will be recognised at point in time when the construction is completed and title is transferred to the customers.

		Note	2024	2023
17	DUE TO RELATED PARTIES		(Rupees in '000)	
	TPL Security Services (Private) Limited		-	864
	TPL Properties Limited	17.1	16,132	92,976
	TPL Development (Private) Limited	17.2	18,544	11,300
			34,676	105,140

17.1 This pertains to project design and consultation costs paid on behalf of the subsidiary Companies in the Group. Interest is applicable at 3 months KIBOR plus 2.5% per annum which is repayable on demand.

17.2 This pertains to project design and consultation costs paid on behalf of the subsidiary Company in the Group and is repayable on demand.

18 UNITS IN ISSUE

2024	2023		2024	2023
(Number of units)			(Rupees in '000)	
		Ordinary units of Rs. 10 each		
710,000,000	710,000,000	Consideration other than cash (against equity shares)	7,100,000	7,100,000
787,500,000	787,500,000	in cash	7,875,000	7,875,000
		Ordinary units of Rs. 10 each fully paid		
337,500,000	-	Issued as right shares	3,375,000	-
1,835,000,000	1,497,500,000		18,350,000	14,975,000

18.1 Pattern of Unit Holding	Note	2024 Percentage (%)	2024 Number of units held	2023 Percentage (%)	2023 Number of units held
TPL Properties Limited (Strategic Investor)		38%	697,598,500	47%	710,000,000
Anchor Investors		60%	1,105,351,000	53%	787,500,000
Others - including individuals	18.1.1	2%	32,050,500	0%	-
		100%	1,835,000,000	100%	1,497,500,000

18.1.1 During the current year the units of the Fund in the Group listed on the Pakistan Stock Exchange.The Strategic Investor and Anchor Investors offered their units in proportion to their unit holding.

The offer consists of a Base Offer of 22,937,500 units, which is 1.25% of the total units of the REIT Fund I, having a face value of Rs. 10 each and a Green Shoe Option of up to 22,387,000 units representing a further 1.22% of the total units of the REIT Fund I. The offer is being made through the Fixed Price Method at an offer price of Rs. 17.59 per unit.

19 FAIR VALUE RESERVE

The fair value reserve pertains to cumulative net changes in fair value of investment properties which is not free for distribution by way of dividend in accordance with the constitutive document of the Group, and hence the unrealised gain on revaluation of investment properties is reclassified to fair value reserve.

19 CONTINGENCIES AND COMMITMENTS

19.1 CONTINGENCIES

There are no material contingencies outstanding as at 30 June 2024 (30 June 2023: Nil).

19.2 COMMITMENTS

19.2.1 HKC of the Group entered a contract with M/s Total Construction Limited for the main construction works of the Building. The contract for the construction of the Phase 1B (Foundation and Protection Piling) is awarded for Rs. 198.57 million excluding the owner furnished materials. Out of the total amount Rs. 39.71 million have been paid as mobilisation advance which is secured against the Advance Payment Guarantee. Further, Rs.152.93 million have been invoiced as running bills of the contract.

19.2.2 The contract for the construction of the Phase 2A (Grey Structure Works) is awarded for Rs. 685 million, excluding the owner furnished materials. Out of the total amount, Rs. 93.20 million have been paid as mobilisation advance which is secured against the Advance Payment Guarantee. Further, Rs.137.94 million have been invoiced as running bills of the contract.

		2024	2023
20 AUDITOR'S REMUNERATION	Note	(Rupees in '000)	
Fee for annual audit		17,000	6,000
Other certification		938	3,544
Out of pocket		1,761	3,568
		19,699	13,112
Sindh sales tax		1,496	1,118
		21,195	14,230

21 TAXATION

	Note	2024	2023
Current	21.1	-	-
Prior		-	(436)
		-	(436)

21.1 The Group's income is exempt from income tax as per clause 99 of Part 1 of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash.

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

During the current year the Group have incurred accounting loss when the net income is reduced by capital gains (whether realised or unrealised), therefore there is no distributable income for the current year.

	2024	2023
22 EARNING PER UNIT - BASIC AND DILUTED	(Rupees in '000)	
Profit for the year	318,050	9,096,231
	(Number of units)	
Weighted average number of units outstanding during the year	1,668,094,262	1,322,328,767
	(Rupees)	
Earnings per unit - basic and diluted	0.19	6.88

23 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise of the Parent Company, associated companies, major shareholders, directors and key management personnel. The transactions with related parties other than those disclosed elsewhere in the consolidated financial statements are as follows:

	2024	2023
Transactions during the year	(Rupees in '000)	
Digital Custodian Company Limited		
The Trustee		
Remuneration of the trustee	14,105	6,879
Share registrar fee	339	254
Payments made during the year	13,905	-

Transactions during the year	2024	2023
	(Rupees in '000)	
TPL REIT Management Company		
REIT Management Company		
Remuneration of the REIT Management Company	528,919	-
Payments made to the REIT Management Company	988,674	382,014
Performance fee of the REIT Management Company	66,419	1,816,473
Charges paid on behalf of the subisidiary companies	13,589	-
Short term loan received during the year	10,000	-
Payments against short term loan	10,000	-
TPL Properties Limited		
Holding company of the Management Company		
Holding company of the Management Company and strategic investor		
Issuance of 162,500,000 units for acquisition of 100% equity stake in TPL Technology Zone Phase - 1 (Private) Limited	-	1,625,000
Charges paid on behalf of the subisidiary companies	1,843	57,987
Payments during the year	91,366	-
Payments received during the year	-	18,300
Borrowing cost	16,365	9,147
TPL Security Services (Private) Limited		
Security services received	4,480	5,874
Payments against security services	5,343	5,082
TPL Developments (Private) Limited		
Developer margin	24,987	-
Sales commission	13,245	-
Development advisory and other serviecs	374,740	135,600
Payments during the year	405,728	124,300

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities are exposed to a variety of financial risks namely credit risk, liquidity risk, and market risk. The Group manage these risk through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Group's constitutive documents and REIT Regulation, 2022 and directives of the SECP. The Board of Directors of the REIT Management Company have overall responsibility for the establishment, development and oversight of the Group's risk management framework and policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group's to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The audit committee of REIT Management Company (RMC) oversees how RMC monitors compliance of risk management policies and procedures and reviews the adequecy of the risk management framework in relation to the risks faced by the Group. The RMC's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

24.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties and arises principally from the Group's deposits with banks.

The carrying amount of the financial assets represents maximum exposure to credit risk as at 30 June 2024 and 30 June 2023:

Financial Assets	Note	2024	2023
		(Rupees in '000)	
Bank balances	22.1.1	1,111,884	2,450,664
GOP Ijarah sukuks	22.1.2	966,040	351,877
Investments in mutual funds	22.1.3	394,005	51,732
Bank profit receivable		9,892	11,987
GOP ijarah sukuks profit receivable		33,803	13,979
		2,515,624	2,880,239

24.1.1 Bank balances

The Group has placed its funds (bank balances) with banks having sound credit ratings. The credit quality of the Group's major balances can be assessed with reference of external credit ratings as follows:

Bank Names	30 June 2024			
	Rating agency	Long-term rating	Short-term rating	(Rupees in '000)
Bank Al Habib Limited	PACRA	AAA	A1+	747,801
National Bank of Pakistan	PACRA	AAA	A1+	10
The Bank of Punjab	PACRA	AA+	A1+	-
Bank Alfalah Limited	PACRA	AA+	A1+	20
JS Bank Limited	PACRA	AA-	A1+	-
Faysal Bank Limited	PACRA	AA	A1+	363,545
BankIslami Pakistan Limited	PACRA	A+	A1+	327
Al Baraka Bank (Pakistan) Limited	VIS	A+	A-1	158
Habib Metro Bank Limited	PACRA	AA+	A1+	23
				1,111,884

Bank Balances	30 June 2023			
	Rating agency	Long-term rating	Short-term rating	(Rupees in '000)
Bank Al Habib Limited	PACRA	AAA	A1+	1,086,118
National Bank of Pakistan	PACRA	AAA	A1+	600,009
The Bank of Punjab	PACRA	AA+	A1+	-
Bank Alfalah Limited	PACRA	AA+	A1+	150,027
JS Bank Limited	PACRA	AA-	A1+	-
Faysal Bank Limited	PACRA	AA	A1+	611,736
BankIslami Pakistan Limited	PACRA	A+	A1+	2,636
Al Baraka Bank (Pakistan) Limited	VIS	A+	A-1	118
Habib Metro Bank Limited	PACRA	AA+	A1+	20
				2,450,664

24.1.2 Investment in debt securities

Exposure of the Group through investment in GOP ijara sukuks according to credit rating is as follows:

	2024	
Investment	(Rupees in '000)	%
GOP ijarah sukuks	966,040	100

	2023	
Investment	(Rupees in '000)	%
GOP ijarah sukuks	966,040	100

24.1.3 Investment in mutual funds

Exposure of the Group through investment in mutual funds according to credit rating is as follows:

			2024	
Investment	Category	Rating	(Rupees in '000)	%
Meezan Rozana Amdani Fund	Shariah Compliant Money Market	AA+	106,657	27%
Mahaana Islamic Cash Plan	Shariah Compliant Money Market	AA+	10,101	3%
AKD Islamic Daily Dividend Fund	Shariah Compliant Money Market	AA+	277,247	70%
			394,005	100%

			2023	
Investment	Category	Rating	(Rupees in '000)	%
AKD Islamic Daily Dividend Fund	Shariah Compliant Money Market	AA+	51,732	100%
			51,732	100%

24.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payment dates and present market interest rates:

	30 June 2024				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
Long-term financing	-	258,333	516,667	-	775,000
Payable to the REIT Management Company	1,870,290	139,758	19,926	26,720	2,056,694
Payable to the Trustee	-	3,812	-	-	3,812
Payable to the SECP	-	-	25,000	-	25,000
Accrued markup	-	46,836	-	-	46,836
Accrued expenses and trade	-	-	-	-	-
Payables other liabilities	-	-	544,247	-	544,247
Contract liabilities	-	-	172,250	-	172,250
Due to related parties	34,676	-	-	-	34,676
	1,904,966	448,739	761,423	26,720	3,658,515

	30 June 2023				
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in '000)				
Long-term financing	-	-	775,000	-	775,000
Payable to the REIT	-	-	-	-	-
Management Company	1,811,848	121,690	477,823	26,720	2,438,081
Payable to the Trustee	-	3,273	-	-	3,273
Payable to the SECP	-	-	25,000	-	25,000
Accrued markup	-	46,819	-	-	46,819
Accrued expenses and trade					
Payables other liabilities	-	51,952	-	-	51,952
Due to related parties	105,140	-	-	-	105,140
	1,916,988	223,734	1,277,823	26,720	3,445,265

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Refer note 9.3 where the major liabililty amounting to 1,838.5 million pertains to the Management Company of the Group and is contingent upon the distribution of first dividend, which depend on the Group's ability to generate distributable profits and maintain sufficient liquidity for such distributions .Further the Group manages liquidity risk by maintaining sufficient cash in bank accounts. At 30 June 2024, the Group had financial assets of Rs. 2,471.93 million (30 June 2023: Rs. 2,805.2 million), which include Rs 1,111.9 million (30 June 2023: Rs 2,450 million) of cash placed in bank accounts and Rs. 1,360 million (30 June 2023: Rs. 350.9 million) of short-term investments in mutual funds and GOP ijarah sukuks.

24.3 Market risk

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

24.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. As at reporting date, the Group is not materially exposed to currency risk and accordingly, the sensitivity to a reasonably possible change in the exchange rate with all other variables held constant in not reported.

24.3.2 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 Group does not have any fixed rate financial instrument at fair value through profit or loss. Therefore, the Group is not exposed to fair value changes for fixed rate instruments. However, the bank and term deposit at variable rates expose the Group 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:

Sensitivity Analysis for variable rate instruments

A change of 100 basis points in profit rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as carried out in 30 June 2024.

	Profit or loss		Equity	
	100 bps Increase	100 bps decrease	100 bps Increase	100 bps decrease
	---------------------- (Rupees in '000) ----------------------			
30 June 2024				
Bank balances	(11,119)	11,119	(11,119)	11,119
Investments in GOP ijarah sukuks	(9,660)	9,660	(9,660)	9,660
30 June 2023				
Bank balances	(24,507)	24,507	(24,507)	24,507
Investments in GOP ijarah sukuks	(3,001)	3,001	(3,001)	3,001

24.3.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As of the reporting date, the Group is exposed to debt risk to the extent of its investment in GOP ijarah sukuks.

	Profit or loss		Equity	
	100 bps Increase	100 bps decrease	100 bps Increase	100 bps decrease
	---------------------- (Rupees in '000) ----------------------			
30 June 2024				
Investments in GOP ijarah sukuks	9,660	(9,660)	9,660	(9,660)
30 June 2023				
Investments in GOP ijarah sukuks	3,001	(3,001)	3,001	(3,001)

UNIT HOLDERS' CAPITAL RISK MANAGEMENT

Management's objective when managing unit holders' funds is to safeguard the Group'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 Group manages its other assets by monitoring return on net assets and makes adjustments to it in the light of changes in markets' conditions. The Group is not exposed to externally imposed minimum unit holders' maintenance requirement.

The Group manages its investment property and other assets by monitoring return on net assets and makes adjustment to it in the light of changes in market conditions.The Group also manages its capital using a gearing ratio. The gearing ratio of the Group is as follows:

	2024	2023
	(Rupees in '000)	
Long-term financing	-	775,000
Current maturity of long-term financing	775,000	-
Total debts	775,000	775,000
Total equity	32,649,732	1,376,887
Total unit holders fund	33,424,732	28,946,372
Gearing ratio (%)	2.32%	2.68%

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group 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.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13, 'Fair Value Measurements' requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

		30 June 2024							
		Carrying amount				Fair value			
	Note	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
Financial assets measured at fair value									
Investment in mutual funds	8.1	394,005	-	-	394,005	-	394,005	-	394,005
Investment in GOP ijara sukuks	8.3	966,040	-	-	966,040	211,622	754,418	-	966,040
		1,360,045	-	-	1,360,045	211,622	1,148,423	-	1,360,045
Financial assets not measured at fair value									
GOP Ijarah Sukuks profit receivable	25.1	-	33,803	-	33,803	-	-	-	-
Bank profit receivable	25.1	-	9,892	-	9,892	-	-	-	-
Bank balances	25.1	-	1,111,884	-	1,111,884	-	-	-	-
		-	1,155,579	-	1,155,579	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the REIT Management Company	25.1	-	-	2,056,694	2,056,694	-	-	-	-
Payable to the Trustee	25.1	-	-	3,812	3,812	-	-	-	-
Payable to the SECP	25.1	-	-	25,000	25,000	-	-	-	-
Advance against issuance of units	25.1	-	-	-	-	-	-	-	-
Accrued markup	25.1	-	-	46,836	46,836	-	-	-	-
Accrued expenses, trade payables and other liabilities	25.1	-	-	544,247	544,247	-	-	-	-
Current maturity of long term financing	25.1	-	-	775,000	775,000	-	-	-	-
Contract liabilities	25.1	-	-	172,250	172,250	-	-	-	-
Due to related parties - unsecured	25.1	-	-	34,676	34,676	-	-	-	-
		-	-	3,658,515	3,658,515	-	-	-	-

		30 June 2023							
		Carrying amount				Fair value			
	Note	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
Financial assets measured at fair value									
Investment in mutual funds	8.1	51,732	-	-	51,732	-	51,732	-	51,732
Investment in GOP ijara sukuks	8.3	300,145	-	-	300,145	-	300,145	-	300,145
		351,877	-	-	351,877	-	351,877	-	351,877
Financial assets not measured at fair value									
GOP Ijarah Sukuks profit receivable	25.1	-	13,979	-	13,979	-	-	-	-
Bank profit receivable	25.1	-	11,987	-	11,987	-	-	-	-
Bank balances	25.1	-	2,450,664	-	1,143,539	-	-	-	-
		-	2,476,630	-	1,169,505	-	-	-	-
Financial liabilities not measured at fair value									
Payable to the REIT Management Company	25.1	-	2,438,081	-	2,438,081	-	-	-	-
Payable to the Trustee	25.1	-	3,273	-	3,273	-	-	-	-
Payable to the SECP	25.1	-	25,000	-	25,000	-	-	-	-
Advance against issuance of units	25.1	-	600,000	-	600,000	-	-	-	-
Accrued markup	25.1	-	46,819	-	46,819	-	-	-	-
Accrued expenses, trade payables and other liabilities	25.1	-	51,952	-	51,952	-	-	-	-
Current maturity of long term financing	25.1	-	-	-	-	-	-	-	-
Due to related parties - unsecured	25.1	-	105,140	-	105,140	-	-	-	-
		-	3,270,265	-	3,270,265	-	-	-	-

25.1 The Group has not disclosed the fair value for these financial assets and financial liabilities as their carrying amounts are reasonable approximation of fair value.

25.2 Fair value hierarchy of the investment property has been disclosed in note 5 to these consolidated financial statements.

26 GENERAL

All amounts have been rounded off to nearest thousand rupees, unless otherwise stated.

27 DATE OF AUTHORIZATION OF ISSUE

These consolidated financial statements were authorized for issue on 23 September 2024 by the Board of Directors of the TPL REIT Management Company Limited.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR