

DOLMEN CITY REIT

ANNUAL REPORT
2024



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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

021-111-245-111

www.arifhabibdolmenreit.com

MANAGED BY



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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Dolmen City REIT

Scheme's Information

Management Company	Arif Habib Dolmen REIT Management Limited	
Board of Directors	Mr. Arif Habib Mr. Nadeem Riaz Mr. Naeem Ilyas Ms. Tayyaba Rasheed Mr. Muhammad Noman Akhter Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajid Ullah Sheikh Mr. Muhammad Ejaz	Chairman Director Independent Director Independent Director Independent Director Director Director Director Chief Executive Officer
Audit Committee	Mr. Naeem Ilyas Mr. Abdus Samad A. Habib Mr. Sajid Ullah Sheikh Mr. Muhammad Noman Akhter	Chairman Member Member Member
Human Resource & Remuneration Committee	Ms. Tayyaba Rasheed Mr. Abdus Samad A. Habib Mr. Sajid Ullah Sheikh Mr. Muhammad Ejaz	Chairperson Member Member Member



Other Executives:	Mr. Razi Haider Mr. Sajjad Usman	CFO & Company Secretary 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 Faysal Bank Limited Habib Metropolitan Bank Limited United Bank Limited Bank Alfalah Limited National Bank of Pakistan	Askari Bank Limited Habib Bank Limited Meezan Bank Limited Allied Bank Limited Dubai Islamic Bank
External Auditor	KPMG Taseer Hadi & Co. Chartered Accountant, Sheikh Sultan Trust Building No.2, Beaumont Road, Civil Lines, Karachi, 75530	
Internal Auditor	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 Tayabaly & CO. Corporate Legal Consultants, 1st Floor, Dime Center, BC -4 Block 9, Kekashan, Clifton Karachi.	
Property Manager	Dolmen Real Estate Management (Private) Limited.	
Property Valuer	MYK Associates (Pvt.) Limited MYK HOUSE, 52-A, Block 'B', Street # 5, Muslim Cooperative Housing Society (S.M.C.H.S.), Karachi.	
Shariah Advisor	Alhamd Shariah Advisor Service (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.





THE HARBOUR FRONT



Directors' Overview

DIRECTORS' PROFILE

Mr. Arif Habib

Chairman

Mr. Arif Habib is the Chairman of Arif Habib Group and Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Fatima Fertilizer Company Limited, Aisha Steel Mills Limited, Javedan Corporation Limited (the owner of Naya Nazimabad) and Sachal Energy Development (Pvt.) Limited and Arif Habib Dolmen REIT Management Limited.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think-Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of Advisory Committee of Planning Commission.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as trustee of Memon Health & Education Foundation (MMI).

Corporate Responsibilities

As Chairman

Fatima Fertilizer Company Limited
Fatimafert Limited
Sachal Energy Development (Private) Limited
Javedan Corporation Limited
Aisha Steel Mills Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Sapphire Bay Development Company Limited
Arif Habib Foundation
Naya Nazimabad Foundation
Black Gold Power Limited
Essa Textile and Commodities (Private) Limited

As Director

Arif Habib Corporation Limited
Arif Habib Equity (Private) Limited
Arif Habib Consultancy (Private) Limited
Fatima Cement Limited
International Builders and Developers (Private) Limited
NCEL Building Management Limited
Pakarab Energy Limited
The Pakistan Business Council
Pakistan Engineering Company Limited
Pakistan Opportunities Limited

As Honorary Trustee/Director

Habib University Foundation
Karachi Education Initiative
Memon Health and Education Foundation
Pakistan Centre for Philanthropy

Mr. Nadeem Riaz

Non-Executive Director

Mr. Nadeem Riaz has experience of over 33 years in the real estate market developing and managing renowned and award winning residential, commercial and retail projects. He is a pioneer in developing international standard shopping malls in Pakistan, transforming the dynamics of the retail industry.

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

Corporate Responsibilities

As Chief Executive

Dolmen (Private) Limited
Dolmen Project Management (Private) Limited
Grove (Private) Limited
International Complex Projects Limited
The Dolmen Foundation

As Director

DHA Dolmen Lahore (Private) Limited
Dolmen Real Estate Management (Private) Limited
Retail Avenue (Private) Limited
Sindbad Wonderland (Private) Limited
Dolmen City Islamabad (Private) Limited
Dolmen Mall DHA Islamabad (Private) Limited

Mr. Naeem Ilyas

Independent Director

Mr. Naeem Ilyas has over 31 years of strategic cum operational management level combined experience. He has served in senior positions across corporates including FMCG, Pharmaceuticals, Process Industry, Building MEP Design Consultancy, Digital healthcare, Proptech, e-Commerce, Information Technology.

Engr. Naeem Ilyas is a Pakistan Engineering Council registered Professional Engineer (PE) and associated as MEP Design Engineering & building services, having MBA, LLB, MA (Eco), PGD (NILAT) degrees/diplomas and has specialization in operations management from LUMS / McGill. He has founded REIT Academy and Institute of Real Assets Development & Management (IRADM). He is CEO at Magna Engineering (Pvt) Ltd and Director at Easy Health Tech Int'l (Pvt) Ltd., Infinitem Technologies (Pvt) Ltd. and some other companies.

He has been instrumental in developing e-commerce landscape in Pakistan, attended exposure study trips at MIT, Harvard Business School and Stanford University in USA and successfully exited from well-known ecommerce business after arranging road shows in Boston, Silicon Valley, Washington and UAE.

He is also serving as a board member of HANDS (not for profit), has also served as Justice of Peace and member CPLC for several years, Founder Chairman PQATI (BQATI), Vice Chairman LATI, Chairman EFP-NICC Forum, Managing Trustee of MPF Educational Trust, Secretary General of Memon Professional Forum (MPF). He during his academics received President Talent Farming Scholarship and IAESTE Student Exchange Trainings in Central Asian States. He has professional hands on experience and trainings in Canada, Japan, Germany, China and Middle East. He is member of Pakistan Institute of Corporate governance (PICG), ICSP and Certified Director from IBA, Karachi. He has also served as visiting faculty member at ICMAP, NED University, IBA -Karachi, Hamdard University and others.

Corporate Responsibilities

As Chief Executive

Magna Engineering (Private) Limited
Parents Pakistan (SMC-Private) Limited

As Director

Easy Health Tech Int'l (Private) Limited
Fahim, Nanji & Desouza (Private) Limited
Institute of Holistic Rehabilitation & Inclusion (IHRI) (Private) Limited
Infinitem Technologies (Private) Limited

Ms. Tayyaba Rasheed

Independent Director

Ms. Tayyaba Rasheed has more than 21 years of rich and diverse experience in corporate and Investment Banking. Her area of expertise includes investment banking, corporate finance and relationship management with profound understanding of structured financing, infrastructure advisory, capital markets and islamic finance. She has closed numerous high profile Infra and capital market deals in her career. She was last serving as Head of Investment Banking Group at a large commercial bank. Prior to that she had worked in a senior position at CIBG NBP and Bank Alfalah where she started her career as Management Trainee Officer. She is currently working in the portfolio management function of one of the large Multilateral Banks.

She holds an MBA degree from IBA and is a CFA, FRM charter holder. She holds Real Estate Developer Finance Certification from Moody's and various Islamic Banking certifications from NIBAF and IBA CEIF. She has completed the Directors Training Program and is a certified Independent Director.

Corporate Responsibilities

As Director

Aisha Steel Mills Limited
United Brands Limited

Mr. Muhammad Noman Akhter

Independent Director

Mr. Muhammad Noman Akhter is a qualified Chartered Accountant from the Institute of Chartered Accountants of Pakistan (ICAP). He brings with him over 20 years of diversified experience in public and private organizations. He served in Securities & Exchange Commission of Pakistan (SECP) for more than 13 years. Prior to joining SECP in May 2008, he worked with Pakistan Cables Limited, A. F. Ferguson & Co. He started his career from Taseer Hadi Khalid & Co. a member of KPMG International.

Corporate Responsibilities

As Chief Executive

Proton Technologies (Private) Limited
Gratus Consultants (Private) Limited
Gratus Solutions (Private) Limited

Partnerships

Faizan Associates
AabPara Residency
KNJ Builders and Developers

Mr. Abdus Samad A. Habib

Non-Executive Director

Starting his career at Arif Habib Corporation Limited, Mr Samad Habib developed his experience in sales, marketing and corporate activities working his way up through various executive positions.

In 2004, Mr Samad Habib joined Arif Habib Limited leading the company as its Chairman and Chief Executive. He played a key role in shaping the strategic direction of the company where he specialized in capital market, operations and corporate finance. Several noteworthy Initial Public Offerings (IPOs) and successful private placements took place under his stewardship, showcasing his exceptional financial acumen and deep market insight.

Mr Samad Habib transitioned to Javedan Corporation Limited, in 2011, as the driving force behind the transformation of a dilapidated cement plant to a vibrant living community, Naya Nazimabad. Mr Samad Habib has been pivotal to advancing positive societal change, providing the city's middle class an elevated standard of living. His dedication, passion for social betterment and optimism are set to further transform the area with the largest commercial precinct development in the city presently under planning.

In 2019, Mr. Samad Habib took on the role of CEO at Safemix Concrete. Guided by his strategic acumen, Safemix Concrete has undergone a remarkable transformation from a lossmaking entity to a profitable enterprise.

Corporate Responsibilities

As Chief Executive

Javedan Corporation Limited
Safemix Concrete Limited
Nooriabad Spinning Mills (Pvt.) Limited

As Chairman

NN Maintenance Company (Private) Limited

As Director

Aisha Steel Mills Limited
Arif Habib Corporation Limited
Arif Habib Equity (Pvt.) Limited
Arif Habib Foundation
Arif Habib Development and Engineering Consultants (Private) Limited
Black Gold Power Limited
Memon Health and Education Foundation (Trustee)
Pakistan Opportunities Limited
Power Cement Limited
Rotocast Engineering Company (Pvt.) Limited
Sapphire Bay Development Company Limited
Sukh Chayn Gardens (Pvt.) Ltd.
Sachal Energy Development (Private) Limited
Essa Textile and Commodities (Private) Limited
Park View Corporation (Private) Limited

Mr. Faisal Nadeem

Non-Executive Director

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

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

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

Corporate Responsibilities

As Chief Executive

Dolmen Real Estate Management (Private) Limited
Dolmen City Islamabad (Private) Limited

As Director

International Complex Projects Limited
Sindbad Wonderland (Private) Limited
Grove (Private) Limited
Retail Avenue (Private) Limited
DHA Dolmen Lahore (Private) Limited
Dolmen (Private) Limited
Dolmen Project Management (Private) Limited
Salfo Pakistan (Private) Limited
The Dolmen Foundation
Dolmen Mall DHA Islamabad (Private) Limited

Mr. Sajid Ullah Sheikh

Non-Executive Director

Mr. Sajid Ullah Sheikh is a Fellow member of Institute of Chartered Accountants of Pakistan. His association with Dolmen Group spans over 13 years and he is currently working as Group Director Finance at the Dolmen Group. He started his career with KPMG Taseer Hadi and Co. later joined Avery Dennison Pakistan before associating with Dolmen Group.

Corporate Responsibilities

As Director

Grove (Private) Limited
DHA Dolmen Lahore (Private) Limited
The Dolmen Foundation
Dolmen City Islamabad (Private) Limited
Dolmen Mall DHA Islamabad (Private) Limited

Mr. Muhammad Ejaz

Chief Executive

Mr. Muhammad Ejaz is the founding Chief Executive of Arif Habib Dolmen REIT Management Limited, Pakistan's pioneering REIT Management Company. He has been associated with Arif Habib Group since August 2008 and sits on the board of several group companies. He has spear headed several group projects when these were at a critical stage during their execution.

Prior to joining Arif Habib Group, Ejaz has served at senior positions with both local and international banks. He was the Treasurer of Emirates NBD bank in Pakistan and served Faysal Bank Pakistan as Regional Head of Corporate Banking Group. He also served Saudi-Pak bank (now Silk bank) as Head of Corporate and Investment Banking. He also had short stints at Engro Chemical and American Express bank.

Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi, where he has also served as a visiting faculty member. He has also conducted programs at NIBAF-SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager.

He actively participates in the group's CSR initiatives especially those, which render services in the fields of health and education with emphasis on female literacy.

Corporate Responsibilities

As Director

Arif Habib Corporation Limited
Arif Habib Development and Engineering Consultants (Private) Limited
Javedan Corporation Limited
Sapphire Bay Development Company Limited
Sachal Energy Development (Private) Limited

CHAIRMAN'S REVIEW

Dear Unitholders of Dolmen City REIT

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

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

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

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

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

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

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

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

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

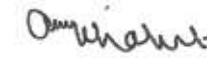
All meetings of the Board, as well as those of its Committees were held with the requisite quorum and all the decisions were taken through Board resolutions. The minutes of the Board meetings, as well as that of its Committees were accurately recorded and circulated amongst the Members with regularity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

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

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

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

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



Arif Habib
Chairman

25 October, 2024



DIRECTORS' REPORT

Dolmen Mall

DEBENHAMS

DIRECTORS' REPORT

Dear Unitholders

The Board of Directors of Arif Habib Dolmen REIT Management Limited are pleased to present the Annual Report of Dolmen City REIT ("DCR" or "the Scheme") and the audited financial statements for the financial year ended June 30, 2024, together with auditors' report and other statutory reports.

The REIT Asset

The REIT assets comprise Dolmen Mall and Harbour Front which are a part of Dolmen City Clifton; a mixed use, waterfront development at the cusp of Karachi's Defence and Clifton areas, comprising of four office towers—Sky Tower A and B (office space with future planning for hotel and serviced apartments), Harbour Front, Executive Tower and the three-level Dolmen Mall. The complex covers 3.4 million sq ft.

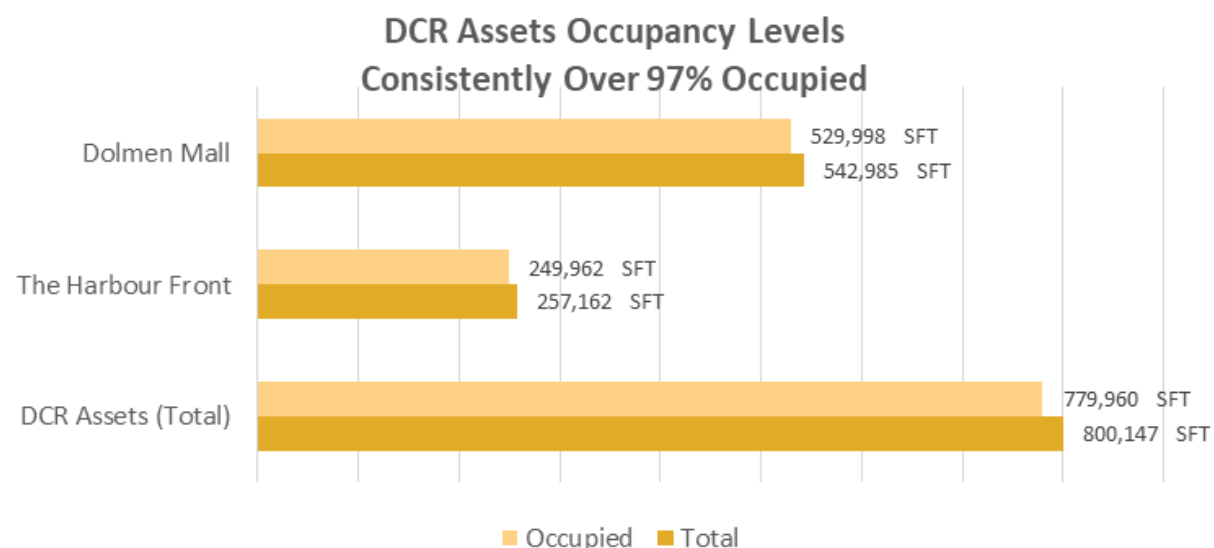
Dolmen Mall Clifton, offering just under 543,000 sq.ft. leasable area has transformed retail in Pakistan, offering a world-class shopping experience with over 130 outlets, a hypermarket, and a food court for 1,200 people. It features a diverse range of local and international brands including Mango, Carrefour, Khaadi, Gul Ahmed and Nike. As Pakistan's first mall of international standards, it attracts shoppers nationwide with its premium retail and dining options.

The 19-floor Harbour Front offering just over 257,000 sq.ft. leasable area; stands out as one of the country's premier office spaces, blending modern design with functionality. Its strategic location offers stunning views of the waterfront, creating an inspiring work environment. The sleek architecture and contemporary interiors make it an attractive choice for businesses looking to make a statement making it home to some of the top multinational corporations (MNCs) and local companies operating in Pakistan.

Operational Performance

Since its inception in 2015, DCR's real estate has maintained strong occupancy levels, reaching 97.48% as of June 2024 (down slightly from 97.84% in June 2023). New tenants such as Prime Textile, Maria B., Bella Vita, and The Closet (PUMA) enhance the mall's consumer experience with a more diverse offering.

Occupancy levels at Dolmen Mall Clifton and Harbour Front at the year-end are as follows:



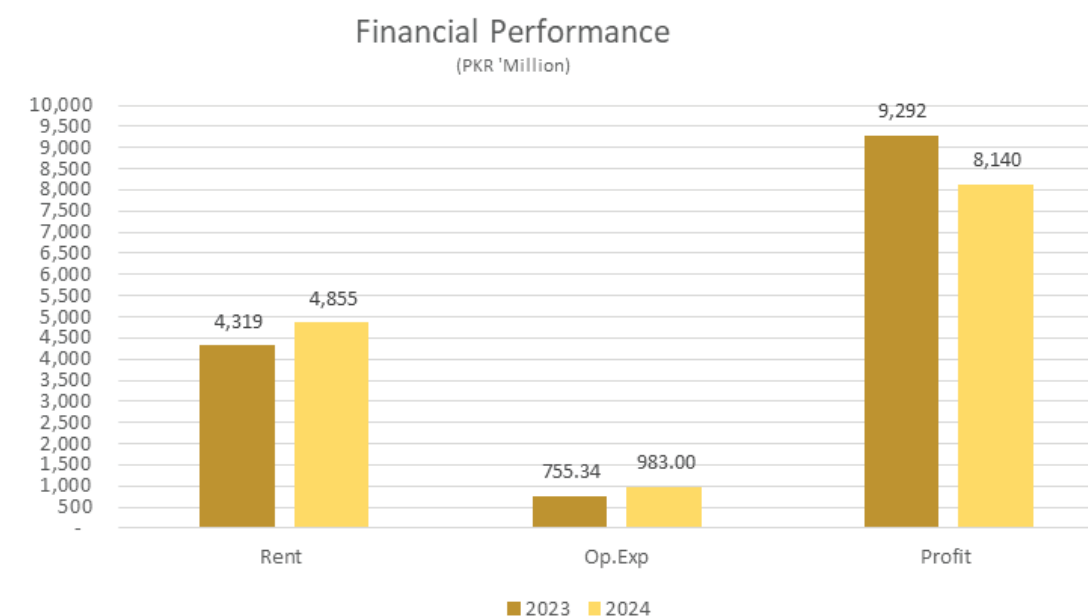
As on June 30, 2024, the Weighted Average Lease Expiry 'WALE' based on the leasable area of Dolmen Mall is around 2.57 years and Harbour Front is around 4.11 years. This makes DCR's cumulative average lease expiry 3.34 years.

This implies consistent occupancy and robust performance for the foreseeable future.
Financial Performance

DCR's Net Asset Value as on June 30, 2024 reflected an increase of almost PKR 3 billion at PKR 73.19 billion over the last year (June 30, 2023: PKR 69.50 billion) making it the biggest closed-end, Shariah compliant, listed instrument in Pakistan.

During the year under review, DCR recorded a rental income increase of over 535 million at PKR 4,854.66 million over PKR 4,318.76 million (June 30, 2023), marketing income increase of PKR 45.5 million at PKR 303.93 million (June 30, 2023: PKR 258.39 million) and increase on profit on Shariah compliant bank deposits of PKR 84 million at PKR 328.05 million (June 30, 2023: PKR 243.69 million). Administrative, operating and other expenses amounted to PKR 982.52 million (June 30, 2023: PKR 755.34 million).

The increase in income across all heads consistently reflects positive financial performance for the year in review.



An amount of 3.63 billion was also recorded as change in fair value of investment property as valued by MYK Associates (Private) Limited, an independent valuer (Refer to note 4 to the financial statements). This translates to Profit after tax of PKR 8.14 billion (June 30, 2023: PKR 9.29 billion) and earning per unit (EPU) of PKR 3.66. The EPU comprises of distributable income of PKR 2.03 and PKR 1.63 being un-distributable unrealised fair value gains. The valuation opinion is a critical component for both the half-year and annual financial results. The Board is satisfied that the fair valuation of the REIT properties was conducted in accordance with the rules.

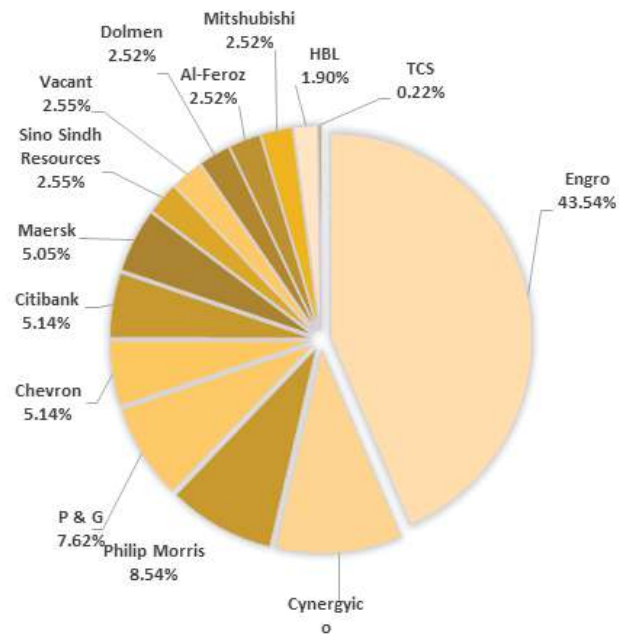
DCR Tenancy Profile

DCR's real estate maintains a high occupancy rate with credible tenants, mainly international brands and multinational corporations known for their financial stability. Dolmen Mall Clifton, anchored by Carrefour, features a strong blend of local and international brands like Adidas, Nike, Khaadi, Levi's, and Charles & Keith, driving consistent customer traffic.

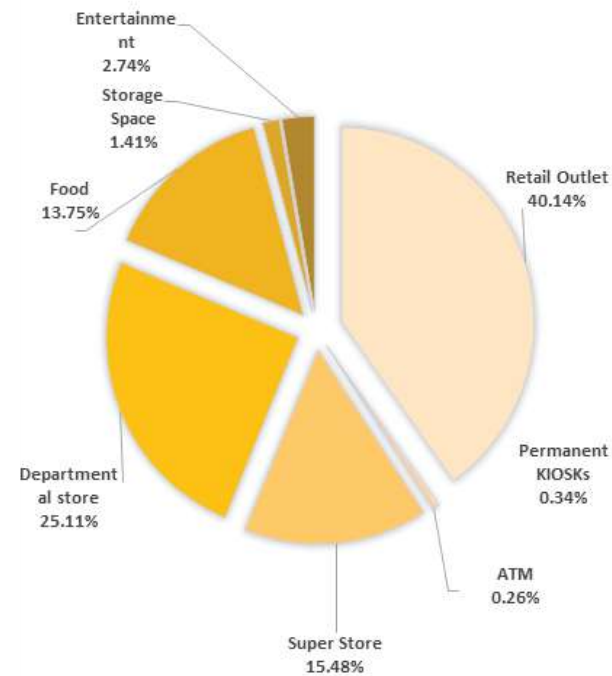
The Harbour Front houses major corporations such as Engro, Citibank, and Procter & Gamble across 17 lettable floors.

The Property Manager has played a key role in maintaining tenant relationships across DCR assets enhancing the brand image, and ensuring high-quality maintenance, contributing to strong occupancy and customer loyalty.

HARBOUR FRONT - TENANCY PROFILE (AS AT JUNE 2024)



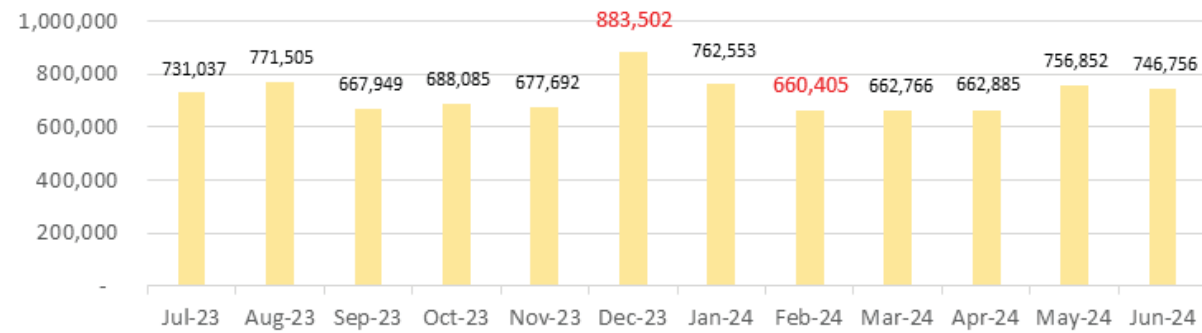
MALL - TENANCY PROFILE (AS AT JUNE 2024)



Footfall Drivers

Customer-centric marketing and branding initiatives at the mall during FY24 effectively sustained strong footfall. Major occasions like Independence Day, New Year celebrations, and the Dolmen Shopping Festival were all celebrated with great enthusiasm at Dolmen City Mall.

Dolmen City Mall - Monthly Footfall - FY24



Average monthly footfall was 722,666 visitors compared with 708,278 visitors in FY23. DCR welcomed around 8.67 million visitors during FY24 compared to 8.50 million visitors in FY23.

Distribution of Dividend

During the year, the Board declared and distributed a total dividend of PKR 2.00 per unit, providing an annualized yield of 20% based on par value and 18.18% for IPO investors. The total payout for the year ended June 30, 2024, amounted to 99.85% of distributable income, equaling PKR 4,447.40 million.

Shariah Compliance

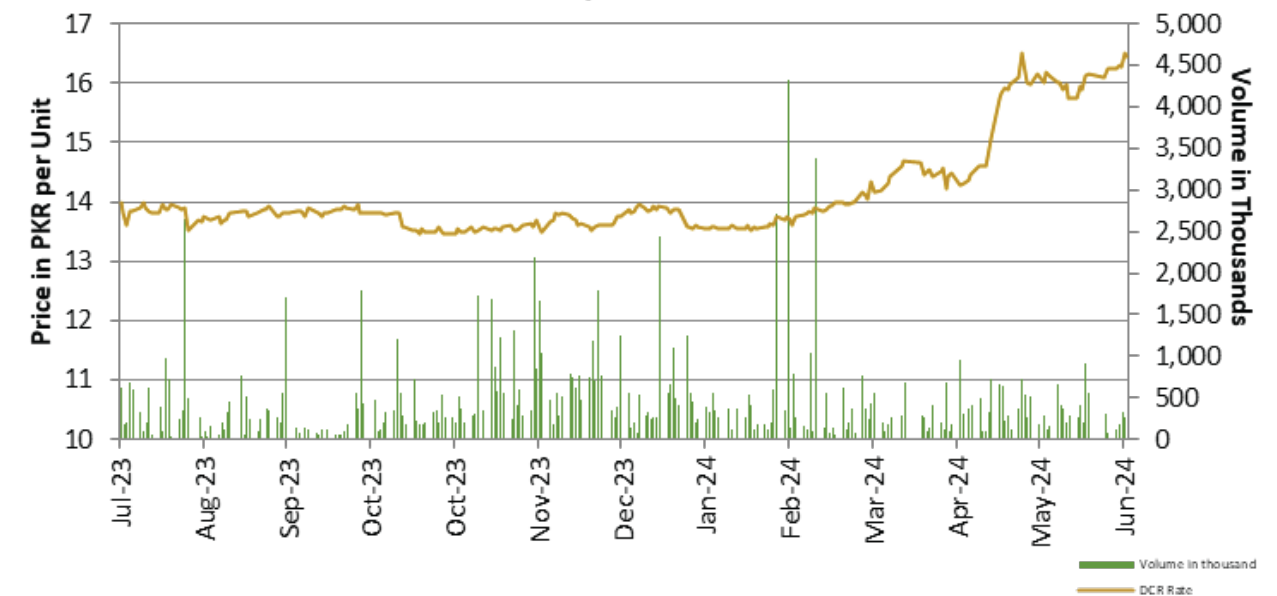
Complying with Shariah guidelines, the fund's real estate remained secure under Takaful policies by "A" rated Pakistani operators supported by renowned international Re-Takaful syndicate. Shariah advisor, in his Annual Shariah Review Report, has confirmed compliance with Shariah principals in all aspects.

Unit Performance

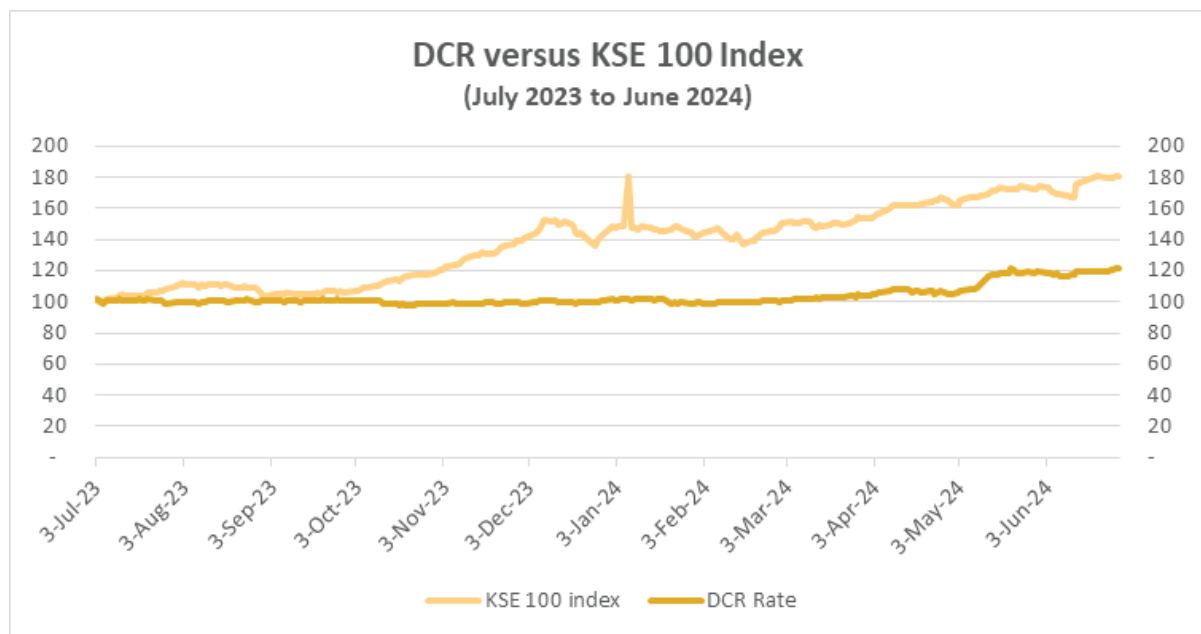
Key Metrics	FY 2024	FY 2023
Opening Price	PKR 13.75	PKR 13.67
Closing Price	PKR 16.45	PKR 13.68
Average Price	PKR 14.11	PKR 13.74
Dividend	PKR 2.00	PKR 1.81
Price Return	19.64%	0.07%
Total Return	34.18%	13.31%

During the twelve months under review, DCR reached a high of PKR 16.50 and a low of PKR 13.46 per unit. Total return saw a significant 2.6x increase from 13.31% in FY 2023 to 34.18% in FY 2024. As of June 30, 2024, DCR's Net Asset Value (NAV) was PKR 32.91 per unit, with the stock trading at a 50.01% discount to its NAV.

Stock Market performance of DCR Unit July 2023 to June 2024



The Average Daily Traded Volume (ADTV) significantly increased from 129,772 units in FY23 to 460,290 units in FY24. This substantial rise indicates a marked improvement in liquidity, reflecting heightened investor interest and trading activity in the market.



While the KSE-100 index fluctuated between 43,552.83 and 78,824.33, DCR's stock remained stable, exhibiting a low beta of 0.03 and a low positive correlation with the market of 0.0004.

Business Environment

The demand for quality office space remains robust in Pakistan. Several sectors, such as technology and agriculture, show potential for growth and investment. The technology sector is experiencing rapid advancements leading to a higher demand for modern office spaces that accommodate tech startups and established firms seeking collaborative environments.

The retail industry is also witnessing substantial expansion, fueled by a rising middle class and increasing urbanization. This evolution underscores the importance of malls that offer a diverse range of retail options, as well as engaging experiences that cater to changing consumer preferences.

With local and international brands competing for market share, innovative retail solutions and enhanced customer experiences are becoming essential. Malls and office buildings that prioritize flexibility and customer-centric designs are well-positioned to thrive in this dynamic environment.

Business Risk Summary

DCR's business relies on maintaining occupancy levels and faces key risks, including potential competition from new office and retail developments that may lower pricing but compromise facilities management. Additionally, while high interest rates could temporarily impact DCR's yield competitiveness, REIT units are expected to provide stable, long-term returns as an inflation hedge. The risk of tenant defaults is considered low, as most tenants are multinational corporations or established franchises. DCR's Property Manager implements stringent tenant screening and monitoring practices to maintain strong relationships with all tenants.

Outlook

The demand for both retail and office spaces in Pakistan are poised for growth. The key will be adaptability—retailers and businesses that can innovate and respond to changing consumer preferences and work trends will likely thrive in this evolving landscape. Investors and developers should focus on creating flexible, sustainable, and customer-centric environments to meet the demands of the modern market.

Corporate Governance

DCR is listed on the Pakistan Stock Exchange, and its Board and management are committed to adhering to the Code of Corporate Governance. They ensure proper maintenance of accounts and consistent application of accounting policies in financial statements, following International Financial Reporting Standards applicable in Pakistan. The internal control system is well-designed and effectively monitored, allowing the financial statements to fairly represent DCR's affairs, operations, cash flows, and NAV movements. The Board reaffirms DCR's ability to continue as a going concern, with no significant tax-related payments outstanding, and emphasizes its commitment to corporate governance and transparency.

Sustainability Risk Management, CSR, and DE&I Initiatives

The board is committed to addressing sustainability-related risks through comprehensive governance and oversight mechanisms. We regularly assess these risks and implement mitigation strategies as part of our Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) policies. Key elements of these policies include reducing our carbon footprint, conserving resources, advancing renewable energy, and managing waste sustainably. Additionally, we prioritize diversity, equity, and inclusion (DE&I) by fostering a diverse workforce, supporting employee well-being, and promoting community involvement through our DE&I initiatives.

Key Governance Policies: Communication, Disclosure, and Whistleblowing

The company has in place its communication and disclosure policies to ensure transparency and accountability. It is to ensure that all stakeholders are informed in a timely and accurate manner. We maintain clear channels for the dissemination of information, in compliance with regulatory requirements, to uphold investor and public trust. Additionally, our whistleblowing policy provides a secure and confidential framework for employees and stakeholders to report any unethical practices or violations, reinforcing our commitment to maintaining the highest standards of corporate integrity and governance.

Directors' Attendance at Board and its Committee Meeting

During the year ended June 30, 2024, twelve (12) Board Meetings, fifteen (15) Audit Committee Meetings and one (01) Human Resource & Remuneration Committee Meeting were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

Sr. No.	Name of Director	Board Meeting	Audit Committee	Human Resource & Remuneration Committee
1	Mr. Arif Habib	11	-	-
2	Mr. Nadeem Riaz	4	-	-
3	Mr. Naeem Ilyas	12	15	-
4	Ms. Tayyaba Rasheed	9	-	1
5	Mr. Muhammad Noman Akhter	12	15	-
6	Mr. Samad A. Habib	11	11	1
7	Mr. Faisal Nadeem	8	-	-
8	Mr. Sajid Ullah Sheikh	12	15	1
9	Mr. Muhammad Ejaz	9	-	1

Directors' Remuneration

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

The Chief Executive Officer is the only executive director on the Board. Further as and when the Board decides to assign any additional roles and responsibilities to any non-executive directors, the Board shall decide the remuneration to be provided to such director which is commensurate with the roles and responsibilities so assigned.

The Scheme is exclusively obligated to pay a management fee to RMC, and therefore, there is no impact on the fund's financial statements related to Directors' remuneration.

Composition of the Board

The current composition of the board is as follows:

Total Number of Directors:

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

Composition:

Name	Status
Mr. Arif Habib	Chairman
Mr. Nadeem Riaz	Non-Executive Director
Mr. Naeem Ilyas	Independent Director
Ms. Tayyaba Rasheed	Independent Director
Mr. Muhammad Noman Akhter	Independent Director
Mr. Abdus Samad A. Habib	Non-Executive Director
Mr. Faisal Nadeem	Non-Executive Director
Mr. Sajid Ullah Sheikh	Independent Director
Mr. Muhammad Ejaz	Chief Executive Officer

Committees of the Board:

Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Noman Akhter	Member
Mr. Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member

Human Resource & Remuneration Committee

Ms Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajidullah Sheikh	Member
Mr Muhammad Ejaz	Member

Pattern of Unitholding

The units of DCR are listed on Pakistan Stock Exchange. There were 5,760 unitholders of DCR as of 30 June 2024. The detailed pattern of unitholding and categories of unitholding of DCR including units held by Directors and Executives, if any, are provided as Annexure-I.

The pattern of Unit holding in DCR as of June 30, 2024, is detailed in Annexure 'I' to this report.

Categories of Unit holders	Unit Held	%
Directors and their spouse(s) and minor children	16,582,482	0.75
Associated Companies, undertakings, and related parties	1,715,556,197	77.14
NIT and ICP	-	-
Banks, DFIs , NBFCs	237,487,553	10.68
Insurance Companies	4,374,018	0.20
Modarabas and Mutual Funds	2,618,370	0.12
General Public		
a. Local	186,337,641	8.38
b. Foreign	8,024,389	0.36
Others	52,719,350	2.37
Total	2,223,700,000	100%

Financial and Business Highlights

The key operating and financial data have been given in summarized form under the caption "Financial & Business Highlights" along with and graphic representation as annexure to this report.

Audit Committee

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its Terms of Reference duly approved by the Board.

Auditors

The present external auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants, shall retire, and being eligible, have offered themselves for reappointment for the year ending on 30th June 2025. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee of RMC, the Board of RMC recommends reappointment of M/s. KPMG Taseer Hadi & Co. Chartered Accountants, as auditors of DCR for the financial year ending on 30th June 2025 at a fee to be mutually agreed.

Election of Directors

In accordance with the provisions of Section 161 of Companies Act 2017 (Section 180 of the repealed Companies Ordinance, 1984) the three years term of eight elected directors of RMC had been completed in October 2021 and all Directors were retired. Fresh elections of Directors were held on October 26, 2021, and the number of Directors as fixed by the Board (eight in numbers) were elected unopposed. Further, Chairman, Chief Executive and sub-committees of the board were also appointed on the said date.

Post Balance Sheet Events

There have been no material changes since 30th June 2024 to the date of this report except the declaration and distribution of a final Cash Dividend at Rs. 0.50 / unit i.e. 5.00 %. This was in addition to interim dividend declared and distributed at Rs. 1.50 / unit i.e. 15.00 %. The effect of such a declaration shall be reflected in next year's financial statements.

Related Party Transactions

To comply with the requirements of REIT Regulations and Code of Corporate Governance, DCR presented all related party transactions before the Audit Committee and Board of RMC for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in note 24 of the annexed audited financial statements.

Acknowledgement

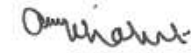
We are thankful to DCR's valued investors, the Securities and Exchange Commission of Pakistan, the management of Pakistan Stock Exchange, the Trustees of DCR, the Property Manager and business partners for their continued cooperation and support. We also appreciate the effort put in by the management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

For and on behalf of the Board

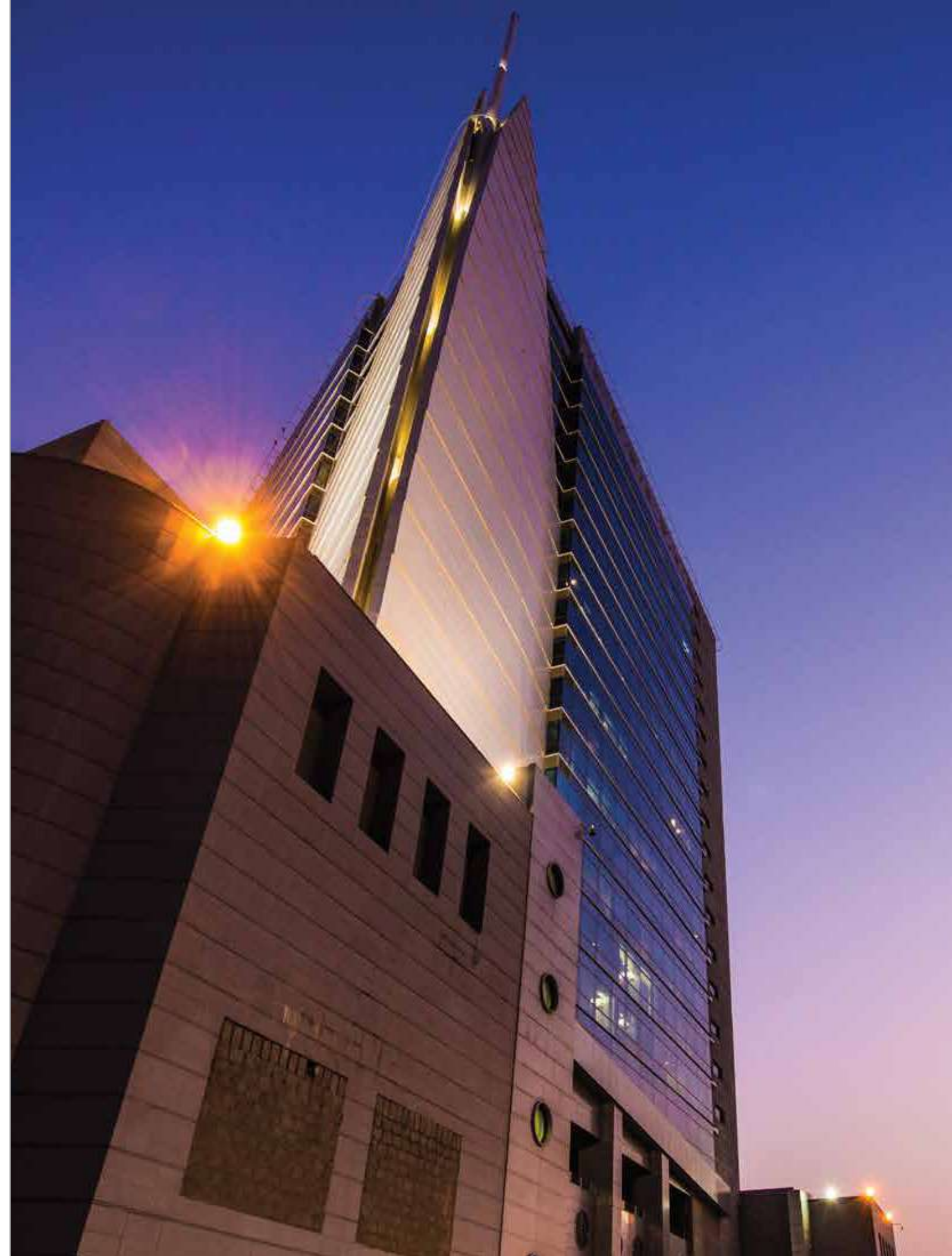


Muhammad Ejaz
Chief Executive

Karachi
25 October, 2024



Arif Habib
Chairman





ANNEXURE 1

ANNEXURE I PATTERN OF UNIT HOLDING

Catagories of Units as at June 30, 2024

Categories of Unit holders	No. of Unit holders	No. of Unit Held	Holding %
Directors, Chief Executive Officer and their spouse(s) and minor children			
Nadeem Riaz	1	6,860,000	0.31
Uzma Nadeem	1	4,342,833	0.20
Faisal Nadeel	2	4,207,649	0.19
Sajid Ullah Sheikh	1	1,172,000	0.05
Associated Companies, undertakings and related parties	6	1,706,081,152	76.72
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	9	237,487,553	10.68
Insurance Companies	6	4,374,018	0.20
Modarabas and Mutual Funds	3	2,618,370	0.12
General Public			
a. Local	5291	195,812,686	8.81
b. Foreign	354	8,024,389	0.36
Foreign Companies	-	-	-
Others	86	52,719,350	2.37
Total	5760	2,223,700,000	100.00

Unit holders holding 10% or more	No. of Unit Held	Holding
Dolmen (Private) Limited	833,887,500	37.50
Al-Feroz (Private) Limited	833,887,500	37.50

PATTERN OF UNIT HOLDING

As of June 30, 2024`

# Of Unit holders	Unit Holding'Slab		Total Units Held
363	1	to 100	11,848
1,559	101	to 500	734,280
1,016	501	to 1,000	986,566
1,209	1,001	to 5,000	3,348,820
449	5,001	to 10,000	3,705,223
162	10,001	to 15,000	2,079,778
120	15,001	to 20,000	2,221,523
99	20,001	to 25,000	2,294,320
43	25,001	to 30,000	1,222,370
38	30,001	to 35,000	1,246,711
45	35,001	to 40,000	1,735,200
29	40,001	to 45,000	1,255,775
68	45,001	to 50,000	3,347,358
25	50,001	to 55,000	1,324,551
29	55,001	to 60,000	1,691,305
21	60,001	to 65,000	1,322,231
16	65,001	to 70,000	1,090,636
18	70,001	to 75,000	1,325,101
28	75,001	to 80,000	2,214,800
11	80,001	to 85,000	908,000
15	85,001	to 90,000	1,332,052
10	90,001	to 95,000	925,875
56	95,001	to 100,000	5,574,652
7	100,001	to 105,000	721,115
10	105,001	to 110,000	1,078,500
8	110,001	to 115,000	899,454
14	115,001	to 120,000	1,659,645
7	120,001	to 125,000	860,031
11	125,001	to 130,000	1,411,226
4	130,001	to 135,000	536,500
8	135,001	to 140,000	1,103,000
4	140,001	to 145,000	567,400
7	145,001	to 150,000	1,048,500
4	150,001	to 155,000	618,500
7	155,001	to 160,000	1,114,000
5	160,001	to 165,000	812,350
7	165,001	to 170,000	1,180,766
2	170,001	to 175,000	349,500
2	175,001	to 180,000	360,000
3	180,001	to 185,000	550,500
2	185,001	to 190,000	377,000
4	190,001	to 195,000	768,310
11	195,001	to 200,000	2,196,500
4	200,001	to 205,000	806,566
1	205,001	to 210,000	205,190
7	210,001	to 215,000	1,484,000
3	215,001	to 220,000	654,500
4	220,001	to 225,000	896,121
2	225,001	to 230,000	457,000
4	235,001	to 240,000	951,652

PATTERN OF UNIT HOLDING

As of June 30, 2024`

# Of Unit holders	Unit Holding'Slab		Total Units Held
1	240,001	to 245,000	245,000
7	245,001	to 250,000	1,746,500
2	250,001	to 255,000	508,000
1	255,001	to 260,000	260,000
2	265,001	to 270,000	536,500
3	270,001	to 275,000	821,800
1	275,001	to 280,000	276,500
3	280,001	to 285,000	847,889
1	285,001	to 290,000	288,000
9	295,001	to 300,000	2,695,500
3	300,001	to 305,000	907,000
1	305,001	to 310,000	310,000
3	315,001	to 320,000	957,000
1	320,001	to 325,000	325,000
1	325,001	to 330,000	329,500
1	335,001	to 340,000	337,000
2	340,001	to 345,000	683,500
2	345,001	to 350,000	692,900
1	350,001	to 355,000	353,500
1	355,001	to 360,000	358,000
2	360,001	to 365,000	727,431
2	365,001	to 370,000	733,000
1	370,001	to 375,000	375,000
1	380,001	to 385,000	380,500
1	385,001	to 390,000	389,500
1	390,001	to 395,000	390,610
6	395,001	to 400,000	2,398,000
1	410,001	to 415,000	410,500
1	415,001	to 420,000	420,000
1	420,001	to 425,000	423,000
1	430,001	to 435,000	434,700
1	435,001	to 440,000	436,000
3	445,001	to 450,000	1,348,500
2	450,001	to 455,000	908,000
1	455,001	to 460,000	460,000
1	460,001	to 465,000	465,000
2	470,001	to 475,000	944,177
1	475,001	to 480,000	480,000
1	480,001	to 485,000	484,450
7	495,001	to 500,000	3,500,000
2	505,001	to 510,000	1,014,500
1	510,001	to 515,000	512,000
1	520,001	to 525,000	525,000
1	525,001	to 530,000	525,500
1	530,001	to 535,000	534,700
1	535,001	to 540,000	538,000
1	540,001	to 545,000	540,862
2	545,001	to 550,000	1,100,000
1	555,001	to 560,000	559,000
1	565,001	to 570,000	566,500
1	575,001	to 580,000	576,500
1	590,001	to 595,000	593,000
2	595,001	to 600,000	1,200,000

PATTERN OF UNIT HOLDING

As of June 30, 2024`

# Of Unit holders	Unit Holding'Slab		Total Units Held
1	660,001	to 665,000	665,000
1	695,001	to 700,000	700,000
1	725,001	to 730,000	726,000
1	745,001	to 750,000	750,000
1	755,001	to 760,000	760,000
1	760,001	to 765,000	760,500
1	770,001	to 775,000	772,000
1	790,001	to 795,000	794,000
1	800,001	to 805,000	805,000
1	820,001	to 825,000	825,000
1	840,001	to 845,000	843,360
1	895,001	to 900,000	897,000
2	900,001	to 905,000	1,804,255
1	985,001	to 990,000	986,149
4	995,001	to 1,000,000	4,000,000
1	1,005,001	to 1,010,000	1,010,000
1	1,015,001	to 1,020,000	1,017,000
1	1,035,001	to 1,040,000	1,040,000
1	1,045,001	to 1,050,000	1,050,000
2	1,125,001	to 1,130,000	2,256,500
1	1,130,001	to 1,135,000	1,135,000
1	1,145,001	to 1,150,000	1,150,000
2	1,170,001	to 1,175,000	2,344,645
1	1,180,001	to 1,185,000	1,181,500
1	1,190,001	to 1,195,000	1,191,000
2	1,195,001	to 1,200,000	2,400,000
1	1,220,001	to 1,225,000	1,223,000
1	1,255,001	to 1,260,000	1,255,500
1	1,345,001	to 1,350,000	1,350,000
1	1,425,001	to 1,430,000	1,430,000
1	1,555,001	to 1,560,000	1,558,333
1	1,615,001	to 1,620,000	1,620,000
1	1,630,001	to 1,635,000	1,630,500
1	1,745,001	to 1,750,000	1,749,333
1	1,755,001	to 1,760,000	1,757,200
1	1,815,001	to 1,820,000	1,820,000
1	1,900,001	to 1,905,000	1,900,090
1	1,925,001	to 1,930,000	1,929,000
3	1,995,001	to 2,000,000	6,000,000
1	2,080,001	to 2,085,000	2,084,370
1	2,235,001	to 2,240,000	2,240,000
1	2,245,001	to 2,250,000	2,250,000
1	2,265,001	to 2,270,000	2,269,500
1	2,495,001	to 2,500,000	2,500,000
1	2,590,001	to 2,595,000	2,591,318
1	2,875,001	to 2,880,000	2,880,000
1	2,935,001	to 2,940,000	2,938,518
1	3,025,001	to 3,030,000	3,025,500
1	3,205,001	to 3,210,000	3,207,649
1	3,285,001	to 3,290,000	3,289,500
1	3,605,001	to 3,610,000	3,609,000
1	3,855,001	to 3,860,000	3,858,227
1	4,255,001	to 4,260,000	4,260,000

PATTERN OF UNIT HOLDING

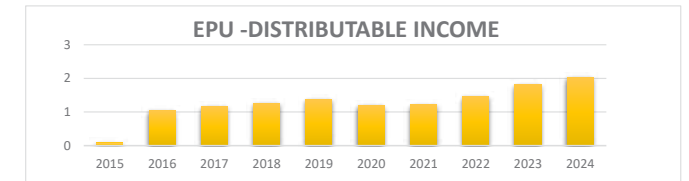
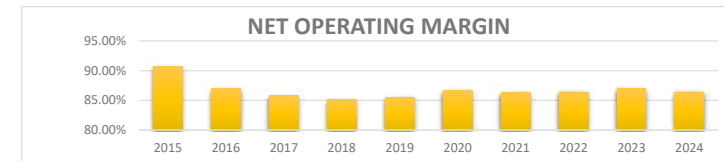
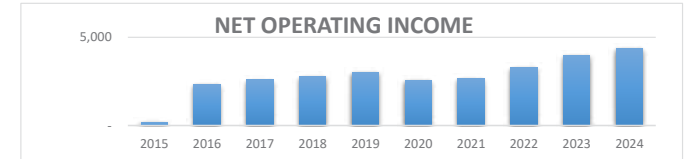
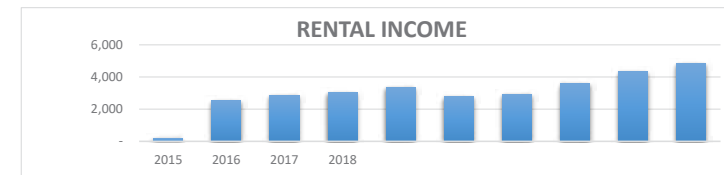
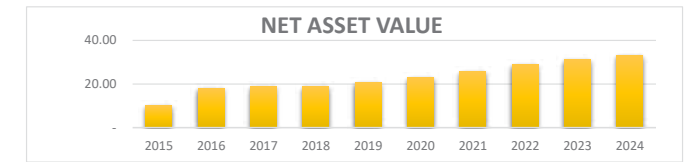
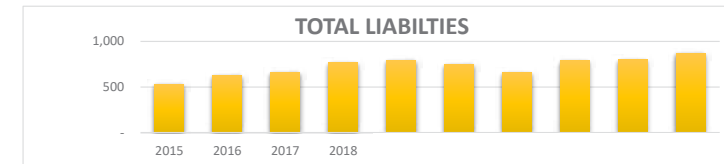
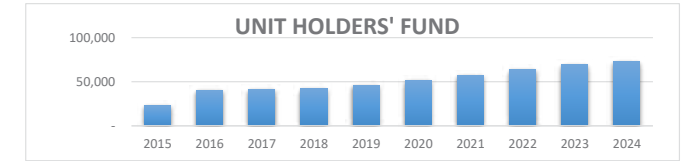
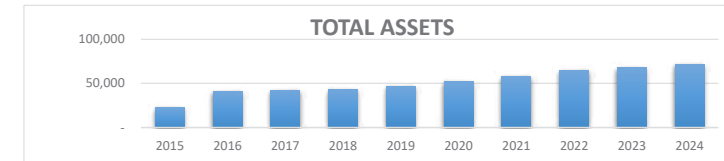
As of June 30, 2024`

# Of Unit holders	Unit Holding'Slab		Total Units Held
1	4,340,001	to 4,345,000	4,342,833
1	4,385,001	to 4,390,000	4,390,000
1	4,625,001	to 4,630,000	4,626,500
2	4,995,001	to 5,000,000	10,000,000
1	6,855,001	to 6,860,000	6,860,000
1	8,495,001	to 8,500,000	8,500,000
1	8,995,001	to 9,000,000	9,000,000
1	10,325,001	to 10,330,000	10,328,500
1	17,910,001	to 17,915,000	17,912,437
1	24,895,001	to 24,900,000	24,900,000
1	27,320,001	to 27,325,000	27,325,000
1	37,335,001	to 37,340,000	37,337,500
1	44,845,001	to 44,850,000	44,849,500
1	71,275,001	to 71,280,000	71,279,130
1	72,240,001	to 72,245,000	72,243,333
2	833,885,001	to 833,890,000	1,667,775,000
5760			2,223,700,000

FINANCIAL HIGHLIGHTS

Financial Highlights	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15 (Based on one month)
Profitability										
Net Profit Margin (Annualized Return for FY 15)	84.29%	86.94%	86.39%	86.33%	86.63%	85.45%	85.13%	85.79%	87.04%	90.69%
Return on total assets	10.99%	13.22%	15.06%	14.82%	15.60%	14.61%	11.76%	8.93%	43.40%	8.78%
Return on Unitholders' fund	11.12%	13.37%	15.25%	14.99%	15.83%	14.86%	11.97%	9.07%	44.07%	8.99%
Liquidity										
Current ratio (in times)	2.75	2.81	2.53	4.22	2.96	3.51	3.41	7.56	9.86	4.74
Cash to current liabilities	2.14	2.36	2.04	3.32	2.03	2.75	2.68	6.76	6.50	4.41
Market Ratios										
Dividend payout ratio	98.50%	98.99%	101.82%	102.53%	104.54%	96.7382%	96.1219%	98.1241%	100.0000%	100.0000%
Dividend Yield (at par @ Rs.10 per unit)	20.00%	18.10%	15.00%	12.40%	12.50%	13.20%	12.00%	11.50%	10.40%	0.76%
Dividend Yield (as IPO strike @ Rs.11 per unit)	18.18%	16.45%	13.64%	11.27%	11.36%	12.00%	10.91%	10.45%	9.45%	0.69%
P/E Ratio (in times)	4.49	3.27	3.08	2.85	2.98	3.29	5.67	6.95	1.36	144.69
Valuation										
Earning per unit - Basic and diluted (PKR)	3.66	4.18	4.39	3.87	3.65	3.09	2.27	1.70	7.98	0.08
Net asset value per unit (PKR)	32.91	31.25	28.79	25.82	23.06	20.79	18.99	18.77	18.11	10.20
No. of ordinary units	2223700000	2223700000	2223700000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000
Trends (PKR '000)										
Management fee	130,441	119,376	98,365	79,931	77,054	90,415	83,194	77,459	69,575	5,300
Trustee fee	21,740	19,896	16,394	13,322	12,842	15,069	13,866	11,596	11,596	907
Net Operating Income	4,348,045	3,979,188	3,278,830	2,664,370	2,568,467	3,013,838	2,772,936	2,581,957	2,319,176	181,325
Profit before and after taxation	8,140,055	9,291,819	9,762,893	8,609,987	8,117,883	6,869,588	5,055,268	3,787,120	17,742,638	169,977
Unit Capital	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000	22,237,000
Unitholders' fund	73,189,002	69,496,347	64,029,292	57,424,053	51,282,373	46,233,196	42,232,181	41,735,498	40,261,026	22,688,323
Total assets	74,054,969	70,295,216	64,819,385	58,084,224	52,034,420	47,022,210	42,998,020	42,399,852	40,885,917	23,218,502

FINANCIAL HIGHLIGHTS





STATUTORY REPORTS



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Annual Shariah Review Report

For the year ended June 2024

Dolmen City REIT, a Shariah Compliant Real Estate Investment Trust (REIT), was launched in June 2015. This REIT is structured on the principles of Shirkah and Ijarah, which represent the foundations of its design. Under this structure, all unit holders collectively share ownership of the project, encompassing both The Harbor Front and Dolmen Mall Clifton. The distribution of dividends to unit holders is derived from the rental income generated. Both Shirkah and Ijarah adhere to the principles of Shariah, ensuring compliance with Islamic finance principles.

In our role as the Shariah Advisor, we have conducted a comprehensive review of the transactions executed throughout the year. It is my pleasure to confirm that all investment activities and matters pertaining to rentals adhere to Shariah principles.

Based on our assessment, we are pleased to state that the business operations of **Dolmen City REIT** have been consistently conducted in alignment with the rules and regulations of Shariah. Consequently, we can affirm that the income generated for the unit holders within this REIT is both HALAL and SHARIAH COMPLIANT.

We extend our gratitude to the Directors, Management of Arif Habib Dolmen REIT Management Company, the trustee, property manager, and all other stakeholders for their unwavering support and cooperation in ensuring the adherence to Shariah principles and our special thanks to all unit holders who invested in this REIT and showed full trust in this project.

May Allah bestow abundant rewards upon the management of the REIT for their dedicated services, and may He bless their endeavors with continued prosperity and sincerity. Ameen.

محمد ابراہیم

Mufti Muhammad Ibrahim Essa
C.E.O. & Director

Alhamd Shariah Advisory Services (Pvt.) Limited

28th September 2024

محمد ابراہیم

Mufti Ubaid ur Rahman Zubairi
Director

Alhamd Shariah Advisory Services (Pvt.) Limited



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ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

شریعہ ریویو رپورٹ

برائے جون 2024

ڈولمین سٹی REIT ایک شریعہ کمپلائنٹ REIT ہے، جو جون 2015 میں شروع ہوئی۔ ڈولمین REIT کی بنیاد شریعت اور اجارہ پر ہے، جس کے مطابق، تمام یونٹ ہولڈرز، پراجیکٹ (ہاربر فرنٹ اور ڈولمین مال، کلغٹن) کے شرکاء ہیں اور حاصل ہونے والا کرایہ ان شرکاء کے درمیان تقسیم کیا جاتا ہے۔ شرکت اور اجارہ دونوں عقود شریعت کے مطابق ہیں۔

ہم نے ڈولمین سٹی REIT کے معاملات کا شرعی نقطہ نگاہ سے جائزہ لیا، REIT کی آمدنی کا بنیادی ذریعہ کرایہ ہے، جو مختلف کرایہ داروں سے حاصل ہوتا ہے۔

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

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

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

محمد ابراہیم

مفتی عبید الرحمن زبیری

ڈائریکٹر

المحمد شریعہ ایڈوائزری سروسز (پرائیویٹ) لمیٹڈ

محمد ابراہیم

مفتی محمد ابراہیم عیسیٰ

سی، ای، او، - ڈائریکٹر

المحمد شریعہ ایڈوائزری سروسز (پرائیویٹ) لمیٹڈ

28 / ستمبر 2024ء



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VALUATION REPORT
OF
COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT
ADDRESS: HC-3, Clifton Block No: 4, Karachi

ON ACCOUNT OF

DOLMEN CITY REIT



(Perpetual, Rated, Listed, Closed-end, Shariah, Complaint, Rental REIT)

FOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED

Head Office: Arif Habib Centre, 23-M.T. Khan Road, Karachi

BY

MYK ASSOCIATES PRIVATE LIMITED

Head Office: MYK House, 52-A, Block B, Street 5, SMCHS, Karachi

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

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

MYK Reference No: KHI/17553/07/2024
Date of Valuation Report: August 19, 2024
Date of Survey & Valuation: August 01, 2024
Type of Valuation: Full Scope [✓]
Applicant Name: DOLMEN CITY REIT
Location of Property: Under Evaluation Commercial Property "Dolmen City Mall and Harbour Front" constructed on HC-3, Clifton Block No: 4, Karachi.

Valuation Details

Type of Asset	Fair Market Value (FMV) (PKR)	Disposition Value (DV) / Orderly Liquidation Value (OLV)		Force Sale Value (FSV) (PKR)
		Discount Factor (%)		
		DV	OLV	
Cost Approach Value	44,445,693,000.00			
Sales Comparison Value	87,683,688,000.00	20		70,146,950,400.00
Income Capitalization Approach				
i) Property Value based on MYK estimated Income Capitalization Value	69,927,486,141.00			
ii) Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value	71,671,881,541.93			

*As per documents / information collected from local search.
 Any Disqualification / Observation: **No [✓] Yes []**
 Others Details: **None**

FMV: The value at which a property would be sold in one year period, considering both seller and buyer are willing but not compelled to buy or sell.
DV: Applicable for land & building and is the Fair Market Value (FMV) less disposition costs as appropriate to the market for sale within 180 days.
OLV: Applicable for Equipment and is the value expected from collateral, with a willing buyer and seller, based on an appropriate marketing period, not to exceed 90 days, less selling costs, if they are expected to be in excess of 2%.



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

MYK Reference No: KHI/17553/07/2024
Date of Valuation Report: August 19, 2024
Date of Request Received: July 24, 2024
Requested By: REIT Management Company
(M/s Arif Habib Dolmen REIT Management Limited)
Client Name: DOLMEN CITY REIT
Address of Property: Under Evaluation Commercial Property, "Dolmen City Mall & Harbour Front" constructed on Plot No: HC-3, situated at Clifton Block No: 4, Karachi.
Date of Visit: August 01, 2024
Appraised By: Team of MYK Associates Private Limited
Identified By: Team of Arif Habib Dolmen REIT Management Limited.
Type of Property: Shopping Mall & Multistory Office Building
Property Utilization: **Fully Commercial [✓]** Vacant [] Fully Industrial []
Type of Title: Commercial (As per Documents)
Surroundings: **Residential Cum Commercial [✓]** Fully Residential []
 Fully Industrial [] Fully Commercial []
 Commercial cum Residential []
Occupancy Status: Owner [] **Tenant [✓]** Vacant []
Custodian of the Land: Karachi Development Authority
Status of NOC (if any): Yes [✓] No []
Cost Approach Value: **PKR. 44,445,693,000.00**
Sales Comparison Value: **PKR. 87,683,688,000.00**
Property Value based on MYK estimated Income Capitalization Value: **PKR. 69,927,486,141.00**
Property Value based on DCR revenue income Capitalization Value: **PKR. 71,671,881,541.93**

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**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

VALUATION INITIATIVE:

In accordance with the International Valuation Standards Council (IVSC) standards, this full scope valuation report has been prepared in adherence to the International Valuation Standards (IVS). The report encompasses a comprehensive analysis, including detailed consideration of Dolmen Mall and Harbour Front's market conditions, operational aspects, and relevant metrics. It follows the IVSC's guidelines on ethical conduct and transparency, ensuring that all assumptions, valuation approaches, and conclusions are clearly documented and justified. The methodology applied is in line with recognized valuation practices. This full scope report aims to provide a robust and reliable valuation, offering a thorough and clear understanding of the value determined, consistent with the highest standards of professional valuation practice.

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

- **Engr. Muhammad Tauqir**
- **Engr. Ubaid Ur Rehman**
- **Engr. Amir Ali**

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

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

MYK Associates Private Limited
(ISO 9001-2015 Accredited)
(Quality Solutions Provider to the Financial Sector)

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

MYK has been founded by M. Younas Khan FCA (England & Wales), Ex Country General Manager, Deutsche Bank AG in Pakistan. It was incorporated in September 2000 and is registered under the Pakistan Companies Ordinance 1984. As a professional Survey and Evaluation company, MYK Associates (Pvt.) Limited has over 24 years of experience in conducting evaluation, inspection, and, mucedam management assignments. It provides services to the Financial and Private Sector in Pakistan and is on the approved panel of the Pakistan Banks Association. As a nationwide company, our services comprise of Valuations of Fixed and Current Assets, Inspections of Hypothecated and Pledged Stock and Collateral value (Mucedamage) etc. We are also on the approved panel of NBF and Modarba Association of Pakistan. Our some of the prestigious projects that valuation carried out by MYK Associates (Pvt) Limited:

- i. M/s. CDC House, Shahrah-e-Faisal, Karachi
- ii. Dolmen City Mall & Harbor Front – Clifton Karachi
- iii. M/s. NJI Building, I.I Chundrigar Road, Karachi
- iv. M/s. TPL Trakker Building, Korangi Road, Karachi
- v. M/s. Stock Exchange Building, I.I Chundrigar Road, Karachi
- vi. M/s. The Centre Building opposite Zainab Market and many more.

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

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

MYK Associates Private Limited
(ISO 9001-2015 Accredited)
(Quality Solutions Provider to the Financial Sector)

TEAM OF MYK ASSOCIATES (PVT) LIMITED

Engr. Iffekhar Ahmed

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

His other associations and affiliations are as following:

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

Mr. Sharjeel Siddiqui-Manager Technical Valuations

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

Mr. Shabab Raza-Manager Evaluations

He holds position of **Manager Valuations** at MYK Associates Private limited. He has more than 17 years of vast experience in the field of property Valuations and Surveys; Mr. Shabab is amongst the top experts of Karachi in this particular field.

Engr. Muhammad Tauqir- Senior Surveying Engineer:

He is working as a Senior Surveying Engineer at MYK Associates Private limited, Karachi for the last five years. He had conducted REIT valuation of "Dolmen Mall and Harbor Front" for Arif Habib Dolmen REIT Management Limited for three years biannual valuation reports as per REIT Regulations. He has also conducted the valuations and prepared the valuations report of many industries, high-rise buildings, and projects. He having strong a grip in the field of property evaluation and project cost Estimation. By profession he holds a Bachelor's Degree in Urban & Infrastructure Engineering from NED University of Engineering and Technology, Karachi and is a registered Engineer of PEC (Pakistan Engineering Council).

Engr. Amir Ali - Evaluation Engineer:

He is currently working as an Evaluation Engineer at MYK Associates Private limited, Karachi. He holds a Bachelor's Degree in Civil Engineering from NED University of Engineering and Technology, Karachi.

INTRODUCTION

Vide reference to REIT Regulation – 2022. Arif Habib Dolmen REIT Management Limited in its capacity of REIT Management Company had appointed MYK Associates (Pvt) Limited to evaluate the Dolmen City REIT constructed on amalgamated plot No: HC-3, Block-4, Scheme-5, Clifton, Karachi, which comprises of the following:

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

In accordance with the International Valuation Standards Council (IVSC) standards, this full scope valuation report has been prepared in adherence to the International Valuation Standards (IVS). The report encompasses a comprehensive analysis, including detailed consideration of Dolmen Mall and Harbour Front's market conditions, operational aspects, and relevant metrics. It follows the IVSC's guidelines on ethical conduct and transparency, ensuring that all assumptions, valuation approaches, and conclusions are clearly documented and justified. The methodology applied is in line with recognized valuation practices. This full scope report aims to provide a robust and reliable valuation, offering a thorough and clear understanding of the value determined, consistent with the highest standards of professional valuation practice.

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

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

INTRODUCTION TO THE PROJECT

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

The Two components are:

DOLMEN CITY MALL:

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

THE HARBOUR FRONT:

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

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

The current tenant portfolio of "The Harbour Front" boasts of leading corporations such as Byco, Engro Corporation.

VALUATION REPORT FOR COMMERCIAL PROPERTY DOLMEN CITY MALL AND HARBOUR FRONT

ADDITIONAL INFORMATION:

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

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

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

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

The valuation visit of the "Dolmen City Mall and Harbour Front" was conducted on August 01, 2024, by a team of Engineers (Engr. Muhammad Touqir, Engr. Kiran Ashraf and Muhammed Waqas) representing M/s. MYK Associates Private Limited along with the team of Dolmen City Mall and Harbour Front. The all required documents, design and drawings of the buildings were already provided and discussed. Whereas, in preparation of this valuation report, a review of fresh documents / points were also carried out during the survey.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

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

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

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

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

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

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

The REIT has acquired said land from the date of this valuation to the preceding last three years, no other transfers had been made on said property.

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

"EXTERIOR AND INTERIOR"

Approved Regularization / Completion Building Plan Available: **Yes [✓]** No []
Regularization / Completion Building Plan Number: **11-09-2014**

Approach: **Main Road [✓]** Side Road [] Inside
Road []

Total Area: **37,666.65 Square Yards**
REIT Shared Area: **15,201.68 Sq. Yds. (As per Documents)**

Dimension: **Front : Irregular**
(As Per Plan) **Depth : Irregular**

Bounded by: **North : 50 Feet wide Road**
(As per Indenture of Lease) **South : 30 Feet Wide Walkway**
East : 50 Feet wide Road
West : Public Parking

Type of Construction: **R.C.C Frame Structure**

Type of Gate(s): **Iron & Aluminum with Glass**

Elevation of Property as per Plan: **Good**

Condition of Property: **Excellent**

Internal Boundary Walls Plaster and Paint: **Plastered**

Parking Area Available: **Yes (Basements)**

Open Yard Flooring: **Cemented Bricks**

Number of Stories: **Basements, Mezzanine, Ground plus Nineteen Upper Floors**

Property Age as per Physical Observation: **Approx. 12 Years Old**

Property Age as per Building Plan: **September, 2014**

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

I: COST APPROACH:

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



II: SALE COMPARISON APPROACH:

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

III: INCOME CAPITALIZATION APPROACH:

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

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

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

$$\text{Net operating income (I)} \div \text{capitalization rate (R)} = \text{value (V)}$$

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

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



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

PROS AND CONS OF THESE APPROACHES TO DETERMINE TRUE VALUE:

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

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

A. Cost Approach:

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

B. Sales Comparison Approach:

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

C. Income Capitalization Approach:

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

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART I: COST APPROACH

BASIC CALCULATION OF LAND:

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

To assess the value of the land in the area the survey of estate agents / property dealers was carried out. At present, the cost of the land on sea side and around this area has become very attractive and observed increasing trend in the cost between the range of PKR. 950,000 To PKR. 1,050,000 Per Square Yard depending upon the location and size of the plot. Therefore, we are taking the land value PKR. 1,000,000 Per Square Yard on similar parameters as under:

Total Area of Entire Plot:	37,666.65 Square Yards
Assessed Market Value of the Land:	1,000,000.00 per Square Yards
Total Assessment of Land:	PKR. 37,666,650,000.00
Shared Land Area of RIET:	15,201.68 Square Yards (As per Documents)
Assessed Market Value of the Land:	PKR. 1,000,000.00 Per Square Yards
Total Assessment of Land:	PKR. 15,201,680,000.00
(Rupees Fifteen Billion Two Hundred One Million Six Hundred and Eighty Thousand Only)	

Location Images Taken From Google Earth



**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CALCULATION OF COST OF STRUCTURE:

Dolmen City Shopping Mall:

Dolmen City Shopping Mall Comprises of Lower and Upper Basement, Ground, Mezzanine and Three upper Floors. (Including earth work Finishes of concealed roofing, flooring, paint, door & windows, Lift System, internal and external electrical work) by considering these all parameters. The construction cost considered Dolmen city Shopping Mall is approximately between PKR. 20,000 to PKR. 30,000 per Square Foot including all services (MEP) depending upon the Finishes and Architectural design of floors.

STRUCTURE CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR.)
1	Lower Basement (Depth= -5000)	186,153.00	25,000.00	4,653,825,000.00
2	Upper Basement (Depth= -2000)	274,285.00	20,000.00	5,485,700,000.00
3	Ground Floor	241,052.00	30,000.00	7,231,560,000.00
4	Mezzanine Floor	19,879.00	20,000.00	397,580,000.00
5	First Floor	275,399.00	30,000.00	8,261,970,000.00
6	Second Floor	272,972.00	30,000.00	8,189,160,000.00
7	Third Floor	27,667.00	20,000.00	553,340,000.00
Total Value Of Structure of Dolmen City Mall		1,297,407.00		34,773,135,000.00

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

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

Harbour Front Office Building:

The construction cost of Harbour Front Office Building has been taken approximately between PKR. 25,000.00 – 30,000.00 per Square Foot due to present market condition and depending upon the Finishes and Architectural design of floors. MYK has taken an average base cost of PKR. 27,500.00 Per Square Foot.

STRUCTURE CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area (SFT)	Rate/SFT	Cost (PKR)
1	Third Floor	14,797.25	27,500.00	406,924,375.00
2	Fourth Floor	15,549.16	27,500.00	427,601,900.00
3	Fifth Floor	15,549.16	27,500.00	427,601,900.00
4	Sixth Floor	15,497.52	27,500.00	426,181,800.00
5	Seventh Floor	15,497.52	27,500.00	426,181,800.00
6	Eighth Floor	15,497.52	27,500.00	426,181,800.00
7	Ninth Floor	15,438.55	27,500.00	424,560,125.00
8	Tenth Floor	15,438.55	27,500.00	424,560,125.00
9	Eleventh Floor	15,438.55	27,500.00	424,560,125.00
10	Twelfth Floor	15,578.65	27,500.00	428,412,875.00
11	Thirteenth Floor	15,578.65	27,500.00	428,412,875.00
12	Fourteenth Floor	15,578.65	27,500.00	428,412,875.00
13	Fifteenth Floor	15,451.46	27,500.00	424,915,150.00
14	Sixteenth Floor	15,451.46	27,500.00	424,915,150.00
15	Seventeenth Floor	15,451.46	27,500.00	424,915,150.00
16	Eighteenth Floor	15,341.71	27,500.00	421,897,025.00
17	Nineteenth Floor	15,447.27	27,500.00	424,799,925.00
18	Twentieth Floor	7,687.58	20,000.00	153,751,600.00
Total Value Of Structure of Harbour Front Multistory Building		270,270.67		7,374,786,575.00

TOTAL VALUE OF STRUCTURE BEFORE DEPRECIATION: PKR. 42,147,921,575.00
(i.e. 34,773,135,000.00 + 7,374,786,575.00)

LESS DEPRECIATION (12 Years): PKR. 12,903,908,575.00
(Diminishing method of depreciation is applying on structure @ 3% Per Annum)

TOTAL VALUE OF STRUCTURE AFTER DEPRECIATION: PKR. 29,244,013,000.00
(Rupees Twenty Nine Billion Two Hundred Forty Four Million and Thirteen Thousand Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

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

Total Assessment of Land: PKR. 15,201,680,000.00
(Rupees Fifteen Billion Two Hundred One Million Six Hundred and Eighty Thousand Only)

Total Assessment of Structure: PKR. 29,244,013,000.00
(Rupees Twenty Nine Billion Two Hundred Forty Four Million and Thirteen Thousand Only)

LAND + STRUCTURE: PKR. 44,445,693,000.00
(i.e. PKR. 15,201,680,000.00 + PKR. 29,244,013,000.00)
(Rupees Forty Four Billion Four Hundred Forty Five Million Six Hundred and Ninety Three Thousand Only)

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

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

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART-II: SALE COMPARISON APPROACH:

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

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

CALCULATION FOR DOLMEN CITY MALL:

CALCULATION FOR DOLMEN CITY MALL				
S.#	Description	Area In Sq. Ft	Rate/SFT	Amount In PKR
1	Lower Basement (Depth= -5000)	-	-	-
2	Upper Basement (Depth= -2000)	5,285.00	100,000.00	528,500,000.00
3	Ground Floor	187,347.00	150,000.00	28,102,050,000.00
4	Mezzanine Floor	-	-	-
5	First Floor	181,342.00	135,000.00	24,481,170,000.00
6	Second Floor	173,335.00	128,000.00	22,186,880,000.00
7	Second Floor Storage Area	4,744.00	42,000.00	199,248,000.00
Total Value of DOLMEN CITY MALL		552,053.00		75,497,848,000.00

NOTE:

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

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING:

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Leasable Area	Rate/SFT	Cost
1	Ground Floor	5,581.00	47,500.00	265,097,500.00
2	Third Floor	10,878.00	47,500.00	516,705,000.00
3	Fourth Floor	14,578.00	47,500.00	692,455,000.00
4	Fifth Floor	14,578.00	47,500.00	692,455,000.00
5	Sixth Floor	14,578.00	47,500.00	692,455,000.00
6	Seventh Floor	14,578.00	47,500.00	692,455,000.00
7	Eighth Floor	14,578.00	47,500.00	692,455,000.00
8	Ninth Floor	14,321.00	47,500.00	680,247,500.00
9	Tenth Floor	14,321.00	47,500.00	680,247,500.00
10	Eleventh Floor	14,358.00	47,500.00	682,005,000.00
11	Twelfth Floor	14,319.00	47,500.00	680,152,500.00
12	Thirteenth Floor	14,500.00	47,500.00	688,750,000.00
13	Fourteenth Floor	14,293.00	47,500.00	678,917,500.00
14	Fifteenth Floor	14,500.00	47,500.00	688,750,000.00
15	Sixteenth Floor	14,230.00	47,500.00	675,925,000.00
16	Seventeenth Floor	14,219.00	47,500.00	675,402,500.00
17	Eighteenth Floor	15,223.00	47,500.00	723,092,500.00
18	Nineteenth Floor	15,223.00	47,500.00	723,092,500.00
19	Twentieth Floor	7,688.00	47,500.00	365,180,000.00
Total Value Of Harbour Front Multistory Building		256,544.00		12,185,840,000.00

PART-II: SALE COMPARISON APPROACH:

GRAND TOTAL VALUE OF PROPERTY: PKR. 87,683,688,000.00
(I.e. PKR. 75,497,848,000.00 +PKR. 12,185,840,000.00)
(Rupees Eighty-Seven Billion Six Hundred Eighty-Three Million Six Hundred and Eighty-Eight Thousand Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

DETERMINATION OF FORCED SALE VALUE:

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

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

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

Forced Sale Value (Less 20%): **PKR. 70,146,950,400.00**
(Rupees Seventy Billion One Hundred Forty-Six Million Nine Hundred Fifty Thousand and Four Hundred Only)

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

PART III: INCOME CAPITALIZATION APPROACH:
(As per Valuer)

In our present market study and survey, it is observed that there is marginal increase in rental value in all malls in the Clifton area of Karachi due increase in business activities in this area and improved security measure in the city and to lifting of ban on highrise buildings by the Government upon the direction of Supreme Court of Pakistan. With this decisions and directions of the Honorable Supreme Court, the confidence in the general public has improved, so therefore sentimental trend of commercial activities in the late hours has also increasing day by day in the city and as well as in malls. In light of above facts and parameters, the rent at lower floors of this mall were also observed incremental. In respect of any comparison, presently there is no any comparable Mall available in the vicinity having such areas for offices and shopping space, however some projects/malls are under construction in vicinity / Clifton Area and near future this could be possible. Therefore basis of our experience and in comparison to other similar properties in the other places of city and considering the facilities location and other aspects of Dolmen City Mall and Harbour Front the reasonable rent for the property can be taken in between the range of **0.45% to 0.55%** of the total value of structure for Dolmen City REIT and **0.8% to 0.9%** for Harbour front. Whereas, the renting percentage is assessed 0.52% for upper basement due to its convenient location and ease of accessibility. However, for the rest we have taken rate between 0.45% - 0.48% for Dolmen City Mall and 0.85% for Harbour Front respectively.

CALCULATION FOR DOLMEN CITY SHOPPING MALL					
S.#	Description	Area	Rent/SFT	Rent %	Rental Value In PKR
1	Lower Basement (Depth = -5000)	-	-	-	-
2	Upper Basement (Depth = -2000)	5,285.00	525.00	0.52%	2,774,625.00
3	Ground Floor	187,347.00	720.00	0.48%	134,889,840.00
4	Mezzanine Floor	-	-	-	-
5	First Floor	181,342.00	648.00	0.48%	117,509,616.00
6	Second Floor	173,335.00	602.00	0.47%	104,347,670.00
7	Second Floor Storage Area	4,744.00	189.00	0.45%	896,616.00
Total Rental Value Of Dolmen City Shopping Mall per Month		552,053.00			360,418,367.00
Total Rental Value Of Dolmen City Shopping Mall per annum		552,053.00			4,325,020,404.00

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

CALCULATION FOR HARBOUR FRONT MULTISTORY BUILDING				
S.#	Description	Area	Rent/SFT (0.85%)	Rental Value
1	Ground Floor	5,581.00	403.75	2,253,328.7
2	Third Floor	10,878.00	403.75	4,391,992.5
3	Fourth Floor	14,578.00	403.75	5,885,867.5
4	Fifth Floor	14,578.00	403.75	5,885,867.5
5	Sixth Floor	14,578.00	403.75	5,885,867.5
6	Seventh Floor	14,578.00	403.75	5,885,867.5
7	Eighth Floor	14,578.00	403.75	5,885,867.5
8	Ninth Floor	14,321.00	403.75	5,782,103.7
9	Tenth Floor	14,321.00	403.75	5,782,103.7
10	Eleventh Floor	14,358.00	403.75	5,797,042.5
11	Twelfth Floor	14,319.00	403.75	5,781,296.2
12	Thirteenth Floor	14,500.00	403.75	5,854,375.0
13	Fourteenth Floor	14,293.00	403.75	5,770,798.7
14	Fifteenth Floor	14,500.00	403.75	5,854,375.0
15	Sixteenth Floor	14,230.00	403.75	5,745,362.5
16	Seventeenth Floor	14,219.00	403.75	5,740,921.2
17	Eighteenth Floor	15,223.00	403.75	6,146,286.2
18	Nineteenth Floor	15,223.00	403.75	6,146,286.2
19	Twentieth Floor	7,688.00	403.75	3,104,030.0
Total Rental Value of Harbour Front Multistory Building per month		256,544.00		103,579,640.0
Total Rental Value of Harbour Front Multistory Building per annum		256,544.00		1,242,955,680.0

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

DOLMEN CITY SHOPPING MALL:

TOTAL RENTAL VALUE OF DOLMEN CITY: **PKR. 4,325,020,404.00**
(Rupees Four Billion Three Hundred Twenty-Five Million Twenty Thousand and Four Hundred Four Only)

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

First Year: **PKR. 4,325,020,404.00**
Second Year (Increment of 10%): **PKR. 4,757,522,444.40**
Third Year (Increment of 10%): **PKR. 5,233,274,688.84**

HARBOUR FRONT MULTISTORY BUILDING:

TOTAL RENTAL VALUE OF HARBOUR FRONT: **PKR. 1,242,955,680.00**
(Rupees One Billion Two Hundred Forty Two Million Nine Hundred Fifty Five Thousand Six Hundred and Eighty Only)

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

First Year: **PKR. 1,242,955,680.00**
Second Year (Increment of 10%): **PKR. 1,367,251,248.00**
Third Year (Increment of 10%): **PKR. 1,503,976,372.80**

GRAND TOTAL RENTAL VALUE OF PROPERTY: **PKR. 5,567,976,084.00**
(I.e.; PKR. 4,325,020,404.00+ PKR. 1,242,955,680.00)
(Rupees Five Billion Five Hundred Sixty-Seven Million Nine Hundred Seventy-Six Thousand and Eighty-Four Only)

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

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

"Generally, the expenditure in between the range of 18% to 22% of gross rental income based on the experience "MYK Associates Pvt. Ltd" taken 20% on average basis. However capitalization rate should be in the range between 6% - 6.5%. This can be taking a figure of 6.37% on average basis.

Projected Net Operating Income = PKR 4.54 billion
Total Market Value of Dolmen Mall and Harbour Front = PKR 87.683 billion
Capitalization Rate = 5.21% (4.56 / 87.684) + Average Buffer rate of last 3 years = 1.16% = 6.37%"

**PROPERTY VALUE BASED ON VALUER'S ESTIMATED
INCOME CAPITALIZATION VALUE: PKR.69,927,486,141.00**

VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

PART III: INCOME CAPITALIZATION APPROACH (DCR):
[As per projected Net Operating Income (NOI)]

Arif Habib Dolmen REIT Management Limited has shared the occupancy projected status of the REIT property (Dolmen City Mall and Harbour Front) with the projected rent and expenses for the assessment of value based on the Income Capitalization Approach. The tenancy profile of Dolmen Mall is based on long term agreements with built in rent escalation thus representing a clear picture of future revenue. Out of the three approaches identified in REIT Regulations – 2022. Income Capitalization Approach is generally based on the principle that the value of the property reflects the quality and quantity of income it is expected to generate over time. It is the most typical approach used for income producing properties i.e. rental properties. Being based on actual agreements, this in comparison to income as per valuer's assessment represents the more representative determination for rental properties. Accordingly it is the most relevant approach for determination of valuation of REIT Management Property for reporting purposes. We have applied our estimated capitalization rate of 6.37% on the given data to determine the value of property remained same as in our previous report and are as follows:

REIT - Income Projections		Amount (In PKR)
Revenue		
Gross Rental Revenue		5,366,466,168.00
Ancillary Income		343,874,141.00
Sub-Total Operating Revenue (A)		5,710,340,309.00

LESS OPERATING COST:

Operating Costs		
SECP Monitoring fees	0.1% of fund size (PKR 22,237,000,000)	22,237,000.00
Property Management Fee		370,286,165.60
Ancillary Income collection charges		59,318,289.32
Insurance Expense		69,000,000.00
Property Tax		20,000,000.00
Renovation expense		353,000,000.00
Legal and professional charges		14,000,000.00
Other Recurring Expenses		130,000,000.00
Marketing Expenses		107,000,000.00
Sub-Total (B)		1,144,841,454.92

NET OPERATING INCOME (A-B): PKR. 4,565,498,854.22
 (I.e.: PKR. 5,710,340,309.00 – PKR. 1,144,841,454.92)

CAPITALIZATION RATE: 6.37%
 (Rate After Average Buffer)

Projected Net Operating Income = PKR 4.56 billion
Total Market Value of Dolmen Mall and Harbour Front = PKR 87.683 billion
Capitalization Rate = 5.21% (4.56 / 87.684) + Average Buffer rate of last 3 years = 1.16% = 6.37%"

Capitalization Value: PKR. 71,671,881,541.93

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

CONCLUSION:

We have carried out a detailed evaluation and inspection of the REIT Properties i.e. Dolmen City Mall and the Harbour Front constructed on Plot No: HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for valuation vide REIT Regulations - 2022.

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	44,445	Rupees Forty Four Thousand Four Hundred and Forty Five Million Only
Sales Compression Approach	87,683	Rupees Eighty Seven Thousand Six Hundred and Eighty Three Million Only.
Income Capitalization Approach		
i. Property Value based on Valuer estimated Income Capitalization Value	69,927	Rupees Sixty Nine Thousand Nine Hundred and Twenty Seven Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	71,671	Rupees Seventy One Thousand Six Hundred and Seventy One Million Only.

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

Therefore, evaluation report reflects our findings at the place mentioned therein and to the date and time of its inspection. Our assessment is computed with the assumption of market variables which influenced the value and that may vary unexpectedly time to time. In this report we have evaluated the cost of above said properties on the assumption of that it is free from any levies and encumbrances irrespective of any nature in title or otherwise. Our physical appraisal is based on the information and data provided by the officials of the REIT Management Company - M/s. Arif Habib Dolmen REIT Management Limited for REIT or their coordinating staff and accepted in good faith without any responsibility. We have carried out the exercise of valuation with due care and diligence and according to the REIT Regulations-2022.

Engr. Muhammad Touqir
Surveying Engineer & Evaluations

Sharjeel Siddiqui
Operation Manager

Syed Shabab Raza
General Manger

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

SUMMARY OF CURRENT REPORT AS PER MYK (Dated August 19, 2024)

DESCRIPTION	ASSESSMENT
Average Base Cost of Land	PKR. 1,000,000.00 per Square Yard
Construction Cost of Shopping Mall	PKR. 20,000 to PKR.30,000 per Sq. Foot
Construction Cost of Office Building	PKR. 27,500 per Sq. Foot (except 20 th Floor) PKR. 20,000 per Sq. Foot (for 20 th Floor)
Depreciation on Structure	@ 3% per annum for 12 Years by diminishing method
Dolmen Mall Sales Market Value	PKR. 75,497,848,000.00
Harbour Front Sales Market Value	PKR. 12,185,840,000.00
Dolmen Mall Average Rental rate	Upper Basement (D=-2000)= 0.52% of total value Ground Floor = 0.48% of total value First Floor = 0.48% of total value Second Floor = 0.47% of total value Second Floor Storage = 0.45% of total value 10%
Per annum Growth	
Harbour Front Average Rental rate	0.85% of total value (Average of all Floors)
Per annum Growth	10%
Operation Cost	20% of Yearly rental
Occupancy	100%

SUMMARY OF PREVIOUS REPORT AS PER MYK (Dated January 30, 2024)

DESCRIPTION	ASSESSMENT
Average Base Cost of Land	PKR. 975,000.00 per Square Yard
Construction Cost of Shopping Mall	PKR. 18,000 to PKR. 30,000 per Sq. Foot
Construction Cost of Office Building	PKR. 26,000 per Sq. Foot (except 20 th Floor) PKR. 20,000 per Sq. Foot (for 20 th Floor)
Depreciation on Structure	@ 3% per annum for 11 Years by diminishing method
Dolmen Mall Sales Market Value	PKR. 71,309,428,000.00
Harbour Front Sales Market Value	PKR. 11,801,024,000.00
Dolmen Mall Average Rental rate	Upper Basement (-2000)= 0.50% of total value Ground Floor = 0.45% of total value First Floor = 0.45% of total value Second Floor = 0.45% of total value Second Floor Storage = 0.45% of total value 10%
Per annum Growth	
Harbour Front Average Rental rate	0.85% of total value (Average of all Floors)
Per annum Growth	10%
Operation Cost	20% of Yearly rental
Occupancy	100%

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT
(VALUER DECLARATION UNDER REIT REGULATIONS – 2022)**

DECLARATION

I, Engr. Muhammad Touqir, Senior Surveying Engineer of MYK Associates (Pvt.) Limited carried out a valuation of "Dolmen City and Harbour Front" at HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi for M/s Arif Habib Dolmen REIT, to the best of my knowledge and belief declare:

1. That after an inspection of the Real Estate and a study of pertinent factors, including valuation trends and an analysis of neighborhood data the market value of the subject Real Estate as on August 19, 2024 are as below:

VALUATION APPROACH	VALUE (PKR) (in Millions)	VALUE IN WORDS
Cost Approach	44,445	Rupees Forty Four Thousand Four Hundred and Forty Five Million Only
Sales Compression Approach	87,683	Rupees Eighty Seven Thousand Six Hundred and Eighty Three Million Only.
Income Capitalization Approach		
i. Property Value based on MYK estimated Income Capitalization Value	69,927	Rupees Sixty Nine Thousand Nine Hundred and Twenty Seven Million Only.
ii. Property Value based on DCR's (projected NOI based on existing rental agreements and expected rent for the vacant area) Capitalization Value.	71,671	Rupees Seventy One Thousand Six Hundred and Seventy One Million Only.

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

DECLARED BY:

(Muhammad Touqir)
Senior Surveying Engineer.

WITNESSED BY:

(Muhammad Younus Khan)
CEO
Date: August 19, 2024

**VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT**

GROUND FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

GROUND FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

FIRST FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

FIRST FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

SECOND FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

SECOND FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT

SECOND FLOOR PICTURES



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT



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VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT



VALUATION REPORT FOR COMMERCIAL PROPERTY
DOLMEN CITY MALL AND HARBOUR FRONT





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
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INDEPENDENT AUDITORS' REVIEW REPORT

To the unitholders of Dolmen City REIT

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 Arif Habib Dolmen REIT Management Limited (RMC) for and on behalf of Dolmen City REIT (the Scheme) for the year ended 30 June 2024 in accordance with the requirements of regulation No. 36 of the Regulations.

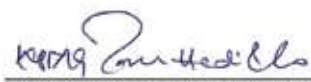
The responsibility for compliance with the Regulations is that of the Board of Directors of the RMC of the Scheme. Our responsibility is to review whether the Statement of Compliance reflects the status of the Scheme's compliance with the provisions of the Regulations and report if it does not and to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

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

The Regulations require the Scheme 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 Scheme's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Scheme for the year ended 30 June 2024.

Date: 25 October 2024
Karachi
UDIN: CR202410096V8CZku3dv


KPMG Taseer Hadi & Co.
Chartered Accountants

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Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended 30 June 2024.

Name of Company: Arif Habib Dolmen REIT Management Limited (the REIT Management Company or RMC)
For and on behalf of: Dolmen City REIT (the Scheme)
Year ended: June 30, 2024

The RMC has complied with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) for and on behalf of the Scheme in the following manner:

- The total number of directors are 9 (nine) comprising of eight elected directors and one deemed director composition is as follows:
 - Male: 8
 - Female: 1
- The composition of the board is as follows:

Category	Names
Non-Executive Director	Mr. Arif Habib - Chairman Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajid Ullah Sheikh
Independent Director	Mr. Naeem Ilyas Mr. Muhammad Noman Akhter
Female Director (Independent Director)	Ms. Tayyaba Rasheed
Chief Executive (Deemed Director)	Mr. Muhammad Ejaz

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including RMC.
- The RMC has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the RMC along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the RMC. The Board has ensured that a complete record of particulars of significant policies along with the dates of approval or updating are maintained by the RMC.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Management Company as empowered by the relevant provisions of the Companies Act, 2017, REIT Regulations, 2022 and the Regulations.
- 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 the Companies Act 2017

and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations.
9. Seven directors have a certification under the Directors' Training Program; one director will undergo training, while one director of the RMC is exempt from the requirement.
10. The Board has approved the 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 Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee

Mr. Naeem Ilyas	Chairman
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Noman Akhter	Member
 - b) Human Resource & Remuneration Committee

Ms. Tayyaba Rasheed	Chairperson
Mr. Abdus Samad A. Habib	Member
Mr. Sajid Ullah Sheikh	Member
Mr. Muhammad Ejaz	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
 - a) Audit Committee: 15 meetings
 - b) Human Resource & Remuneration Committee: 1 meeting
15. The Board has outsourced the internal audit function to M/s Junaidy Shoaib Asad & Co Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the RMC.
16. The statutory auditors of the Scheme have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the 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 RMC;
17. The statutory auditors or the people associated with them have not been appointed to provide other services except in accordance with the Act, the 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 the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below (if applicable):

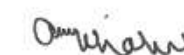
S. No	Requirement	Explanation for not meeting non-mandatory requirements	Regulation No.
1.	The same person shall not simultaneously hold the office of Chief Financial Officer and the Company Secretary of a listed Company.	The current Chief Financial Officer and Company Secretary is suitably qualified and professionally capable of acting and fulfilling the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the RMC, therefore hiring a separate person for both positions is not feasible.	24
2.	The Board may be required to approve an anti-harassment policy to safeguard the rights and wellbeing of employees.	During the year, the Securities and Exchange Commission of Pakistan (SECP) amended Regulation No. 10 on June 12, 2024. While the Company's Code of Conduct and Human Resource policy broadly addresses the relevant workplace matters, the management is currently reviewing the amendments.	10(4) (xvi)
3.	In order to effectively discharge its sustainability related duties, the board may establish a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee.	During the year, the SECP introduced Regulation 10A on June 12, 2024. The Board currently oversees the Company's Environmental, Social, and Governance (ESG) initiatives, and management is reviewing the amendments	10A(5)
4.	The Board may constitute a separate committee, designated as the nomination committee and risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board manages these matters through its governance framework. The Board considers its members appropriately qualified to oversee these responsibilities, given the company's scale and structure. This approach is regularly reviewed to ensure alignment with best practices and regulations.	29(1) & 30(1)

For and behalf of the board.



Muhammad Ejaz
Chief Executive

Dated: October 25, 2024
Karachi



Arif Habib
Chairman



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Karachi 75530 Pakistan
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INDEPENDENT AUDITORS' REPORT

To the Unit holders of Dolmen City REIT

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Dolmen City REIT ("the Scheme"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in unitholder's fund, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in unitholder's fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) and Real Estate Investment Trust Regulations, 2022, in the manner so required and respectively give a true and fair view of the state of the Scheme's affairs as at 30 June 2024 and of the profit, other comprehensive income, the changes in unitholder's 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 Financial Statements section of our report. We are independent of the Scheme in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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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 Property	
	<p>Refer note 4 to the financial statements.</p> <p>The investment property amounted to Rs. 71,672 million as at 30 June 2024.</p> <p>Investment property forms a significant part of the Scheme's total assets. The Scheme's investment property is 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.</p> <p>The management valuer under REIT Regulation, 2022 is required to carry out valuation on any valuation technique adopted explicitly stating the reason for opting such approach. The management valuer has stated "Income Capitalization Approach - on projected Net Operating Income (NOI) based on existing rent arrangements and expected rent for the vacant area" is the most appropriate approach used for valuation.</p> <p>We identified valuation of investment property 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 4 to the financial statements.</p>	<p>Our audit procedures to assess the valuation of investment property, amongst others, included the following:</p> <ul style="list-style-type: none"> evaluated the design and implementation of relevant controls over the measurement of the investment property; assessed the competence, capabilities and objectivity of the management valuer and evaluated their scope of work; on sample basis, assessed whether the source data provided to the management's valuer is reasonable; obtained the valuation report and engaged our external specialist for assessing the reasonableness of the significant unobservable inputs and estimates used by the management valuer and whether the valuation approach recommended by management's valuer represent the most appropriate approach; engaged our auditors' own valuation specialist to assist us in evaluating the assumptions and judgements used by management in its projected net operating income working; and assessed the adequacy of the related disclosures in the notes to the financial statements in accordance with the requirement of IFRS.

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S. No.	Key audit matters	How the matters were addressed in our audit
2.	Revenue Recognition	
	<p>Refer notes 17 and 18 to the financial statements.</p> <p>The Scheme's revenue for the year ended 30 June 2024 was Rs. 5,159 million.</p> <p>Revenue from rental income is recognized on a straight-line basis over the non-cancellable period of the lease. Whereas, revenue from marketing activities is recognized when the event is performed.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Scheme and therefore there is an inherent risk that revenue may not have been recorded in the appropriate period.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> assessed the design, implementation and operating effectiveness of the key internal controls which governs the revenue recognition; assessed the appropriateness of the Scheme's accounting policies for revenue recognition including its compliance with applicable accounting standards; tested revenue transactions recorded during the current year, on sample basis, with underlying documentation including invoices and rent agreements to assess whether the revenue was recognized in accordance with Scheme's revenue recognition accounting policies; and tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recorded in the appropriate accounting period.

Information Other than the Financial Statements and Auditors' 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 financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide 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.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Scheme as required by the Companies Act, 2017 (XIX of 2017);

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- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in unitholder's fund, the statement of cash flows together with the notes thereon have been drawn up in conformity with the Real Estate Investment Trust Regulation, 2022 and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made and expenditure incurred during the year were for the purpose of the Schemes' business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Scheme and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Aryn Malik.

Date: 25 October 2024
Karachi
UDIN: AR202410096APp3M1Xam

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

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FINANCIAL STATEMENTS

Statement of Financial Position

As of 30 June 2024

	Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
ASSETS			
Non-current asset			
Investment property	4	71,671,881	68,046,859
Current assets			
Rent and marketing receivables	5	99,100	106,175
Advances and deposits	6	193,666	24,132
Advance tax	7	220,540	215,590
Accrued profit on deposits		17,618	20,314
Short-term investments	8	61,544	750,700
Bank balances	9	1,790,620	1,131,446
Total current assets		2,383,088	2,248,357
Total assets		74,054,969	70,295,216
UNIT HOLDERS' FUND AND LIABILITIES			
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up units (2,223,700,000 units of Rs. 10 each)	10	22,237,000	22,237,000
Capital Reserves	11	49,716,227	46,091,205
Revenue Reserve		1,235,775	1,168,142
Total unit holders' fund		73,189,002	69,496,347
Current liabilities			
Payable to REIT Management Company - <i>related party</i>	12	40,197	39,305
Security deposits	13	545,993	497,688
Accrued expenses and other liabilities	14	261,792	247,049
Unclaimed dividend	15	17,985	14,827
Total current liabilities		865,967	798,869
Contingencies and commitments			
	16		
Total unit holders' fund and liabilities		74,054,969	70,295,216
		----- (Rupees)-----	
Net asset value per unit		32.91	31.25

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Statement of Profit or Loss

For the year ended 30 June 2024

	Note	2024 ----- (Rupees in '000)	2023 ----- (Rupees in '000)
Revenue			
Rental income	17	4,854,664	4,318,760
Marketing income	18	303,933	258,387
		5,158,597	4,577,147
Administrative and operating expenses			
Impairment reversal / (loss) on receivables	5.1	7,260	(17,688)
Net operating income		4,348,045	3,979,188
Other income			
	20	338,952	244,338
		4,686,997	4,223,526
Management fee			
Sindh sales tax on management fee	12.2	(130,441)	(119,376)
Trustee fee	12.2	(16,957)	(15,519)
Sindh sales tax on trustee fee	14.4	(21,740)	(19,896)
	14.4	(2,826)	(2,586)
		(171,964)	(157,377)
Profit before change in fair value of investment property		4,515,033	4,066,149
Unrealized gain on remeasurement of fair value of investment property			
	4	3,625,022	5,225,670
Profit before tax		8,140,055	9,291,819
Income tax expense			
	21	-	-
Profit for the year		8,140,055	9,291,819
		----- (Rupees)-----	
Earnings per unit - Basic and diluted	22	3.66	4.18

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Statement of Comprehensive Income

For the year ended 30 June 2024

	2024 ----- (Rupees in '000) -----	2023
Profit for the year	8,140,055	9,291,819
Other comprehensive income	-	-
Total comprehensive income for the year	<u>8,140,055</u>	<u>9,291,819</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Statement of Changes In Unit Holders' Fund

For the year ended 30 June 2024

	Issued, subscribed and paid up units	Reserves			Revenue reserve Unappropriated profit	Total unit holders' fund
		Premium on issue of units - net (Note 11.1)	Fair value reserve (Note 11.2)	Total		
Note	----- (Rupees in '000) -----					
Balance as at 30 June 2022	22,237,000	281,346	40,584,189	40,865,535	926,757	64,029,292
Transactions with owners:						
Cash dividend for the period ended 30 June 2022 (Re. 0.41 per unit)	-	-	-	-	(911,717)	(911,717)
Cash dividend for the period ended 30 September 2022 (Re. 0.43 per unit)	-	-	-	-	(956,191)	(956,191)
Cash dividend for the period ended 31 December 2022 (Re. 0.43 per unit)	-	-	-	-	(956,191)	(956,191)
Cash dividend for the period ended 31 March 2023 (Re. 0.45 per unit)	-	-	-	-	(1,000,665)	(1,000,665)
	-	-	-	-	(3,824,764)	(3,824,764)
Total comprehensive income for the year	-	-	-	-	9,291,819	9,291,819
Reclassification adjustment relating to changes in fair value of investment property	4	-	5,225,670	5,225,670	(5,225,670)	-
Balance as at 30 June 2023	22,237,000	281,346	45,809,859	46,091,205	1,168,142	69,496,347
Transactions with owners						
Cash dividend for the period ended 30 June 2023 (Re. 0.5 per unit)	-	-	-	-	(1,111,850)	(1,111,850)
Cash dividend for the period ended 30 September 2023 (Re. 0.5 per unit)	-	-	-	-	(1,111,850)	(1,111,850)
Cash dividend for the period ended 31 December 2023 (Re. 0.5 per unit)	-	-	-	-	(1,111,850)	(1,111,850)
Cash dividend for the period ended 31 March 2024 (Re. 0.5 per unit)	-	-	-	-	(1,111,850)	(1,111,850)
	-	-	-	-	(4,447,400)	(4,447,400)
Total comprehensive income for the year	-	-	-	-	8,140,055	8,140,055
Reclassification adjustment relating to changes in fair value of investment property	4	-	3,625,022	3,625,022	(3,625,022)	-
Balance as at 30 June 2024	<u>22,237,000</u>	<u>281,346</u>	<u>49,434,881</u>	<u>49,716,227</u>	<u>1,235,775</u>	<u>73,189,002</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Statement of Cash Flows

For the year ended 30 June 2024

Note	2024 ----- (Rupees in '000) -----	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	8,140,055	9,291,819
Adjustments for non cash items:		
Unrealised gain on remeasurement of fair value of Investment property	4 (3,625,022)	(5,225,670)
Liability written back	20 (10,901)	(647)
Impairment (reversal) / loss on receivables	5.1 (7,260)	17,688
Profit on bank deposits and Term deposit	20 (328,051)	(243,691)
	4,168,821	3,839,499
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
Rent and marketing receivables	14,335	34,604
Advances and deposits	(169,534)	(12,118)
	(155,199)	22,486
<i>Increase / (decrease) in current liabilities</i>		
Payable to the REIT Management Company - related party	892	6,736
Security deposits	48,305	38,391
Accrued expenses and other liabilities	14,743	(37,296)
	63,940	7,831
Cash generated from operations	4,077,562	3,869,816
Tax paid	(4,950)	(8,319)
Net cash from operating activities	4,072,612	3,861,497
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on deposits received	341,648	232,048
Net investment in term deposit receipts	50,700	(6,722)
Net cash used in investing activities	392,348	225,326
CASH FLOW FROM FINANCING ACTIVITY		
Dividend paid	(4,444,242)	(3,823,172)
Net cash from financing activity	(4,444,242)	(3,823,172)
Net increase in cash and cash equivalents	20,718	263,651
Cash and cash equivalents at 1 July	1,831,446	1,567,795
Cash and cash equivalents at 30 June	23 1,852,164	1,831,446

The annexed notes from 1 to 30 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Notes to the Financial Statements

For the year ended 30 June 2024

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. The Scheme is governed under Sindh Trust Act, 2020 and is governed under the Real Estate Investment Trust Regulations, 2022 (REIT Regulations, 2022) (previously REIT Regulation, 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 29 May 2015. The Scheme is a perpetual, closed-ended, shariah compliant rental REIT. The Scheme is listed on Pakistan Stock Exchange. On 29 November 2023, VIS Credit Rating Company Limited assigned rating "AAA(rr)" to the Scheme. Similarly, on 11 December 2023, VIS Credit Rating Company Limited assigned rating "AM2+" to RMC.

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 including but not limited to deposits and placements with banks, rental and marketing income earned were all in accordance with principle of Shariah. The principle activity of the Scheme is to generate rental income through investment property and distribute the income to unitholders through dividends.

1.2 The Scheme commenced its commercial activities on 01 June 2015. The Scheme was the subsidiary of International Complex Projects Limited (ICPL) directly holding 75% of the units. The Board of Directors of the ICPL in its meeting held on 22 April 2021 approved the Scheme of arrangement for re-organization / re-arrangement of the Dolmen Group comprising restructuring of ICPL. The arrangement became effective on 01 July 2021 as sanctioned by the Honorable High Court of Sindh vide its Order dated 03 November 2021. Consequently, units held by ICPL were transferred to its associated undertakings i.e. Dolmen (Private) Limited and Al-Feroz (Private) Limited, as envisaged in the said Scheme of arrangement in equal proportion.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 and Part VIIIA of the repealed Companies Ordinance, 1984; and
- The Real Estate Investment Trust Regulations 2022 (the REIT Regulations, 2022).

Where the provisions of and directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984 and REIT Regulations, 2022 differ from the IFRS standards, the provisions of and directives issued under Companies Act, 2017 and REIT Regulations, 2022 have been followed.

2.1.1 On 28 November 2022, Securities and Exchange Commission of Pakistan vide S.R.O 2067/2022 has replaced REIT Regulations, 2015 with REIT Regulations, 2022 which came into force with immediate effect.

2.2 Basis of accounting

These financial statements have been prepared under the 'historical cost convention' except for investment property which has been measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Scheme's functional and presentation currency. All figures have been rounded off to nearest thousand of rupees unless, otherwise stated.

2.4 Use of judgments and estimates

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Scheme's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

- Investment property (notes 3.1 and 4);
- Allowance for impairment (reversal) / loss on receivables (notes 3.2.5 and 5); and
- Provisions and contingencies (notes 3.5 and 16).

2.5 Standards, interpretations and amendments to published 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 to 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 entity'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 entity'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 entity 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 an entity 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 an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity 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, entities 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 entities 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 an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity 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 an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, and the entity's exposure to liquidity risk. Under the amendments, entities 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 an entity 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 an entity 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 entity because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. 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; and
- 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 company 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;
- the settlement risk associated with the electronic payment system is insignificant.

The above standards, interpretations and amendments are not likely to have an impact on the Scheme's financial statements. Earlier application is permitted.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The Scheme has consistently applied the following accounting policies to all periods presented in these financial statements. In addition, the Scheme adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the Disclosure of material' rather than 'significant accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policies information disclosed below:

3.1 Investment Property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in statement of profit or loss.

The Scheme 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 valuation and explicitly state the reasoning for the approach adopted that is most appropriate for the Scheme. The valuer has stated that Income Capitalization Approach - "Projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area" is the most appropriate / relevant approach used for income producing properties i.e. rental properties.

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

3.2 Financial Instruments

3.2.1 Recognition and initial measurement

Receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Scheme 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 or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.2.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as: amortised cost, Fair value through Other Comprehensive Income (OCI) or fair value through profit or loss (if any).

Financial assets are not reclassified subsequent to their initial recognition unless the Scheme 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.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Scheme may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Scheme may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Scheme 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 realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Scheme'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 Scheme'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 purposes 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 Scheme 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 Scheme 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 Scheme'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.

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses are recognized 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. Markup income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Markup income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Markup expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3.2.3 Derecognition

Financial assets

The Scheme derecognizes 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 Scheme neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Scheme enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Scheme derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Scheme also derecognizes 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 recognized 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 recognized in profit or loss.

3.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Scheme currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.2.5 Impairment on financial assets

The Scheme recognizes loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortized cost;
- debt instruments measured at FVOCI, if any; and
- contract assets, if any.

The Scheme measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date, if any; and
- other debt securities and bank balances, if any for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Scheme's historical experience and informed credit assessment, that includes inducing forward-looking information.

The Scheme assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Scheme considers a financial asset to be in default when:

- the customer is unlikely to pay its balance to the Scheme in full, without recourse by the Scheme to actions such as realizing security (if any is held); or
- the financial asset is past due for more than 180 days.

The Scheme considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-months ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Scheme is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Scheme expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets

At each reporting date, the Scheme assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being past due for more than the agreed term;
- the restructuring of a loan or advance by the Scheme on terms that the Scheme would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Scheme has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Scheme makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Scheme expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Scheme's procedures for recovery of amounts due.

3.3 Impairment of non-financial assets

At each reporting date, the Scheme reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4 Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and term deposit receipts having maturity of not more than three months.

3.5 Provisions

Provisions are recognized when the Scheme has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of that can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimate.

3.6 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. The deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on enacted tax rates.

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

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

3.7 Revenue Recognition

- Rental income from investment property is recognized as revenue on a straight line basis over the non-cancellable period of the lease, unless another systematic basis is more representative of the time pattern in which use / benefit derived from the investment property is diminished.
- Revenue from marketing activities is recognized when the event is performed and performance obligation is satisfied.
- Profit on bank deposits is recognized on a time proportionate basis using effective yield method.

3.8 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 Scheme has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Scheme's accounting policies and disclosure require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Scheme 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 Scheme uses valuation techniques that maximize the use of relevant observable inputs and minimize 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.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Scheme measures assets and long positions at a bid price and liabilities and short position at an ask price.

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 Scheme 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 recognized 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.

3.9 Earnings per unit (EPU)

The Scheme presents basic and diluted earnings per unit data for its ordinary units. Basic EPU is calculated by dividing the profit or loss attributable to unitholders of the Scheme by the weighted average number of units outstanding during the year. Diluted EPU is determined by adjusting the profit or loss attributable to unitholders and the weighted average number of unitholders outstanding after the effects of all dilutive potential units.

3.10 Net assets value per unit

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

3.11 Dividend distribution

Dividend distribution to the Scheme's unitholders and appropriation to reserve is recognized in the financial statements as a liability in the period in which these dividends are approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, they are disclosed in the notes to the financial statements.

3.12 Finance income and finance cost

The Scheme's finance income and finance costs include:

- markup income; and
- markup expense.

Finance income or cost is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating finance income and cost, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, markup income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of markup income reverts to the gross basis.

4 INVESTMENT PROPERTY

Note	2024 (Rupees in '000)	2023
	68,046,859	62,821,189
	3,625,022	5,225,670
4.2	<u>71,671,881</u>	<u>68,046,859</u>

Note	2024		
	Dolmen Mall	Harbour Front	Total
	3,515,434	1,050,065	4,565,499
4.2.1	<u>6.37%</u>	<u>6.37%</u>	<u>6.37%</u>
	<u>55,187,348</u>	<u>16,484,533</u>	<u>71,671,881</u>

Note	2023		
	Dolmen Mall	Harbour Front	Total
	3,102,936	979,875	4,082,811
4.2.1	<u>6%</u>	<u>6%</u>	<u>6%</u>
	<u>51,715,615</u>	<u>16,331,244</u>	<u>68,046,859</u>

Property wise movement of unrealized gain on remeasurement of fair value of investment property:

	2024 (Rupees in '000)		
	Dolmen Mall	Harbour Front	Total
	51,715,615	16,331,244	68,046,859
	3,471,733	153,289	3,625,022
	<u>55,187,348</u>	<u>16,484,533</u>	<u>71,671,881</u>

- 4.1 The investment property comprises of the buildings on leasehold land named as the "DOLMEN CITY MALL" and "THE HARBOUR FRONT", comprising of two basements (460,438 square feet), ground floor (241,052 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 twentieth floors (270,271 square feet) 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.

Rental income and marketing income earned from investment property for the year ended 30 June 2024 amounted to Rs. 4,855 million and Rs. 304 million (2023: Rs. 4,319 million and Rs. 258 million) respectively.

Direct operating expenses arising from investment property have been disclosed in note 19.4 to these financial statements.

- 4.1.1 The Scheme as a lessor has entered into operating leases with the tenants on its investment property consisting of Dolmen Mall Clifton ("DMC") and The Harbour Front ("THF"). These leases have terms of one to five years with non-cancellable period ranges from six to twelve months. Moreover, tripartite agreements were entered between the Scheme, tenant and property manager, where common area management services were delegated to property manager namely Dolmen Real Estate Management (Private) Limited. Accordingly, the Scheme is not the principal for their services as it is not engaged / involved in the provision of these services.
- 4.1.2 Rental income is recognized on a straight line basis over the non-cancellable lease term. Non-cancellable lease term includes only the period in which both parties do not have the right to cancel / terminate the agreement. Due to the fact that it is more likely that the tenants may substitute their business place from the Scheme's managed premises to other premises, the management has recognized rental considering the non-cancellable period of six to twelve months.

The future aggregate minimum rentals receivable including non-cancellable period under operating leases as at 30 June are as follows:

	2024	2023
	----- (Rupees in '000) -----	
No later than one year - non cancellable	4,154,047	4,739,636
Later than one year but not later than five years - cancellable	5,264,108	5,717,463
Later than five years - cancellable	340,380	238,947
	<u>9,758,535</u>	<u>10,696,046</u>

4.2 The investment property has been valued by MYK Associates (the Valuer) as at 30 June 2024, who is an independent valuer. The valuer is enlisted with Pakistan Bank's Association and Pakistan Engineering Council and has recent experience in the location and category of the property being valued.

The valuer used the following approaches:

	2024	2023
	----- (Rupees in '000) -----	
Cost approach:		
- Dolmen Mall	36,643,772	36,147,723
- The Harbour Front	7,801,921	7,450,153
	<u>44,445,693</u>	<u>43,597,876</u>

Sales comparison approach:

- Dolmen Mall	75,497,848	70,847,908
- The Harbour Front	12,185,840	11,544,480
	<u>87,683,688</u>	<u>82,392,388</u>

Income capitalization approach - using capitalization rate of

(a) Valuer's assessment of **net operating income**

	2024		
	Dolmen Mall	Harbour Front	Total
Net operating income (Rs'000)	3,460,016	994,365	4,454,381
Capitalisation rate (%)	6.37%	6.37%	6.37%
Fair value (Rs'000)	<u>54,317,368</u>	<u>15,610,118</u>	<u>69,927,486</u>

(b) On projected **net operating income** based on existing rental agreements and expected rent for the vacant area

	2024		
	Dolmen Mall	Harbour Front	Total
Net operating income (Rs'000)	3,515,434	1,050,065	4,565,499
Capitalisation rate (%)	6.37%	6.37%	6.37%
Fair value (Rs'000)	<u>55,187,348</u>	<u>16,484,533</u>	<u>71,671,881</u>

4.2.1 The valuer in its valuation report has stated that out of three approaches "income capitalisation approach" is the most appropriate approach used for income producing properties i.e. rental properties. The valuer has determined two values under income capitalisation approach as stated above, however recommended that the valuation on the projected NOI of following year based on existing rental agreements and expected rent for the vacant area is most appropriate for the Scheme. Accordingly, investment property has been valued in these financial statements under income capitalisation approach using 6.37% capitalisation rate on projected NOI based on the existing rental agreements and expected rent for the vacant area. During the year, the management in consultation with its valuer evaluated the capitalisation rate and accordingly revised the same to 6.37% (2023: 6%) by adjusting the capitalisation rate of 5.21% (2023: 4.96%) (based on sales comparison approach) to incorporate the average buffer rate of 1.16% for the last 3 years to arrive at the capitalisation rate of 6.37%.

The forced sales value of the investment property is assessed to be Rs. 70,147 million (30 June 2023: Rs. 65,914 million).

Fair value hierarchy

The details of the investment property and information about its fair value hierarchy as at the end of the reporting year are as follows:

The fair value measurement for the investment property has been categorized within Level 3 fair value hierarchy which is considered as highest and best use of investment property. The fair value has been carried out considering following inputs:

	Level 3	Fair value as at 30 June 2024
	----- (Rupees in '000) -----	
Dolmen Mall Clifton and The Harbour Front	<u>71,671,881</u>	<u>71,671,881</u>

	Level 3	Fair value as at 30 June 2023
	----- (Rupees in '000) -----	
Dolmen Mall Clifton and The Harbour Front	<u>68,046,859</u>	<u>68,046,859</u>

Significant unobservable inputs

The fair value has been carried out considering following inputs:

	2024	2023
	----- (Rupees in '000) -----	
Projected income of the following year	5,710,340	5,028,376
Projected operating cost of the following year	(1,144,841)	(945,565)
Projected NOI of the following year	<u>4,565,499</u>	<u>4,082,811</u>
	----- (Percentage) -----	
Capitalization rate	<u>6.37%</u>	<u>6%</u>

Sensitivity analysis

Change in each of the below significant unobservable input would have effect on fair value of investment property as shown below. The analysis assumes that all other variables remain constant and is performed on the same basis as for annual financial statement for the year ended 30 June 2023.

	Change in input	Effect on fair value	
		2024	2023
		----- (Rupees in '000) -----	
- Projected income (based on existing leasing contracts)	+ 5%	4,482,214	4,190,314
- Projected income (based on existing leasing contracts)	- 5%	(4,482,214)	(4,190,314)
- Projected operating costs	+ 5%	(898,620)	(787,971)
- Projected operating costs	- 5%	898,620	787,971
- Capitalization rate	+ 1%	(9,724,814)	(9,720,978)
- Capitalization rate	- 1%	13,346,719	13,609,369

Contents of the valuation report

The full scope valuation report has been prepared in accordance with the International Valuation Standards (IVS).

Dolmen City Mall

The Dolmen Mall having a built-up area of approximately 1 million square feet shopping and entertainment facilities as well as a food court.

The Harbour Front

Pakistan's premier corporate address, "The Harbour Front" is located on the scenic coastline of Karachi, soaring 19-levels above the Arabian Sea. This modern triangular tower is home to the leading local and multi-national corporations. With an area of over 270,270.67 square feet of office space spread over 17 levels, The Harbour Front provides spacious and inspirational environment to conduct their everyday business.

The Dolmen City Mall and Harbour Front is constructed on amalgamated HC-3, Block No: 04, Scheme No: 05, Marine Drive, Clifton, Karachi measuring total area of 37,666.65 Square Yards and REIT shared area 15,201.68 square yards in an irregular shape. The vertically skywards triangular complex Harbour Front (Offices) comprises of three to nineteen floors.

Valuation approaches

Approach	Summary	Pros	Cons
Cost approach	The "Cost Approach" is a real estate valuation method in which a buyer should pay for a property that should equal the cost to build an equivalent building. In cost approach appraisal, the market price for the property is equal to the cost of land plus cost of construction and services therein such as generator, power plant, chiller plant and other services for multistory building.	This approach provides basis for determining replacement value of the asset or property or any other fixed item or utility service in the premise. Indeed, for consideration in such approach the final shape of the project should have similarity along with similar utilities / facilities in construction.	This approach does not take into account the loss of income during construction up till the completion of project achieving desired occupancy. Then true picture of cost approach can emerge.
Sales comparison approach	The "sales comparison approach" is to compare recently-sold properties (local similar) with the other similar property. Price adjustments are made for differences in the comparable factors of the property. In fact, the "Sales Comparison Approach" is the basic foundation knowledge for the real estate professionals.	This approach is commonly used in the real estate comparison or appraisals for similar type of property.	True Sale Comparison Approach is emerged when there is any such process of sale/purchase in near past however, in case of the Scheme, there is no similar building in the vicinity and at present there has been no deal or transaction of similar size project or property in Karachi for comparison with Dolmen City project. This approach is generally suitable where the business is buying and selling of property.
Income Capitalization Approach	The "income capitalization approach" is a real estate appraisal method that allows investors to estimate the value of a property by taking the net operating income of the rent collected and dividing it by the capitalization rate. This usually appears in percentage. A method that appraises real estate income and then converts this income into an estimate of its value. Appraisers generally use this method for commercial buildings such as shopping centers, office buildings and large apartment buildings. The basic formula for this approach is commonly referred as (IRV): Net operating income (I) ÷ capitalization rate (R) = value (V)	This approach allows investors to estimate the value of a property based on the net operating income (generated by the real estate) using a capitalization rate. This is most common used approach to the value of income generating real estate and it can be regarded as the most appropriate valuation basis for income generating real estate as compared to two other approaches as the said approach is based upon principle that reflects the value of property based on the income generated from it and in case of income generating real estate business the main purpose of the real estate is to accrue the benefit of the income generated through it to the investors over the long period of time.	The approach relies heavily on assumptions about future net operating income (NOI) and capitalization rates can be subjective. Income Capitalization Approach assumes stable market conditions. It may not account for market volatility, such as sudden shifts in demand, rental rates, or interest rates, which can affect property values.

Approach	Basis and explanation of valuation
Cost Approach	<p>Basic calculation of land: Sea view road is the most prestigious and prime real estate location mostly throughout the world and Karachi is also no different in this too. The Sea View road is fastly becoming the business hub of Karachi and it is almost impossible to find a plot on the main road or on the sea side. To assess the value of the land in the area the survey of estate agents / property dealers was carried out. At present, the cost of the land on sea side and around this area has become very attractive and observed increasing trend in the cost between the range of Rs. 950,000 To Rs. 1,050,000 per square yard depending upon the location and size of the plot. Therefore, the valuer has taken the land value of Rs. 1,000,000 per square yard on similar parameters.</p> <p>Calculation of cost of structure:</p> <p>i) Dolmen City Shopping Mall: Dolmen City Shopping Mall comprises of lower and upper basement, ground, mezzanine and three upper floors (including earth work finishes of concealed roofing, flooring, paint, door and windows, lift system, internal and external electrical work) by considering all these parameters. The construction cost for Dolmen city shopping mall is approximately between Rs 20,000 to Rs 30,000 per square foot including all services depending upon the finishes and architectural design of floors.</p> <p>ii) Harbour Front Office Building: The construction cost of Harbour Front Office Building has been taken approximately between Rs. 25,000 to Rs 30,000 per square foot due to present market condition and depending upon the finishes and architectural design of floors. The valuer has taken an average base cost of Rs 27,500 per square foot.</p> <p>All possible factors have been taken critically into consideration to evaluate and determine the value of the REIT Properties "Dolmen City Mall And Harbour Front" including the natural and physical condition of the plot area, type of building design and structure, type of construction, age of construction, state of infrastructure in the area, location, availability of utilities connection in the premises and Government's future development measures to boost the commercial activities, reliability in return of investment in short term or long term plan basis.</p>
	<p>This approach compares the subject property characteristics with those of comparable properties which have recently been sold to determine the value of subject real estate. The process adjusts the prices of comparable transactions according to the presence, absence, or degree of characteristics, which influence value. According to valuer's market survey, no standard comparable building / project is available in the vicinity of the "Dolmen City Mall and Harbour Front" Clifton for sale comparison, so the valuer cannot compare it for comparison approach. Whereas, at some distance from "Dolmen City Mall and Harbour Front" some other project having the same facilities, fitting and fixtures such as "The Centre Point", "Ocean Tower" and "Park Tower" which have almost the similar rates as in the valuation report.</p>
	<p>Arif Habib Dolmen REIT Management Limited has shared the occupancy projected status of the REIT property (Dolmen City Mall and Harbour Front) with the projected rent and expenses for the assessment of value based on the Income Capitalization Approach. The tenancy profile of Dolmen Mall is based on long term agreements with built in rent escalation thus representing a clear picture of future revenue.</p> <p>Out of the three approaches identified in REIT Regulations 2022, Income Capitalization Approach is generally based on the principle that the value of the property reflects the quality and quantity of income it is expected to generate over time. It is the most typical approach used for income producing properties i.e. rental properties.</p> <p>Being based on actual agreements, this in comparison to income as per valuer's assessment represents the more representative determination for rental properties. Accordingly it is the most relevant approach for determination of valuation of property for reporting purposes.</p> <p>Generally, the expenditure is between the range of 18% to 22% of gross rental income based on the experience of the valuer which is taken as 20% on average basis and capitalization rate should be in the range between 6% - 6.5%. The valuer evaluated the capitalisation rate and accordingly revised the same to 6.37% (2023: 6%) by adjusting the capitalisation rate of 5.21% (2023: 4.96%) (based on sales comparison approach) to incorporate the average buffer rate of 1.16% for the last 3 years to arrive at the capitalisation rate of 6.37% to determine the value of property. Valuer's assessment is computed with the assumption of market variables which influenced the value which may vary unexpectedly time to time.</p>

Summary of the valuation report:

Description	Assessment
Average base cost of land	Rs 1,000,000 per square yard
Construction cost of shopping mall	Rs 20,000 to Rs 30,000 per square foot
Construction cost of office building	Rs 27,500 per square foot (except 20th Floor) Rs 20,000 per square foot (for 20th Floor)
Depreciation on structure	@ 3% per annum for 12 years by diminishing method
Dolmen Mall sales market value	Rs 75,497,848,000
Harbour Front sales market value	Rs 12,185,840,000
Dolmen Mall average rental rate	Upper basement = 0.52% of total value Ground floor = 0.48% of total value First floor = 0.48% of total value Second floor = 0.47% of total value Second floor storage = 0.45% of total value
Per annum growth	10%
Harbour Front average rental rate	0.85% of total value (average of all floors)
Per annum growth	10%
Operation cost	20% of yearly rental
Occupancy	100%

5 RENT AND MARKETING RECEIVABLES

	Note	2024 (Rupees in '000)	2023
Rent and marketing receivables		157,060	164,720
Receivable from related party		2,581	11,887
		159,641	176,607
Less: impairment allowance	5.1 5.2	(60,541)	(70,432)
		99,100	106,175

5.1 Movement of impairment loss on receivables:

	2024	2023
Balance at 1 July	70,432	52,744
(Reversal) / charge during the year	(7,260)	17,688
Write off	(2,631)	-
Balance at 30 June	60,541	70,432

Expected lifetime credit losses for receivables are recognized using the simplified approach. This is based on loss rates calculated from historical and forward-looking data, taking into account the business model, the respective customer and the economic environment of the geographical region. The loss allowance has been determined considering, both collectively and individually assessed receivables.

The Scheme writes off receivables when there is information indicating that the tenant is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the tenant has been placed under liquidation or has entered into bankruptcy proceedings.

5.2 The ageing of the total rent and marketing receivables as at the reporting date is as under:

	2024						
	Credit Impaired	Weighted average loss rate %	Gross receivable	Security deposit	Net exposure	Impairment	Net receivable
	(Rupees in '000)						
Not past due	No	6%	24,268	1,016	23,252	1,385	22,883
Past due 1 - 90 days	No	9%	54,619	15,256	39,363	3,489	51,130
Past due 91 - 180 days	No	77%	18,695	7,829	10,866	8,398	10,297
Past due over 180 days	Yes	100%	62,059	14,790	47,269	47,269	14,790
			159,641	38,891	120,750	60,541	99,100
	2023						
	Credit Impaired	Weighted average loss rate %	Gross receivable	Security deposit	Net exposure	Impairment	Net receivable
	(Rupees in '000)						
Not past due	No	3%	3,677	1,794	1,883	60	3,617
Past due 1 - 90 days	No	8%	90,466	16,616	73,850	5,929	84,537
Past due 91 - 180 days	No	76%	9,818	2,579	7,239	5,533	4,285
Past due over 180 days	Yes	100%	72,646	13,736	58,910	58,910	13,736
			176,607	34,725	141,882	70,432	106,175

5.2.1 The receivables from tenants are secured against the security deposits held by the Scheme.

5.2.2 The security deposit amount that has been netted from the receivable is for presentation purpose.

5.3 Receivables due from related parties:

	2024			
	Gross receivable	Past due amount	Impairment	Net receivable
	(Rupees in '000)			
Dolmen (Private) Limited	2,581	2,581	-	2,581

	2023			
	Gross receivable	Past due amount	Impairment	Net receivable
	----- (Rupees in '000) -----			
Sindbad Wonder Land (Private) Limited	7,065	7,065	-	7,065
Dolmen (Private) Limited	4,692	4,692	-	4,692
Al-Feroz (Private) Limited	85	85	-	85
Retail Avenue (Private) Limited	45	45	-	45
	<u>11,887</u>	<u>11,887</u>	<u>-</u>	<u>11,887</u>

5.4 Ageing analysis of receivables from related parties:

	Weighted average loss rate	2024				Net receivable
		Gross receivable	Security deposit	Net exposure	Impairment	
		----- (Rupees in '000) -----				
	%					
Not past due	0%	-	-	-	-	-
Past due 1 - 90 days	0%	2,581	-	-	-	2,581
Past due 91 - 180 days	0%	-	-	-	-	-
Past due over 180 days	0%	-	-	-	-	-
		<u>2,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,581</u>

	Weighted average loss rate	2023				Net receivable
		Gross receivable	Security deposit	Net exposure	Impairment	
		----- (Rupees in '000) -----				
	%					
Not past due	0%	-	-	-	-	-
Past due 1 - 90 days	0%	11,799	-	-	-	11,799
Past due 91 - 180 days	0%	3	-	-	-	3
Past due over 180 days	0%	85	-	-	-	85
		<u>11,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,887</u>

5.4.1 Impairment loss has not been recognized against these receivables as these are related parties against which there is no history of default.

5.5 The maximum aggregate amount due from the related parties at the end of any month during the year are as follows:

	Month	2024		Month	2023	
		(Rupees in '000)			(Rupees in '000)	
Sindbad Wonder Land (Private) Limited	April	<u>23,316</u>		May	<u>14,036</u>	
Al-Feroz (Private) Limited	May	<u>7,742</u>		January	<u>2,346</u>	
Dolmen (Private) Limited	March	<u>2,581</u>		March	<u>4,692</u>	
Retail Avenue (Private) Limited	May	<u>1,897</u>		January	<u>1,991</u>	

6 ADVANCES AND DEPOSITS

	Note	2024		2023	
		(Rupees in '000)		(Rupees in '000)	
Advances					
Advances to vendors	6.1	<u>103,685</u>			13,989
Advance to Central Depository Company	6.2	<u>12,325</u>			9,184
		<u>116,010</u>			23,173
Security deposit			<u>1,140</u>		959
Others	6.3		<u>76,516</u>		-
			<u>77,656</u>		959
			<u>193,666</u>		24,132

6.1 This pertains to advance to various vendors on account of renovation activities in the Mall.

6.2 This represents advance to CDC for processing of unclaimed dividend payments to unit holders.

6.3 This represents amount deducted by the bank during the year for investment in term deposit (TDR) which was booked by the bank subsequently in the month of July 2024.

	Note	2024		2023	
		(Rupees in '000)		(Rupees in '000)	
Advance tax	7.1	<u>225,268</u>			220,318
Provision for impairment	7.2	<u>(4,728)</u>			(4,728)
		<u>220,540</u>			215,590

7.1 This pertains to tax deducted by tenants due to unavailability of tax exemption certificate at the time of payment of rental and marketing invoices raised by the Scheme.

7.2 This represents advance tax deducted by delinquent tenants whose outstanding balance were fully provided in prior years.

	Note	2024		2023	
		(Rupees in '000)		(Rupees in '000)	
8 SHORT-TERM INVESTMENTS					

At amortized cost

Term deposit receipts having original maturity

- less than three months

- more than three months

		<u>61,544</u>			700,000
		<u>-</u>			50,700
	8.1	<u>61,544</u>			750,700

8.1 This represents term deposit receipts (TDRs) with Askari Bank Limited, carrying profit rates of 17.5% (30 June 2023: 14% to 20%) per annum with maturity up to 22 July 2024.

	Note	2024		2023	
		(Rupees in '000)		(Rupees in '000)	
9 BANK BALANCES					

Saving accounts

	9.1	<u>1,790,620</u>			1,131,446
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9.1 This represents deposits held in riba free saving accounts carrying expected profit rates ranging from 7.5% to 20.5% (30 June 2023: 6.75% to 19.0%) per annum.

10 ISSUED, SUBSCRIBED AND PAID UP UNITS

	2024		2023	
	----- Number of Units -----		----- (Rupees in '000) -----	
	<u>1,667,775,000</u>		1,667,775,000	
	<u>555,925,000</u>		555,925,000	
	<u>2,223,700,000</u>		<u>2,223,700,000</u>	

Ordinary units of Rs 10 each fully paid for consideration other than cash (against property)
Fully paid in cash

10.2 Pattern of unitholding

	2024		2023	
	Percentage	Units held	Percentage	Units held
Dolmen (Private) Limited	37.5%	<u>833,887,500</u>	37.5%	833,887,500
Al-Feroz (Private) Limited	37.5%	<u>833,887,500</u>	37.5%	833,887,500
General Public	25.0%	<u>555,925,000</u>	25.0%	555,925,000
	<u>100%</u>	<u>2,223,700,000</u>	<u>100%</u>	<u>2,223,700,000</u>

10.3 The units held by ICPL were transferred to its associated undertakings i.e. Dolmen (Private) Limited and Al Feroz (Private) Limited, as per the scheme of arrangement (refer note 1.2).

10.4 These fully paid ordinary units carry one vote per unit and equal right to dividend.

10.5 In addition to above, units held by key management personnel and related parties, aggregated to 63.144 million units (2023: 63.144 million units).

11 CAPITAL RESERVES

11.1 Premium on issue of units - net

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

11.2 Fair value reserve

The fair value reserve is a capital reserve as it pertains to cumulative net changes in fair value of investment property which is not free for distribution by way of dividend.

12 PAYABLE TO REIT MANAGEMENT COMPANY - related party

	Note	2024	2023
		----- (Rupees in '000) -----	
Management fee payable		34,116	33,246
Sindh sales tax on management fee	12.1	6,081	6,008
Other payable	12.2	-	51
		<u>40,197</u>	<u>39,305</u>

12.1 This includes an amount of Rs. 1.69 million (30 June 2023: Rs. 1.69 million) pertaining to Sindh sales tax charged on Federal Excise Duty (FED) (refer note 14.3).

12.2 Under the provisions of REIT Regulations, 2022 (previously REIT Regulations, 2015), RMC is entitled to a management fee as stated in the Offering Document and Information Memorandum. The Management Company charges fee at the rate of 3% of Net Operating Income (NOI) of the Scheme as per the Business Plan. The management fee is payable on quarterly basis in arrears. The Sindh Government has levied Sindh Sales Tax on the management fee of RMC through Sindh Sales Tax on Services Act 2011, effective from 01 July 2014. The current applicable sales tax rate is 13% being effective from 1 July 2016.

13 SECURITY DEPOSITS

This represents amounts received from tenants of the investment property as security deposit as on 30 June 2024 amounting to Rs. 546 million (2023: Rs. 498 million) under tenancy agreements. These are maintained in a separate bank account, in accordance with the requirements of Section 217 of the Companies Act, 2017. These have been classified as current liability as the rental income is recognized on a straight line basis over the non-cancellable lease term. Non-cancellable lease term includes only the period in which both parties do not have the right to cancel / terminate the agreement. Due to the fact that it is more likely that the tenants may substitute their business place from the Scheme's managed premises to other premises, the management has recognized rental considering the non-cancellable period of six to twelve months.

14 ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	2024	2023
		----- (Rupees in '000) -----	
Unearned rental income	14.1	126,254	142,260
Payable to associated undertakings	14.2	43,765	33,874
Accrued expenses		39,603	24,579
Monitoring fee payable to SECP	19.2	22,237	22,237
Federal excise duty	14.3	11,980	11,980
Sales tax and withholding income tax payable		8,132	3,315
Trustee fee payable	14.4	6,252	6,261
Takaful payable		1,227	-
Shariah advisory fee		124	124
Other liabilities		2,218	2,419
		<u>261,792</u>	<u>247,049</u>

14.1 This represents advance rent received by the Scheme from various tenants in respect of rental and marketing income. The advance rent from top three tenants amount to Rs.83 million (2023: Rs. 113 million) constituting 89% (2023: 80%) of total advances received.

14.2 Payable to associated undertakings

	2024	2023
	----- (Rupees in '000) -----	
- Dolmen Real Estate Management (Private) Limited	43,685	31,975
- Al-Feroz (Private) Limited	40	950
- Dolmen (Private) Limited	40	949
	<u>43,765</u>	<u>33,874</u>

14.3 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the fee of the RMC has been applied. The RMC is of the view that since the management fee 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 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act, 2005 (FED Act) on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the SHC, as directed, will have effect in the manner prescribed in the judgment. Subsequently, the SHC in its decision dated 30 June 2016 on CP No. D-3547 of 2013 in respect of constitutional petition filed by management companies of mutual funds maintained the aforesaid order on the FED.

The Sindh Revenue Board (SRB) and the Federal Board of Revenue (FBR) have filed appeals before Supreme Court of Pakistan (SC) 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 the provision in this regard. As a matter of abundant caution, without prejudice to the above, an accumulated provision of Rs. 11.98 million (30 June 2023: 11.98 million) has been maintained in the Scheme's Financial Statements.

14.4 Under the provisions of REIT Regulations, 2022 (previously REIT Regulations, 2015), the Trustee is entitled to an annual fee for services rendered, payable on quarterly basis in arrears. Accordingly, the Trustee charged an annual fee at a rate of 0.5% (30 June 2023: 0.5%) of the NOI. The Sindh Government has levied Sindh Sales Tax on the trustee fee through Sindh Sales Tax on Services Act 2011, effective from 01 July 2015. The current applicable rate is 13% being effective from 1 July 2016.

15 UNCLAIMED DIVIDEND

This represents unclaimed dividend payable to the Federal Government as per the Companies Act 2017 (Act), subject to fulfilment / clarification on certain pre-conditions specified in the Act.

16 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at 30 June 2024 and 30 June 2023.

17 RENTAL INCOME

	Note	2024	2023
		----- (Rupees in '000) -----	
Minimum rent		4,553,121	4,070,769
Percentage rent	17.1	301,543	247,991
		<u>4,854,664</u>	<u>4,318,760</u>

17.1 This represents rent charged to tenants based on the percentage of sales made over and above the base rent.

18 MARKETING INCOME

	2024	2023
	----- (Rupees in '000) -----	
Marketing income	323,640	267,473
Less: Sales tax on marketing income	(19,707)	(9,086)
	<u>303,933</u>	<u>258,387</u>

19 ADMINISTRATIVE AND OPERATING EXPENSES

	Note	2024	2023
		----- (Rupees in '000) -----	
Property management fee	19.1 & 19.4	336,095	295,562
Renovation expense	19.4	181,412	43,403
Marketing expenses	19.4	67,979	53,557
Takaful fee	19.4	63,954	31,877
Common area maintenance charges	19.4	53,309	44,849
Ancillary income collection fee	19.1 & 19.4	51,263	43,274
SECP monitoring fee	19.2	22,237	22,237
Property and advertisement taxes	19.4	17,303	18,187
Legal and professional charges		10,275	11,909
Auditor's remuneration	19.3	6,533	4,701
Printing and stationery expense		2,497	6,495
Annual listing fee paid to PSX		2,871	2,520
Utility expenses	19.4	1,176	1,402
Shariah advisory fee		249	249
Others		659	49
		<u>817,812</u>	<u>580,271</u>

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

19.2 Under the provision of REIT Regulation, 2022, the Scheme is required to pay an annual fee to SECP equal to 0.1% of annual average REIT Fund.

19.3 Auditor's remuneration

	2024	2023
	----- (Rupees in '000) -----	
Audit Service		
Fee for annual audit	3,000	2,200
Fee for the review of condensed interim financial statements	1,000	660
Fee for review of code of corporate governance	220	200
Certifications / others	740	700
Out of pocket expenses	744	240
	<u>5,704</u>	<u>4,000</u>
Sindh Sales Tax	456	320
	<u>6,160</u>	<u>4,320</u>
Non Audit Service		
Tax service	373	381
	<u>6,533</u>	<u>4,701</u>

19.4 These represent direct operating expenses arising from investment property.

20 OTHER INCOME

	Note	2024 ----- (Rupees in '000) -----	2023
Profit on bank deposits and Term deposit	8.1 & 9.1	328,051	243,691
Liability written back	20.1	10,901	647
		<u>338,952</u>	<u>244,338</u>

20.1 This pertains to reversal of unearned rent pertaining to prior years against which the tenants did not avail services.

21 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 realized or unrealized is distributed amongst the unit holders, provided that for the purpose of determining distribution of not less than 90% of its accounting income for the year, the income distributed through bonus units shall not be taken into account.

The Board of Directors of the RMC have distributed more than 90% of the Scheme's accounting income for the year as reduced by capital gains (whether realized or unrealized) to its unit holders in the form of cash to avail the exemption through distribution of interim dividends during the year and declaration and distribution of final dividend subsequent to year end. Accordingly, no tax provision has been made in these financial statements for the year ended June 30, 2024.

22 EARNINGS PER UNIT - BASIC AND DILUTED

	Note	2024 ----- (Rupees in '000) -----	2023
Profit for the year		<u>8,140,055</u>	<u>9,291,819</u>
		<u>----- (Number of Units) -----</u>	
Weighted average number of ordinary units during the year		<u>2,223,700,000</u>	<u>2,223,700,000</u>
		<u>----- (Rupees) -----</u>	
Earnings per unit - Basic and diluted	22.1	<u>3.66</u>	<u>4.18</u>

22.1 Earnings per unit comprises as follows:

Distributable income - earnings per unit		<u>2.03</u>	<u>1.83</u>
Undistributable unrealized fair value gains - earnings per unit		<u>1.63</u>	<u>2.35</u>
	22.1.1	<u>3.66</u>	<u>4.18</u>

22.1.1 Under the provisions of Trust Deed, the amount available for distribution shall be total of income and realized gain net off expenses. Accordingly, unrealized fair value gain is not distributable.

22.1.2 There is no impact of dilution on earnings per unit as the Scheme did not have any convertible instruments in issue as at 30 June 2024 and 30 June 2023 which would have had any effect on the earnings per unit if the option to convert had been exercised.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flow comprise of the following statement of financial position amounts:

	Note	2024 ----- (Rupees in '000) -----	2023
Short-term investments (with original maturity of less than three months)	8	61,544	700,000
Bank balances	9	1,790,620	1,131,446
		<u>1,852,164</u>	<u>1,831,446</u>

24 TRANSACTIONS WITH RELATED PARTIES

24.1 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, Dolmen Real Estate Management (Private) Limited, being Property Manager and connected person, associated companies, directors and key executives of the RMC, trustee and promoter of RMC including their close relatives.

Transactions with related parties are in the normal course of business, at agreed terms.

There are no related parties incorporated outside Pakistan with whom the Scheme had entered into transactions during the year.

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

24.2 Transactions during the year:

Name of the related party	Relationship and percentage unitholding	Transactions during the year	2024 ----- (Rupees in '000) -----	2023
Dolmen Real Estate Management (Private) Limited	Property Manager	- Common area maintenance charges	<u>53,309</u>	<u>44,849</u>
		- Common area maintenance paid	<u>53,389</u>	<u>51,134</u>
		- Expenses incurred on behalf of the Scheme	<u>2,394</u>	<u>1,797</u>
		- Reimbursement of expenses incurred on behalf of the Scheme	<u>2,440</u>	<u>1,828</u>
		- Property management Fee	<u>387,358</u>	<u>338,836</u>
		- Property management Fee paid	<u>375,568</u>	<u>334,140</u>
Retail Avenue (Private) Limited	Common directorship	- Rental and marketing income	<u>15,202</u>	<u>13,826</u>
		- Rental received	<u>15,246</u>	<u>13,782</u>
Al-Feroz (Private) Limited	Associated company holding 37.5% units	- Rental income	<u>30,969</u>	<u>28,154</u>
		- Rental received	<u>30,969</u>	<u>28,154</u>
		- Dividend paid	<u>1,667,775</u>	<u>1,434,287</u>
		- Paid in respect of purchase consideration of investment property	<u>910</u>	<u>-</u>
Dolmen (Private) Limited	Associated company holding 37.5% units	- Rental income	<u>30,969</u>	<u>28,154</u>
		- Rental received	<u>33,081</u>	<u>23,462</u>
		- Dividend paid	<u>1,667,775</u>	<u>1,434,287</u>
		- Paid in respect of purchase consideration of investment property	<u>909</u>	<u>-</u>
Sindbad Wonderland (Private) Limited	Common directorship	- Rental and marketing income	<u>89,663</u>	<u>80,288</u>
		- Amount received	<u>96,729</u>	<u>73,223</u>
Arif Habib Dolmen REIT Management Limited	Management Company	- Expenses incurred on behalf of the Scheme	<u>2,968</u>	<u>901</u>
		- Reimbursement of expenses incurred on behalf of the Scheme	<u>3,019</u>	<u>901</u>
		- Management fee	<u>147,398</u>	<u>134,895</u>
		- Management fee paid	<u>146,456</u>	<u>128,159</u>
Central Depository Company of Pakistan Limited	Trustee	- Trustee fee	<u>24,566</u>	<u>22,482</u>
		- Trustee fee paid	<u>24,575</u>	<u>21,359</u>

24.3 Balances outstanding at the year end:

Name of the related party	Relationship and percentage unitholding	Year end balances	2024 ----- (Rupees in '000) -----	2023
Dolmen Real Estate Management (Private) Limited	Property Manager	- Common area maintenance charges	<u>2,583</u>	<u>2,560</u>
		- Expenses payable incurred on behalf of the Scheme	<u>1,706</u>	<u>1,752</u>
		- Payable of withheld security deposit of tenants	<u>458</u>	<u>458</u>
		- Property Management Fee payable	<u>41,102</u>	<u>29,415</u>
Al-Feroz (Private) Limited	Associated company holding 37.5% units	- Rent receivable	<u>-</u>	<u>85</u>
		- Net payable in respect of purchase consideration of investment property	<u>-</u>	<u>910</u>
		- Payable against purchase of equipment for maintenance	<u>40</u>	<u>40</u>
Dolmen (Private) Limited	Associated company holding 37.5% units	- Rent receivable	<u>2,581</u>	<u>4,692</u>
		- Net payable in respect of purchase consideration of investment property	<u>-</u>	<u>909</u>
		- Payable against purchase of equipment for maintenance	<u>40</u>	<u>40</u>
Retail Avenue (Private) Limited	Common directorship	- Rent and Marketing receivable	<u>-</u>	<u>45</u>
Sindbad Wonderland (Private) Limited	Common directorship	- Rent and Marketing receivable	<u>-</u>	<u>7,065</u>
Arif Habib Dolmen REIT Management Limited	Management Company	- Expenses payable incurred on behalf of the Scheme	<u>-</u>	<u>51</u>
		- Management Fee payable	<u>40,197</u>	<u>39,254</u>
Central Depository Company of Pakistan Limited	Trustee	- Trustee Fee payable	<u>6,252</u>	<u>6,261</u>

25 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITY

	2024			Total
	Liability	Equity		
	Unclaimed dividend	Capital	Reserve	
	------(Rupees in '000)-----			
Balance as at 1 July	14,827	22,237,000	47,259,347	69,496,347
Profit for the year	-	-	8,140,055	8,140,055
Changes from financing cash flows				
Dividend paid	(4,444,242)	-	-	-
	(4,444,242)	-	-	-
Liability - related other changes				
Dividend declared	4,447,400	-	(4,447,400)	(4,447,400)
	4,447,400	-	(4,447,400)	(4,447,400)
Balance as at 30 June	17,985	22,237,000	50,952,002	73,189,002
	2023			Total
	Liability	Equity		
	Unclaimed dividend	Capital	Reserve	

26 FINANCIAL RISK MANAGEMENT

26.1 Financial risk management framework

The Scheme's activities are exposed to a variety of financial risks namely credit risk, liquidity risk, and market risk. The Scheme manage these risk through monitoring and controlling activities which are primarily set up to be performed based on limits established in the Scheme's constitutive documents and REIT Regulation, 2022 and directives of the SECP. The Board of Directors of RMC supervises the overall risk management approach within the Scheme.

26.2 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 Scheme attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties that arises principally from the Scheme's rent and marketing receivables, security deposits, short-term investments and bank balances.

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

Financial Asset	Note	2024	2023
		------(Rupees in '000)-----	
Rent and marketing receivables	5	99,100	106,175
Security deposit	6	1,140	959
Profit accrued on deposit		17,618	20,314
Short-term investments	8	61,544	750,700
Bank balances	9	1,790,620	1,131,446
		1,970,022	2,009,594

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

The exposure of credit risk and ECL relating to receivables and impairment loss on receivables have been disclosed in note 5 to these financial statements.

The Scheme has placed its funds (i.e. short-term investments and bank balances) with banks having credit ratings not less than AA. The credit quality of Scheme's major balances can be assessed with reference of external credit ratings which is as follows:

Bank

Bank	Rating Agency	2024		(Rupees in '000)	% of total balance
		Short term rating	Long term rating		
Dubai Islamic Bank	VIS	A-1+	AA	1,373,815	74.17%
Bank Al Habib Limited	PACRA	A-1+	AAA	217,451	11.74%
National Bank of Pakistan	VIS	A-1+	AAA	71,373	3.85%
Askari Bank Limited	PACRA	A-1+	AA+	70,182	3.79%
Habib Bank Limited	VIS	A-1+	AAA	68,725	3.71%
Meezan Bank Limited	VIS	A-1+	AAA	50,422	2.72%
Faysal Bank Limited	VIS	A-1+	AA	179	0.01%
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	17	0.00%
United Bank Limited	VIS	A-1+	AAA	-	0.00%
				1,852,164	100%
Break-up:					
Cash at bank				1,790,620	
Term deposit receipts placed with banks				61,544	
				1,852,164	

Bank

Bank	Rating Agency	2023		(Rupees in '000)	% of total balance
		Short term rating	Long term rating		
Dubai Islamic Bank	VIS	A-1+	AA	1,045,854	55.57%
Askari Bank Limited	PACRA	A-1+	AA+	758,674	40.31%
National Bank of Pakistan	PACRA	A-1+	AAA	43,679	2.32%
Habib Bank Limited	VIS	A-1+	AAA	33,681	1.79%
Faysal Bank Limited	PACRA	A-1+	AA	173	0.01%
Meezan Bank Limited	VIS	A-1+	AAA	45	0.00%
Bank Al Habib Limited	PACRA	A-1+	AAA	23	0.00%
United Bank Limited	VIS	A-1+	AAA	17	0.00%
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	-	0.00%
				1,882,146	100%
Break-up:					
Cash at bank				1,131,446	
Term deposit receipts placed with banks				750,700	
				1,882,146	

26.3 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Scheme'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 Scheme's reputation.

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

	2024			
	Carrying amount	Contractual cash flows	One year or less	More than one year
	------(Rupees in '000)-----			
Financial liabilities				
Security deposits	545,993	545,993	545,993	-
Accrued expenses and other liabilities*	115,426	115,426	115,426	-
Payable to REIT Management Company - related party	40,197	40,197	40,197	-
Unclaimed dividend	17,985	17,985	17,985	-
	719,601	719,601	719,601	-
	2023			
	Carrying amount	Contractual cash flows	One year or less	More than one year

*Other liabilities that are not financial liabilities (unearned income, sales tax and withholding income tax payable and federal excise duty amount to Rs. 126.2 million, Rs. 8.13 million and Rs. 11.9 million). It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The Scheme manages liquidity risk by maintaining sufficient cash in bank accounts. At 30 June 2024, the Scheme had financial assets of Rs. 1,971 million (2023: Rs. 2,010 million), which include Rs 1,790 million (2023: Rs 1,131 million) of cash placed in bank accounts.

26.4 Market risk

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

26.4.1 Currency risk

Currency risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises where receivables and payable exist due to transactions in foreign currency. The Scheme is not exposed to currency risk as of reporting date. There are no foreign currency denominated financial instruments held by the Scheme.

26.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from bank balances and investments in term deposit receipts (TDRs) in profit or loss.

The Scheme does not have any fixed rate financial instrument at fair value through profit or loss, therefore, the Scheme is not exposed to fair value changes for fixed rate instruments. However the bank and term deposit at variable rates expose the Scheme to fluctuations in cash flow due to change in market profit rates. The cash flow sensitivity analysis for variable rate of instrument is depicted below:

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit 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 as June 2023.

	Profit		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
As at 30 June 2024	----- (Rupees in '000) -----			
Cash flow sensitivity - variable rate instruments	<u>18,522</u>	<u>(18,522)</u>	<u>18,522</u>	<u>(18,522)</u>
As at 30 June 2023	----- (Rupees in '000) -----			
Cash flow sensitivity - variable rate instruments	<u>18,821</u>	<u>(18,821)</u>	<u>18,821</u>	<u>(18,821)</u>

26.4.3 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 (other than those arising from interest rate risk or currency risk). The Scheme is not exposed to other price risk.

27 CAPITAL RISK MANAGEMENT

Management's objective when managing unit holder's funds is to safeguard the Scheme's ability to continue as a going concern so that it can continue to provide optimum returns based on income earned and realized gains as per trust deed to its unit holders and to ensure reasonable safety of unit holder's funds. The Scheme is not exposed to externally imposed minimum unit holder's maintenance requirement.

The Scheme 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 Scheme has nil borrowing as at 30 June 2024 and 30 June 2023.

	2024	2023
	----- (Rupees in '000) -----	
Debt	-	-
Total unit holders' fund	<u>73,189,002</u>	<u>69,496,347</u>
Total capital	<u>73,189,002</u>	<u>69,496,347</u>
	-	-

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

When measuring the fair value of an asset or a liability, the Scheme uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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 assets or liabilities, either directly or indirectly.

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

28.1 Accounting classifications and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	2024				Fair value			
	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortized cost'	Other financial liabilities	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
Financial assets - not measured at fair value								
Rent and marketing receivables	28.1.1	-	99,100	-	99,100	-	-	-
Security deposit	28.1.1	-	1,140	-	1,140	-	-	-
Profit accrued on deposit	28.1.1	-	17,618	-	17,618	-	-	-
Short-term investments	28.1.1	-	61,544	-	61,544	-	-	-
Bank balances	28.1.1	-	1,790,620	-	1,790,620	-	-	-
		-	1,970,022	-	1,970,022	-	-	-
Financial liabilities - not measured at fair value								
Payable to REIT Management		-	-	-	-	-	-	-
Company - related party	28.1.1	-	-	40,197	40,197	-	-	-
Security deposits	28.1.1	-	-	545,993	545,993	-	-	-
Accrued expenses and other liabilities	28.1.1	-	-	115,426	115,426	-	-	-
Unclaimed dividend	28.1.1	-	-	17,985	17,985	-	-	-
		-	-	719,601	719,601	-	-	-
----- (Rupees in '000) -----								
2023								
Note	Carrying amount				Fair value			
	Financial assets 'at fair value through other comprehensive income'	Financial assets 'at fair value through profit or loss'	Financial assets 'at amortized cost'	Other financial liabilities	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
Financial assets - not measured at fair value								
Rent and marketing receivables	28.1.1	-	106,175	-	106,175	-	-	-
Security deposit	28.1.1	-	959	-	959	-	-	-
Profit accrued on deposit	28.1.1	-	20,314	-	20,314	-	-	-
Short-term investments	28.1.1	-	750,700	-	750,700	-	-	-
Bank balances	28.1.1	-	1,131,446	-	1,131,446	-	-	-
		-	2,009,594	-	2,009,594	-	-	-
Financial liabilities - not measured at fair value								
Payable to REIT Management		-	-	-	-	-	-	-
Company - related party	28.1.1	-	-	39,305	39,305	-	-	-
Security deposits	28.1.1	-	-	497,688	497,688	-	-	-
Accrued expenses and other liabilities	28.1.1	-	-	89,494	89,494	-	-	-
Unclaimed dividend	28.1.1	-	-	14,827	14,827	-	-	-
		-	-	641,314	641,314	-	-	-

28.1.1 The Scheme has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

28.1.2 Fair value hierarchy of the investment property has been disclosed in note 4 to these financial statements.

29 EVENTS AFTER REPORTING DATE

The Board of Directors of the RMC in their meeting held on 15 July 2024 have declared and approved final cash dividend for the year ended 30 June 2024 of Re. 0.5 per unit (June 2023: Re. 0.5 per unit) amounting to Rs. 1,111.850 million (June 2023: Rs. 1,111.850 million). The financial statements do not include the effect of above announcement which will be accounted for in the financial statements of the Scheme for the year ending 30 June 2025.

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the REIT Management Company on 25 October 2024.



Chief Financial Officer



Chief Executive Officer



Director

ڈائریکٹرز کا انتخاب

کمپنیز ایکٹ 2017 کے سیکشن 161 (منسوخ کمپنیز آرڈیننس 1984 کی دفعہ 180) کی دفعات کے مطابق RMC کے آٹھ منتخب ڈائریکٹرز کی تین سال کی مدت اکتوبر 2021 میں مکمل ہو چکی تھی اور تمام ڈائریکٹرز کو ریٹائر کر دیا گیا تھا۔ ڈائریکٹرز کے نئے انتخابات 26 اکتوبر 2021 کو ہوئے، اور بورڈ کی طرف سے مقرر کردہ ڈائریکٹرز کی تعداد (میں آٹھ) بلا مقابلہ منتخب ہوئے۔ مزید برآں، مذکورہ تاریخ پر بورڈ کے چیئرمین، چیف ایگزیکٹو اور ذیلی کمیٹیوں کا تقرر بھی کیا گیا۔

میزانے کے بعد کے واقعات:

30 جون 2024 سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں نہیں ہوئی ہیں سوائے روپے کے حتمی نقد ڈیویڈنڈ کے اعلان اور 0.50 / یونٹ یعنی 5.00 فیصد تقسیم کیا گیا۔ یہ اعلان کردہ اور روپیہ میں تقسیم ہونے والے عبوری منافع 1.50 / یونٹ یعنی 15.00 فیصد کے علاوہ تھا۔ اس کے اثرات کی عکاسی اگلے سال کے مالیاتی گوشواروں میں ہوگی۔

ملحقہ پارٹیوں کے سودے:

REIT ریگولیشنز اور کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل کرنے کے لیے، DCR نے تمام متعلقہ پارٹی ٹرانزیکشنز کو آڈٹ کمیٹی اور بورڈ آف RMC کے سامنے ان کے جائزے اور منظوری کے لیے پیش کیا۔ ان لین دین کی منظوری آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے اپنے اپنے اجلاسوں میں دی ہے۔ متعلقہ فریق کے لین دین کی تفصیلات منسلک آڈٹ شدہ مالیاتی بیانات کے نوٹ 24 میں فراہم کی گئی ہیں۔

احساس تشکر

ہم DCR کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج کی انتظامیہ، DCR کے ٹرسٹیز، پراپرٹی مینیجر اور کاروباری شراکت داروں کے مسلسل تعاون اور تعاون کے لیے شکر گزار ہیں۔ ہم انتظامیہ کی ٹیم کی طرف سے کی جانے والی کوششوں کی بھی تعریف کرتے ہیں۔ برائے اور منجانب

عارف حبیب

چئیرمین

محمد اعجاز

چیف ایگزیکٹو

25 اکتوبر 2024

0.20	4,374,018	انشورنس کمپنیاں
0.12	2,618,370	مدار بہ اور میوچل فنڈز
		عام عوام
8.38	186,337,641	a مقامی
0.36	8,024,389	b غیر ملکی
2.37	52,719,350	دیگر
100	2,223,700,000	کل میزان

مالیاتی اور کاروباری جھلکیاں

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ کے ضمیمہ کے طور پر "مالیاتی اور کاروباری جھلکیاں" کے عنوان کے ساتھ اور گرافک نمائندگی کے تحت خلاصہ شکل میں دیے گئے ہیں۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے تحت ضرورت کے مطابق، آڈٹ کمیٹی نے بورڈ کی طرف سے منظور شدہ اپنی شرائط کے مطابق کارکردگی کا مظاہرہ کرنا جاری رکھا۔

آڈیٹرز

موجودہ بیرونی آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو جائیں گے اور وہ اہل ہونے کی وجہ سے 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ بیرونی آڈیٹرز انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی طرف سے تسلی بخش درجہ بندی رکھتے ہیں جیسا کہ ضرورت کے تحت ہے۔ ان کا کوالٹی کنٹرول ریویو پروگرام۔ جیسا کہ RMC کی آڈٹ کمیٹی نے تجویز کیا ہے، RMC کا بورڈ میسرز KPMG تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کرتا ہے۔ میسرز KPMG تاثیر ہادی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے ایک فیس پر جو باہمی رضامندی سے طے کی جائے گی سی آر کے آڈیٹرز کے طور پر کام کریں گے۔

ڈائریکٹران کا معاوضہ

RMC کے نان ایگزیکٹو ڈائریکٹرز، ان لوگوں کو چھوڑ کر جو عارف حبیب گروپ میں ایگزیکٹو ڈائریکٹرز بھی ہیں، بورڈ اور کمیٹی کے اجلاسوں میں شرکت کا معاوضہ حاصل کرتے ہیں جیسا کہ بورڈ نے منظور کیا ہے۔ چیف ایگزیکٹو آفیسر بورڈ میں واحد ایگزیکٹو ڈائریکٹر ہیں۔ اگر بورڈ نان ایگزیکٹو ڈائریکٹرز کو اضافی ذمہ داریاں تفویض کرتا ہے، تو ان کے معاوضے کو اسی کے مطابق ایڈجسٹ کیا جائے گا۔ اسکیم RMC کو انتظامی فیس ادا کرنے کی پابند ہے، اس لیے ڈائریکٹرز کے معاوضے سے متعلق فنڈ کے مالی بیانات پر کوئی اثر نہیں پڑتا ہے۔

بورڈ کی تشکیل بندی

بورڈ کی موجودہ تشکیل بندی درج ذیل ہے:

ڈائریکٹرز کی کل تعداد:

(a) مرد: 8

(b) خواتین: 1

ترکیب:

نام	امتیاز
جناب عارف حبیب	چیرمین
جناب ندیم ریاض	نان۔ ایگزیکٹو ڈائریکٹر
جناب نعیم الیاس	آزاد ڈائریکٹر
آنسہ طیبہ رشید	آزاد ڈائریکٹر
جناب محمد نعمان اختر	آزاد ڈائریکٹر
جناب عبدالصمد اے حبیب	نان۔ ایگزیکٹو ڈائریکٹر
جناب فیصل ندیم	نان۔ ایگزیکٹو ڈائریکٹر
جناب ساجد اللہ شیخ	آزاد ڈائریکٹر
جناب محمد اعجاز	چیف ایگزیکٹو آفیسر

بورڈ کی کمیٹیاں:

آڈٹ کمیٹی

جناب نعیم الیاس چیرمین

جناب نعمان اختر ممبر

جناب صدائے حبیب ممبر

جناب ساجد اللہ شیخ ممبر

انسانی وسائل اور معاوضہ کمیٹی

طیبہ رشید چیرپرسن

جناب عبدالصمد اے حبیب ممبر

جناب ساجد اللہ شیخ ممبر

محمد اعجاز ممبر

یونٹ ہولڈنگ کا پیٹرن

ڈی سی آر کے یونٹس پاکستان اسٹاک ایکسچینج میں درج ہیں۔ 30 جون 2024 تک ڈی سی آر کے 5,760 یونٹ ہولڈر تھے۔ یونٹ ہولڈنگ کا تفصیلی پیٹرن اور DCR کی یونٹ ہولڈنگ کے زمرے بشمول ڈائریکٹرز اور ایگزیکٹوز کے پاس موجود یونٹس، اگر کوئی ہیں، ضمیمہ - I کے طور پر فراہم کیے گئے ہیں۔

30 جون 2024 تک DCR میں یونٹ ہولڈنگ کا پیٹرن اس رپورٹ کے ضمیمہ 'II' میں تفصیل سے ہے۔

ضمیمہ - II کے طور پر فراہم کیے گئے ہیں۔

یونٹس	یونٹس	یونٹ ہولڈرز کی کٹیگریاں
0.75	16,582,482	ڈائریکٹرز، ان کی شریک حیات اور نابالغ بچے
77.14	1,715,556,197	منسلک کمپنیاں، ادارے، اور متعلقہ فریق
-	-	ICP اور NIT
10.68	237,487,553	بینک، DFIs، NBFCs

آؤٹ لک (Outlook)

پاکستان میں خوردہ یعنی ریٹیل اور دفتری دونوں جگہوں کی مانگ تیزی سے بڑھ رہی ہے۔ کلیدی موافقت ہوگی۔ ایسے خوردہ فروش یعنی ریٹیلرز اور کاروبار جو تیزی سے تبدیل ہوتی صارفین کی ترجیحات اور کام کے رجحانات کا جواب دے سکتے ہوں وہ ممکنہ طور پر اس ابھرتے ہوئے منظر نامے میں پروان چڑھیں گے۔ سرمایہ کاروں اور ڈویلپرز کو جدید مارکیٹ کے تقاضوں کو پورا کرنے کے لیے چکدار، پائیدار، اور گاہک کی ضروریات پر مرکوز ماحول بنانے پر توجہ دینی چاہیے۔

کارپوریٹ گورننس

ڈی سی آر پاکستان اسٹاک ایکسچینج میں رجسٹرڈ ہے، اور اس کا بورڈ اور انتظامیہ کارپوریٹ گورننس کے ضابطہ کی پابندی کرنے کے پابند ہیں۔ وہ پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کرتے ہوئے، اکاؤنٹس کی مناسب دیکھ بھال اور مالیاتی گوشواروں میں اکاؤنٹنگ پالیسیوں کے مسلسل اطلاق کو یقینی بناتے ہیں۔ یہاں اندرونی کنٹرول سسٹم کو اچھی طرح سے ڈیزائن اور مؤثر طریقے سے مانیٹر کیا گیا ہے، جس سے مالیاتی گوشواروں کو DCR کے معاملات، آپریشنز، کیش فلو، اور NAV کی نقل و حرکت کی مناسب نمائندگی کرنے کی اجازت ملتی ہے۔ بورڈ نے ڈی سی آر کی کاوشوں جو اس نے ٹیکس کی ادائیگیوں اور بقایا جات کو مستقل مانیٹر کرنے کی صلاحیت کی تصدیق کی ہے، جس میں ٹیکس سے متعلق کوئی اہم ادائیگیاں باقی نہیں ہیں، اور یہ ادارہ کارپوریٹ گورننس اور شفافیت کے لیے اپنی وابستگی پر زور دیتا ہے۔

پائیداری رسک مینجمنٹ (Sustainable Risk Management)، CSR، اور

DE&I اقدامات

بورڈ جامع گورننس اور نگرانی کے طریقہ کار کے ذریعے پائیداری سے متعلق خطرات سے نمٹنے کے لیے پرعزم ہے۔ ہم باقاعدگی سے ان خطرات کا جائزہ لیتے ہیں اور اپنی کارپوریٹ سماجی ذمہ داری (CSR) اور ماحولیاتی، سماجی، اور گورننس (ESG) پالیسیوں کے حصے کے طور پر تخفیف کی حکمت عملیوں کو نافذ کرتے ہیں۔ ان پالیسیوں کے کلیدی عناصر میں ہمارے کاربن فوٹ پرنٹ (Foot print) کو کم کرنا، وسائل کا تحفظ، قابل تجدید توانائی کو آگے بڑھانا، اور فضلے کا پائیدار انتظام کرنا شامل ہیں۔ مزید برآں، ہم متنوع افرادی قوت کو فروغ دینے، ملازمین کی فلاح و بہبود کی حمایت، اور اپنے DE&I اقدامات کے ذریعے کمیونٹی کی شمولیت کو فروغ دے کر تنوع، مساوات، اور شمولیت (DE&I) کو ترجیح دیتے ہیں۔

کلیدی گورننس پالیسیاں (Key Governance Policies)

مواصلات، انکشاف، اور عمل نشانہ ہی (Disclosure and Whistle Blowing)

کمپنی نے شفافیت اور جوابدہی کو یقینی بنانے کے لیے اپنی کمیونیکیشن اور افشاء کرنے کی پالیسیاں وضع کی ہیں۔ یہ یقینی بنانا ہے کہ تمام اسٹیک ہولڈرز کو بروقت اور درست طریقے سے مطلع کیا جائے۔ ہم ریگولیٹری تقاضوں کی تعمیل میں، سرمایہ کاروں اور عوامی اعتماد کو برقرار رکھنے کے لیے معلومات کی ترسیل کے لیے واضح چینلز برقرار رکھتے ہیں۔ مزید برآں، ہماری عمل نشانہ ہی پالیسی

(whistle blowing policy) ملازمین اور اسٹیک ہولڈرز کو کسی بھی غیر اخلاقی عمل یا خلاف ورزی کی اطلاع دینے کے لیے ایک محفوظ اور خفیہ فریم ورک فراہم کرتی ہے، جس سے کارپوریٹ سالمیت اور گورننس کے اعلیٰ ترین معیاروں کو برقرار رکھنے کے لیے ہمارے عزم کو تقویت ملتی ہے۔

بورڈ اور اس کی کمیٹی کے اجلاس میں ڈائریکٹرز کی حاضری

30 جون 2024 کو ختم ہونے والے سال کے دوران، بارہ (12) بورڈ میٹنگز، 15 (15) آؤٹ کمیٹی کے اجلاس اور ایک (01) ہیومن ریسورس اینڈ ریمونریشن کمیٹی (Human Resource and Remuneration Committee) کا اجلاس منعقد ہوا۔ ڈائریکٹرز کے نام اور سال کے دوران منعقد ہونے والے بورڈ اور کمیٹی کے اجلاسوں میں ان کی حاضری ذیل میں پیش کی گئی ہے:

سیریل نمبر	ڈائریکٹر کا نام	بورڈ میٹنگ	آؤٹ کمیٹی	ہیومن ریسورس اینڈ ریمونریشن کمیٹی
1	جناب عارف حبیب	11	-	-
2	جناب ندیم ریاض	4	-	-
3	جناب نعیم الیاس	12	15	-
4	آنسہ طیبہ رشید	9	-	1
5	جناب محمد نعمان اختر	12	15	-
6	جناب صدائے حبیب	11	11	1
7	جناب فیصل ندیم	8	-	-
8	جناب ساجد اللہ شیخ	12	15	1
9	جناب محمد اعجاز	9	-	1

ڈیویڈنڈ کی تقسیم

مالی سال 23 کے دوران، بورڈ نے 2.00 روپیہ فی یونٹ کے کل ڈیویڈنڈ کا اعلان کیا اور تقسیم کیا، جو برابری کی بنیاد پر 20 فیصد اور IPO سرمایہ کاروں کے لیے 18.18 فیصد سالانہ پیداوار فراہم کرتا ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے کل ادائیگی قابل تقسیم آمدنی کا 99.85 فیصد تھی، جو 4,447.40 ملین روپیہ کے برابر تھی۔

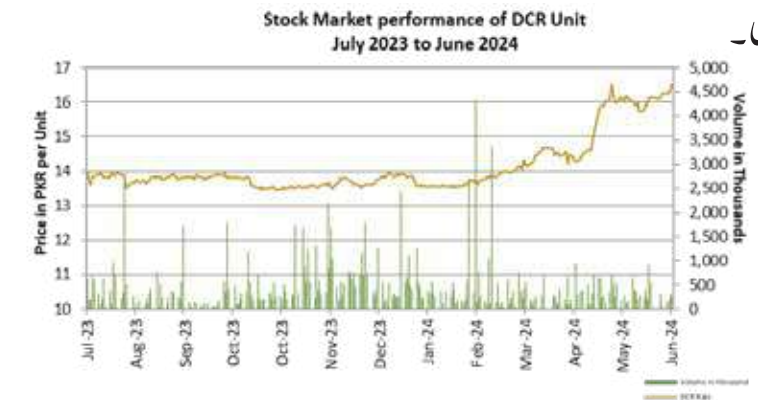
شرعی مطابقت (Sharia Compliance)

شرعی رہنما خطوط کی تعمیل کرتے ہوئے، فنڈ کی ریئل اسٹیٹ ٹکافل کی پالیسیوں کے تحت "A" ریٹیل پاکستانی آپریٹرز کے ذریعے محفوظ رہی جس کی حمایت معروف بین الاقوامی ری ٹکافل سنڈیکیٹ نے کی۔ شریعہ مشیر نے اپنی سالانہ شرعی جائزہ رپورٹ میں تمام پہلوؤں سے شرعی اصولوں کی تعمیل کی تصدیق کی ہے۔

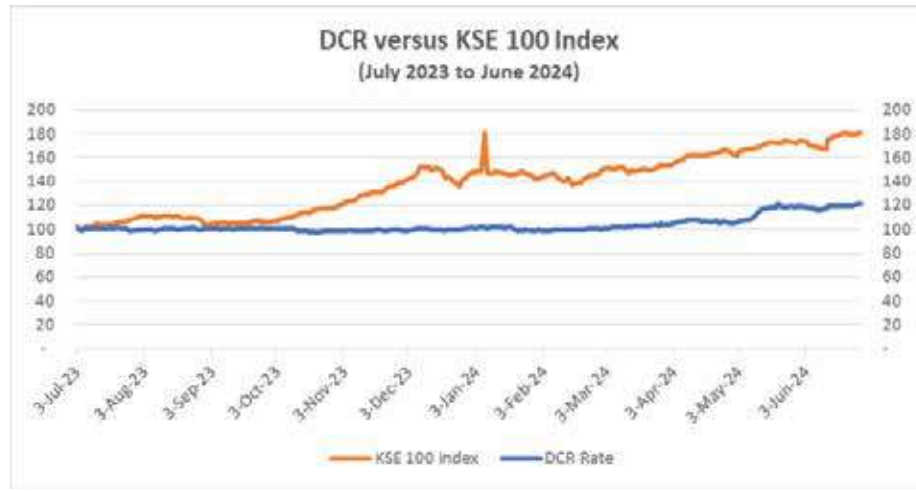
یونٹ کی کارکردگی

Key Metrics	FY 2024	FY 2023
Opening Price	PKR 13.75	PKR 13.67
Closing Price	PKR 16.45	PKR 13.68
Average Price	PKR 14.11	PKR 13.74
Dividend	PKR 2.00	PKR 1.81
Price Return	19.64%	0.07%
Total Return	34.18%	13.31%

زیر جا رہا بارہ مہینوں کے دوران، DCR 16.50 روپیہ کی بلندی اور 13.46 روپیہ فی یونٹ کی کم ترین سطح پر پہنچ گیا۔ کل واپسی میں نمایاں 2.6x اضافہ دیکھا گیا جو مالی سال 2023 میں 13.31 فیصد سے مالی سال 2024 میں 34.18 فیصد ہو گیا۔ 30 جون 2024 تک، DCR کی اسٹاک ٹریڈنگ میں اس کے NAV تک 50.01 فیصد رعایت کے ساتھ خالص اثاثہ قیمت 32.91 روپیہ فی یونٹ تھی۔



اوسط روزانہ تجارتی حجم (Daily Traded Volume) (ADTV) مالی برس 23 میں 129,772 یونٹس سے مالی برس 24 میں 460,290 یونٹس تک نمایاں طور پر بڑھ گیا۔ یہ خاطر خواہ اضافہ لیکویڈیٹی میں نمایاں بہتری کی نشاندہی کرتا ہے، جو سرمایہ کاروں کی بڑھتی ہوئی دلچسپی اور مارکیٹ میں تجارتی سرگرمیوں کی عکاسی کرتا ہے۔



کاروباری ماحول (Business Environment)

پاکستان میں معیاری دفتری جگہ کی طلب بدستور بہت زیادہ ہے۔ ٹیکنالوجی اور زراعت جیسے کئی شعبے ترقی اور سرمایہ کاری کے امکانات ظاہر کرتے ہیں۔ ٹیکنالوجی کا شعبہ تیزی سے پیشرفت کر رہا ہے جس کی وجہ سے جدید دفتری جگہوں کی مانگ میں اضافہ ہو رہا ہے جو ٹیک سٹارٹ اپس (Tech Startups) اور اسٹیلٹڈ فرموں کے لیے موزوں ہوں جو باہمی تعاون کے لیے بہتر جگہوں کی تلاش میں ہیں۔

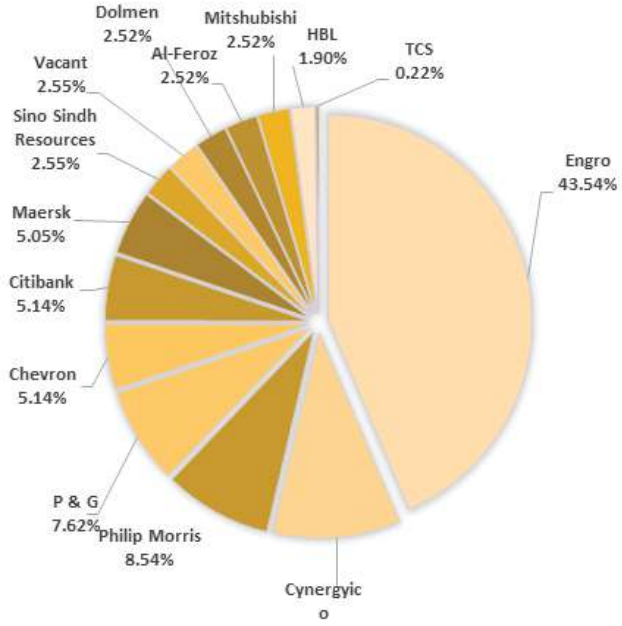
خوردہ صنعت میں بھی خاطر خواہ توسیع دیکھی جا رہی ہے، جس کو بڑھتے ہوئے متوسط طبقے اور پھیلتی ہوئی شہری کاری نے ایندھن دیا ہے۔ یہ ارتقاء ان مالز کی اہمیت کو واضح کرتا ہے جو مختلف قسم کے ریٹیل آپشنز پیش کرتے ہیں، ساتھ ہی ایسے پرکشش تجربات جو صارفین کی ترجیحات کو تبدیل کرنے کو پورا کرتے ہیں۔

مقامی اور بین الاقوامی برانڈز مارکیٹ شیئر کے لیے مسابقت کے ساتھ، اختراعی خوردہ حل اور بہتر صارفین کے تجربات ضروری ہوتے جا رہے ہیں۔ مالز اور دفتری عمارات جو چلک اور کسٹمر سینٹرک ڈیزائن کو فروغ دیتے ہیں اس متحرک ماحول میں پھلنے پھولنے کے لیے اچھی پوزیشن میں ہیں۔

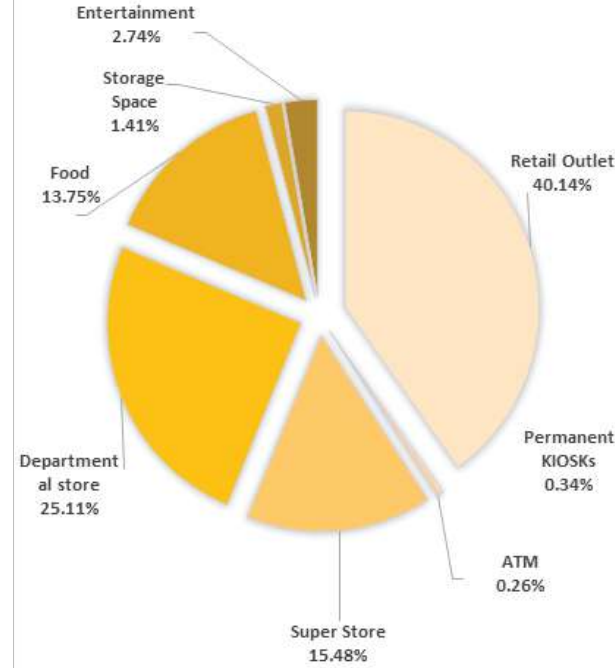
بزنس رسک کا خلاصہ

DCR کا کاروبار قبضے کی سطح کو برقرار رکھنے پر انحصار کرتا ہے اور اسے اہم خطرات کا سامنا کرنا پڑتا ہے، بشمول نئے دفتر سے ممکنہ مسابقت اور خوردہ ترقی جو قیمتوں کو کم کر سکتی ہے لیکن سہولیات کے انتظام میں سمجھوتہ کر سکتی ہے۔ مزید برآں، جب کہ بلند شرح سود عارضی طور پر DCR کی پیداواری مسابقت کو متاثر کر سکتی ہے، REITس سے توقع کی جاتی ہے کہ وہ افراط زر کی باڑھ کے طور پر مستحکم، طویل مدتی منافع فراہم کریں گے۔ کرایہ داروں کے ڈیفالٹس کا خطرہ کم سمجھا جاتا ہے، کیونکہ زیادہ تر کرایہ دار ملٹی نیشنل کارپوریشنز یا طاقتور فرمیں ہیں۔ DCR کا پراپرٹی مینیجر تمام کرایہ داروں کے ساتھ مضبوط تعلقات برقرار رکھنے کے لیے کرایہ داروں کی سخت اسکریننگ اور نگرانی کے طریقوں کو نافذ کرتا ہے۔

HARBOUR FRONT - TENANCY PROFILE (AS AT JUNE 2024)



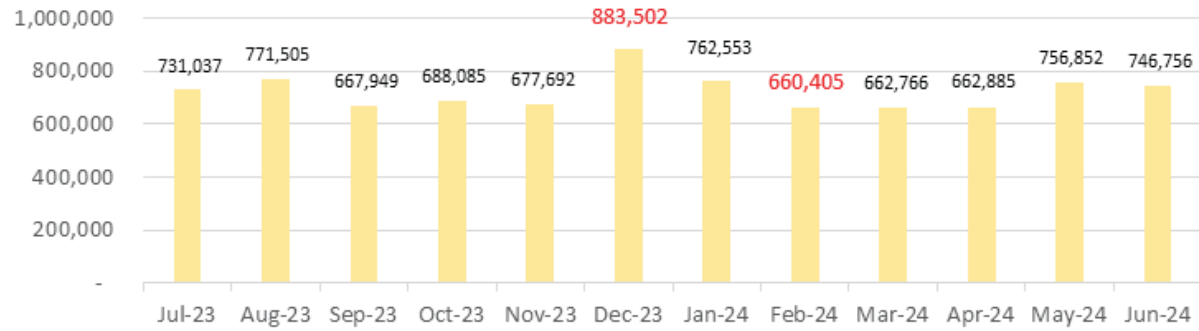
MALL - TENANCY PROFILE (AS AT JUNE 2024)



فٹ فال ڈرائیورز

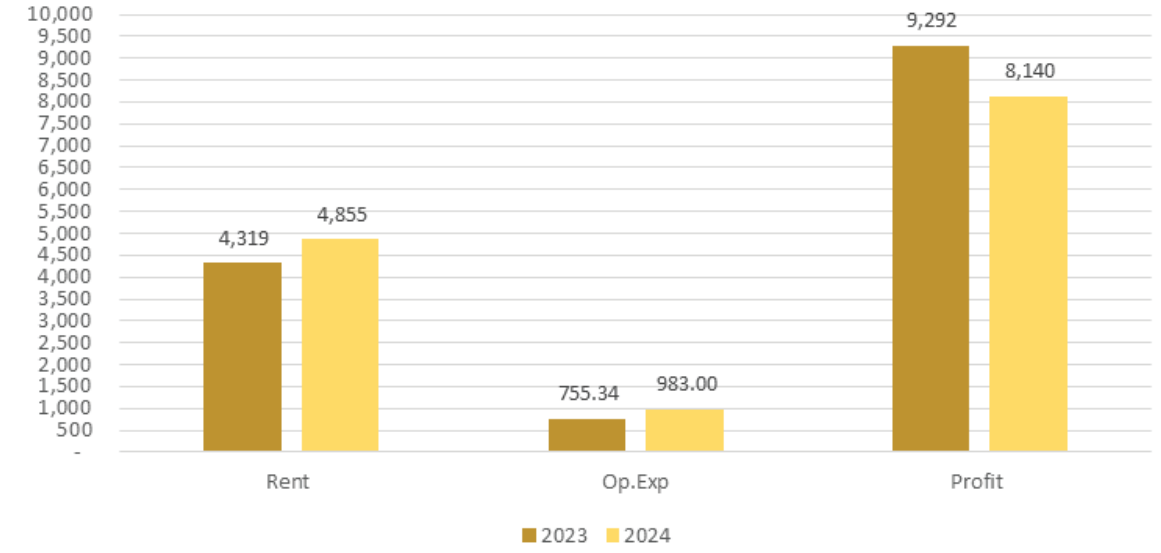
مالی سال 24 کے دوران مال میں کسٹمر سینٹرک مارکیٹنگ اور برانڈنگ کے اقدامات نے مؤثر طریقے سے مضبوط قدموں کو برقرار رکھا۔ یوم آزادی، نئے سال کی تقریبات اور ڈولمین شاپنگ فیسٹیول جیسے اہم مواقع ڈولمین سٹی مال میں بڑے جوش و خروش کے ساتھ منائے گئے۔

Dolmen City Mall - Monthly Footfall - FY24



مالی سال 23 میں 708,278 صارفین کے مقابلے میں ماہانہ اوسطاً 722,666 صارفین تھے۔ DCR نے مالی سال 24 کے دوران تقریباً 67 ملین صارفین کا خیر مقدم کیا جبکہ مالی سال 23 میں یہ تعداد 50 ملین تھی۔

Financial Performance (PKR 'Million)



MYK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، ایک آزاد رکندہ (مالیاتی بیانات کے لیے نوٹ 4 کا حوالہ دیں) کے ذریعہ سرمایہ کاری کی جائیداد کی مناسب قیمت میں تبدیلی کے طور پر 3.63 بلین روپیہ کی رقم بھی ریکارڈ کی گئی جو 8.14 بلین روپیہ (30 جون 2023: 9.29 بلین روپیہ) کے بعد ٹیکس اور 3.66 روپیہ کی فی یونٹ آمدنی (EPU) میں ہوتا ہے۔ EPU 2.03 روپیہ اور 1.63 روپیہ کی قابل تقسیم آمدنی پر مشتمل ہے جو کہ ناقابل تقسیم غیر حقیقی منصفانہ قیمت کے فوائد ہیں۔ تشخیص رائے ششماہی اور سالانہ مالیاتی نتائج دونوں کے لیے ایک اہم جز ہے۔ بورڈ اس بات سے مطمئن ہے کہ REIT جائیدادوں کی منصفانہ تشخیص قواعد کے مطابق کی گئی۔

DCR کرایہ داری پروفائل

DCR کی ریٹیل اسٹیٹ قابل اعتبار کرایہ داروں کے ساتھ اعلیٰ قبضے کی شرح کو برقرار رکھتی ہے، خاص طور پر بین الاقوامی برانڈز اور ملٹی نیشنل کارپوریشنز جو اپنے مالی استحکام کے لیے مشہور ہیں۔ Dolmen Mall Clifton، Carrefour کی طرف سے لنگر انداز، Levi's، Khaadi، Nike، Adidas، اور Keith Charles & جیسے مقامی اور بین الاقوامی برانڈز کا ایک مضبوط امتزاج پیش کرتا ہے، جو صارفین کی آمد مسلسل بنائے رکھتا ہے۔

ہاربر فرنٹ میں بڑی کارپوریشنز جیسے اینگرو، سٹی بینک، اور پراکٹر اینڈ گیمبل 17 کرائے پردی جانے والی منزلوں پر واقع ہیں۔ پراپرٹی مینیجر نے تمام DCR اثاثوں میں کرایہ داروں کے تعلقات کو برقرار رکھنے میں کلیدی کردار ادا کیا ہے تاکہ برانڈ امیج کو بہتر بنایا جاسکے، اور اعلیٰ معیار کی دیکھ بھال کو یقینی بنایا جاسکے، مضبوط قبضے اور گاہک کی وفاداری میں تعاون کیا جائے۔

محترم یونٹ ہولڈرز

عارف حبیب ڈولمین REIT مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کو ("DCR" یا "The Scheme") Dolmen City REIT کی سالانہ رپورٹ اور 30 جون 2024 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے بمعہ سالانہ رپورٹ اور دیگر قانونی رپورٹس آڈیٹرز کے ساتھ پیش کرنے پر مسرت محسوس کر رہے ہیں۔

REIT اثاثہ جات

REIT کے اثاثہ جات ڈولمین مال اور ہاربر فرنٹ پر مشتمل ہیں جو ڈولمین سٹی کلفٹن کا حصہ ہیں۔ ایک مخلوط استعمال (Mix Used)، کراچی کے ڈیفنس اور کلفٹن کے علاقوں میں واٹر فرنٹ کی ترقی، جس میں چار آفس ٹاورز شامل ہیں۔ اسکاٹی ٹاور A اور B (ہول اور سروسڈ اپارٹمنٹس کے لیے مستقبل کی منصوبہ بندی کے ساتھ دفتر کی جگہ)، ہاربر فرنٹ، ایگزیکٹو ٹاور اور تین سطحی ڈولمین مال۔ کمپلیکس 3.4 ملین مربع فٹ پر محیط ہے۔

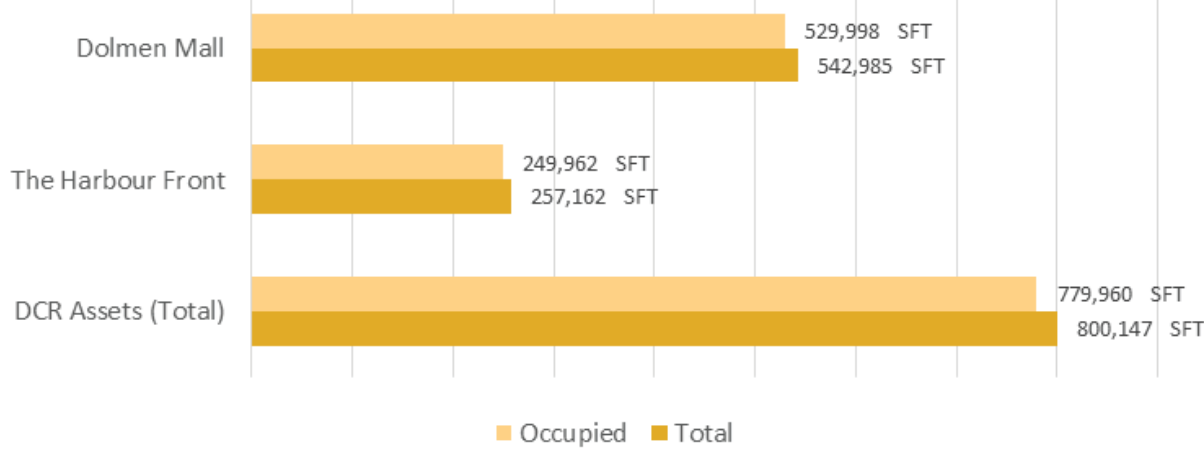
ڈولمین مال کلفٹن، صرف 543,000 مربع فٹ سے کم کی پیشکش کر رہا ہے۔ لیز شدہ ایریا نے پاکستان میں ریٹیل کو تبدیل کر دیا ہے، جو 130 سے زیادہ آؤٹ لیٹس، ایک ہائپر مارکیٹ، اور 1,200 لوگوں کے لیے نوڈ کورٹ کے ساتھ عالمی معیار کی خریداری کا تجربہ پیش کر رہا ہے۔ اس میں میگو، کیریفور، کھادی، گل احمد اور نانگی سمیت مقامی اور بین الاقوامی برانڈز کی متنوع رینج موجود ہے۔ بین الاقوامی معیار کے پاکستان کے پہلے مال کے طور پر، یہ اپنے پریمیم ریٹیل اور کھانے کے اختیارات کے ساتھ ملک بھر میں خریداروں کو اپنی طرف متوجہ کرتا ہے۔

19 منزلہ ہاربر فرنٹ تقریباً 257,000 اسکوائر فٹ سے زیادہ کی پیشکش کرتا ہے۔ لیز شدہ ایریا؛ فعالیت کے ساتھ جدید ڈیزائن کو ملا کر ملک کے پریمیئر آفس اسپیسز میں ایک پرکشش اور نمایاں ہے۔ اس کی اسٹریٹجک لوکیشن ساحل سمندر کے شاندار نظارے پیش کرتا ہے، جس سے ایک پرفیکٹ ماحول پیدا ہوتا ہے۔ ماہرانہ فن تعمیر اور جدید انٹیریورز سے کاروبار کے لیے ایک پرکشش انتخاب بناتے ہیں جو پاکستان میں کام کرنے والی چند اعلیٰ ملٹی نیشنل کارپوریشنز (MNCs) اور مقامی کمپنیوں کے لیے پوری طرح موافق ہے۔

آپریشنل کارکردگی

2015 میں اپنے آغاز کے بعد سے، DCR کی ریٹیل اسٹیٹ نے اپنی مضبوط پکڑ کے لیول کو برقرار رکھا ہے، جو جون 2024 تک 97.48 فیصد تک پہنچ گئی (جون 2023 میں 97.84 فیصد سے تھوڑا کم رہی)۔ نئے ٹیننٹس (Tenants) جیسے پرائم ٹیکسٹائل، ماریہ بی، بیلا ویٹا اور دی کلوزیٹ (PUMA) زیادہ منفرد پیشکشوں کے ذریعے مال کے صارفین کے تجربے کو چار چاند لگاتے رہے۔ سال کے آخر میں ڈولمین مال کلفٹن اور ہاربر فرنٹ پر قبضے (Tenancy) کے لیول درج ذیل ہیں:

DCR Assets Occupancy Levels Consistently Over 97% Occupied



30 جون 2024 تک، ڈولمین مال کے لیز ایریا پر مبنی ویٹڈ ایوریج لیز ایکسپائری (WALE)

30 جون 2024 تک DCR کی خالص اثاثہ قیمت گزشتہ سال (30 جون 2023: 69.50 بلین روپیہ) کے مقابلے میں تقریباً 2.57 سال اور ہاربر فرنٹ لگ بھگ 4.11 سال ہے۔ اس سے ڈی سی آر کی مجموعی اوسط لیز کی میعاد 3.34 سال ہو جاتی ہے۔ اس سے مستقبل قریب کے لیے مستقل قبضے بنے رہنے اور بہترین کارکردگی کئے جانے کا تخمینہ لگایا جاسکتا ہے۔

مالی کارکردگی

30 جون 2024 تک DCR کی خالص اثاثہ قیمت گزشتہ سال (30 جون 2023: 69.50 بلین روپیہ) کے مقابلے میں تقریباً 3 بلین روپیہ کے اضافے کی عکاسی کرتی ہے جو کہ 73.19 بلین روپیہ (30 جون 2023: 69.50 بلین روپیہ) ہے جو اسے پاکستان میں شرعی تقاضوں کو پورا کرنے والا سب سے بڑا انسٹرومنٹ بناتا ہے۔

زیر جائزہ سال کے دوران، DCR نے 4,318.76 بلین روپیہ (30 جون 2023) کے مقابلے میں 535 بلین روپیہ 4,854.66 بلین روپیہ سے زیادہ، مارکیٹنگ کی آمدنی میں 45.5 بلین روپیہ کا اضافہ 303.93 بلین روپیہ پر ریکارڈ کیا اور 84 بلین روپیہ کے شریعہ کمپلائنسٹ بینک ڈپازٹس پر منافع میں اضافہ 328.05 بلین روپیہ (30 جون 2023: 243.69 بلین روپیہ)۔ انتظامی، آپریٹنگ اور دیگر اخراجات 982.52 بلین روپیہ (30 جون 2023: 755.34 بلین روپیہ) تھے۔ تمام ہیڈز پر آمدنی میں اضافہ مسلسل جائزہ لینے والے سال کے لیے مثبت مالی کارکردگی کی عکاسی کرتا ہے۔