



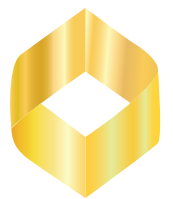
ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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

Dolmen City REIT

Leading the Direction to **Growth**

Quarterly Report March 31, 2021



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

Leading the
Direction to
Growth



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED



About REITs

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

REITs In Pakistan

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

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

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

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

Table of Contents

02	Scheme's Information
04	Vision, Mission & Delivering Value
05	Directors' Review Report
12	Trustee Report
13	Condensed Interim Financial Statements for the nine months period ended 31 March 2021
14	Condensed Interim Statement of Financial Position
15	Condensed Interim Statement of Profit or Loss (Unaudited)
16	Condensed Interim Statement of Comprehensive Income (Unaudited)
17	Condensed Interim Statement of Cash Flows (Unaudited)
18	Condensed Interim Statement of Changes In Unit Holders' Fund (Unaudited)
19	Notes to the Condensed Interim Financial Statements (Unaudited)

Scheme's Information

Management Company

Arif Habib Dolmen REIT Management Limited

Board of Directors

Mr. Nasim Beg	Chairman
Mr. Nadeem Riaz	Director
Mr. Qamar Hussain	Independent Director
Mr. Naeem Ilyas	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Abdus Samad A. Habib	Director
Mr. Faisal Nadeem	Director
Mr. Sajidullah Sheikh	Director
Mr. Muhammad Ejaz	Chief Executive Officer

Audit Committee

Mr. Qamar Hussain	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Naeem Ilyas	Member

Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Faisal Nadeem	Member
Mr. Muhammad Ejaz	Member

Other Executives

Mr. Zohaib Yaqoob	CFO & Company Secretary
Mr. Muneer Gader	Head of Internal Audit & Compliance

Trustee

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.

Bankers

Bank Al Habib Limited
Askari Bank limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
United Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Dubai Islamic Bank Pakistan Limited
National Bank of Pakistan



External Auditors

Yousuf Adil & Co.
Chartered Accountants
Cavish Court A-35, Block
7 & 8, K.C.H.S.U,
Shahrah-e-Faisal, Karachi.

Internal Auditors

Junaidy Shoaib Asad & Co.
Chartered Accountants
1/6-P, P.E.C.H.S., Mohtarma Laeeq Begum Road,
Off Shahrah-e-Faisal, Karachi.

Legal Advisor

Mohsin Tayebaly & Co.
Corporate Legal Consultants
1st Floor, Dime Centre, BC-4 Block 9,
Kehkashan, Clifton, Karachi.

Property Manager

Dolmen Real Estate Management (Private) Limited

Property Valuer

Tristar International Consultant (Pvt.) Limited

Shariah Advisor

Alhamd Shariah Advisory Services (Private) Limited

Rating Agency

VIS Credit Rating Company Limited
VIS House, 128/C, 25th Lane Off Khayaban-e-Ittehad,
Phase VII, DHA, Karachi.

Current Ratings

DCR Rating: AAA (rr) (REIT Rating)
RMC Rating: AM2+ (RMC) (Management Quality Rating)

Registered Office of Management Company

Arif Habib Centre, 23 M.T. Khan Road, Karachi.

Vision

- "all eyes on you"

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

Mission

- "challenge the status quo and try new things"

Be a space where people aspire to work

Inspiring you to achieve more

Be the place where people love to shop

Enhance the customer experience to maximize shopper loyalty

To be the landlord of choice

Optimizing the tenancy mix through proactive leasing

Delivering Value

- "security, stability, resilience"

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

DIRECTORS' REVIEW REPORT



Directors' Review Report

Dear Unit holders of Dolmen City REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited, we are pleased to present the Directors' Review report of Dolmen City REIT (DCR), the Scheme, for the nine months and quarter ended on March 31, 2021 of financial year 2020-21.

Overview

FY2021 is predicted to be a challenging year for both the global economy and consumer sentiment owing to the ongoing COVID-19 pandemic. By implementing prudent and effective control measures, Pakistan had effectively controlled infection cases and robust measures are being implemented to catalyse economic recovery. However, the third wave of the virus is stronger and continued caution is touted to be critical for mitigating the spread.

Despite the challenges faced during the period, DCR continues to lead the capital markets in Pakistan as the only Listed REIT and delivered decent results. DCR's performance, property management and close relationship with tenants is evident through maintenance of AAA (rr) – rating (highest investment quality and highest degree of stability in NAV) by the Rating agency as at June 30, 2020 and Shariah compliance certification by the Shariah advisor. Amidst economic and business challenges in the country, Dolmen Mall remains the destination of choice for shoppers and businesses alike. The Harbour Front similarly remained a benchmark for top quality office space in the country.

Response to the Outbreak of Covid-19

Due to the pandemic, Pakistan's retail sector faced unprecedented challenges. During the last quarter of the year 2021, smart lock-down was imposed over retail-business activities by the government, whereby, limited business operating hours and only outdoor food & leisure was allowed. The mall management responded by intensifying customer engagement through digital platforms to encourage footfall and retail sales with the implementation of prescribed customer safety protocols.

Efforts were also intensified to strengthen our valuable, long term tenant relationships by proactively negotiating contracts to support tenant retention in these challenging times. Tenants at both the Dolmen City Mall and the Harbour front office building were provided with rental waivers from month to month after carefully assessing the overall situation. Rental waivers provided to tenants of the Mall and Harbour Front during the period July to March 2021 amounted to approximately PKR 346 million.

Financial Performance

During the period under review, DCR recorded a rental income of PKR 2,196.89 million as compared to PKR 2,557.38 million in corresponding period last year, showing a decrease of 14.10 % in response to providing discounts to the outbreak of COVID-19. Marketing income was recorded at PKR 108.89 million as compared to PKR 146.41 million. Administrative and operating expenses during the period were 15.132 % of rental income at PKR 332.44 million. Net Operating Income 'NOI' for the period was recorded at PKR 1,973.35 million as compared to PKR 2,372.23 million in corresponding period with a decrease of 16.81 %. Profit on deposits for the period were recorded at PKR 63.35 million as compared to PKR 164.33 million in the corresponding period.

Profit for the period was recorded at PKR 4,124.99 million, comprising of PKR 1,997.12 million from operations and PKR 2,127.87 million from change in fair value of investment property based on the valuation conducted by independent valuator Tristar International Consultants (Private) Limited on December 31, 2020. The profit translates into earnings of PKR 1.855 per unit as against PKR 2.185 per unit in the corresponding period. The EPU comprises of distributable income of PKR 0.898 per unit (as compared to PKR 1.098 for the corresponding period) and un-distributable unrealized fair value gain of PKR 0.956 per unit (as compared to PKR 1.087 for the corresponding period).

Operational Performance

DCR's real estate has witnessed consistent occupancy levels since its inception in 2015. With the management's response to the Covid-19 challenge, occupancy at the end of March 2021 was **94.83%**. As a result of tight control measures, efforts to contain spread of the virus have been successful; enabling businesses to recover quickly. The mall business in Pakistan is counter-cyclical with pent up demand for consumer-spending manifest as customers seek better value-for-money bargains.

While rent waivers introduced by the management to provide relief to the tenants affected by the slowdown in economy resulted in lower rental income, we view this as an investment and look forward to more robust performance in the coming time. The payoff of this investment in tenant retention is evident by a reduction in the percentage of monthly rent waivers and new tenants coming in including Food Core Incorporation (Burger O'Clock), and Esquire's Coffee among others. Tenancy strategy is focused on encouraging footfall and retail spending through selecting tenants that help each other increase sales by creating buyer synergy resulting in higher overall sales volumes from mall operation. Space for new tenants who create value for the overall tenancy mix based on consumer goods formats has been created by outgoing large tenants including Bearhug (Pvt) Ltd, Burger King, AM PM, and others. A total vacant area (Mall and Harbour Front) opportunity of **41,570 square feet** in the REIT scheme with a number of potential well selected tenancies has been created in the pipeline.

Tenants' satisfaction with the operations and property management at the premises is reflected in their long-term agreements and eagerness to occupy further space on availability. As on March 31, 2021, the Weighted Average Lease Expiry 'WALE' based on the leasable area of Dolmen City Mall (68% of the total area) is around 2.93 years and of the Harbour Front (32% of the total area) is around 3.56 years (DCR's current average lease expiry is 3.24 years).

Occupancy level at Dolmen Mall Clifton and Harbour Front at the end of quarter is as follows:

Lease Occupancy	Leasable Area	Leased Area March 2021	Vacant Area	Occupancy%
		(in square feet)		
Dolmen Mall Clifton	547,924	528,132	19,792	96.39%
The Harbour Front	256,724	234,946	21,778	91.52%
Total	804,648	763,078	41,570	94.83%

Changes in leased area on a quarter to quarter basis, are as follows:

Lease Occupancy	Leased Area March, 2021	Leased Area December, 2020	Occupancy variations	Occupancy Variation%
	(in square feet)			
Dolmen Mall Clifton	528,132	497,611	30,521	6.13%
The Harbour Front	234,946	234,946	-	-
Total	763,078	732,557	30,521	4.17%

Marketing Activities

Marketing and branding activities together with resumption of public confidence amidst waves of pandemic, kept the Mall bustling with growing footfall during the period under review.

Footfall for the quarter ended March 31, 2021		
Month	Daily Average	Month
January	19,133	593,121
February	21,059	589,644
March	21,937	680,057

The Property Manager played an instrumental role in maintaining the goodwill and brand image of Dolmen City and enticed Karachi'ites to visit, shop and be part of the Dolmen Mall experience. The quarterly **Dolmen Magazine** kept patrons abreast of shopping festivals, event calendar, brand advertisements and discount offerings.

A number of events were showcased in the Mall during the period under review; most notable events were:

Home Meets Style

This event brought 15 brands from the home décor & Furniture industry under one roof and gave customers a chance to interact with experts and provide a chance to participate in activities to win gift hampers. The objective of the event and engagements was to enhance the customer's loyalty towards Dolmen. The mall was exquisitely decorated with banners, and an elegant welcome arch was placed to give a warm welcome to customers in the event. Overall, the event was very successful.

- 17% footfall growth compared to non-event weekend.

Perfect Present

The event was held from 8th–14th February to integrate the seasonal festivities with the internal Mall activities. The event is a perfect welcome to the new season bringing pleasure to everyone. The aim of the event was to create an engaging ambiance to enhance in Mall experience. The mall was beautifully decorated & engaging setups were placed by different event partners to add value in the overall success of the event. The main purpose of the event was to create a platform for the brands where they can offer gifting options for the loved ones. Overall, the event was very successful.

- 1% footfall growth compared to non-event weekend.
- 11 brands participated in the event overall.

International Women's Day

Women's Day commenced from 4th March to 8th March this year. The aim of the event was to give tribute to the women of our society and make them feel empowered. However due to Covid, we restricted the event to sales base activations and ambiance only. The event remained extremely successful.

- 11% footfall growth compared to non-event weekend.
- 19 Brands participated in the event overall.

Lawn Festival

Love of lawn was held from 10th – 14th March with the aim to promote the new lawn launches of lawn brands in Dolmen Clifton. The mall was aesthetically decorated that created a delightful ambiance for the event. Lawn Festival used to be one of the highest revenue generating event; however this year the brands did not actively participated in the event due to COVID.

- 8% footfall growth compared to non-event weekend.
- 5 Brands participated in the event overall.

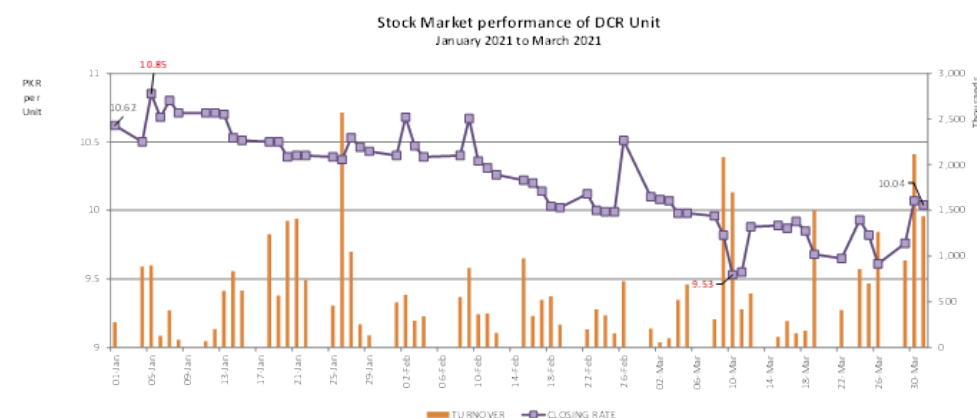
Pakistan Day

This year celebrations for Pakistan Resolution Day started on 19th March and lasted till 23rd March. Event was organized with the extensive discount offerings, engagement activities, celebrity endorsements and we created an ambiance to enrich Mall's attraction with this grand celebration. Overall, the event was very successful.

- 20% footfall growth compared to non-event weekend.
- 5 Brands participated in the event overall.

Stock Performance

During the period under review, the stock of 'DCR' traded at an average unit price of **PKR 10.22** and touched a high of **PKR 10.85** and a low of **PKR 9.53** per unit. During the same period KSE100 index moved in the range between 42,779.76 to 46,933.63. The stock of DCR remained stable with beta of **0.29** (which means for every 1 rupee change in the value of a share in the benchmark; DCR price would likely change by only 29 paise, beta here represents low volatility and elasticity) and covariance with the market of only 0.27 (which is a measure of the degree to which returns on two risky assets move in tandem, indicate low positive correlation of DCR stock performance with the market performance).



DCR versus KSE 100 Index
(January 2021 to March 2021)



Net Asset Value 'NAV' per Unit of DCR is **PKR 24.14** at March 31, 2021 which was PKR 23.06 at the end of the corresponding period last year (i.e. March 31, 2020). DCR on its closing Unit price of **PKR 10.04** is trading at a discount of **58.41%** to the NAV.

Dividend Distribution

The board of directors have declared and approved an interim cash dividend for the quarter ended March 31, 2021 at PKR 0.33 per unit. Together with the earlier dividend paid of PKR 0.25 per unit in quarter ended on September 2020 and PKR 0.33 per unit paid in the last quarter, it will translate into annual dividend yield of 12.13%. The said dividend will be entitled to those unit holders whose name will appear in the register of unit-holder on the close of business on 30th April, 2021.

Business Environment

The corona virus has changed the real estate landscape across the world with a shift in office, retail and residential patterns. Karachi has adapted to the change rapidly despite initial pressures with real estate rapidly moving out of an initial slowdown with the help of improving country economics and attractive industry wide incentives encouraging new developments across all sectors.

Outlook

The government's tough economic decisions, austerity measures and focus on monetary transparency are now showing favourable results as the real estate market acclimates itself to a more formal and better documented approach to doing business.

Economic stabilization and stringent implementation of Corona Virus SOP's have seen improved consumption patterns and subsequently footfall for enclosed retail space. Offices have predominantly resumed normal operations with a renewed optimism as the economy strengthens.

For the commercial real estate business as a whole, it seems like the worst is over and demand is seen moving up with Dolmen City emerging as a partner for its tenants as relationships were nurtured during tougher times. With the recovery across all sectors, we see both tenants and DCR growing stronger together with collective sharing of revenue growth.

Dolmen City remains the destination of choice for shoppers, retail operators and corporations alike.

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

Acknowledgement

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

For and on behalf of the Board

Muhammad Ejaz
Chief Executive

Karachi
April 15, 2021

Nasim Beg
Chairman

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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



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

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

We Central Depository Company of Pakistan Limited, being the Trustee of Dolmen City REIT (the Fund) are of the opinion that Arif Habib Dolmen REIT Management Limited, being the Management Company of the Fund has materially complied with the Business Plan during the quarter ended March 31, 2021.

We would like to draw the attention of the unit holders towards the note # 22 of the financial statements wherein the Management Company has mentioned the loss of revenue to an amount of Rs. 346 Million, during the period, due to rental waivers granted by the Management Company to provide cash flow support to the tenants of The Harbor Front and Dolmen City Mall Clifton in the wake of COVID-19, as their business were severely affected by the forced closure of the Mall and strict implementation of standard operating procedures when Mall was allowed to open as per the directives of provincial government through notifications.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: April 26, 2021



**Condensed Interim
Financial Statements For The
Nine Months Period Ended
31 March 2021**

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	Unaudited 31 March 2021 (Rupees in '000)	Audited 30 June 2020
ASSETS			
NON - CURRENT ASSETS			
Investment property	6	52,541,347	50,413,476
CURRENT ASSETS			
Rent receivables	7	167,669	213,987
Short term deposits, prepayments and other assets	8	211,651	282,859
Profit accrued		8,139	10,736
Short-term Investments	9	294,157	766,000
Bank balances	10	1,163,809	347,362
		1,845,425	1,620,944
TOTAL ASSETS		54,386,772	52,034,420
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up (2,223,700,000 units of Rs. 10 each)		22,237,000	22,237,000
Reserves		31,435,881	29,045,373
TOTAL UNIT HOLDERS' FUND		53,672,881	51,282,373
LIABILITIES			
NON - CURRENT LIABILITIES			
Security deposits		255,570	204,398
		255,570	204,398
CURRENT LIABILITIES			
Payable to REIT management company	11	25,733	8,339
Security deposits		152,160	198,348
Accrued expenses and other liabilities	12	268,747	325,759
Unclaimed dividend		11,681	15,203
		458,321	547,649
TOTAL UNIT HOLDERS' FUND AND LIABILITIES		54,386,772	52,034,420
(Rupees)			
NET ASSETS VALUE PER UNIT		24.14	23.06

CONTINGENCIES AND COMMITMENTS

13

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial
Officer

Chief Executive
Officer

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2021

	Note	Nine months period ended		Quarter ended	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
(Rupees in '000)					
INCOME					
Rental income		2,196,895	2,557,382	778,792	858,972
Marketing income		108,890	146,419	47,608	49,076
		2,305,785	2,703,801	826,400	908,048
Administrative and operating expenses	14	(332,436)	(331,574)	(117,071)	(89,144)
Net operating income		1,973,349	2,372,227	709,329	818,904
Other income	15	101,820	164,325	24,442	53,598
		2,075,169	2,536,552	733,771	872,502
Management fee	11.1	(59,200)	(71,167)	(21,279)	(24,567)
Sindh Sales Tax on management fee	11.1	(7,696)	(9,252)	(2,766)	(3,194)
Trustee remuneration	12.1	(9,867)	(11,861)	(3,547)	(4,094)
Sindh Sales Tax on trustee remuneration	12.1	(1,283)	(1,542)	(461)	(532)
		(78,046)	(93,822)	(28,053)	(32,387)
PROFIT BEFORE CHANGE IN FAIR VALUE OF INVESTMENT PROPERTY		1,997,123	2,442,730	705,718	840,115
Change in fair value of investment property / unrealised gain	6	2,127,871	2,417,672	-	-
PROFIT BEFORE TAXATION		4,124,994	4,860,402	705,718	840,115
Taxation	16	-	-	-	-
PROFIT AFTER TAXATION FOR THE PERIOD		4,124,994	4,860,402	705,718	840,115
(Rupees)					
Earnings per unit					
On distributable income		0.8981	1.0985	0.3174	0.3778
On undistributable unrealised fair value gains		0.9569	1.0872	-	-
EARNINGS PER UNIT - BASIC AND DILUTED	18	1.8550	2.1857	0.3174	0.3778

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial
Officer

Chief Executive
Officer

Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED 31 MARCH 2021

	Nine months period ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in '000)			
PROFIT AFTER TAXATION	4,124,994	4,860,402	705,718	840,115
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	4,124,994	4,860,402	705,718	840,115

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

	Note	Nine months period ended 31 March 2021 (Rupees in '000)	31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,124,994	4,860,402
Adjustments for:			
Change in fair value of investment property / unrealised gain		(2,127,871)	(2,417,672)
Profit on deposits		(101,820)	(164,325)
		1,895,303	2,278,405
Working capital changes			
Decrease / (increase) in current assets			
- Rent receivables		46,318	(95,070)
- Short term deposits, prepayments and other assets		8,014	7,727
Increase / (decrease) in current liabilities			
- Payable to the REIT management company		17,394	2,288
- Security deposits received- net		4,984	52,405
- Accrued expenses and other liabilities		(57,012)	(42,849)
Cash generated from operations		1,915,001	2,202,906
Taxes refund / (taxes withheld at source)		63,194	(2,204)
Formation costs paid - net		-	(50,339)
Net cash generated from operations		1,978,195	2,150,363
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash generated from investing activities - Profit on deposits received		104,417	159,985
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash used in financing activities - Dividend paid		(1,738,008)	(2,290,488)
Net increase in cash and cash equivalents during the period		344,604	19,860
Cash and cash equivalents at beginning of the period		1,113,362	1,619,355
Cash and cash equivalents at end of the period	19	1,457,966	1,639,215

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial
Officer



Chief Executive
Officer



Director



Chief Financial
Officer



Chief Executive
Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN UNIT HOLDERS' FUND (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

	Units	Reserves			Unit holders' fund	
		Capital Reserves		Revenue Reserves		
		Premium on issue of units - net	Fair Value Reserve (note 18.1.1)	Unappropriated profit		
		(Rupees in '000)				
Balance as at 30 June 2019 (audited)	22,237,000	281,346	22,717,466	997,384	23,996,196	46,233,196
Transactions with owners						
Cash dividend for the period ended 30 June 2019 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
Cash dividend for the period ended 30 September 2019 (Rs. 0.35 per unit)	-	-	-	(778,295)	(778,295)	(778,295)
Cash dividend for the period ended 31 December 2019 (Rs. 0.35 per unit)	-	-	-	(778,295)	(778,295)	(778,295)
	-	-	-	(2,290,411)	(2,290,411)	(2,290,411)
Total comprehensive income for the period - profit for the period	-	-	2,417,672	2,442,730	4,860,402	4,860,402
Balance as at 31 March 2020	22,237,000	281,346	25,135,138	1,149,703	26,566,187	48,803,187
Balance as at 30 June 2020 (audited)	22,237,000	281,346	28,176,476	587,551	29,045,373	51,282,373
Transactions with owners						
Cash dividend for the period ended 30 June 2020 (Rs. 0.20 per unit)	-	-	-	(444,740)	(444,740)	(444,740)
Cash dividend for the period ended 30 September 2020 (Rs. 0.25 per unit)	-	-	-	(555,925)	(555,925)	(555,925)
Cash dividend for the period ended 31 December 2020 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
	-	-	-	(1,734,486)	(1,734,486)	(1,734,486)
Total comprehensive income for the period - profit for the period	-	-	2,127,871	1,997,123	4,124,994	4,124,994
Balance as at 31 March 2021	22,237,000	281,346	30,304,347	850,188	31,435,881	53,672,881

The annexed notes from 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

1 STATUS AND NATURE OF BUSINESS

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

The Trust Deed of the Scheme was registered on 20 January 2015 whereas approval of the registration of the REIT Scheme has been granted by the SECP on May 29, 2015. The Scheme is a Perpetual, Closed-end, Shariah Compliant, Rental REIT. The Scheme is listed on Pakistan Stock Exchange and is rated AAA(rr) by VIS Credit Rating Company Limited. The registered office of the REIT Management Company is situated at Arif Habib Center, 23 M.T. Khan Road, Karachi. All of the activities undertaken by the Scheme during the period 31 March 2021 including but not limited to deposits and placements with banks, rental and marketing income earned were all in accordance with principals of Shariah.

1.2 The Scheme is the subsidiary of International Complex Projects Limited (ICPL). As at 31 March 2021, ICPL directly holds 75 percent units of the Scheme. The Scheme started its commercial activities on 01 June 2015.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34 "Interim Financial Reporting" (IAS - 34)
- Provisions of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance, 1984; and
- The Real Estate Investment Trust Regulations 2015 (the REIT Regulations) and requirements of the Trust Deed.

Where the provision of and directives issued under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance 1984, REIT Regulations, 2015 and requirements of trust deed differ from IAS 34, the provisions of or directives under the Companies Act, 2017 and Part VIII A of the repealed Companies Ordinance 1984, REIT Regulations and requirements of trust deed have been followed.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Scheme for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last financial statements of the Scheme.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

The comparatives in the condensed interim statement of financial position as at 31 March 2021 have been extracted from the audited financial statements of the Scheme for the year ended 30 June 2020, whereas, the comparatives in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in unit holders' fund and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements of the Scheme for the nine months period ended 31 March 2020.

These condensed interim financial statements are being submitted to the unit holders as required by the listing regulations of Pakistan Stock Exchange Limited vide section 237 of the Companies Act, 2017.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the scheme for the year ended 30 June 2020 except for certain accounting and reporting standards which became effective for current accounting period. However the new accounting and reporting standards or amendments to existing accounting and reporting standards or interpretations are either not relevant or do not have any significant impact on this condensed interim financial statements.

3.1 New standards, interpretations and amendments to published accounting and reporting standards that are effective for the year ending 30 June 2021

The following standards, amendments and interpretations are either not relevant to the Scheme's operations or are not expected to have significant impact on the Scheme's condensed financial statements other than certain additional disclosures:-

- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Clarify the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards
- Amendments to IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures and IFRS 9 'Financial Instruments' – regarding Interest rate benchmark reform
- Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions.
- Amendments to IFRS 3 'Business Combinations' - Amendment in the definition of business

Certain annual improvements have also been made to a number of IFRSs.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events, actual results may differ from these estimates. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing these condensed interim financial statements, the significant judgments made by RMC in applying the Scheme's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Scheme for the year ended 30 June 2020.

5 RISK MANAGEMENT

The Scheme's risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the scheme for the year ended 30 June 2020.

	Note	Unaudited 31 March 2021 (Rupees in '000)	Audited 30 June 2020
6 INVESTMENT PROPERTY			
Carrying amount at beginning of the period / year		50,413,476	44,954,466
Add: Change in fair value of investment property - unrealised gain		2,127,871	5,459,010
Carrying amount at end of the period / year	6.1	52,541,347	50,413,476

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

The investment property has been valued by Tristar International Consultant (Private) Limited (the valuer) as at 31 December 2020 and 30 June 2020. The Valuer used all prescribed approaches to value the investment property as per the clause 7 (a) of Schedule VI to the REIT Regulations, 2015. The valuation under different approaches are summarised below:

	(Unaudited) 31 December 2020 (Rupees in '000)	(Audited) 30 June 2020
Cost approach	31,289,284	29,952,927
Sales comparison approach	66,309,531	63,151,934
Income capitalization approach		
(a) Valuer's assessment of rental income – using 6% capitalization rate	55,227,481	53,719,118
(b) On projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area – using 6% capitalization rate	52,541,347	50,413,476

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

The clause 7 (c) of Schedule VI to the REIT Regulations, 2015, states that the Valuer shall provide an explanation of the relative strengths and weakness of various approaches and explicitly state the approach that is most appropriate for the REIT Scheme. Tristar International Consultant (Private) Limited in its valuation report has stated that out of three approaches identified in REIT Regulations, 2015 "Income Capitalization Approach" is the most typical approach used for income producing properties i.e. rental properties. Tristar International Consultant (Private) Limited has determined two values under Income Capitalization Approach as stated above, however recommended that the projected net operating income (NOI) based on existing rental agreements and expected rent for the vacant area is most appropriate for the Scheme. Accordingly, Investment Property has been valued in these condensed interim financial statements under Income capitalization approach based on projected NOI on existing rental agreements and expected rent for the vacant area using 6% capitalisation rate .

The forced sales value of the investment property is assessed to be Rs. 53,047.625 million (30 June 2020: Rs. 50,521.547 million).

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

Sensitivity analysis

Change in each of the below significant unobservable input would have effect on fair value of these investee properties as shown below. The analysis assumes that all other variables remain constant and is performed on the same basis as for audited financial statements for the year ended 30 June 2020.

	(Unaudited) 31 December 2020	
	Change in input	Effect on fair value (Rupees in '000)
- Projected income (based on existing leasing contracts)	+ 5%	3,076,244
- Projected income (based on existing leasing contracts)	- 5%	(3,076,244)
- Projected operating costs (based on projected costs)	+ 5%	(449,177)
- Projected operating costs (based on projected costs)	- 5%	449,177
- Capitalization rate	+ 1%	(7,505,907)
- Capitalization rate	- 1%	10,508,269

Unaudited 31 March 2021	Audited 30 June 2020
(Rupees in '000)	

7 RENT RECEIVABLES - UNSECURED

Rent receivables	208,824	255,142
Loss allowance	(41,155)	(41,155)
	167,669	213,987

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

Unaudited 31 March 2021	Audited 30 June 2020
(Rupees in '000)	

8 SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER ASSETS

Unsecured - Considered good

Security deposit	959	959
Prepayments	7,449	15,463
Advance tax	203,243	266,437
	211,651	282,859

Considered doubtful - unsecured

	4,728	4,728
	216,379	287,587
Less: Loss allowance	(4,728)	(4,728)
	211,651	282,859

9 SHORT-TERM INVESTMENTS

These represent term deposit receipts with Islamic banks and carry expected profit rate of 6.75% (30 June 2020: 8.1%) per annum with maturity of one month. This includes security deposits received by the Scheme from tenants.

	Note	(Unaudited) 31 March 2021	(Audited) 30 June 2020
		(Rupees in '000)	
10 BANK BALANCES			
Saving accounts	10.1	1,163,809	347,362
		1,163,809	347,362

10.1 This represents deposits held in riba free savings accounts carrying expected profit rates ranging from 2.53% to 6.80% (30 June 2020: 2.85% to 7.58%) per annum.

	Note	(Unaudited) 31 March 2021	(Audited) 30 June 2020
		(Rupees in '000)	

11 PAYABLE TO REIT MANAGEMENT COMPANY

Management fee payable	21,280	5,887
Sindh Sales Tax	4,453	2,452
	25,733	8,339

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

	Note	Unaudited 31 March 2021 (Rupees in '000)	Audited 30 June 2020
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Accrued expenses		32,296	97,455
Trustee remuneration	12.1	11,149	14,512
Provision for government levies		2,265	2,265
Monitoring fee payable to SECP		16,678	22,237
Payable to associated undertakings	12.2	31,879	30,915
Unearned rental income		113,865	93,948
Sales tax and withholding income tax		45,355	44,265
Federal Excise Duty	12.3	11,980	11,980
Shariah advisory fee		62	124
Other liabilities		3,218	8,058
		268,747	325,759

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

	Unaudited 31 March 2021 (Rupees in '000)	Audited 30 June 2020
12.2 Payable to Associated Undertakings		
- International Complex Projects Limited	1,819	1,819
- Dolmen Real Estate Management (Private) Limited - Property Manager	30,060	29,096
	31,879	30,915

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

The Honorable Sindh High Court (SHC) through its order dated 02 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act, 2005 (FED Act) on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the SHC, as directed, will have effect in the manner prescribed in the judgment. Subsequently, the SHC in its decision dated 30 June 2016 on CP No. D-3547 of 2013 in respect of constitutional petition filed by management companies of mutual funds maintained the aforesaid order on the FED.

The Sindh Revenue Board and the Federal Board of Revenue have filed appeals before Supreme Court of Pakistan (SCP) against the SHC's decision dated 02 June 2016, which is pending for decision. With effect from 01 July 2016, FED on services provided or rendered by Non-Banking Financial Institutions dealing in services which are subject to provincial sales tax has been withdrawn by Finance Act, 2016. Therefore, the Scheme has discontinued making any further provision in this regard. As a matter of abundant caution, without prejudice to the above, an accumulated provision of Rs. 11.980 million has been maintained in the Scheme's condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 March 2021 (30 June 2020: NIL).

14 ADMINISTRATIVE AND OPERATING EXPENSES

	Nine months period ended		Quarter ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Rupees in '000)			
SECP Monitoring fee	16,678	16,678	5,559	5,559
Property management fee	153,507	166,832	59,053	48,835
Ancillary income collection fee	18,159	25,088	7,290	7,578
Common area maintenance charges	40,785	17,449	8,050	8,248
Legal and professional charges	14,061	4,432	1,104	682
Utility expenses	1,041	918	248	190
Marketing expenses	21,889	35,971	6,294	1,281
Takaful fee	12,762	12,808	4,192	4,238
Property and advertisement taxes	9,289	13,640	3,051	4,513
Auditors' remuneration	1,661	1,671	360	380
Renovation expense	34,317	29,071	15,207	2,380
Shariah advisory fee	186	186	62	62
Provision for doubtful debts	-	4,346	-	4,346
Others	8,101	2,484	6,601	852
	332,436	331,574	117,071	89,144
15 OTHER INCOME				
Profit on deposit	63,348	164,325	23,603	53,598
Reversal of accrual	38,472	-	839	-
	101,820	164,325	24,442	53,598
16 TAXATION				

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

The Board of Directors of the RMC intends to distribute more than ninety percent of the Scheme's accounting income for the year ending June 30, 2021 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash to avail the exemption. Accordingly, no tax provision has been made in the condensed interim financial statements for the period ended March 31, 2021.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

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

(Unaudited) (Unaudited)
Nine months period ended
31 March 2021 31 March 2020
(Rupees in '000)

17.1 Transactions during the period:

International Complex Projects Limited - Holding Company

- Rental income	35,619	37,472
- Reversal of accrual	-	62
- Payment against purchase of equipment for maintenance	-	1,194

Dolmen Real Estate Management (Private) Limited - Property Manager

- Common area maintenance charges	40,785	17,449
- Expenses incurred on behalf of Scheme	408	2,387
- Reversal of accrual	7	249
- Reimbursement of expenses incurred on behalf of Scheme	428	827

Associate due to common directorship :

Retail Avenue (Private) Limited

- Rental income	6,544	7,227
-----------------	-------	-------

Dolmen (Private) Limited

- Marketing Income	468	2,110
--------------------	-----	-------

Sindbad Wonderland (Private) Limited

- Rental income	18,340	54,194
-----------------	--------	--------

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

Unaudited
31 March
2021
(Rupees in '000)

Audited
30 June
2020

17.2 Balances outstanding as at period end

International Complex Projects Limited - Holding Company

- Rent receivable	171	171
- Net payable in respect of purchase consideration of investment property	1,819	1,819
- Payable against purchase of equipment for maintenance	80	80

Dolmen Real Estate Management (Private) Limited - Property Manager

- Common area maintenance charges	5,290	17,348
- Expenses payable incurred on behalf of Scheme	1,622	1,649
- Payable of withheld security deposit of tenants	580	514

Associate due to common directorship :

Retail Avenue (Private) Limited

- Rent receivable	66	427
-------------------	----	-----

Sindbad Wonderland (Private) Limited

- Rent receivable	3,277	466
-------------------	-------	-----

18 EARNINGS PER UNIT - BASIC AND DILUTED

Nine months period ended
Note 31 March 2021 31 March 2020 31 March 2021 31 March 2020
(Rupees in '000)

Profit after taxation	4,124,994	4,860,402	705,718	840,115
-----------------------	-----------	-----------	---------	---------

(Number of Units)

Weighted average number of ordinary units during the period	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000
---	---------------	---------------	---------------	---------------

(Rupees)

Earnings per unit - Basic and diluted	18.1 1.8550	2.1857	0.3174	0.3778
---------------------------------------	-------------	--------	--------	--------

18.1 Earnings per unit comprises as follows:

Distributable income - earnings per unit	0.8981	1.0985	0.3174	0.3778
Undistributable unrealised fair value gains - earnings per unit	18.1.1 0.9569	1.0872	-	-
	1.8550	2.1857	0.3174	0.3778

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

18.1.1 Under the provisions of Trust Deed, the amount available for distribution shall be total of income and realised gain net off expenses. Accordingly, unrealised gain due to change in fair value of investment property is not distributable.

18.1.2 There is no impact of dilution on earnings per share as the Scheme did not have any convertible instruments in issue as at 31 March 2021 and 31 March 2020 which would have had any effect on the earnings per share if the option to convert had been exercised.

	Note	(Unaudited) 31 March 2021 (Rupees in '000)	(Audited) 30 June 2020
19 CASH AND CASH EQUIVALENTS			
Short-term investments	9	294,157	766,000
Bank balances	10	1,163,809	347,362
		<u>1,457,966</u>	<u>1,113,362</u>

20 FAIR VALUES

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

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

Level 2 : Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

Fair value of the investment property is shown under note no 6.

21 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2021

22 IMPACT OF COVID-19 ON THE SCHEME'S OPERATIONS

In Pakistan, the businesses in general and retail sector in particular has been facing an unprecedented challenge arising out of situation due to COVID-19. Initially, it was expected to be a short term aberration. However, the situation has not only persisted for far longer than anticipated but also the associated uncertainties continue unabated. The Government's decision to shut down shopping malls from March 18, 2020 till May 19, 2020, aggravated the difficulties faced by Mall tenants. These businesses, while complying with the Government's directives had lost their entire revenue stream from these retail outlets. Even when the Malls were allowed to reopen, tenants were not able to restore their businesses fully and their sales were significantly impacted due to curbs and SOP's placed by the provincial government. Similarly, amidst this pandemic, a number of office-building tenants are promoting the culture of work-from-home and considering it unsafe to return to office premises as per their health and safety standards.

The mall management responded by intensifying customer engagement through digital platforms to encourage footfall and retail sales upon reopening with the implementation of prescribed customer safety protocols. Efforts were also intensified to strengthen the valuable, long-term tenant relationships by proactive negotiations to support tenant retention in these challenging times. Tenants at both the Dolmen City Mall and the Harbour Front office buildings were provided with rental waivers from month to month after carefully assessing the overall situation. Consequently, the Company has continued to provide waivers to its tenants which resulted in decrease of rental income approximately by Rs. 346 million during the nine months period ended March 31, 2021.

As a result of tight control measures, efforts to curtail the spread of virus have successfully enabled businesses to recover and with professional property management, extensive marketing activities and renowned tenants, the Scheme remains confident that Dolmen City Mall and the Harbour Front will remain the destination of choice for shoppers, retail operators and corporations alike.

23 NON ADJUSTING EVENT AFTER THE DATE OF CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

The board of directors of the RMC in their meeting held on 15 April 2021 have declared and approved an interim cash dividend for the quarter ended 31 March 2021 of Re. 0.33 per unit amounting to Rs. 733.821 million. These condensed interim financial statements do not include the effect of above announcement which will be accounted for in the period in which it is approved.

24 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the REIT Management Company on 15 April 2021.



Chief Financial
Officer



Chief Executive
Officer



Director

