



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

DOLMEN CITY REIT

BUILDING
ON SUCCESS

Annual Report 2016

About REITs

A Real Estate Investment Trust (REIT) is an entity that owns or finances income-producing real estate. REITs are like mutual funds. REITs provide investors of all types with regular income streams, diversification, and long-term capital appreciation. REITs allow individuals to invest in real-estate properties in a similar way to purchasing a stock of a company and owning shares. A REIT combines a pool of money from individuals and institutions to buy real estate. The Unit holders of a REIT Scheme earn a share of the income produced through renting or selling of the real estate property without actually having to bear the hassle of buying or managing the property.

REITs in Pakistan

REIT Regulatory Framework in Pakistan was introduced by Securities and Exchange Commission of Pakistan (SECP) in January 2008, which was subsequently repealed and replaced by REIT Regulations 2015. These regulations are comprehensive with the principal focus on the protection of interests of general investors in a REIT Scheme. In Pakistan “REIT Scheme” means a listed closed-end fund registered under Real Estate Investment Trust Regulations 2015. The three types of REIT schemes introduced by SECP in Pakistan are:

Developmental REIT: A Developmental REIT Scheme invests in real estate to develop it for Industrial, Commercial or Residential purposes through construction or refurbishment.

Rental REIT: A Rental REIT Scheme invests in commercial or residential Real Estate to generate rental income.

Hybrid REIT: REIT Scheme having both a portfolio of buildings for rent and a property for development.



Table of Contents

02 Scheme's Information	04 Management Company's Statements	06 Board Of Directors Profile
08 Directors' Report	16 Pattern of Unitholding	20 Financial Highlights

23	Statutory Reports
24	Trustee Report
25	Shariah Review Report
26	Valuation Report
42	Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance
43	Statement of Compliance with the Code of Corporate Governance for the Year Ended 30th June 2016
45	Auditors' Report to the Unitholders
46	Financial Statements
73	Directors' Report in Urdu Language

Scheme's Information

Management Company

Arif Habib Dolmen REIT Management Limited
Arif Habib Centre, 23 M.T. Khan Road, Karachi

Board of Directors

Mr. Nasim Beg
Mr. Nadeem Riaz
Mr. Asadullah Khawaja
Mr. Qamar Hussain
Mr. Abdus Samad A. Habib
Mr. Faisal Nadeem
Mr. Muhammad Ejaz

Chairman
Director
Independent Director
Independent Director
Director
Director
Chief Executive Officer

Audit Committee

Mr. Qamar Hussain
Mr. Abdus Samad A. Habib
Mr. Asadullah Khawaja

Chairman
Member
Member

Human Resource & Remuneration Committee

Mr. Nadeem Riaz
Mr. Abdus Samad A. Habib
Mr. Muhammad Ejaz

Chairman
Member
Member

Company Secretary

Mr. Manzoor Raza

Chief Financial Officer

Mr. Mohsin Madni

Trustee/Share Registrar

Central Depository Company of Pakistan Limited
CDC House, 99-B, SMCHS
Main Shahrah-e-Faisal, Karachi.

Bankers

Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
United Bank Limited
Allied Bank Limited
Bank Alfalah Limited

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No.2
Beaumont Road, Karachi

Internal Auditors

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

Legal Advisor

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

Property Manager

Dolmen Real Estate Management (Private) Limited

Property Valuer

National Engineering Services Pakistan (Pvt.) Ltd
"NESPAK"

Shariah Advisor

Mufti Muhammad Ibrahim Easa

Rating Agency

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

Rating

RMC Rating: AM2 (RMC)
REIT Rating: RR I

Registered Office

Dolmen City REIT Scheme
Arif Habib Centre, 23 M.T. Khan Road, Karachi.



Management Company's Statements

Vision

To be a knowledge based Real Estate Investment Company which adheres to the highest standards of Integrity, Professionalism and Quality to generate sustainable returns for all stakeholders.

Mission

To build upon our competitive advantage of being the first REIT management company of Pakistan providing customer-centric full scale real estate investment related solutions to a select group of clientele.

We endeavor to provide solutions that not only contribute to the financial bottom-line for our customers but also help them create a distinct strategic advantage.

Values

Responsibility
Energy
Integrity
Teamwork



Board Of Directors

Mr. Nasim Beg

Chairman

Mr. Nasim Beg qualified as a Chartered Accountant in 1970; he also holds a Bachelor's degree in Commerce from the Karachi University. He is the founder Chief Executive of Arif Habib Consultancy and was the founder Chief Executive (now Vice Chairman) of MCB-Arif Habib Savings & Investments Ltd (formerly Arif Habib Investments Limited), a leading Asset Management Company of Pakistan. Nasim Beg serves on the Boards of several Arif Habib Group companies, as well as some others. He chairs the Boards of Arif Habib Dolmen REIT Management Limited and Power Cement Limited. He has experience of over forty-five years in industry and the financial services sector, in both the domestic and international markets. He was a part of a task force set up by the Securities & Exchange Commission of Pakistan (SECP), which developed and introduced the Voluntary Pension System. He was the founder Chairman of the SECP sponsored Institute of Capital Markets and has also been a Member of the Prime Minister's Economic Advisory Council.

Mr. Nadeem Riaz

Non-Executive Director

Mr. Nadeem Riaz, a non-executive director and representative of the Dolmen Group, is the Chairman of Dolmen Group and is also a member of both International Council of Shopping Centers (ICSC) and Middle East Council of Shopping Centers (MECSC), since 2002. Mr. Riaz has experience of over 30 years in the real estate market. He has developed and managed renowned and award winning residential, commercial and retail projects. He is a pioneer in developing state of the art retail shopping malls in Pakistan, which transformed the dynamics in the retail industry.

Mr. Asadullah Khawaja

Independent Director

Mr. Asadullah Khawaja is the Chairman of Arif Habib Corporation Limited. He started his professional career with United Bank Limited and soon switched to investment banking with Investment Corporation of Pakistan (ICP) where he served in various executive positions before taking charge as the Managing Director. Mr. Khawaja also held the additional charge as Chief Executive of Bankers Equity Limited (BEL) and National Investment Trust Limited (NITL). His foreign assignments include five years at Pakistan Embassy in London as Investment Counsellor. During his professional career he has served as Chairman Packages Limited, Chairman Pakistan Industrial Credit and Investment Corporation (PICIC) and also the Executive Director of Pakistan Credit Rating Agency. Mr. Khawaja has also served on the Board of Directors of prestigious institutions of domestic and international standings and the list of companies can be termed impressive. He has also served as the Chairman of the Board of PICIC Asset Management Company. Mr. Khawaja completed his Bachelor of Arts in 1964 from Forman Christian College, Lahore. Subsequently, he completed several local and foreign courses on banking, securities, industries management, investment analysis and portfolio management. Moreover, he has participated in various international seminars and workshops on investment oriented issues.

Mr. Qamar Hussain

Independent Director

Mr. Qamar Hussain is an independent director. He previously served as the President of National Bank of Pakistan (NBP). He holds an MBA degree in International Business & Finance from McGill University, Montreal, Canada and has undergone extensive training in business leadership abroad. Mr. Hussain started his banking career from Bank of America N.T. & S.A., Pakistan in 1981. Prior to joining NBP in 2009, he worked with American Express Bank Limited as Senior Director Global Credit, New York and earlier as Senior Director Country Manager, Bangladesh. He had also been associated with the Chase Manhattan Bank in Pakistan and USA.



Mr. Abdus Samad A. Habib

Non-Executive Director

Mr. Samad A. Habib, a non-executive director and a representative of the Arif Habib Group, is currently the Chief Executive of Javedan Corporation Limited. Javedan is an associate company of Arif Habib Corporation Ltd and is involved in developing housing projects across Karachi with almost 1,300 acres of land under ownership. Mr. Samad started his career with the Arif Habib Group, and has more than 15 years of experience, predominantly in financial services. He has served at various senior management roles including Executive Sales and Business Promotions, Company Secretary and Head of Marketing. He has also held the position of Chairman and Chief Executive of Arif Habib Limited. Mr. Habib holds a Master's degree in Business Administration from the Institute of Business Management (IoBM).

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, currently the largest mixed use project in Pakistan. Mr. Faisal started his career at Al- Feroz (Private) Limited as Manager Special Projects in 2008 and associated with the development of Dolmen Mall Tariq Road, Dolmen Mall Hyderi, Dolmen Food Courts, The Harbour Front Office Tower and Dolmen Mall Clifton. He later served in the capacity of Director Leasing, for the Dolmen property portfolio. He is currently serving as the Chief Operating Officer at Dolmen Real Estate Management (Pvt.) Limited, which manages over 2 million square feet of prime retail and commercial space.

Mr. Muhammad Ejaz

Chief Executive

Mr. Muhammad Ejaz, Executive Director and CEO of the RMC, has over 20 years of experience in financial services and general management. Mr. Ejaz is a certified director and serves on the boards of several Arif Habib Group companies. He has served in senior positions at leading local and international banks and institutions prior to joining this current assignment. Mr. Ejaz is a certified Financial Risk Manager (FRM) and holds an MBA degree from the Institute of Business Administration (IBA), Karachi.



Directors' Report

Dear Unitholders of Dolmen City REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited, I am pleased to present the Annual Report of Dolmen City REIT (DCR) and the audited financial statements for the financial year ended 30th June 2016 together with auditors' report and other statutory reports thereon.





Financial and Operational Performance

The Directors are delighted to share that by the grace of the Almighty, the DCR has completed its first full year of operations in June of 2016. Leading the capital markets of South Asia as the only listed REIT, DCR has recorded results that exceed expectations indicated in the Offering Document. Dolmen Mall remains the destination of choice for shoppers and businesses alike; evident through the ever-increasing occupancy levels and revenue numbers. DCR's fund size as on 30 June 2016 was PKR 40.261 billion (30 June 2015: PKR 22.688 billion) making it the biggest closed-end, Shariah compliant, listed instrument in Pakistan.

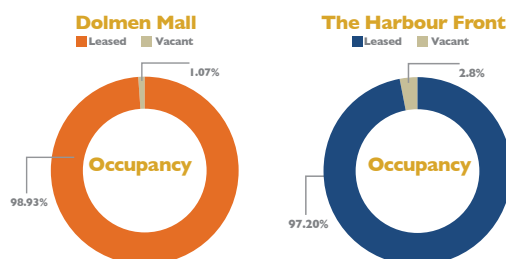
During the year under review, DCR recorded rental income of PKR 2,526.63 million (30 June 2015: PKR 193.662 million) with average monthly rent during the year showing an increase of 8.72% from June 2015, marketing income

of PKR 137.829 million (30 June 2015: PKR 6.282 million) and profit on Shariah compliant bank deposit of PKR 108.935 million (30 June 2015: PKR 0.98 million). Administrative, operating and other expenses amounted to PKR 452.744 million (30 June 2015: PKR 30.065 million). An amount of PKR 15.422 billion was also recorded as change in fair value of investment property as valued by National Engineering Services Pakistan (Private) Limited (NESPAC), an independent valuer (Refer to note 4 to the financial statements). This translates to Profit after tax of PKR 17.743 billion (30 June 2015: PKR 169.977 million) and Earning per unit (EPU) of PKR 7.98; which was PKR 0.08 last year from one month of operations. The EPU comprises of distributable income of PKR 1.04 in accordance with the Trust Deed and PKR 6.94 being un-distributable unrealised fair value gains.

The occupancy level of DCR's property reached 98.38% at the end of June 2016 (30 June 2015: 95.15%). Fresh tenancies including the opening of anchor stores such as Habitt at Dolmen City Mall, significantly improved occupancy levels. While there were a few outgoing tenants, the year also witnessed many esteemed and renowned brands becoming a part of the tenancy pool. These new tenants include Adidas, Golden Chick, HSY, Rowtisserie, Boston Creamery, Hakka Chine, Stylo and Sapphire Textiles. As on June 30, 2016, the Weighted Average Lease Expiry based on the leasable area of Dolmen City Mall (68% of the total area) is around 4.67 years and of the Harbour Front (32% of the total area) is around 1.87 years (DCR's current average lease expiry is 3.78 years).

Occupancy level at year end is as follows:

	Leasable Area	Leased Area June, 2016	Vacant Area	Occupancy %
	(in square feet)			
Dolmen Mall Clifton	554,518	548,602	5,916	98.93%
The Harbour Front	257,161	249,961	7,200	97.20%
Total	811,679	798,563	13,116	98.38%



Year on year basis, the leased area of DCR increased by 3.71%

	Leased Area June, 2016	Leased Area June, 2015	Occupancy Variations	Occupancy Variation %
	(in square feet)			
Dolmen Mall Clifton	548,602	513,186	35,416	6.90%
The Harbour Front	249,961	256,844	(6,883)	(2.68%)
Total	798,563	770,030	28,533	3.71%

Many extensive marketing and branding activities were carried out in the Mall during the year which resulted in achieving a footfall of around 9.3 Million (average monthly footfall was 791,015 visitors). The Property Manager played an instrumental role in maintaining the goodwill and brand image of DCR enticing Karachites to visit, shop and be a part of the Dolmen Mall experience. From Ramzan and Eid Shopping extravaganzas to Independence Day and New Year celebrations, every significant occasion was celebrated at the Dolmen City Mall.

Marketing Income from the fund's operations saw an increase of 82.84% on monthly average basis during the year under review at PKR 11.49 million (30 June 2015: PKR 6.28 million). Casual leasing during various events including Ramzan, Eid, New Year and Dolmen Bazaar contributed to the growth of marketing income.

Major events, especially the Azadi Shopping Weekend, Dolmen Shopping Festival, Ramzan Celebrations and Eid Bazaar did exceptionally well in pulling the crowds and recording the most footfall. Other notable events were Mother's Day Celebration, Back to School Festival, Harry Potter Book Launch, The Great Festival, Pakistan Resolution Day, Women's International Day and many more.

Azadi Shopping Weekend was held from 13th to 16th August 2015 to celebrate Pakistan's Independence Day. The four day event was filled with fun, discounts and entertainment. Around 90 outlets participated in the festival and offered discounts of up to 70%, to add more excitement to the weekend. A memorable Independence Day experience was enjoyed thoroughly by the Mall visitors. The footfall during Azadi Shopping weekend was recorded at 123,000 visitors.



Annual Ramzan Campaign was held for the entire month and witnessed a high footfall and elevated shopping. The Mall was decorated festively enhancing the feeling of the spiritual month for its visitors. The campaign generated greater revenue through various events and activations along with an extensive social media campaign. Dolmen Bazaar was also incorporated into the festivities during the last 10 days of Ramzan to attract more visitors. The footfall during the Ramzan was recorded at 834,180 visitors.

Dolmen Shopping Festival:

Dolmen Mall gave its shoppers another reason to rejoice by welcoming the Winter with the biggest Shopping Festival of the year which celebrated the start of the New Year. Spanning across fifteen days, the event took place in the main atrium of Dolmen Mall where families made lasting memories.



Distribution of Dividend

The Board of Directors of the Management Company, in their meeting held on 4th July 2016 have announced a final cash dividend for the year ended 30th June 2016 of Rs. 1.04 per unit, amounting to Rs. 2,312.648 million. The above dividend was paid on 16 August 2016 to the unitholders whose names appeared in the Register of Unit Holders on Monday, 25th July 2016.

Shariah Compliance

Complying with Shariah guidelines, the fund's real estate remained secure under Takaful policies by "A" rated Pakistani operators which have support of international and renowned Re-Takaful syndicate. Alhamdulillah, there was no claim throughout the year under review and DCR enjoyed a no-claim bonus during the outgoing year. Shariah advisor, in his Annual Shariah Review Report dated 2nd July 2016, has confirmed compliance with Shariah principals in all aspects and has also advised to earmark PKR 2.24 Million (0.096% of the Net Operating income), towards charity, identified as non-compliant income.

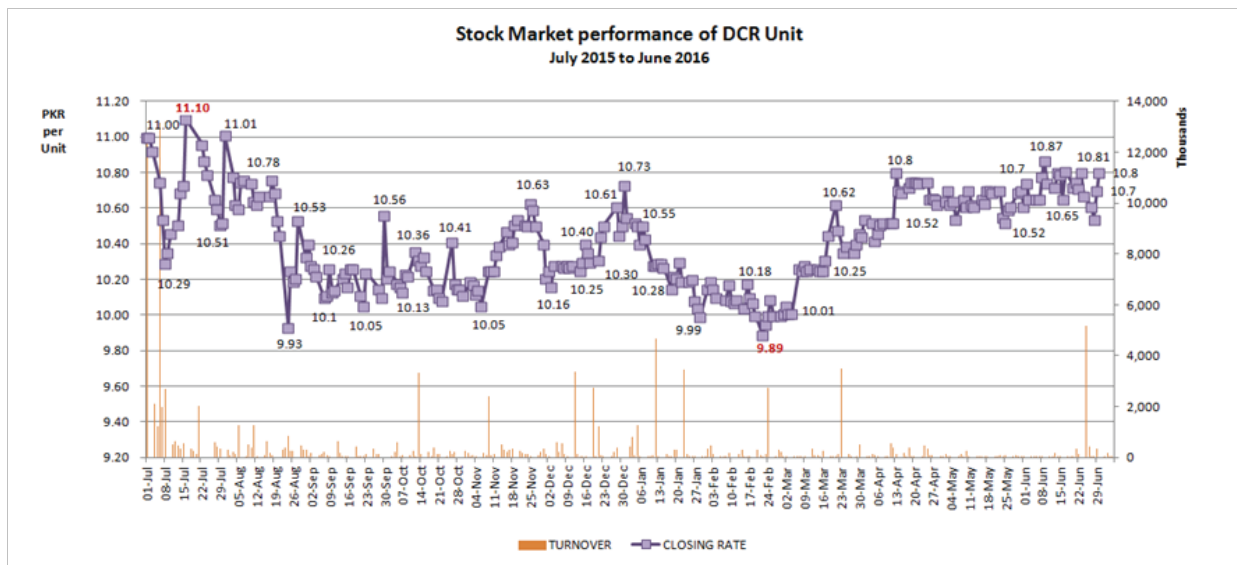
Stock's Performance

During the year under review, investors earned returns which were correlated with the growth of rental income from real estate, while providing them a hedge against inflation. The stock's price performance was not directly correlated to other regularly traded equity, debt or commodity instruments traded in the market.

During the twelve-month period under review, 'DCR' traded on the Pakistan Stock Exchange (PSX) at an average unit price of PKR 10.42, touching a high of PKR 11.10 and a low of PKR 9.89 per unit. During the same period the PSX 100 index moved in the range between 30,564.50 to 38,776.94. In a fairly volatile market, the stock of DCR remained fairly stable with beta of 0.31 (which means for a given 100% change in market PSX-100 Index, DCR would change only 31%, beta here represents low volatility and elasticity).



The Net Asset Value 'NAV' per Unit of DCR is PKR 18.11 at the year ended on 30 June 2016 (PKR 10.20 at 30 June 2015). DCR on its closing Unit price of PKR 10.80 on 30 June 2016, i.e., at a discount of 40.35% to its NAV.



Business Environment

The business environment surrounding DCR remains stable. However, it is pivotal that the taxation regime applicable to REITs and the real estate sector remains consistent in the longer term. REITs are an important investment vehicle and have the potential of bringing several benefits to the economy, which range from improving documentation of real estate transactions thereby introducing accurate property valuations in the sector; to enhancing the government's revenue, as well as allowing small savers exposure in real estate thereby promoting savings. It is vital that REITs are supported at all levels and benefits (fair treatment for taxation and transfer fees), that are available to REITs in the province of Sindh are extended throughout the country for its proliferation.

We believe Dolmen City will remain the destination of choice for visitors, and retail operators alike, even if there is new supply of quality retail development in the city; we are confident of this because of our unsurpassable professional property management, long lease expiries, planned marketing activities and renowned tenants. This is also reiterated through DCR's Rating reaffirmation (RR1, highest investment quality) by JCR-VIS Credit Rating Agency in 2016.

Outlook

Dolmen City REIT is operating beyond its projected financial estimations and has successfully increased occupancy levels compared with levels during last year and in posting rental growth. Continuously increasing footfall to the mall is an indicator of operational success. Going forward, rental escalations would be the prime revenue driver, as occupancy levels approach 100 percent.

Vigilance at all levels by the Trustee, the Management Company, the Shariah Advisor and the SECP ensures that compliance to the REIT Regulations and other applicable laws and standards is adhered. These factors will continue to add to a rewarding investment to DCR's Unit Holders.

Corporate Governance

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

The Board would like to state that proper books of accounts of DCR have been maintained and appropriate

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

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

During the year under review, two directors have attended a directors training course conducted by the Institute of Chartered Accountants of Pakistan (ICAP) whereas one director has attended the directors training course conducted by the Pakistan Institute of Corporate Governance (PICG). Two directors had already completed this course earlier. Other directors are exempt from attending the directors training program as per criteria approved under the Code.

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

Pattern of Unitholding

Categories of Unitholders	Units Held	%
Directors / Spouse	7,166,695	0.32%
Associated Companies	1,678,360,000	75.48%
Executives	30,000	0.00%
Public Sector Companies	49,375,450	2.22%
Banks, DFIs, NBFCs	306,837,994	13.80%
Mutual Funds	3,877,163	0.17%
General Public	140,140,918	6.30%
Others	37,911,780	1.70%
Total	2,223,700,00	100.00%

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., shall retire, and being eligible, have offered themselves for reappointment for the year ending on 30 June 2017. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control the Review Program. As suggested by the Audit Committee of RMC, the Board of the RMC recommends reappointment of M/s. KPMG Taseer Hadi & Co., as auditors of DCR for the financial year ending on 30 June 2017 at a fee to be mutually agreed.

Election of Directors

In accordance with the provisions of Section 180 of the Companies

Trading in Scheme's Units by Directors and Executives

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

Attendance at Board Meetings

A statement showing attendance of Directors of RMC at Board and Committee meetings is annexed as Annexure - II.

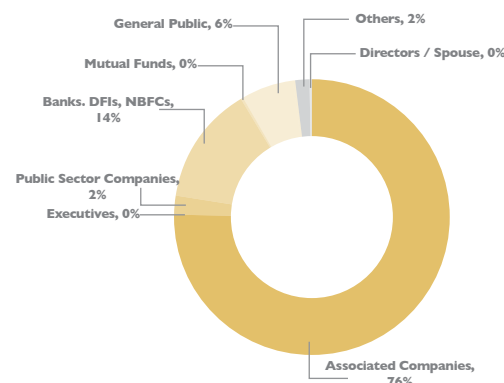
Pattern of Unitholding

The units of DCR are listed on Pakistan Stock Exchange. There were 4,268

unitholders of DCR as of 30 June 2016. The detailed pattern of unitholding and categories of unitholding of DCR including units held by directors and executives, if any, are annexed as Annexure - III.

Financial and Business Highlights

The key operating and financial data has been given in summarized form under the caption "Financial & Business Highlights" (Page 21) and graphic representation of the important statistics is presented on (Page 22).



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
30 September 2016

Ordinance, 1984 the three years term of seven directors of RMC elected in the annual general meeting of RMC in 2015, will be completed in October 2018.

Post Balance Sheet Events

There have been no material changes since 30 June 2016 to the date of this report except the declaration and distribution of a final Cash Dividend @ 10.40 %. The effect of such declaration shall be reflected in next year's financial statements.

Related Party Transactions

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



Annexure I

Statement showing units bought and sold by Directors, CEO, CFO, Company Secretary and their Spouses and Minor Children From 1st July 2015 to 30th June 2016

Name	Designation	Units bought	Units sold	Remarks
Mr. Nasim Beg	Chairman	-	-	-
Mr. Nadeem Riaz	Director	4,095,000	-	-
Mr. Asadullah Khawaja	Director	-	-	-
Mr. Qamar Hussain	Director	-	-	-
Mr. Abdus Samad A. Habib	Director	-	-	-
Mr. Faisal Nadeem	Director	3,481,195	1,819,000	-
Mr. Muhammad Ejaz	Chief Executive	-	-	-
Mr. Zia ur Raheem	Former CFO & Company Secretary	-	-	-
Mr. Mohsin Madni	CFO	-	-	-
Mr. Manzoor Raza	Company Secretary	-	-	-
Mr. Sarwar Khan	Former Head of Internal Audit	-	-	-
Mrs. Uzma Nadeem	Spouse of Mr. Nadeem Riaz	1,409,500	-	-
Minor children	-	-	-	-

Annexure II

Statement showing attendance at Meetings from 1st July 2015 to 30th June 2016

Name of Directors	Designation	Total	Eligible to attend	Attended	Leaves granted	Remarks
-------------------	-------------	-------	--------------------	----------	----------------	---------

Attendance at Board Meetings from 1 July 2015 to 30 June 2016

Mr. Nasim Beg	Chairman	5	5	5	-	-
Mr. Muhammad Ejaz	Chief Executive	5	5	5	-	-
Mr. Nadeem Riaz	Director	5	5	2	3	-
Mr. Asadullah Khawaja	Director	5	5	5	-	-
Mr. Abdus Samad A. Habib	Director	5	5	5	-	-
Mr. Faisal Nadeem	Director	5	5	5	-	-
Mr. Qamar Hussain	Director	5	5	4	1	-
Mr. Yawar Jilani	Director	5	1	1	-	-

Attendance at Audit Committee Meetings from 1 July 2015 to 30 June 2016

Mr. Qamar Hussain	Chairman	4	4	3	1	-
Mr. Asadullah Khawaja	Director	4	4	4	-	-
Mr. Abdus Samad A. Habib	Director	4	4	4	-	-

Attendance at Human Resource & Remuneration Committee Meetings from 1 July 2015 to 30 June 2016

Mr. Nadeem Riaz	Chairman	3	3	3	-	-
Mr. Abdus Samad A. Habib	Director	3	3	3	-	-
Mr. Muhammad Ejaz	Chief Executive	3	3	3	-	-



Annexure III - Pattern of Unitholding

Categories of Unitholders as at 30th June 2016

Category	Number of Unitholders	Number of Units held	Holding (%)
Directors, Chief Executive, and their Spouses and minor children	3	7,166,695	0.32
Executives	2	30,000	0.00
NIT and ICP	-	-	0.00
Associated Companies, Undertakings and Related Parties	4	1,678,360,000	75.48
Public Sector Companies and Corporations	2	49,375,450	2.22
Banks, Development Finance Institutions, Non-Banking Finance Institutions	10	287,923,476	12.95
Insurance Companies	5	18,826,518	0.85
Modarabas	1	88,000	0.00
Mutual Funds	4	3,877,163	0.17
Others	30	37,911,780	1.70
General Public - Local	4,206	140,121,918	6.30
General Public - Foreign	1	19,000	0.00
	4,268	2,223,700,000	100.00

Pattern of Unitholding

Categories of Unitholders as at 30th June 2016

Categories	Number of Unitholders	Number of Units held	Holding (%)
Directors, Chief Executive, and their Spouses and minor children			
Mr. Nadeem Riaz	1	4,095,000	0.18
Mr. Faisal Nadeem	1	1,662,195	0.07
Ms. Uzma Nadeem	1	1,409,500	0.06
	3	7,166,695	0.32
Executives	2	30,000	0.00
Associated Companies, Undertakings and Related Parties			
International Complex Projects Ltd.	1	1,556,590,000	70.00
Arif Habib Dolmen REIT Management Ltd.	1	111,185,000	5.00
Dolmen Real Estate Management (Pvt.) Ltd.	1	10,502,500	0.47
Arif Habib Corporation Ltd.	1	82,500	0.00
	4	1,678,360,000	75.48
NIT and ICP	-	-	0.00
Joint Stock Companies			
Public Sector Companies and Corporations	2	49,375,450	2.22
Bank, Development Finance Institutions, Non-Banking Finance Institutions	10	287,923,476	12.95
Insurance Companies	5	18,826,518	0.85
Modarabas	1	88,000	0.00
	18	356,213,444	16.02
Mutual Funds			
CDC - Trustee Meezan Balanced Fund	1	2,728,000	0.12
CDC - Trustee Alfalah GHP Value Fund	1	526,704	0.02
CDC - Trustee AKD Index Tracker Fund	1	120,000	0.01
CDC - Trustee Alfalah GHP Islamic Stock Fund	1	502,459	0.02
	4	3,877,163	0.17
Others	30	37,911,780	1.70
Genral Public			
Local	4,206	140,121,918	6.30
Foreign	1	19,000	0.00
	4,207	140,140,918	6.30
	4,268	2,223,700,000	100.00
Unitholders holding 5% or more			
International Complex Projects Ltd.	1	1,556,590,000	70.00
Arif Habib Dolmen REIT Management Ltd.	1	111,185,000	5.00



Pattern of Unitholding

Categories of Unitholders as at 30th June 2016

# Of Unitholders		Unitholding'Slab		Total Units Held
59	1	to	100	585
1,650	101	to	500	822,034
1,053	501	to	1,000	1,049,151
767	1,001	to	5,000	2,166,514
204	5,001	to	10,000	1,846,401
51	10,001	to	15,000	665,500
53	15,001	to	20,000	1,017,875
39	20,001	to	25,000	947,000
26	25,001	to	30,000	745,500
9	30,001	to	35,000	291,015
13	35,001	to	40,000	507,500
10	40,001	to	45,000	440,000
37	45,001	to	50,000	1,822,017
5	50,001	to	55,000	261,125
7	55,001	to	60,000	416,166
5	60,001	to	65,000	318,500
5	65,001	to	70,000	342,167
11	70,001	to	75,000	809,625
36	75,001	to	80,000	2,871,571
6	80,001	to	85,000	498,900
11	85,001	to	90,000	976,391
9	90,001	to	95,000	835,009
35	95,001	to	100,000	3,493,152
1	100,001	to	105,000	101,430
4	105,001	to	110,000	429,884
2	110,001	to	115,000	224,000
6	115,001	to	120,000	714,667
5	120,001	to	125,000	621,450
1	125,001	to	130,000	130,000
8	130,001	to	135,000	1,066,359
1	135,001	to	140,000	135,623
2	140,001	to	145,000	286,500
2	145,001	to	150,000	300,000
1	150,001	to	155,000	150,500
3	155,001	to	165,000	476,413
4	165,001	to	170,000	668,266
4	170,001	to	175,000	694,413
1	175,001	to	180,000	180,000
2	180,001	to	195,000	365,500
10	195,001	to	200,000	1,998,000
2	200,001	to	205,000	409,582

Pattern of Unitholding

Categories of Unitholders as at 30th June 2016

# Of Unitholders	Unitholding'Slab			Total Units Held
3	205,001	to	215,000	624,305
3	215,001	to	225,000	654,500
1	225,001	to	230,000	227,066
2	230,001	to	245,000	461,269
2	245,001	to	255,000	500,000
1	255,001	to	265,000	255,500
2	265,001	to	270,000	536,000
1	270,001	to	280,000	272,500
1	280,001	to	295,000	283,000
4	295,001	to	300,000	1,200,000
1	300,001	to	330,000	304,500
1	330,001	to	335,000	333,000
1	335,001	to	350,000	337,000
1	350,001	to	355,000	353,982
1	355,001	to	360,000	356,000
1	360,001	to	370,000	363,500
1	370,001	to	375,000	375,000
1	375,001	to	395,000	380,000
4	395,001	to	400,000	1,600,000
1	400,001	to	410,000	409,165
1	410,001	to	425,000	412,500
1	425,001	to	430,000	425,500
1	430,001	to	445,000	434,700
4	445,001	to	450,000	1,795,000
1	450,001	to	475,000	455,000
1	475,001	to	495,000	476,000
8	495,001	to	500,000	4,000,000
2	500,001	to	525,000	1,005,459
1	525,001	to	530,000	526,704
1	530,001	to	565,000	534,700
1	565,001	to	580,000	566,500
1	580,001	to	620,000	584,000
1	620,001	to	710,000	622,000
1	710,001	to	765,000	710,869
1	765,001	to	830,000	769,230
4	830,001	to	995,000	3,333,332
2	995,001	to	1,000,000	2,000,000
1	1,000,001	to	1,365,000	1,333,333
1	1,365,001	to	1,405,000	1,367,000
2	1,405,001	to	1,495,000	2,819,000
1	1,495,001	to	1,555,000	1,500,000



Pattern of Unitholding

Categories of Unitholders as at 30th June 2016

# Of Unitholders		Unitholding'Slab		Total Units Held
1	1,555,001	to	1,630,000	1,558,333
1	1,630,001	to	1,660,000	1,630,500
1	1,660,001	to	1,665,000	1,662,195
1	1,665,001	to	1,895,000	1,666,666
1	1,895,001	to	1,995,000	1,900,000
2	1,995,001	to	2,000,000	4,000,000
2	2,000,001	to	2,495,000	4,600,000
1	2,495,001	to	2,500,000	2,500,000
1	2,500,001	to	2,725,000	2,600,000
1	2,725,001	to	2,840,000	2,728,000
1	2,840,001	to	4,000,000	2,843,478
1	4,000,001	to	4,490,000	4,095,000
1	4,490,001	to	4,495,000	4,494,400
1	4,495,001	to	4,500,000	4,500,000
1	4,500,001	to	8,000,000	4,626,500
1	8,000,001	to	8,495,000	8,182,000
2	8,495,001	to	8,500,000	17,000,000
1	8,500,001	to	8,995,000	8,712,120
1	8,995,001	to	9,000,000	9,000,000
1	9,000,001	to	10,000,000	9,090,000
1	10,000,001	to	11,000,000	10,502,500
1	11,000,001	to	15,100,000	14,763,437
1	15,100,001	to	15,330,000	15,326,500
1	15,330,001	to	16,000,000	15,879,804
1	16,000,001	to	20,000,000	18,018,018
1	20,000,001	to	23,000,000	22,058,602
1	23,000,001	to	35,000,000	23,465,648
1	35,000,001	to	40,000,000	35,417,833
1	40,000,001	to	40,995,000	40,375,450
1	40,995,001	to	41,000,000	41,000,000
1	41,000,001	to	41,685,000	41,441,000
1	41,685,001	to	50,000,000	41,690,000
1	50,000,001	to	100,000,000	71,003,617
1	100,000,001	to	150,000,000	111,185,000
1	150,000,001	to	1,556,590,000	1,556,590,000
4,268				2,223,700,000



Financial Highlights



Financial Highlights

30 June 2016

30 June 2015
(Based on one
month
operations)

Profitability

Net operating margin	87.04%	90.69%
Performance (Annualized return for FY15)		
Return on total asset	43.40%	8.78%
Return on Unitholders' fund	44.07%	8.99%

Liquidity

Current ratio (in times)	9.86	4.74
--------------------------	------	------

Market Ratios

Dividend payout ratio	100%	100%
Dividend Yield (at par @Rs. 10 per unit)	10.40%	0.76%
Dividend Yield (at IPO strike @Rs. 11 per unit)	9.45%	0.69%
P/E Ratio (in times)	1.26	144.69

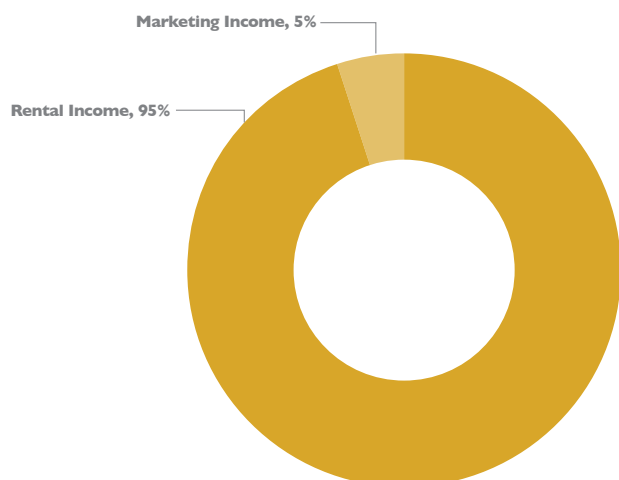
Valuation

Earnings per unit - Basic and diluted (PKR)	7.98	0.08
Net asset value per unit (PKR)	18.11	10.20
No. of ordinary units	2,223,700,000	2,223,700,000

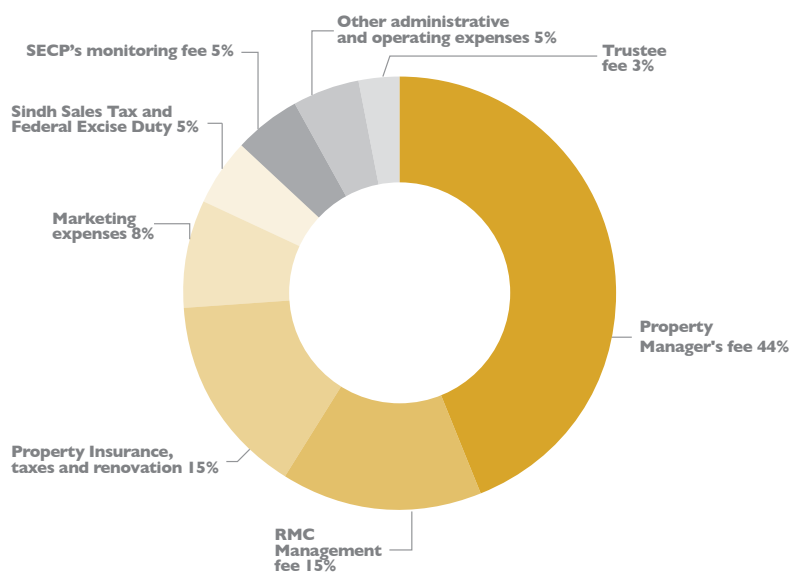
Trends (PKR '000)

Management fee	69,575	5,300
Trustee fee	11,596	907
Net operating income	2,319,176	181,325
Profit before and after taxation	17,742,638	169,977
Unit capital	22,237,000	22,237,000
Unitholders' fund	40,261,026	22,688,323
Total assets	40,885,917	23,218,502

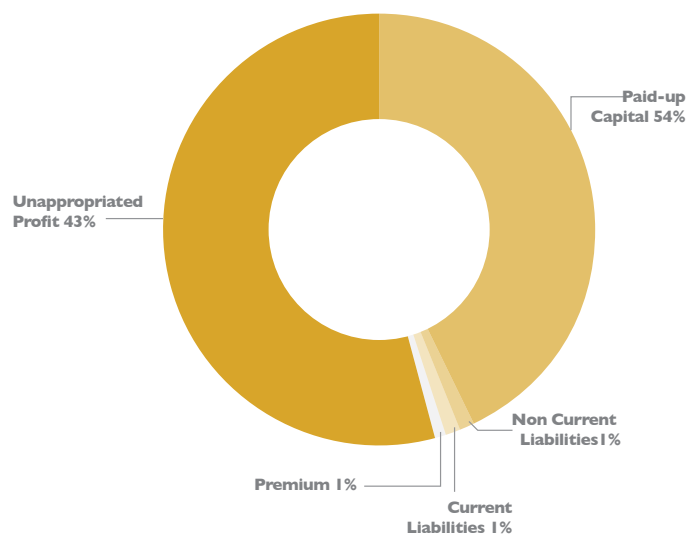
OPERATING INCOME



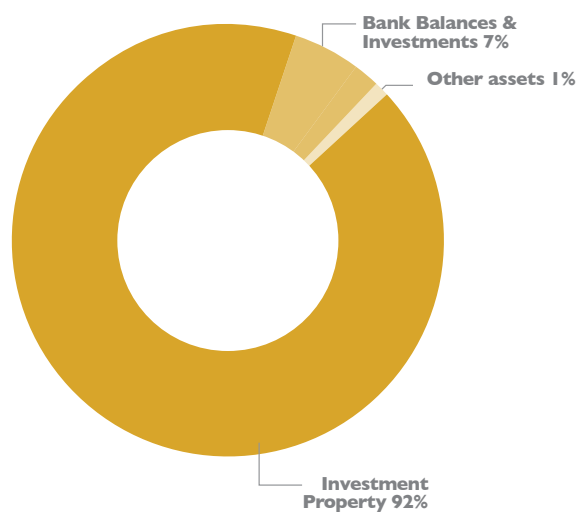
ADMINISTRATIVE, OPERATING & OTHER FUND EXPENSES



EQUITY & LIABILITIES



ASSETS





Statutory Reports

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B',
S.M.C.H.S. Main Shahra-e-Faisal,
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326020 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



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

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

We Central Depository Company of Pakistan Limited, being the Trustee of Dolmen City REIT (the **Fund**) are of the opinion that Arif Habib Dolmen REIT Management Limited, being the Management Company of the Fund has in all material respects complied with the requirements of the Real Estate Investment Trust Regulations, 2015 during the year ended June 30, 2016.

For the purpose of information, we would like to draw the attention of unit holders towards the fact that Auditors of the Fund while referring to note 4.1 to the annexed financial statements have included an emphasis of matter paragraph in their audit Report.


Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: October 20, 2016



Annual Shariah Review Report

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

The year under review is the second year of the Dolmen City REIT. In the capacity of Shariah Advisor I reviewed the transactions conducted during the year. In my review I found all the investment and rental related matters Shariah compliant except the amount of Rs. 2,236,473/- that I found as impure income in my Bi-Annual Shariah Review due to some irregularities in the transactions undertaken. As per my advice the said amount has been transferred into charity account on which I appreciate Management of Dolmen City REIT.

In my opinion the business affairs of Dolmen City REIT have been generally carried out in accordance with rules and regulations of Shariah, therefore I confirm that the income generated under this REIT for the Unit Holders is HALAL AND SHARIAH COMPLIANT.

I am thankful to the Directors and management of Arif Habib Dolmen REIT Management Limited, the trustee, property manager and other stake holders in providing full support and cooperation to make this transaction Shariah compliant and my special thanks to all Unit Holders who invested in this REIT and showed full trust on this Project.

May Allah grant us the best reward for our contribution in this REIT and may He give the fruits of this REIT to all Unit Holders. Aameen

MUFTI MUHAMMAD IBRAHIM ESSA

Shariah Advisor - Dolmen City REIT
Date: July 2, 2016

3rd Bi-Annual Valuation Report for Dolmen City, Clifton, Karachi Under Reit Scheme

Dolmen City, Clifton, is a large mixed used development located at the scenic coastline of Karachi, comprising five main buildings at a single place. The project caters to the social and commercial needs of the city.

- **Harbour Front Building:** Nineteen story state-of-the art office building; with a built up area of approximately 270,271 square feet.
- **Dolmen Mall:** Multi story regional mall of international standards; with a built up area of more than 1.29 million square feet.
- **Executive Tower:** Sea-facing multi story office building; and
- **Under Construction Two Towers:** of twenty seven story each.

As per requirements of Securities and Exchange Commission of Pakistan - SECP (Specialized Companies Division, Non-Banking Finance Companies Department), Arif Habib Dolmen REIT Management Company Limited - **AHDRML** had appointed National Engineering Services Pakistan (Pvt.) Limited, (NESPAC), to value the two component building i.e Harbour Front and Dolmen Mall of Dolmen City falling under the REIT scheme constructed on Plot, Survey No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi as per provisions of REIT Regulations, 2008 which later was up-dated to REIT Regulations of 2015.

NESPAC submitted its initial valuation in February 2015 based on its surveys and prices as of November 2014. The report resulted in approval of Pakistan's first REIT scheme by SECP on May 29, 2015 which made a way for its successful launch on Karachi Stock Exchange.

As per requirement of REIT Regulations 2015, the valuer appointed by the REIT Management company has to provide its services for three years with up-dating of Valuation report bi-annually. According to this, an amendment was signed between both parties i.e AHDRML and NESPAC to continue services as required by REIT Regulation-2015.

Subsequently, 1st bi-annual valuation was carried out for the period ending June 30, 2015 and 2nd bi-annual valuation for the period ending upto December 31, 2015. The reports were submitted with AHDRML.

The summarized scope of work for the successive bi-annual valuation reports remained the same as for first & 2nd valuation with following main aspects to be covered in the report:

- a) Valuation of the land.
- b) Valuation the building.
- c) Expected Sale/Sub-Lease Value of the property in its present form, on a per square foot (/ft²) basis.
- d) Expected Rental Income
- e) Any other aspects that might be contributive towards the assessment of the fair market value of the above mentioned property.

1. DATE OF 3rd BI-ANNUAL VALUATION

To up-date the valuation of the property for the 3rd-bi-annual report, market study was conducted by NESPAC in the third week of June 2016 to up-date its continuous ongoing process of property valuation to assess the average land value in the area and prevailing sale price being charged by the owners of buildings in the vicinity. A visit was also made to the premises / property (by a team of professionals from NESPAC on June 23, 2016 before finalization of the valuation of the property under consideration to assess any physical change incorporated between the 2nd valuation and present report.

The costs / prices assessed for the property in this report be considered the prices as of June 30, 2016.

2. GENERAL INFORMATION

- a) Dolmen City premises / building is constructed on Plot, Survey No. HC-3, Block-4, Scheme No. 5, Marine Drive, Clifton, Karachi. The premises comprises of;

The Harbour Front, a 19 storey Office Building with a built up area of approximately 270,271 square feet

Dolmen City Mall, an international standard shopping mall with a built up area of approximately 1.29 million square feet



- b) The assumptions used for the valuation of the Dolmen City has been based on the requirements of Schedule-IV to the REIT Regulations by SECP as follows with occupancy ratio of 100% as the buildings at present are fully occupied;

- ✓ Average base cost of land
- ✓ Construction cost of shopping mall
- ✓ Construction cost of office block
- ✓ Harbour Front Sales Market Value
- ✓ Dolmen Mall Sales Market Value
- ✓ Harbour Front Average Rental Rate
- ✓ Per annum growth
- ✓ Dolmen Mall Average Rental Rate
- ✓ Per annum growth
- ✓ Capitalization Rate (combined)

- c) The Dolmen Mall retail component / shopping mall does not share common access of parking space with the other components of the Dolmen City project thus easement is independent.

The Harbour Front Building on the other hand shares easements with another office building, the Executive Tower located at the rear (sea facing building) of the property.

- d) The following information were shared by the RMC (AHDRML) and copies of some desired documents were provided to the Valuer:

- (i) Present occupancy / tenancy status of Dolmen City Mall
- (ii) Present occupancy / tenancy status of Harbour Front Building.

3. INSPECTION OF THE REAL ESTATE

- a) A visit was made to the premises / property comprising of;

- The Harbour Front Office Building, and
- Dolmen Mall

both constructed on Plot, Survey No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi, by NESPAK on June 23, 2016 to update the previous inventory of the property for any addition or alteration if carried out in both the premises between the submission of first report and present bi-annual report. The following were team members;

- i. Mr. Muhammad Farooq, General Manager and team leader Valuation Team.
- ii. Mr. Abid Bashir Alam, Sr. Engineer Valuation
- iii. Mr. Mehdi Hassan, Sr. Engineer Contracts and Quality Assurance

4. DESCRIPTION AND DETAILS OF REAL ESTATE

The property under REIT comprises of two buildings, The Harbour Front Office Building and the Dolmen City Shopping Mall located on Plot, Survey No. HC-3, Block-4, Scheme No. 5, Clifton, Clifton Cantonment, Karachi.

The title of record for the area lies with Karachi Development Authority.

The Harbour Front Office Building (a triangular building), of which one-side faces Sea View Road, the other-side faces sea and the third-side face green area or presently open surface parking. While the Dolmen City Shopping Mall face the main road with sea on its rear side.

The building was constructed in 2011 and is divided in two parts i.e The Harbour Front Office Building and the Dolmen City Shopping Mall.

A. PRESENT BUILDING/PREMISES

NESPAK professionals inspected the property to update their previous inventory for any addition or alteration if carried out in both the premises during the submission of first report and present up-date.

The survey revealed no significant addition or alteration in both the premises. The buildings are comprising;

THE HARBOUR FRONT OFFICE BUILDING

The Harbour Front is located at the sea front of Clifton, Karachi. Soaring 19-storeys above the Arabian Sea, this modern triangular tower houses offices of some of leading local and multi-national corporations such as Byco, Engro Corp, Phillip Morris, Procter & Gamble, Chevron and others.

With an area of over 270,271 square feet of office space spread over 17 levels. This tower is an essential part of the newly constructed Dolmen City project, one of the largest mixed-use developments in Karachi.

KEY FEATURES OF BUILDING ARE;

- **State-of-the-art Security System**

The building is monitored 24x7 via a digital CCTV system, while all access points of the building including lobbies and parking areas are controlled via speed-gates and parking barriers.

- **Integrated Building Management System (IBMS)**

All sub-systems of the complex are controlled by 'Integrated Building Management System'.

- **Fibre-Optic Communication System**

The building is equipped with an in-house fibre-optic network ensuring high-bandwidth availability and end-to-end data connectivity.

- **Voice Data Infrastructure**

The building has a Tier-2 data centre.

- **Uninterrupted Power Supply**

Uninterrupted power supply is ensured via a continuous system of power generation.

- **Centrally Air-Conditioned**

The building is centrally air conditioned with IBMS climate controlled system.

- **Centralized Mail Room and Cargo Delivery Area**

The centralized mail room and cargo delivery area is available.

- **NFPA Compliant Fire Alarm/Suppression System**

Each tenant floor has its own integrated fire alarm and fire suppression system consisting of smoke detectors, voice evacuation system, sprinkler system, smoke extraction system, etc.

- **High-Speed Elevator**

Access to tenant floors is via six high-speed, large capacity elevators.





- **Direct Access to the Food court & Shopping Mall**

Direct access is available to Dolmen Mall through a dedicated entrance at Level 2.

The Dolmen City Shopping Mall

Dolmen City Shopping Mall, Clifton, Karachi is Pakistan's first mall built to international specifications. Located at the waterfront, at the intersection of the upscale Defense and Clifton neighborhoods, this mall integrates the best in food, fashion and leisure under one roof.

- Ground Floor;
 - First Floor;
 - Second Floor;
 - Third Floor;
- } (constructed as on ground floor parameters)

SALIENT FEATURES

- **Tenancy Mix:**

Retail Outlets: Special consideration has been given to the tenancy mix at Dolmen Mall. An effective tenancy mix ensures that the mall has the right combination of outlets with the right placement to enhance the shopping experience. Apart from 130 retail outlets, prominent retail outlets in the Mall include; Debenhams, Mango, Toni & Guy, Charles & Keith, Next, Nine West, Timberland, Mothercare, Khadi, Hub, Junaid Jamshed (J.) / Kaliyan / Nairang, Q n H, Kayseria, Bareeze, Shamraf's, Kapray, Sana Safinaz, Almirah, AUJ, Threads & Motifs, Mausumry Lawn, Brand Just Pret, Triumph, One by Ensemble, Chinyere, Koel, Mossajee Sons, Voir, Crocs, Levis, ECCO and Jafferjees, etc. with Most prominent anchor tenant by area in the Mall is Hyperstar.

F&B Outlets: The mall has over 30 different options in the food & beverages category, which includes coffee shops, diners, fast food chains, dessert shops and fine dining restaurants. Prominent food & beverages outlets in the Mall include The Fat Burger, Guns Smoke, Burger King, Espresso, Gloria Jeans, Pappa Roti, McDonalds and Bombay Chowpatti.

- **Spacious walkways and Atriums:**

The layout of the mall not only ensures a smooth pedestrian traffic flow, but also provides shoppers with pleasant open atriums.

- **Amusement Centres**

Two family amusement centres are available at the mall, namely; Sindbad's Wonderland and Kidz Dunya.

- **Handicap accessibility**

The entire shopping mall is accessible by handicapped shoppers. Special measures have been taken in this regard which include dedicated car parking spaces, ramps, wheel chair accessible toilets, large elevators and moving walkways.

- **Multi-level basement and surface parking**

A sophisticated car parking management system is installed at the multilevel basement car park to assist visitors.

B. AREA OF PROPERTY AND PRESENT BUILDING/PREMISES

Various areas (property area and covered areas) are summarized below;

PLOT:

The plot is not in exact rectangle shape but has carving in curved shape at the front facing

Plot area: 338,999.85 Sq. Ft. (37,666.65 sq. yd.)

THE DOLMEN CITY SHOPPING MALL

Property	Gross Built Up Area (Sq. Ft.)	Excluded Area (Sq. Ft.)	Net Built Up Area for REIT (Sq. Ft.)
Lower Basement (-) 5000	195,258	9,105	186,153
Upper Basement (-) 2000	290,057	15,772	274,285
Ground Floor	282,247	41,195	241,052
Ground Floor-Summit Bank			
Mezzanine Floor	19,879	-	19,879
1 st Floor	278,863	3,464	275,399
2 nd Floor	276,444	3,472	272,972
Plant and Transformer Rooms - 3 rd Floor	27,667	-	27,667
Total REIT Related Area	1,370,415	73,008	1,297,407

THE HARBOUR FRONT BUILDING:

S.No.	Description	Total Area (Sq. Ft.)	Excluded Area (Sq. Ft.)	Area for REIT Scheme (Sq. Ft.)
1.	3 rd Floor	14,797	-	14,797
2.	4 th Floor	15,549	-	15,549
3.	5 th Floor	15,549	-	15,549
4.	6 th Floor	15,498	-	15,498
5.	7 th Floor	15,498	-	15,498
6.	8 th Floor	15,498	-	15,498
7.	9 th Floor	15,439	-	15,439
8.	10 th Floor	15,439	-	15,439
9.	11 th Floor	15,439	-	15,439
10.	12 th Floor	15,579	-	15,579
11.	13 th Floor	15,579	-	15,579
12.	14 th Floor	15,579	-	15,579
13.	15 th Floor	15,451	-	15,451
14.	16 th Floor	15,451	-	15,451
15.	17 th Floor	15,451	-	15,451
16.	18 th Floor	15,342	-	15,342
17.	19 th Floor	15,447	-	15,447
18.	20 th Floor	7,688	-	7,688
Total Area (Harbour Front Building)				270,271

Total Covered area of both buildings
Including Common Area:

1,567,678 Sq. Ft.



C. MAJOR MATERIAL USED IN BUILDING / PREMISES

Following is the general description of the building;

- Structure:	Framed Reinforced Concrete Structure Bearing on piles
- Flooring:	Mix of Wooden/Porcelain Tiles Marble/Terrazzo Flooring
- Other Architectural Materials:	False Ceiling, Decorative Wood Work, Wooden Windows with Glass,Thick Glass used in partitions for cubicles, Textured Tiles, etc.
- Lifts:	in Shopping area transporting upto 3rd floor, six in Harbour Front Building transporting upto 19th floor)
- Escalators:	in Shopping Area
- Washrooms:	Ceramic tiles and accessories of Ceramics, Marble, Premium grade accessories and fixtures
- Doors:	Flush Doors with lamination/veneer, solid doors
- HVAC:	Centrally Air-conditioned Building
- Interior & Furnishing:	Complete with furnishing,Air Conditioning,False Ceiling,Decorative Wood Work,and related accessories.
- Security System:	State of Art security system with CCTV cameras both in Shopping Area, Harbour Front Building and Parking.

Note:All the finishing items used in the main building and annex building are found of Prime Quality.

5. SURROUNDING DEVELOPMENTS, MARKET AND NEIGHBORHOOD & SUPPLY AND DEMAND

The Property is located in Scheme-5 of Clifton, which is one of the oldest and up-market areas of the city. The site is a short distance from Mazar of Abdullah Shah Gazi and adjacent to Sea View beach, which is the most popular outdoor recreational area in Karachi.

Although there is no major development of matching with the property under consideration in the vicinity of the property, some developments of interest with comparable facilities in the surroundings are Park Towers, Ocean Tower, Emerald Tower and under construction mixed use development by Bahria Town Developers.

The subject property is on the cusp of the affluent Clifton and Defence residential areas, housing many foreign missions, consulates and high-net worth individuals.

Summary of Features and Amenities	
Variable	Comments
Roads	Metalled, Good Quality access and surrounding roads
Street Lighting	Adequate street lighting on access road
Parks	Several parks in immediate periphery with the largest being Bin Qasim Park, green belts, parks in further surroundings
Hospital	Some small hospitals and medical centres in a 10km radius. The closest large hospital is Dr. Ziauddin Hospital approx. 5km away
Education Institutes	Yes, mostly catering to upper middle and upper income groups
Shopping Mall	Park Towers, Emerald Mall, Ocean Mall
Commercial Area	Commercial pockets throughout Clifton and Defense
Security	Good security and patrolling on access roads, Government offices and embassies observed down the road.
Banks	Several branches
Crime	Low
Food and Beverage	Several restaurants in the surrounding area particularly off 26th Street
Traffic Public Transport	Good bus links to all parts of the city
Private Transport	Good access for private transport
Utilities	All utilities are available in the neighbourhood
Waste and Sewage	Provisions available in the neighbourhood
Rain Drainage	Rain drain adjacent to the site



The traditional CBD area for Karachi is predominantly Saddar and I.I.Chundrigar Road. These areas are now nearing saturation and office spaces have moved to surrounding areas.

The office space supply in Karachi thus saw decentralization with certain outlying areas emerging as satellite office business districts. Lack of quality new supply and severe traffic congestion in the traditional CBD has led to popularity of the secondary office areas such as M.T. Khan Road, Shahrahe Faisal and Clifton.

Quality office space started moving closer to relatively higher income populations (Clifton and DHA) which have seen generally better quality developments.

Over recent years the trend of office space which was traditionally purchased has moved to rented accommodation in well managed and more secure buildings. The higher competition as new supply entered the market has resulted in slow movement and low take up in poorly designed buildings. In addition, the rising price of commercial real estate has created a demand for smaller offices with optimal space utilization and a preference for space available on rent.

Enclosed retail in Karachi is currently in the evolving stage with most malls located in proximity to high density or high income residential areas.

The older shopping plazas around Saddar and Tariq Road were strategically located in centralized retail hotspots with a 360 degree catchment. More recent quality supply however is located in relation to the income stratification of the immediate catchments. The concept of commuting for shopping is ebbing away due to the general traffic congestion in the city thus supply has seen moving to satellite business districts mostly to the south of the city.

6. VALUATION ANALYSIS / NESPAK's ASSESSMENT

The building is presently in use as mixed-use shopping mall with Office Tower (Harbour Front Building) extending above from 3rd floor. The Dolmen City Mall is on a corner plot facing West also without any hindrance of view or wind direction due to any tall building. Although the property value has been estimated from other sources, they have lacked accuracy as this is a unique property with no previous sale transactions for the building and therefore cannot be valued as per the conventional practice.

The subject site has been evaluated in terms of vacant land use and it has been found that the best use of land would be a commercial mixed use development. In congruence with the population of the surrounding areas it is suggested that the development offered is of high quality with the presence of all required features, amenities and adequate security provisions.

NESPAK has based its assessment on its experience and expertise while applying conventional practice for prevailing market rates considering the type of construction, materials used in building construction if the building was to be constructed as of today or in recent past and summarized as below:

OPTION

A) LAND COST

Sea View Road is one of the busiest roads of Karachi and is developing into a business hub of Karachi with Public and Private Organizations. It is almost impossible to find a vacant plot on the main or on the Sea side.

To assess the land value in the area, survey of the estate agents/ property dealers was carried out. Majority of the dealers were of the opinion that saleable land is not available. Some properties may be available on the opposite or adjoining streets / roads.

Considering the price quoted by property dealers for the assessment of the same, the survey revealed that although prices of properties have been marginally gone up but mostly for residential plots. Small commercial plots in the sub-sectors of DHA and Clifton have also witnessed rise in the value mostly as the floors above mezzanine are again developed as residential apartments. However, a small change has occurred in the general property market for the properties comparable to the property under consideration during the last six months. Due to non-availability of land in the near vicinity of Dolmen City, prices have been affected with an upward trend of 7% to 12%.

The cost of land in the area ranges between Rs. 300,000/- per Sq.yd. to Rs. 350,000/- per Sq.yd. depending upon the size of plot. Bigger the size of plot lesser the cost and vice versa. Optimal plot size to fetch a higher amount range between 2,420 Sq.yds to 4,840 Sq.yds.

Therefore, NESPAK has based its valuation of land on similar parameters and taken a average base cost Rs. 325,000/- per Sq.yd.

Total Cost of land (entire plot) as per above parameters: (Land Area X Rate)

$$= (37,666.65 \times 325,000)$$

$$= \text{Rs. } 12,241,661,250/-$$

$$\text{Say Rs. } 12,242 \text{ Million}$$

Considering the above factors and Parameters, Cost of land Reserved for REIT would follow the same parameters. Rs. 325,000/- per Sq.yd:

(Land Area for REIT x Rate)

$$= (15,201.68 \times 325,000)$$

$$= \text{Rs. } 4,940,546,000/-$$

$$\text{Say Rs. } 4,940/- \text{ Million}$$

OPTION-I COST APPROACH (LAND + BUILDING COST)

The premise for the Cost Approach is to find a value on which a real estate of similar size and location can be acquired and a similar size, shape, strength and amenities structure can be constructed. Provided that there is a sufficient supply of buildable land and that construction is a viable alternative to purchase of an existing property. For calculations, the area of land is taken in square yards whereas Built-up area is taken in square feet and these are multiplied by our current market research based rates. The rates are based on our research and information available to us from our experience of valuation of different properties.

The cost of construction has remained same during the report period. This has occurred as cost of some construction materials have reduced and some appreciated. Cost of fuel consumption has also kept the construction costs stable.

DOLMEN CITY SHOPPING MALL (BASEMENTS + 3-FLOORS WITH COMMON AREA)

Building (including: finishes of CS plaster, Paint, flooring, door & windows, façade up-lift, complete washrooms, internal electrical works, lighting fixture of prime quality, etc. Air-conditioning, Lifts, Decorative Lighting, Decorative wooden flooring and wood work (mostly teak in windows & doors), all kinds of furniture/ furnishing, Stone Work etc. and basements, construction cost has been found between

Rs. 8,500/- to 10,000/- Per Sft.

Although the shopping mall can achieve the higher figure of pricing but considering some standard finishes in basement and common area a figure of Rs. 9,000/ per Sq.ft is considered as fair cost of construction.

Total Cost of shopping mall as per above (Covered Area X Rate)

$$= 1,297,407 \times 9,000$$

$$= \text{Rs. } 11,676,663,000/-$$

$$= \text{Say Rs. } 11,700.0 \text{ Million}$$



HARBOUR FRONT BUILDING

Although the building follows the same construction parameters as of shopping mall but some finishing items are on lesser side as due to requirement for Office Building.

Therefore, a reasonable cost between
Can be assumed as fair construction cost
(say Rs. 7,000/- per Sq.ft.)

Rs. 6,000/- to 8,000/- Per Sft.

Total Cost of Harbour Front as per above
(Covered Area X Rate)

= 270,271 X 7,000
= Rs. 1,891,897,000/-
= Say Rs. 1,900.0 Million

Total Cost of Construction as per above
Specifications: (for REIT)

= 11,700.0 Mil. + 1,900.0 Mil.
= Rs. 13,600 Million

Total Cost of Project as per above
Specifications: Cost of Land (for REIT) +
(Cost of Buildings Construction)

= 4,940 Mil. + 13,600 Mil.
= Rs. 18,540 Million

OPTION-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.

THE HARBOUR FRONT OFFICE BUILDING

No standard parameters for Sale were observed for the area. However, some escalation in sale price of Buildings owned by various banks or some prestigious business houses with prime finishes, air conditioning, on premises security, standby electricity generation and other standard facilities, offered space at Rs. 18,000 to 22,000 per Sq.ft.

Therefore, NESPAK has also based its assessment of sale/lease on similar parameters and considering the rise in sale prices has taken an average base cost of Rs. 22,000/- per Sq.ft.

Total expected sale/lease rate of Property
as per above facilities: (Covered Area X Rate)

= (270,271 X 22,000)
= Rs. 5,945,962,000 /-
Say Rs. 5,946.0 Million

THE DOLMEN CITY SHOPPING MALL

No standard parameters for Sale were observed for the area. Buildings of different shopping arcades or some prestigious business houses in and around Clifton area with prime finishes, air conditioning, on premises security, standby electricity generation and other standard facilities, offered space at Rs. 65,000 to 70,000 per Sq.ft.

The present property under consideration is with some unique features which has changed the shopping experience in the city. The shopping has also been made as recreation and a complete day spending at the Mall. This has been possible due to ample open spaces for roaming, comprehensive security, best finishing in the shopping area, well maintained air-conditioning system, modern interior architecture and other features of International Standards. Such facilities add a premium to the existing sale price trend in the area.

Although some increase in the sale prices of similar nature properties has been observed, but, due to no sale policy by the Dolmen Group for its shopping area, no genuine rates have been observed for its property. Therefore, a sale price around Rs.50,000/- to 60,000/- per Sq.ft. is expected for the shopping area of the Dolmen Mall.

NESPAK has based its assessment of sale/sub-lease on similar parameters and taken an average base cost of Rs. 55,000/- per Sq.ft. which includes the factor of price for common facilities area

Total expected sale rate of Property as per above facilities: Shopping area only (net Covered Area of Mall X Rate)

$$\begin{aligned} &= (836,969 \times 55,000) \\ &= \text{Rs. } 46,033,295,000/- \\ &\text{Say Rs. } 46,000.0 \text{ Million} \end{aligned}$$

Total Sale Price of Project as per above Specifications:

$$\begin{aligned} &= 5,946 \text{ Mil.} + 46,000 \text{ Mil.} \\ &= 51,946 \text{ Million} \end{aligned}$$

OPTION-III (INCOME CAPITALIZATION APPROACH)

(as per VALUER)

RENTAL VALUE Per Sft.

No standard parameters for rent were observed for the area as no comparative building is available in the vicinity with such areas for offices as well as shopping space.

Majority of offices in Karachi fall on the I.I. Chundrigar Road or with latest trend on Shahrah-e-Faisal. The variation in the rent per square foot in these areas is enormous. Rent varied from Rs. 50-75 per Sft. for ordinary buildings without any air conditioning and lift, while it was Rs. 100 - 150 per Sft. for buildings with good finishes and central air conditioning, lifts and offering parking facility for 10- 20 vehicles also. Buildings owned by various banks or some prestigious business houses with prime finishes, air conditioning, on premises security, standby electricity generation and other standard facilities, offered space at Rs. 200 to 250 per Sft.

However, the mixed use development at property under consideration provide a unique experience for corporate sector offices with water front view, state of art security system, prime finishes and other valuable features. Similarly, the shopping mall also provide a secure shopping experience to its visitors with the commodities of international chains as well as international reputed local brands.

The valuation arrived through Income Capitalization Approach is based upon the expectation of future benefits from the property. It converts the anticipated cash flows from property into present value by "capitalizing" net operating income (which account for the operating expenses on the property) by a market derived "capitalization rate". Capitalization rate taken are based on our experience and extracted from "sales" of other investment properties and applied to the net operating income of a subject property to determine its value.

Therefore, NESPAK has based its assessment of rent considering similar parameters, its experience, present trends of occupancy in the nearby areas, presently charged rents in the Harbour Front Building and Shopping Mall, etc.

HARBOUR FRONT BUILDING

Although the building offer's some unique features and requirement for an Office Building, but due to its distance from main office hubs only major corporations with significant / sizeable staff strength prefer offices in this area. Thirdly within last few months some more buildings offering rentable office space have opened up creating a competition for attracting the prospective clients.

These new openings have stabilized the rental market specially for offices.

Therefore, a reasonable Rent between Rs. 200 to Rs. 250 Can be assumed as fair rental value. An average rent of Rs. 225/- is expected to be charming for intended occupants.

Total Rent of Harbour Front as per above (Covered Area X Rate)

$$\begin{aligned} &= 251,263 \times 225 \\ &= \text{Rs. } 56,534,175/- \\ &= \text{Say Rs. } 56.50 \text{ Million} \end{aligned}$$



The projection of rent for the next five (05) years may be forecasted with an annual increment of 10% in the rent as prevailing in market. The projection is as below;

1st Year	= Rs. 56.50 Million
3rd Year (56.50 X 10%)	= Rs. 62.15 Million
3rd Year (62.15 X 10%)	= Rs. 68.365 Million

THE DOLMEN MALL

Although the building offer's unique experience of shopping and recreation under one roof with availability of daily use items from international chains as well as branded local chains. The food court is also value addition to the shopping mall as well as the kids play areas.

The survey of shopping arcade within the Dolmen Mall and vicinity indicated varied trend of rent. In Mall itself it has been observed that many shops were rented from Rs. 325 to Rs. 600 per square feet.

Very few vacant shops were available for rent in the Mall, but due to very selective approach for renting out the premises by the Dolmen Mall owners, steady increase has been observed in the rent of the building within past.

This type of restrictions on one side cause limited increase in earning but on other side attract better outlets for intended shoppers.

Considering above factors and the steady growth of rents in the market a price of Rs. 450/- per square foot is averaged as reasonable rate for rent. This price has been averaged considering the lower side rent for eatery outlets, play areas, storage facilities and the selective approach.

Total Rent of Shopping Mall as per above (Covered Area of shops X Rate)	= 558,866 X 450
	= Rs. 251,489,700/-
	= Say Rs. 251.50 Million

The projection of rent for the next three (03) years may be forecasted with an annual increment of 10% in the rent as prevailing in market. The projection is as below;

1st Year	= Rs. 251.50 Million
3rd Year (237.50 X 10%)	= Rs. 276.65 Million
3rd Year (261.25 X 10%)	= Rs. 304.315 Million

TOTAL RENT OF BOTH HARBOUR FRONT BUILDING AND SHOPPING MALL FOR 1ST YEAR SHALL BE:

= 56.50 + 251.50
= Rs. 308.00/- Million per month

In general it has been experienced in the market that an expenditure in range of 10% to 12% of Gross Rental Income is incurred as operating expenses for such type of facilities. Based on this experience it is fair to take a figure of 10% as operating cost for the properties under valuation.

It has been observed that Market capitalization rates range between 4% to 6% for real estate specially built-up houses and medium size office buildings in general in the market.

However, for the size of property under consideration, capitalization rate should range between 6% to 8%. This is assessed as the property is commercial and limited investors will be available in the market for investment for such big property. A percentage of 7% is therefore assessed to be fair rate for capitalization.

Based on the combined capitalization rate of 7%, value of Harbour Front Building and Dolmen Mall comes to around as follows:

Per Month Income (Rent)	= Rs. 308.00 million
First Year Gross Income (Rent)	= 308.00 X 12 = Rs. 3,696 million
Less Operating Cost	= 3,696 X 10% = Rs. 369.60 million
First Year Income (Rent) less Ops Cost	= 3,696 – 369.60 = Rs. 3,326.40 million
Capitalization Rate	= 7%
Value of Property	= Rs. 47,520 million

SUMMARY OF VALUATION

Average base cost of land	PKR 325,000 per sq yard
Construction cost of shopping mall	PKR 9,000 per sq foot
Construction cost of office block	PKR 7,000 per sq foot
Harbour Front Sales Market Value	22,000 per sq foot
Dolmen Mall Sales Market Value	55,000 per sq foot
Harbour Front Average Rental Rate	PKR 225 per sq foot
Per annum growth	10%
Dolmen Mall Average Rental Rate	PKR 450 per sq foot
Per annum growth	10%
Operating Cost	10% of yearly rental
Capitalization Rate (combined)	7%
Occupancy	100%

(INCOME CAPITALIZATION APPROACH) (as per Present Revenue Generated)

AHDRML had shared the occupancy status of both Mall and Harbour Front Building with the areas and rent for the assessment of value of the property based on present income. The same data has been used in present up-dation. A change in the rent due to annual increment has observed in the data during last 6-months. Usually in the market the change in rental occurs after one complete year with a limited yearly increase in the rent.

However, for the size of property under consideration, capitalization rate should range between 6% to 8%. This is assessed as the property is commercial and limited investors will be available in the market for investment for such big property. A percentage of 7% is therefore assessed to be fair rate for capitalization.

Based on the given data and combined capitalization rate of 7%, value of Harbour Front Building and Dolmen Mall comes to around as follows:

REIT - Income Statement		Year I all costs in Rs.)
Revenue:		
• Gross Rental Revenue		2,868,522,340
• Ancillary Income		98,175,000
Sub-Total Revenue (A) =		2,966,697,340
LESS Operating costs:		
• Monitoring Fees		22,237,000
• Property Management Fee @6%		172,111,340
• Ancillary Income Collection Fees @ 15%		14,726,250
• Insurance Expense		36,750,000
• Property Tax		21,368,876
• Ground Rent on Sub-Lease		182,420
• Other Recurring Expense		5,821,873
• Marketing Expense		57,370,447
Sub-Total Operating Costs (B) =		330,568,206
NOIA – B =		2,636,129,134



First Year Income (Rent) less Ops Cost	= Rs. 2,636.13 million
Capitalization Rate	= 7%
Value of Property	= Rs. 37,659 million

FINAL VALUATION AS OF 30th JUNE 2016

Below is the table itemizing the 1st Bi-Annual Final Valuation for the under consideration property arrived after employing various valuation approaches defined in the report. The user of this report can select a value as appropriate.

VALUATION APPROACH

VALUE

(all costs in Pak.
Rs. Billion)

Cost Approach	18.540
Sales Comparison Approach	51.946
Income Capitalization Approach	
As per Valuer Assessment	47.520
As per present Revenue	37.659

DECLARATION OF VALUER

A declaration according to the format attached.

RELEVANT APPROACH

- A. **Cost Approach:** Provides bases for determining replacement value. It does not take into account the loss of income during construction up till the time project achieves desired occupancy
- B. **Sales Comparison Approach:** Commonly used in real estate appraisals. There is presently no similar size or scale real estate transaction in Karachi for comparison with Dolmen City Project
- C. **Income Capitalization Approach:** Better valuation benchmark for income producing real estates; Income capitalization Approach is generally based on the principle that the value of property reflects the quality and quantity of the income it is expected to generate over time.

It is the most typical/appropriate approach used for income producing properties i.e rental properties.

DECLARATION

I, Muhammad Farooq of National Engineering Services of Pakistan (Pvt) Limited (NESPAK) am appointer to carry out a valuation of Dolmen City premises/building constructed on Plot , Survey No. HC-3, Block-4, Scheme No. 5, Clifton, Karachi and do solemnly and sincerely, to the best of my knowledge and belief declare:

01. That after an inspection of the Real Estate and a study of perinent factors, including valuation trands and an analysis of neighbourhood date the market value of the subject Real Estate as on June 30, 2016 is :

VALUATION APPROACH	VALUE (all costs in Pak. Rs. Bilion)	VALUE in Words (all costs in Pak. Rs.)
Cost Approach	18.540	Rupees eighteen point five four zero billion
Sales Comparison Approach	51.946	Rupees fifty one point nine four six billion
Income Capitalization Approach		
As per Valuer Assessment	47.520	Rupees forty seven point five two zero billion
As per present Revenue	37.659	Rupees thirty seven point six five nine billion

02. That the statements of fact contained in this report are true and correct.
03. That I have not withheld any information.
04. That I heve 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.
05. That I have not been instructed either by my company or the client to report a predetermined value for the subject Real Estate.
06. 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.
07. That I have personally inspected the Real Estate that is the subject of this report.

Declared by:

-sd-

Name and signature: Muhammad Farooq
Designation: General Manager
Date: June 28, 2016

Witnessed by:

-sd-

Name and signature: Ahmad Halim, Vice Presidnet, NESPAK, Karachi
of the Valuer Company
Date: June 28, 2016



National Engineering Services Pakistan (Pvt) Limited

Syed Adnan Ali Rizvi
VP, Arif Habib Dolmen REIT Management Limited,
1st Floor, Arif Habib Center,
23 M.T. Khan Road, Karachi
Tel: +92(21) 32468101

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

CONFIDENTIALITY UNDERTAKING
[under Schedule V (F) of the REIT Regulation 2015]

We, M/s. National Engineering Services Pakistan (Pvt.) Limited - NESPAK, as the Valuer of Dolmen City REIT, hereby undertake that we shall maintain the secrecy and confidentiality of the documents and information of clients that we shall have access to, from any intentional or inadvertent disclosure to any unauthorized person(s)

Undertaken by:

-sd-

Ahmed Halim
Vice President/Head

Date: June 28, 2016



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

Telephone + 92 (21) 3568 5847
Fax +92 (21) 3568 5095
Internet www.kpmg.com.pk

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Arif Habib Dolmen REIT Management Limited ("the REIT Management Company" or "RMC") for and on behalf of Dolmen City REIT ("the Scheme") for the year ended 30 June 2016, to comply with the requirements of Listing Regulations of Pakistan Stock Exchange where the Scheme is listed.

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

As 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 Code requires the RMC to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Scheme's compliance, in all material respects, with the best practices contained in the Code as applicable to the Scheme for the year ended 30 June 2016.

Date: 30 September 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



Statement of Compliance with the Code of Corporate Governance for the Year Ended 30th June 2016

Regulation 14 (xxxvii) of the Real Estate Investment Trust Regulations, 2015 requires REIT Management Company to conform to the provisions of the Code of Corporate Governance (the Code). This statement is being presented to comply with the requirements contained in Chapter 5: Regulations under Clause 5.19 (Code of Corporate Governance) of the Rule Book of Pakistan Stock Exchange Limited where Dolmen City REIT (the Scheme) is listed. The purpose of the Code is to establish framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

The Board of Directors (the Board) of the Arif Habib Dolmen REIT Management Limited ("the REIT Management Company" or "RMC") manages the affairs of the Scheme and has appointed the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary of the RMC and other necessary personnel to manage its affairs.

The RMC has applied the principles contained in the Code in the following manner:

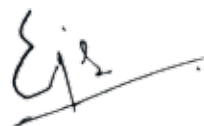
1. RMC encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present, the Board includes:

Category	Names
Independent Directors	Mr. Asadullah Khuwaja Mr. Qamar Hussain
Executive Director	Mr. Muhammad Ejaz
Non-Executive Directors	Mr. Nadeem Riaz Mr. Faisal Nadeem Mr. Abdus Samad A. Habib Mr. Nasim Beg

The independent directors meet the criteria of independence under clause 5.19.1(b) of the Code.

2. The directors of the RMC have confirmed that none of them is serving as a director in more than seven listed companies, including the RMC (excluding the listed subsidiaries of listed holding companies).
3. All the resident directors of the RMC have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy has occurred on the Board during the year ended 30th June 2016.
5. RMC has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout RMC along with its supporting policies and procedures.
6. The Board of RMC has developed a vision / mission statement, overall corporate strategy and significant policies of the Scheme. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. 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 and the Board met at least once every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year ended 30th June 2016, two directors have attended the directors training course conducted by the Institute of Chartered Accountants of Pakistan (ICAP) whereas one director has attended the directors training course conducted by the Pakistan Institute of Corporate Governance (PICG). Two directors had already completed this course earlier. Other directors are exempt from attending the directors training program as per criteria approved under the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The Director's Report for the year ended 30th June 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Scheme were duly endorsed by the CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the units of the Scheme other than that disclosed in the pattern of shareholding.
14. RMC has complied with all the corporate and financial reporting requirements of the Code with respect to the Scheme.
15. The Board of RMC has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Scheme and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board of RMC has formed a Human Resource and Remuneration Committee which comprises of three members, two of whom are non-executive directors and the chairman of the committee is a non-executive director.
18. The Board of RMC has outsourced the internal audit function of the Scheme to a firm of Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Scheme. During May 2016, the Head of Internal Audit has resigned and substituted by Acting Head of Internal Audit, whose appointment will be approved in the forth-coming Board meeting.
19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold units of the Scheme and that the firm and all its partners are in compliance with the International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of the Scheme's units, was determined and intimated to the directors, employees and Pakistan Stock Exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
23. We confirm that all other material principles enshrined in the Code have been complied with.



MUHAMMAD EJAZ
Chief Executive Officer

Karachi, 30th September 2016



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

Telephone + 92 (21) 3568 5847
Fax +92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Unitholders

We have audited the annexed balance sheet of **Dolmen City REIT** ("the Scheme") as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in unit holders' fund together with notes forming part thereof for the year ended 30 June 2016 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 our audit.

It is the responsibility of the REIT Management Company to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of account have been kept by the Scheme as required by the Companies Ordinance, 1984;
- b) In our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes disclosed in note 2.5 with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Scheme's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Scheme;
- c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in unit holders' fund together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, 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 2016 and of the profits, its cash flows and changes in unit holders' fund for the year ended 30 June 2016; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to note 4.1 to the annexed financial statements which fully describes the basis used to state the investment property at Income Capitalization Approach based on existing rental agreements and expected rent for the vacant area and the requirement of the clause 7 (c) of Schedule VI to the REIT Regulations, 2015. Our opinion is not qualified in respect of this matter.

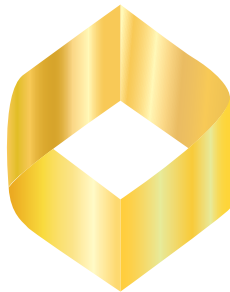
Date: 30 September 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Nadeem



Financial Statements



DOLMEN CITY REIT

A SHARIAH COMPLIANT, LISTED, CLOSED END
RENTAL REIT SCHEME

Balance Sheet

As at 30 June 2016

	Note	2016	2015
(Rupees in '000)			
ASSETS			
Non-current assets			
Total non current assets - Investment property	4	37,658,988	22,237,000
Current assets			
Rent receivables		85,355	34,514
Advances, prepayments and other receivables	5	256,395	34,173
Profit accrued		58,317	97
Investments	6	700,000	-
Bank balances	7	2,126,862	912,718
Total current assets		3,226,929	981,502
Total assets		40,885,917	23,218,502
REPRESENTED BY:			
Unit holders' fund			
Issued, subscribed and paid up (2,223,700,000 units of Rs. 10 each)	8	22,237,000	22,237,000
Reserves:			
- Premium on issue of units		281,346	281,346
- Unappropriated profit		17,742,680	169,977
Total unit holders' fund		40,261,026	22,688,323
Liabilities			
Non-current liabilities			
Formation costs payable to REIT management company	9	160,171	215,087
Security deposits	10	137,559	108,036
Total non-current liabilities		297,730	323,123
Current liabilities			
Payable to REIT management company	11	77,725	58,259
Security deposits	10	46,709	44,543
Accrued expenses and other liabilities	12	202,727	104,254
Total current liabilities		327,161	207,056
Total unit holders' fund and liabilities		40,885,917	23,218,502
(Rupees)			
Net assets value per unit		18.11	10.20

CONTINGENCIES AND COMMITMENTS

13

The annexed notes from 1 to 22 form an integral part of these financial statements.

Chief Executive Officer

Director

Profit and Loss Account

For the year ended 30 June 2016

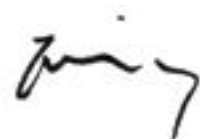
For the period
from 20
January 2015
to 30 June
2015

	Note	2016	
(Rupees in '000)			
Income			
Rental income		2,526,630	193,662
Marketing income		137,829	6,282
		2,664,459	199,944
Administrative and operating expenses	14	(345,283)	(18,619)
Net operating income		2,319,176	181,325
Other income - profit on bank deposits		108,935	98
		2,428,111	181,423
Management fee	11.1	(69,575)	(5,300)
Federal Excise Duty on management fee	12.6	(11,132)	(848)
Sindh Sales Tax on management fee	11.2	(11,299)	(922)
Trustee remuneration	12.1	(11,596)	(907)
Sindh Sales Tax on trustee remuneration	12.2	(1,623)	-
Provision for Workers' Welfare Fund	12.4	-	(3,469)
Charity expense	12.5	(2,236)	-
		(107,461)	(11,446)
Profit before change in fair value of investment property		2,320,650	169,977
Change in fair value of investment property	4	15,421,988	-
Profit before taxation		17,742,638	169,977
Taxation	15	-	-
Profit after taxation for the year / period		17,742,638	169,977
		2016	2015
(Rupees)			
Earnings per unit - Distributable income		1.04	0.08
Earnings per unit - Undistributable unrealised fair value gains		6.94	-
Earnings per unit - Basic and diluted	18	7.98	0.08

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director

Statement of Comprehensive Income

For the year ended 30 June 2016

For the period
from 20
January 2015
to 30 June
2015

2016

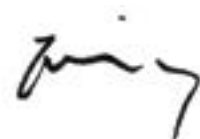
(Rupees in '000)

Profit after taxation for the year / period	17,742,638	169,977
Other comprehensive income	-	-
Total comprehensive income for the year / period	17,742,638	169,977

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director

Cash Flow Statement

For the year ended 30 June 2016

For the period
from 20
January 2015
to 30 June
2015

	Note	2016	
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		17,742,638	169,977
Adjustments for:			
Change in fair value of investment property		(15,421,988)	-
Profit on bank deposits		(108,935)	(98)
		2,211,715	169,879
Working capital changes			
(Increase) / decrease in current assets			
- Rent receivables		(50,841)	(34,514)
- Advances, prepayment and other receivables		13,016	(16,797)
Increase in current liabilities			
- Payable to the REIT management company		16,587	6,222
- Security deposits		2,166	44,543
- Accrued expenses and other liabilities		98,473	104,254
Cash generated from operations		2,291,116	273,587
Taxes paid		(235,238)	(17,376)
Formation costs paid - (net)	11	(52,037)	(7,455)
Security deposits received		29,523	108,036
Net cash generated from operations		2,033,364	356,792
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investment property		-	(5,559,250)
Profit on bank deposits received		50,715	1
Investments in term deposit receipts		(700,000)	-
Net cash (used in) investing activities		(649,285)	(5,559,249)
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of units		-	6,115,175
Dividend paid		(169,935)	-
Net cash flows (used in) / generated from financing activities		(169,935)	6,115,175
Net increase in cash and cash equivalents during the year / period		1,214,144	912,718
Cash and cash equivalents at beginning of the year / period	7	912,718	-
Cash and cash equivalents at end of the year / period		2,126,862	912,718

The annexed notes from 1 to 22 form an integral part of these financial statements.

Chief Executive Officer

Director

Statement of Changes In Unit Holders' Fund

For the year ended 30 June 2016

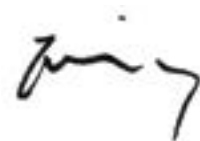
for the year ended 30 June 2015

	Note	Units	Reserves		Sub total	Unit holders' fund
			Premium on issue of units	Unappropriated profit		
			----- (Rupees in '000) -----			
Transactions with owners						
Issue of units	8	22,237,000	-	-	-	22,237,000
Premium received on units subscription	8	-	555,925	-	555,925	555,925
Formation costs	16	-	(274,579)	-	(274,579)	(274,579)
		22,237,000	281,346	-	281,346	22,518,346
Total comprehensive income for the period						
Profit for the period		-	-	169,977	169,977	169,977
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period		-	-	169,977	169,977	169,977
Balance as at 30 June 2015		22,237,000	281,346	169,977	451,323	22,688,323
Transactions with owners						
Cash dividend for the period ended 30 June 2015 (Rs. 0.07642 per unit)		-	-	(169,935)	(169,935)	(169,935)
Total comprehensive income for the year						
Profit for the year		-	-	17,742,638	17,742,638	17,742,638
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	17,742,638	17,742,638	17,742,638
Balance as at 30 June 2016		22,237,000	281,346	17,742,680	18,024,026	40,261,026

The annexed notes from 1 to 22 form an integral part of these financial statements.



Chief Executive Officer



Director

Notes to the Financial Statements

For the year ended 30 June 2016

1 STATUS AND NATURE OF BUSINESS

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

The Trust Deed of the Scheme was registered on 20 January 2015 whereas approval of the registration of the REIT Scheme has been granted by the SECP on 29 May 2015. The Scheme is a Perpetual, Closed-end, Shariah Compliant, Rental REIT. The Scheme is listed on Pakistan Stock Exchange. The Scheme is rated "RR1" by JCR-VIS Credit Rating Company Limited. The registered office of the REIT Management Company is situated at Arif Habib Centre, 23 M.T. Khan Road, Karachi.

- 1.2** The Scheme is the subsidiary of International Complex Projects Limited (ICPL). As at 30 June 2016, ICPL directly holds 70 percent units of the Scheme. The Scheme started its commercial activities on 01 June 2015. The date on which the Scheme was entitled to receive rent as agreed with ICPL.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Real Estate Investment Trust Regulations, 2015 (REIT Regulations, 2015) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, REIT Regulations, 2015 or the directives issued by the SECP shall prevail.

2.2 Basis of measurement

These financial statements have been prepared on the basis of 'historical cost convention'.

2.3 Functional and presentation currency

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

Notes to the Financial Statements

For the year ended 30 June 2016

2.4 Use of significant estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Scheme's financial statements or where judgment was exercised in application of accounting policies principally related to valuation of investment properties (note 3.1 & 4).

2.5 Standards, interpretation and amendment, to approved accounting standards effective in current year

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements'. These standards became applicable from 1 July 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial information of the Scheme.

IFRS 13 Fair Value Measurement, consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 did not have an impact on the financial information of the Scheme, except certain additional disclosures.

Securities and Exchange Commission of Pakistan vide circular no. 14 of 2016 "Implementation of Mandatory Disclosure for Listed Companies for All Shares Islamic Index Screening" issued on 21 April 2016 directed all listed companies under section 506B of the Companies Ordinance, 1984 (XLVII of 1984) read with section 505 thereof and Section 40B of the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997) to disclose all Islamic related transactions and balances in their annual and half yearly financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016

2.6 Standards, Interpretations and Amendments not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Scheme's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016] clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on the Scheme's financial statements.
- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on the Scheme's financial statements.
- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on the Scheme's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on the Scheme's financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on the Scheme's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have an impact on the Scheme's financial statements.
- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on the Scheme's financial statements.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
 - IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognised in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
 - IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
 - IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on the Scheme's financial statements.

Notes to the Financial Statements

For the year ended 30 June 2016

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all years presented, except for the new standards and requirements which become effective during the year as disclosed in the note 2.5.

3.1 Investment properties

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

The Scheme determines the fair value of its investment properties after every six months by a qualified valuer fulfilling the minimum criteria stated by the REIT Regulations, 2015. The valuer under REIT Regulations, 2015 is also required to carry out valuation on three approaches and explicitly state the approach that is most appropriate for the Scheme. The valuer has stated that Income Capitalization Approach is the most typical/appropriate approach used for income producing properties i.e. rental properties.

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

3.2 Financial assets

The non-derivative financial assets are recognised at the time when the Scheme becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade date. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Scheme has transferred substantially all the risks and rewards of ownership.

3.3 Rent receivables, advances, prepayments and other receivables

These are recognised initially at fair value and subsequently measured at amortized cost or cost, as the case may be, less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Scheme will not be able to collect all amounts due according to the original terms of receivable. Items considered irrecoverable are written off. The Scheme reviews its receivable against provision required on an ongoing basis and if required, appropriate provision is made there against.

Notes to the Financial Statements

For the year ended 30 June 2016

3.4 Financial liabilities

Financial liabilities includes security deposits, trade payables, accrued and other liabilities and are recognised at the time when the Scheme becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortized cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

3.5 Provisions

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

3.6 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is an objective evidence that it is impaired. A financial asset is impaired if there is an objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the profit and loss account. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit and loss account.

Non-financial assets

The carrying amounts of the Scheme's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

3.7 Cash and cash equivalents

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

Notes to the Financial Statements

For the year ended 30 June 2016

3.8 Revenue recognition

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

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

Mark-up / return on bank deposits is recognised using effective yield method.

3.9 Taxation

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

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

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

3.10 Offsetting of financial assets and financial liabilities

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

3.11 Net assets value per unit

The net assets value (NAV) per unit as disclosed on the balance sheet is calculated by dividing the net assets of the Scheme by the number of units outstanding at the year / period end.

Notes to the Financial Statements

For the year ended 30 June 2016

3.12 Earnings per unit

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

3.13 Proposed distribution

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

4 INVESTMENT PROPERTY

		2016 (Rupees in '000)	2015
Carrying amount at beginning of the year	4.1	22,237,000	22,237,000
Add: Change in fair value - unrealised		15,421,988	-
Carrying amount at end of the year		37,658,988	22,237,000

- 4.1 The Investment property comprise of the buildings named as the "DOLMEN CITY MALL" and "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 Nineteenth floors (270,271 square feet) i.e. having a total covered area of 1,567,678 square feet with 15,201.68 square yards undivided share in the Plot bearing No. HC-3, Block 4, DA, Scheme 5, Marine Drive, Karachi.

The investment property has been valued by National Engineering Services Pakistan (Private) Limited ('NESPAC' or 'the Valuer') as at 30 June 2016. The Valuer used all prescribed approaches to value the investment property as per the clause 7 (a) of Schedule VI to the REIT Regulations, 2015. The valuation of NESPAC is summarised below:

	2016 (Rupees in million)	2015
Cost approach	18,540	18,161
Sales comparison approach	51,946	51,946
Income capitalization approach		
(a) Valuer's assessment of rental income – using 7% capitalization rate	47,520	45,360
(b) On projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area – using 7% capitalization rate	37,659	34,183

Notes to the Financial Statements

For the year ended 30 June 2016

At the time of acquisition of investment property, the valuation of Rs. 22,000 million based on 10 percent capitalization rate on the projected Net Operating Income (NOI) was agreed. The acquisition costs (transaction value) and the Fair Value method as stated above were approved as part of the Business Plan and Offering Document by the Securities and Exchange Commission of Pakistan (SECP) on which the Scheme fund size was based. Further, SECP through its letter no. SEC/NBFC/DC/75/2015/105 dated 18 December 2015 allowed to use 10 percent capitalization rate on the projected NOI for the Dolmen City REIT real estate valuation, as already used in the Business Plan and disclosed in the Offering Document. Resultantly, fair value gain of Rs. 1,691 million for the six months period ended 31 December 2015 was recognized.

Clause 7 (c) of Schedule VI to the REIT Regulations, 2015, states that the Valuer shall provide an explanation of the relative strengths and weakness of various approaches and explicitly states the approach that is most appropriate for the REIT Scheme. NESPAK in its valuation report has stated that out of three approaches identified in REIT Regulations, 2015 "Income Capitalization Approach" is generally based on the principle that the value of property reflects the quality and quantity of the income it is expected to generate over time. It is the most typical approach used for income producing properties i.e. rental properties. However, as stated above, NESPAK has determined two values under Income Capitalization Approach and has not explicitly stated the value that is more appropriate to the Scheme.

The Management had requested the SECP to allow use of valuation of property based on existing rental agreements for the purpose of financial reporting (as was done at the time of the launch of the Scheme). The SECP through letter no. SCD/PRDD/REIT/AHDRML/32/2016 dated 22 September 2016 has advised the management to decide value considering objectivity and utility of the valuation under guidance available in the REIT Regulations, 2015.

The Management believes that, based on objectivity and utility, the valuation based on existing rental agreements is more appropriate and relevant to the unit holders of the Scheme as it was used at the time of acquisition of investment property and also used as at 31 December 2015 and that they have been authorised by SECP through letter dated 22 September 2016 (as stated above) to decide the valuation for Financial Reporting Purposes for the year ended 30 June 2016. Accordingly, the Management has decided to carry value of Investment Property in these financial statements on the value determined by the independent valuer under Income capitalization approach based on existing rental agreements and expected rent for the vacant area.

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

Significant unobservable inputs

	Sensitivity	
	Change in input	Effect on fair value (Rupees in '000)
- Present revenue (based on existing leasing contracts)	+ 5%	2,119,070
- Present operating costs (based on projected costs)	+ 5%	(236,120)
- Capitalization rate	+ 1%	(4,707,373)
- Capitalization rate	- 1%	6,276,498

Notes to the Financial Statements

For the year ended 30 June 2016

		2016 (Rupees in '000)	2015
5	ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		
	Unsecured - Considered good		
	Receivable from ICPL	5.1 2,908	16,797
	Security deposit	469	-
	Prepayments	404	-
	Advance tax	252,614	17,376
		256,395	34,173

5.1 This represents amount receivable from the ICPL on account of security deposit of tenants which has not been transferred due to certain adjustments with tenants.

5.2 Advances, prepayments and other receivables are neither due nor impaired.

6 INVESTMENTS

These represent term deposit receipts with Islamic banks and carries an expected profit rate of 7% per annum with maturity of one year.

		2016 (Rupees in '000)	2015
7	BANK BALANCES		
	Term deposit receipts	7.1 1,842,859	-
	Saving accounts	7.2 281,767	363,550
	Current accounts	2,236	549,168
		2,126,862	912,718

7.1 These represent term deposit receipts with Islamic banks and carry expected profit rate of 5.63% and 6.65% per annum with maturity of one month and three months respectively.

7.2 This represents deposits held in riba free saving accounts carrying expected profit rates ranging from 2.0% to 6.35% (30 June 2015: 2.5% to 4.0%) per annum.

8 UNIT HOLDERS' FUND

8.1 Issued, subscribed and paid up units

Number of units			2016 (Rupees in '000)	2015
2016	2015			
1,667,775,000	1,667,775,000	Ordinary shares of Rs.10/- each	16,677,750	16,677,750
555,925,000	555,925,000	- fully paid in kind	5,559,250	5,559,250
2,223,700,000	2,223,700,000	- fully paid in cash	22,237,000	22,237,000

Notes to the Financial Statements

For the year ended 30 June 2016

8.1.1 The Scheme issued 1,667,775,000 units on 29 May 2015 in the name of the ICPL in lieu of transfer of investment property (the Dolmen City Mall and the Harbour Front). The Scheme received Rs. 4,586.381 million against book building portion of 416,943,750 units from various institutions and individuals during 08 June 2015 and 09 June 2015 and issued units at strike price of Rs. 11 per unit. The remaining 138,981,250 units of the Scheme were offered to general public on 12 June 2015 at Rs. 11 per unit. Accordingly, premium on units of Rs. 555.925 million has been recorded.

8.2 Pattern of units holding

2016			2015	
Percentage	Units Held		Percentage	Units Held
70%	1,556,590,000	International Complex Projects Limited (ICPL)	70%	1,556,590,000
5%	111,185,000	Arif Habib Dolmen REIT Management Limited (RMC)	5%	111,185,000
25%	555,925,000	Others / general public	25%	555,925,000
	<u>2,223,700,000</u>		<u>100%</u>	<u>2,223,700,000</u>

2016 2015
(Rupees in '000)

9 FORMATION COSTS PAYABLE TO REIT MANAGEMENT COMPANY - Unsecured - Interest free

Formation costs	9.1	215,087	274,579
Current maturity		(54,916)	(59,492)
		<u>160,171</u>	<u>215,087</u>

9.1 This represents amount payable on account of formation costs incurred by RMC to launch Dolmen City REIT under the provisions of Trust Deed and prospectus. This is interest free and is reimbursable to the RMC in equal amounts paid annually over a period of 5 (five) years.

2016 2015
(Rupees in '000)

10 SECURITY DEPOSITS

Security deposits from tenants	184,268	152,579
Less: current portion shown under current liabilities	(46,709)	(44,543)
	<u>137,559</u>	<u>108,036</u>

10.1 This represents amounts received from certain tenants of the investment properties as security deposit under tenancy agreements.

Notes to the Financial Statements

For the year ended 30 June 2016

		2016 (Rupees in '000)	2015
11	PAYABLE TO REIT MANAGEMENT COMPANY		
Management fee payable	11.1	18,484	5,300
Sindh Sales Tax	11.2	4,325	922
		22,809	6,222
Current portion of formation costs	9	54,916	59,492
Formation costs incurred by the Scheme on behalf of RMC net of advances received		-	(7,455)
		54,916	52,037
		77,725	58,259

11.1 Under the provisions of REIT Regulations, 2015, RMC is entitled to an annual management fee not exceeding three percent of NOI of the Scheme. The management fee is payable on quarterly basis in arrears.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of the RMC through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2014. However, the rate has been revised from 15% to 14% effective from 1 July 2015.

		2016 (Rupees in '000)	2015
12	ACCRUED EXPENSES AND OTHER LIABILITIES		
Trustee remuneration	12.1 & 12.2	13,219	907
Provision for government levies		5,558	1,781
Monitoring fee payable to SECP	14.1	22,237	1,853
Payable to associated undertakings	12.3	20,024	13,089
Unearned rental income		74,201	78,613
Sales tax and withholding income tax		33,158	-
Provision for Workers' Welfare Fund	12.4	3,469	3,469
Charity payable	12.5	2,236	-
Federal Excise Duty	12.6	11,980	848
Takaful (insurance) fee		2,917	2,917
Accrued expenses and other liabilities		12,830	777
Unclaimed dividend		898	-
		202,727	104,254

12.1 The Trustee is entitled to an annual remuneration for services rendered at a rate of 0.6% of the annual NOI under the provisions of the REIT Regulations, 2015. However, the trustee agreed to charge annual remuneration at a rate of 0.5% of the annual NOI during the year.

12.2 The Sindh Provincial Government levied Sindh Sales Tax at the rate of 14% on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2015.

Notes to the Financial Statements

For the year ended 30 June 2016

	2016 (Rupees in '000)	2015
12.3 Payable to Associated undertakings		
- International Complex Projects Limited	1,819	1,819
- Dolmen Real Estate Management (Private) Limited	18,205	11,270
	20,024	13,089

12.4 The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance), thus rendering the Scheme liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher. In 2011, the Honourable Lahore High Court (LHC) in a Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. However, in 2013, a larger bench of the Honourable Sindh High Court (SHC) passed an order declaring that the amendments introduced through Finance Act 2008 do not suffer from any constitutional and legal infirmity. Both the decisions of LHC and SHC are pending before the Honourable Supreme Court of Pakistan (SCP) for adjudication. However, after the exclusion of the mutual funds from federal statute on WWF from 1 July 2015, the Scheme has discontinued making the provision in this regard. The provision made till 30 June 2015 has been maintained as the law suit is still pending in the SCP.

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

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

The SHC through its recent 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) is 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. The SHC in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

The Sindh Revenue Board and the Federal Board of Revenue have filed appeals before the SCP against the SHC's decision dated 2 June 2016 and it is probable that the appeal in respect of the SHC's decision dated 16 July 2016 would also be made before the SCP. Therefore, as a matter of abundant caution, without prejudice to the above, an accumulated provision of Rs. 11.980 million has been maintained in the financial statements of the Scheme as at 30 June 2016.

Notes to the Financial Statements

For the year ended 30 June 2016

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 30 June 2016.

14 ADMINISTRATIVE AND OPERATING EXPENSES

		30 June 2016	For the period from 20 January 2015 to 30 June 2015
		(Rupees in '000)	
Monitoring fee	14.1	22,237	1,853
Property management fee		177,716	8,830
Ancillary income collection fee		22,161	942
Common area maintenance charges		7,733	-
Legal and professional charges		4,413	-
Utility expenses		1,087	-
Marketing expenses		34,821	976
Takaful (insurance) fee		33,619	2,917
Property tax		21,369	1,781
Auditors' remuneration		2,408	500
Renovation expense		13,817	-
Others		3,902	820
		345,283	18,619

14.1 Monitoring fee

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

15 TAXATION

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

The RMC has distributed the Scheme's sufficient accounting income to its unit holders in order to comply with the above stated clause to enjoy the tax exemption in its Board meeting held on 4 July 2016. Accordingly, no tax provision has been made for the year ended 30 June 2016.

Notes to the Financial Statements

For the year ended 30 June 2016

16 FORMATION COSTS

This represents all preliminary and floatation expenses of the Trust including expenses incurred in connection with the establishment and registration of the REIT Scheme as well as the offer for sale, allotment and issuance of units including commission payable to the underwriter, listing fee, underwriting commission and takeup commission, commission to the bankers to the issue etc. These have been charged against units premium received during the period as permitted by section 83 of the Companies Ordinance, 1984.

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

17.1 Transactions during the year / period:

	30 June 2016	For the period from 20 January 2015 to 30 June 2015
	(Rupees in '000)	
International Complex Projects Limited		
- Rental income	34,126	2,844
Dolmen Real Estate Management (Private) Limited - Property Manager		
- Common area maintenance charges	7,733	521
Retail Avenue (Private) Limited		
- Rental income	6,571	498
Sindbad Wonderland (Private) Limited		
- Rental income	23,120	1,806
17.2 Amounts outstanding as at year end		
International Complex Projects Limited		
- Receivable in respect of security deposits of tenants	2,908	16,797
- Rent receivable	341	2,844
- Net payable in respect of purchase consideration of investment property	1,819	1,819
Dolmen Real Estate Management (Private) Limited - Property Manager		
- Common area maintenance charges	331	521
Retail Avenue (Private) Limited		
- Rent receivable	613	498
Sindbad Wonderland (Private) Limited		
- Rent receivable	466	1,806

Notes to the Financial Statements

For the year ended 30 June 2016

		30 June 2016	For the period from 20 January 2015 to 30 June 2015 (Rupees in '000)
18 EARNINGS PER UNIT - BASIC AND DILUTED			
Profit after taxation for year / period		17,742,638	169,977
		Number of units	
Weighted average number of ordinary units during the year / period		2,223,700,000	2,223,700,000
		(Rupees)	
Earnings per unit - basic and dilutive	18.1	7.98	0.08
18.1 Earnings per unit comprises as			
Distributable income - earnings per unit		1.04	0.08
Undistributable unrealised fair value gains - earnings per unit	18.1.1	6.94	-
		7.98	0.08
18.1.1	Under the provision of Trust Deed, the amount available for distribution shall be the total of income and realised gain net of expenses. Accordingly, unrealised fair value gain is not distributable.		

19 FINANCIAL RISK MANAGEMENT

Risk management framework

The Scheme activities expose it to varying degrees of risk.

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

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

- Credit risk
- Liquidity risk

Notes to the Financial Statements

For the year ended 30 June 2016

19.1 Credit risk

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

The maximum exposure to credit risk at the reporting date is:

	2016 (Rupees in '000)	2015
Rent receivables	85,355	34,514
Advances and other receivables	3,377	16,797
Profit accrued	58,317	97
Investments	700,000	-
Bank balances	2,126,862	912,718
	2,973,911	964,126

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 carrying value of the rent receivables and receivable from ICPL are neither past due and nor impaired as at 30 June 2016.

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

Bank	Rating by	Rating	
		Short term	Long term
HLB Bank Limited	JCR-VIS	A-1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AA
Faysal Bank Limited	JCR-VIS	A-1+	AA
United Bank Limited	JCR-VIS	A-1+	AAA
Bank Alfalah Limited	PACRA	A-1+	AA
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Askari Bank Limited	JCR-VIS	A-1+	AA

19.2 Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

The Scheme's policy is to manage this risk by investing majority of its assets in investment properties which are rental based properties.

The Scheme maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Notes to the Financial Statements

For the year ended 30 June 2016

Maturity analysis for financial liabilities

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

	30 June 2016			
	Carrying amount	Contractual Cash flows	up to one year	Two to five year
	(Rupees in '000)			
Formation costs payable to REIT management company	215,087	215,087	54,916	160,171
Payable to REIT management company	18,484	18,484	18,484	-
Security deposits	184,268	184,268	46,709	137,559
Accrued expenses and other liabilities	74,361	74,361	74,361	-
	492,200	492,200	194,470	297,730

	30 June 2015			
	Carrying amount	Contractual Cash flows	up to one year	Two to five year
	(Rupees in '000)			
Formation costs payable to REIT management company	267,124	267,124	52,037	215,087
Payable to REIT management company	5,300	5,300	5,300	-
Security deposits	152,579	152,579	44,543	108,036
Accrued expenses and other liabilities	19,543	19,543	19,543	-
	444,546	444,546	121,423	323,123

19.3 Unit holders' capital risk management

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

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

Notes to the Financial Statements

For the year ended 30 June 2016

20 FAIR VALUES

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

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

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

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

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

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

21 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

The Board of Directors of the RMC in their meeting held on 04 July 2016 have announced final cash dividend for the year ended 30 June 2016 of Rs. 1.04 per unit amounting to Rs. 2,312.648 million. These financial statements do not include the effect of above announcement which will be accounted for in the period in which it is approved by the unit holders'.

22 DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors of the RMC on 30 September 2016.



Chief Executive Officer



Director



ڈائریکٹرز کا انتخاب

کمپنیز آرڈیننس، 1984 کی دفعہ 180 کے قوانین کے مطابق، 2015 میں RMC کے سالانہ اجلاس عام میں RMC کے سات منتخب ڈائریکٹرز جو 3 سال کی مدت کے لئے تھے اپنی مدت اکتوبر 2018 میں مکمل کر لیں گے۔

پوسٹ بیلنس شیٹ واقعات

30 جون 2016 سے اس رپورٹ کی تاریخ تک 10.40% کیش ڈیویڈنڈ کے اعلان اور تقسیم کے علاوہ کوئی قابل ذکر تبدیلی نہیں ہوئی، جس کا اثر اگلے سال کے مالیاتی گوشواروں میں ظاہر ہوگا۔

ریلیٹڈ پارٹی ٹرانسکشنز

REIT ضوابط اور ادارہ جاتی نظم کے ضابطے کی شرائط کی تکمیل کی غرض سے DCR آڈٹ کمیٹی اور RMC کے بورڈ کے سامنے تمام متعلقہ فریق کے لین دین انکے جائزے اور منظوری کے لئے پیش کئے۔ یہ لین دین آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی جانب سے انکے متعلقہ اجلاس میں منظور کر لئے گئے۔ متعلقہ فریق کے لین دین کی تفصیلات منسلک شدہ آڈٹ کردہ مالیاتی گوشواروں کے نوٹ 17 میں فراہم کر دیئے گئے ہیں۔

اعتراف

ہم DCR کے قابل قدر سرمایہ کاروں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج کی انتظامیہ، ٹرسٹیز، پراپرٹی مینجر اور کاروباری شراکت دار کے مسلسل تعاون اور اشتراک کے لئے شکر گزار ہیں۔ ہم انتظامیہ کی ٹیم کی جانب سے اُنکی کاوشوں کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد اعجاز

چیف ایگزیکٹو

کراچی

مورخہ 30 ستمبر 2016

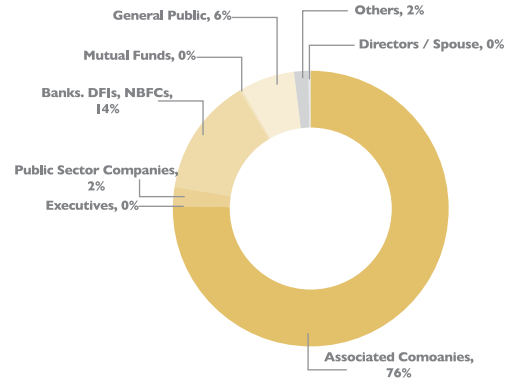
بورڈ اجلاس میں حاضری

بورڈ کمیٹی میٹنگز میں RMC کے ڈائریکٹرز کی حاضری ظاہر کرنے والا اسٹیٹمنٹ II - Annexure کے طور پر منسلک ہے۔

یونٹ ہولڈنگ کا اسلوب

DCR کے یونٹ پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔ 30 جون 2016 کو DCR کے 4,268 یونٹ ہولڈرز تھے۔ یونٹ ہولڈنگ کا مفصل اسلوب اور DCR کی یونٹ ہولڈنگ کی درجہ بندیوں بشمول ڈائریکٹرز اور ایگزیکٹوز کی جانب سے رکھے گئے نوٹس، اگر کوئی ہیں، Annexure - III کے طور پر منسلک ہے۔

Categories of Unitholders	Units Held	%
Directors / Spouse	7,166,695	0.32%
Associated Companies	1,678,360,000	75.48%
Executives	30,000	0.00%
Public Sector Companies	49,375,450	2.22%
Banks, DFIs, NBFCs	306,837,994	13.80%
Mutual Funds	3,877,163	0.17%
General Public	140,140,918	6.30%
Others	37,911,780	1.70%
Total	2,223,700,00	100.00%



مالیاتی اور کاروباری جھلکیاں

کلیدی کاروباری اور مالیاتی ڈیٹا "مالیاتی اور کاروباری جھلکیاں" کے عنوان سے خلاصہ کی صورت میں (صفحہ نمبر 21) اور اہم شریات کی تصویری یا اشکالی ترجمانی (صفحہ نمبر 22) پر پیش کی گئی ہے۔

آڈٹ کمیٹی

ادارہ جاتی نظم کے ضابطے کے تحت درکار آڈٹ کمیٹی، بورڈ کی جانب سے مناسب طریقے سے منظور کی گئی شرائط کے مطابق مسلسل کام کرتی رہی ہے۔

آڈیٹرز

موجودہ ایکسٹرنل آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کمپنی سبکدوشی کے بعد 30 جون 2017 کو ختم ہونے والے سال کے لئے اپنے آپ کو تفری کیلئے دوبارہ پیش کرنے کے اہل ہونگے۔ ایکسٹرنل آڈیٹرز اسٹیٹ ٹیوٹ آف چارٹرڈ اکاؤنٹینٹس آف پاکستان (ICAP) کی جانب سے (جیسا کہ انکے کوالٹی کنٹرول ریویو پروگرام کے تحت مطلوب ہے) اطمینان بخش درجہ بندی کے حامل ہیں۔ جیسا کہ RMC آڈٹ کمیٹی کی جانب سے تجویز کیا گیا ہے، RMC کا بورڈ میسرز KPMG تاثیر ہادی اینڈ کمپنی کو بطور DCR آڈیٹرز 30 جون 2017 کو ختم ہونے والے مالیاتی سال کے لئے منفقہ فیس پر دوبارہ تفری کے لئے سفارش کرتا ہے۔



توقعات (Outlook)

ڈالین سٹی REIT اپنے ظاہر کئے گئے مالیاتی تخمینوں سے ماورائی سرگرم عمل ہے اور کامیابی سے تصرف کی سطحوں کو گزشتہ سال کے دوران کی سطحوں اور اجارہ / کرائے داری کی ترقی کے مقابلے میں بڑھایا ہے۔ ڈالین مال آنے والوں کی تعداد میں مسلسل اضافہ ہماری کاروباری سرگرمیوں میں کامیابی کا آئینہ دار ہے۔ آنے والے دنوں میں، کرایوں میں اضافہ محصولات میں اضافہ کا اہم ترین محرک ہوگا، جیسا کہ تصرف کی سطح 100 فی صد تک پہنچ رہی ہے۔

ٹرسٹی، منجھٹ کمپنی، شریعہ ایڈوائیز اور SECP تمام سطحوں پر REIT کے ضوابط اور دیگر قوانین کے اطلاق کی نگرانی کرتی ہے تاکہ معیار کے ساتھ موافقت کی مکمل پاسداری رہے۔ یہ عوامل DCR کے یونٹ ہولڈرز کے سرمایہ کاری کے مفید تجربے میں مسلسل اضافہ کرتے رہیں گے۔

ادارہ جاتی نظم و نسق (Corporate Governance)

DCR پاکستان اسٹاک ایکسچینج میں لسٹڈ ہے۔ RMC کا بورڈ اور اسکی انتظامیہ لسٹڈ کمپنیز کے لئے مجوزہ ادارہ جاتی نظم کے ضابطے کی پاسداری کے لئے پرعزم ہیں اور اپنی ذمہ داری سے اچھی طرح واقف ہیں اور کاروباری سرگرمیوں اور کارکردگی کی نگرانی کرتے ہیں تاکہ مالیاتی و غیر مالیاتی معلومات کی درستی و صحت، جامعیت اور شفافیت کو بڑھایا جاسکے۔

بورڈ یہ بتانا چاہتا ہے کہ DCR کے اکاؤنٹس کی باقاعدہ گبس برقرار رکھی جاتی ہیں اور مناسب اکاؤنٹنگ پالیسی اختیار کی جاتی ہیں اور مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ بروئے کار لائی جاتی ہیں مع سوائے نئے اکاؤنٹنگ اسٹینڈرڈز اور موجودہ تبدیل شدہ اکاؤنٹنگ اسٹینڈرڈز جو مالیاتی گوشواروں کے نوٹ 2.5 میں درج ہیں اور اکاؤنٹنگ تخمینہ جات معقول اور محتاط فیصلوں پر مبنی ہوتے ہیں۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز جیسا کہ پاکستان میں لاگو ہیں، مالیاتی گوشواروں کی تیاری میں ان کی پیروی کی جاتی ہے۔ اندرونی کنٹرولز کا تشکیل شدہ نظام درست اور موثر طریقے سے نافذ ہے اور اسکی نگرانی بھی کی جاتی ہے۔ DCR کے مالیاتی گوشوارے اُسکے امور، کاروباری نتائج کیش فلو اور اثاثہ جات کی خالص مالیت (NAV) کو شفاف طریقے سے پیش کرتے ہیں۔ کوئی قابل ذکر رقم ٹیکسوں، ڈیوٹیز، لیویز یا چارجز کی مد میں واجب الادا نہیں ہے۔

کوڈ کی پیروی کے مطابق ہیں، بورڈ بذریعہ ہذا توثیق و تصدیق کرتا ہے کہ DCR کی کاروبار کے تسلسل کو جاری رکھنے کی صلاحیت میں کوئی شک و شبہ نہیں اور یہ کہ مفصل درج ادارہ جاتی نظم کے بہترین طور طریقوں سے کوئی قابل ذکر انحراف نہیں ہے۔

زیر جائزہ سال کے دوران، دو ڈائریکٹرز نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی جانب سے منعقدہ ڈائریکٹرز ٹریننگ کورس میں شرکت کی جبکہ ایک ڈائریکٹر نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کے زیر انتظام ڈائریکٹرز ٹریننگ کورس میں شرکت کی۔ دو ڈائریکٹرز پہلے ہی یہ کورس مکمل کر چکے تھے۔ دیگر ڈائریکٹرز منظور شدہ شرائط کے مطابق ڈائریکٹرز ٹریننگ پروگرامز میں شرکت سے مستثنیٰ ہیں۔ DCR کی ہمیشہ یہ کوشش رہی ہے کہ بہتر ادارہ جاتی نظم درست اور شفاف طور طریقوں سے آگے بڑھتے رہیں۔

ڈائریکٹرز اور ایگزیکٹو کی جانب سے اسکیم کے نوٹس میں تجارت:

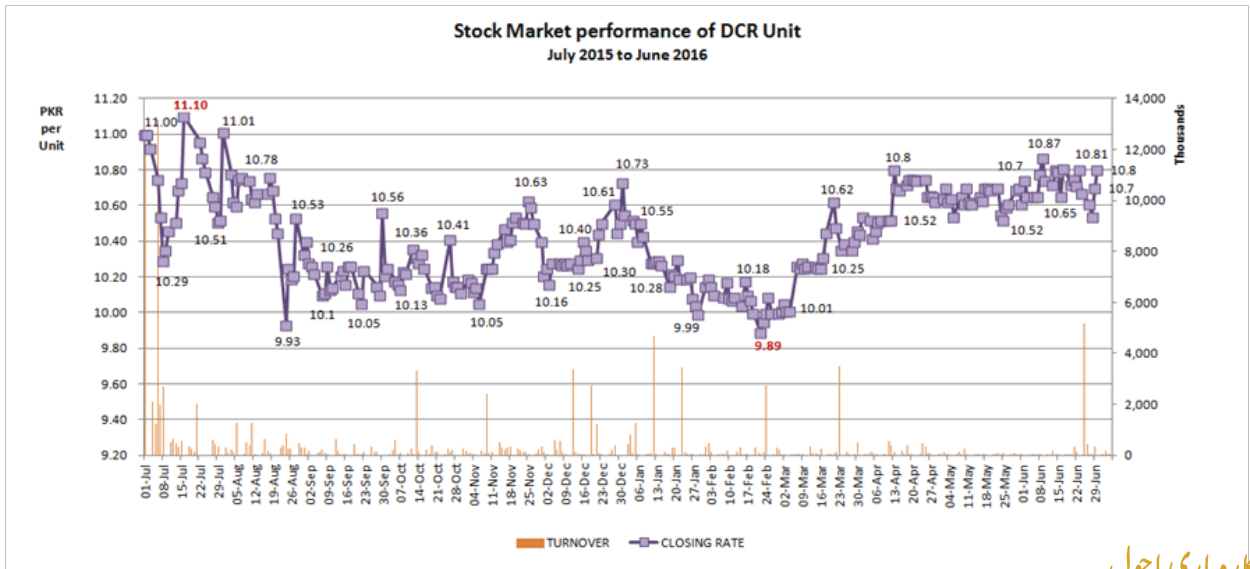
RMC کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سکریٹری اور انکے ازواج اور نابالغ فیملی ممبران کی جانب سے DCR کے نوٹس میں خرید و فروخت کو ظاہر کرنے والا اسٹیٹمنٹ I - Annexure کے طور پر منسلک ہے۔

زیر جائزہ بارہ مہینوں کے دوران، DCR نے پاکستان اسٹاک ایکسچینج میں اوسطاً 10.42 روپے فی یونٹ پر کاروبار کیا، جبکہ اس کی زیادہ سے زیادہ قیمت 11.10 روپے فی یونٹ اور کم سے کم قیمت 9.89 روپے فی یونٹ رہی۔ اسی عرصے کے دوران، پاکستان اسٹاک ایکسچینج 100 انڈیکس 38,776.94 تا 30,564.50 کی رینج کے درمیان متحرک رہا۔ ایک قدرے متحرک مارکیٹ میں DCR کا اسٹاک (حصص) کافی مستحکم (یعنی 0.31 Beta) پر برقرار رہا جس کا مطلب ہے 100% پاکستان اسٹاک ایکسچینج 100 انڈیکس مارکیٹ میں تبدیلی کے ساتھ، DCR صرف 31% تبدیل ہوگا، یہاں Beta کم غیر یقینی اور چمک کو ظاہر کرتی ہے۔

30 جون 2016 کو ختم ہونے والے سال میں DCR کے اثاثہ جات کی خالص مالیت یعنی NAV 18.11 روپے فی یونٹ تھی (30 جون 2015: 10.20 روپے فی یونٹ)۔ 30 جون 2016 کو DCR کی کلوزنگ یونٹ قیمت 10.80 روپے تھی جو کہ اسکی NAV سے 40.35% کی رعایتی نرخ پر تھی۔

DCR یونٹ کی اسٹاک مارکیٹ کارکردگی

جولائی 2015 تا جون 2016



کاروباری ماحول

DCR کے ارد گرد کاروباری ماحول مستحکم رہا۔ تاہم یہ بہت اہم ہے کہ REITs اور ریل اسٹیٹ کے شعبے پر لاگو ٹیکس نظام قانون طویل مدت کے لئے مستحکم رہیں۔ REITs ایک اہم ذریعہ سرمایہ کاری ہیں اور معیشت پر کئی فوائد مرتب کرنے کی اہلیت رکھتے ہیں جس سے ریل اسٹیٹ لین دین کی دستاویزات میں بہتری جس کے ذریعے اس شعبے میں جائیداد کی صحیح قیمتوں کا تعین کرنا اور حکومتی محصولات میں اضافے کے ساتھ ہی ساتھ چھوٹی بچت کرنے والوں کو ریل اسٹیٹ میں سرمایہ کاری کر کے اپنی بچت کو فروغ دینے کا موقع فراہم کرنا شامل ہے۔ یہ ضروری ہے کہ REITs کو تمام سطحوں اور مفادات پر تعاون حاصل ہو (ٹیکسوں اور ٹرانسپورٹ کے لئے منصفانہ سلوک) جیسا کہ صوبہ سندھ میں REITs کو دستیاب ہیں اُسے پورے ملک میں پھیلاؤ کیلئے وسعت دی جائے۔

ہمیں یقین ہے کہ ڈالمن سٹی یہاں آنے والوں کے لئے پسندیدہ منزل کی حیثیت کو برقرار رکھے گا اور اسی طرح ریل اسٹیٹ آپریٹرز اور بڑے کارپوریٹس کے لئے بھی یکساں طور پر پسندیدہ رہے گا چاہے شہر میں معیاری ریل اسٹیٹ کی فراہمی میں کوئی اور پیش رفت ہی کیوں نہ ہو۔ ہم پر اعتماد ہیں کیوں کہ ہم پیشہ ورانہ جائیداد کی نظم کاری، طویل مدت میں ہونے والے اجارہ جات، منظم مارکیٹنگ سرگرمیاں اور معروف اجارہ جات کرانے میں بے مثل ویگانہ ہیں۔ اس بات کا اظہار 2016 میں JCR-VIS کریڈٹ ریٹنگ ایجنسی کی DCR کی درجہ بندی میں توثیق (جس میں RR1 سرمایہ کاری کے بلند ترین معیار کو برقرار رکھا گیا ہے) کے ذریعے بھی ہوتا ہے۔



جشن آزادی کے سلسلے میں 13 تا 16 اگست 2015 کے دوران آزادی شاپنگ ویک اینڈ منایا گیا۔ چار دنوں پر مشتمل یہ تقریبات خصوصی رعایات اور تفریحات پر مبنی تھیں۔ جشن میں تقریباً 90 آؤٹلیٹس نے حصہ لیا اور اس جشن کو مزید پُرکشش بنانے کے لیے 70 فی صد تک کی رعایات پیش کی گئیں۔ اس دوران مال میں آنے والے لوگوں نے بھرپور انداز میں لطف اٹھایا۔ آزادی شاپنگ ویک اینڈ کے دوران 123,000 لوگوں نے ڈالین مال کا دورہ کیا۔

سالانہ رمضان مہم پورے مہینے جاری رہی اور بے شمار لوگ آئے اور خوب شاپنگ کی۔ اس دوران ڈالین مال کو خوبصورت انداز سے سجایا گیا تھا تاکہ آنے والوں کے لئے اس روحانی مہینے کی فیوض و برکات کا احساس اُجاگر کیا جاسکے۔ اس مہم سے مختلف تقریبات اور ایکٹیویشنز کے ذریعے محصولات میں اضافہ ہوا اور جس کے ساتھ ایک طویل سوشل میڈیا مہم بھی جاری رہی۔ ڈالین باز بھی رمضان کے آخری دس دنوں کے دوران اس میں شامل کر لیا گیا تھا تاکہ زیادہ سے زیادہ لوگ آئیں۔ رمضان کے دوران یہاں 834,180 لوگ آئے۔

ڈالین شاپنگ فیسٹیوئل

ڈالین مال نے اپنے خریداروں کو سال کے سب سے بڑے جشن کے ساتھ موسم سرما کو خوش آمدید کہنے کے لئے نئے سال کے آغاز پر تفریحات کا ایک اور موقع فراہم کیا۔ دو ہفتوں پر محیط یہ تقریب ڈالین مال کے ایئر ٹیم میں منعقد کی گئی جہاں کئی گھرانوں نے یادگار لمحات گزارے۔

منافع جات کی تقسیم

مینگینٹ کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے 4 جولائی 2016 کو منعقدہ اجلاس میں 30 جون 2016 کو ختم ہونے والے سال کے لئے 1.04 روپے فی یونٹ کا حتمی نقد منافع تقسیم کرنے کا اعلان کیا جس کی مالیت 2,312.648 ملین روپے بنتی ہے۔ درج بالا منافع اُن یونٹ ہولڈرز کو 16 اگست 2016 کو ادا کر دیا گیا تھا جن کا نام یونٹ ہولڈرز رجسٹر میں پیر 25 جولائی 2016 کو شامل ہوا تھا۔

شریعہ سے ہم آہنگی

شرعی اصولوں کی پاسداری کرتے ہوئے، آپ کے فنڈ کی جائیداد "A" درجہ کی پاکستانی آپریٹرز (جسے انٹرنیشنل اور معروف Re-Takaful سنڈیکیٹ کا تعاون بھی حاصل ہے) کی جانب سے بکفائل پالیسی کے تحت محفوظ رہیں۔ الحمد للہ زیر جائزہ سال کیدوران کوئی دعویٰ سامنے نہیں آیا اور یوں DCR رخصت ہوتے سال کے دوران نوکلیم بونس سے بہرہ مند ہوا۔ سالانہ شریعہ جائزہ رپورٹ مورخہ 2 جولائی 2016 میں شریعہ ایڈوائزر نے تمام پہلوؤں سے شرعی اصولوں کے ساتھ موافقت کی توثیق کی ہے اور 2.24 ملین روپے خیرات کی مد میں مخصوص کرنے کا مشورہ بھی دیا ہے جیسا کہ اس رقم کی غیر ہم آہنگ / ناموافق آمدن کے طور پر نشاندہی کی گئی ہے۔

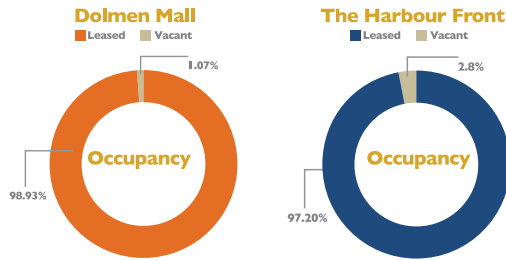
اسٹاک کی کارکردگی

زیر جائزہ سال کے دوران سرمایہ کاری کرنے والوں نے منافع حاصل کیا جسے ریئل اسٹیٹ (جائیدادی کاروبار) سے حاصل ہونے والے کرائے کی آمدنی میں اضافے سے مربوط کیا جاتا ہے، جبکہ انہیں افراط زر کے مقابلے میں حصار فراہم کیا گیا۔ اسٹاک کی قیمت کی کارکردگی مارکیٹ میں دیگر باقاعدہ خرید و فروخت کئے گئے ایکویٹی، ڈیٹ اور کموڈٹی انسٹرومنٹس سے براہ راست مربوط نہیں تھی۔

سال کے اختتام پر تصرف کی سطح

Occupancy level at year end is as follows:

	Leasable Area	Leased Area June, 2016	Vacant Area	Occupancy %
	(in square feet)			
Dolmen Mall Clifton	554,518	548,602	5,916	98.93%
The Harbour Front	257,161	249,961	7,200	97.20%
Total	811,679	798,563	13,116	98.38%



Year on year basis, the leased area of DCR increased by 3.71%

	Leased Area June, 2016	Leased Area June, 2015	Occupancy Variations	Occupancy Variation %
	(in square feet)			
Dolmen Mall Clifton	548,602	513,186	35,416	6.90%
The Harbour Front	249,961	256,844	(6,883)	(2.68%)
Total	798,563	770,030	28,533	3.71%

سال کے دوران ڈالمین مال میں بڑے پیمانے پر مارکیٹنگ و برانڈنگ سرگرمیاں جاری رہیں جس کے نتیجے میں تقریباً 9.3 ملین لوگ یعنی اوسطاً ہر ماہ 791,015 لوگ تشریف لائے۔ پراپرٹی منیجر نے اہالیان کراچی کو ڈالمین مال میں آنے، خریداری کرنے اور ڈالمین مال کے تجربے کا حصہ بننے کی ترغیب دیتے ہوئے DCR کے برانڈ ایج اور خیر سگالی کو قائم رکھنے میں اہم ترین کردار ادا کیا۔ ڈالمین سٹی مال پر رمضان وعید کی خریداری سے لے کر جشن یوم آزادی، نئے سال کا جشن اور دیگر تہوار بھر پور انداز سے منائے گئے۔

زیر جائزہ سال کے دوران آپ کے فنڈ سے کاروباری سرگرمیوں سے مارکیٹنگ آمدنی اوسطاً ماہانہ بنیاد پر 82.84% کے اضافے کے ساتھ 11.49 ملین روپے رہی (30 جون 2015: 6.28 ملین روپے) مختلف مواقعوں کے دوران عارضی لیزنگ بشمول رمضان، عید، نیا سال اور ڈالمین بازار بھی مارکیٹنگ آمدن میں اضافے کا باعث بنے۔

بڑے تہوار خاص طور پر آزادی شاپنگ ویک اینڈ، ڈالمین شاپنگ فیسٹیول، رمضان جشن اور عید بازار نے بڑی تعداد میں لوگوں کو ڈالمین مال کی جانب مبذول کیا اور یوں مال میں لوگوں کی آمد کاریکارڈ قائم کیا۔ دیگر قابل ذکر تقریبات میں مدرز ڈے، بیک ٹو اسکول فیسٹیول، ہیری پوٹر بک لانچ، دی گریٹ فیسٹیول، یوم پاکستان، ویمینز انٹرنیشنل ڈے، وغیرہ بھی بھرپور رہے۔



ڈائریکٹرز رپورٹ

ڈولمین سٹی ریٹ کے معزز یونٹ ہولڈرز،

میں عارف حبیب ڈولمین ریٹ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2016 کو ختم ہونے والے مالی سال کی ڈولمین سٹی ریٹ (DCR) کی سالانہ رپورٹ جمع آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹس اور دیگر Statutory رپورٹس پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

مالیاتی اور آپریشنل کارکردگی

ڈائریکٹرز یہ بتاتے ہوئے خوشی محسوس کرتے ہیں کہ اللہ تعالیٰ کے فضل سے DCR نے جون 2016 میں اپنی کاروباری سرگرمیوں کا ایک سال مکمل کر لیا ہے۔ جنوبی ایشیاء کی کیپٹل مارکیٹ میں پیش رو کے طور پر واحد سٹریٹ DCR نے Offering Documents میں ظاہر کی گئی توقعات سے کہیں زیادہ بہتر نتائج حاصل کیے ہیں۔ ڈولمین مال خریداروں اور کاروباریوں کی یکساں پسندیدہ منزل ہے جو اس کی مسلسل بڑھتے ہوئے تصرف، ملکیت اور محصولات کے اعداد و شمار کی سطح سے ثابت ہوتا ہے۔ 30 جون 2016 کو DCR فنڈ کا حجم 40.261 بلین روپے (30 جون 2015: 22.688 بلین روپے) تھا جس نے اسے پاکستان میں سب سے بڑا Close-End شریعہ موافق سٹریٹ انسٹرومنٹ بنادیا۔

زیرجائزہ سال کے دوران، DCR کی کرایوں سے آمدنی کی مالیت 2,526.63 ملین روپے (30 جون 2015: 193.662 ملین روپے) رہی جس کے مطابق سال کے دوران جون 2015 کے مقابلے میں اوسط ماہانہ کرائے کی شرح میں 8.72% اضافہ ہوا، مارکیٹنگ آمدن 137.829 ملین روپے (30 جون 2015: 6.28 ملین روپے) اور شریعہ مطابق بینک (Shariah Compliant Bank) کا منافع 108.935 ملین روپے (30 جون 2015: 0.98 ملین روپے) رہا۔ انتظامی کاروباری اور دیگر اخراجات 452.744 ملین روپے (30 جون 2015: 30.065 ملین روپے) رہے۔ 15.422 بلین روپے کی رقم بھی جائیداد کی (Fair Value) میں تبدیلی کی طور پر ریکارڈ کی گئی جو کہ ایک خود مختار قیمت متعین کنندہ نیشنل انجینئرنگ سروسز پاکستان (پرائیویٹ) لمیٹڈ NESPAK کی جانب سے طے کی گئی (حوالہ مالیاتی گوشوارہ۔ نوٹ نمبر 4) نتیجتاً بعد از ٹیکس منافع 17.743 ارب روپے (30 جون 2015: 169.977 ملین روپے) رہا اور فی یونٹ منافع 7.98 روپے قرار پایا ہے، جو کہ پچھلے سال کی ایک ماہ کی کاروباری سرگرمیوں کے دوران 0.08 روپے تھا۔ فی یونٹ منافع (EPU) ٹرسٹ ڈیڈ کی مطابقت میں 1.04 روپے کی قابل تقسیم آمدنی اور 6.94 روپے ناقابل تقسیم غیر تشکیل شدہ (کتابی) (Fair Value) میں منافع جات پر مشتمل ہے۔








DCR کی پراپرٹی (جائیداد) کے تصرف (Occupancy) کی سطح جون 2016 کے اختتام پر 98.38% تک جا پہنچی (جو کہ 30 جون 2015 میں 95.15% تھی)۔ تازہ ترین کرائے داری بشمول مشہور اسٹورز جیسے Habitt کے آغاز نے ڈولمین سٹی مال کے تصرف کی سطح میں نمایاں اضافہ کیا۔ اس سال کے دوران جہاں کچھ کرایہ دار ہمیں چھوڑ کر چلے گئے وہیں بیشتر قابل قدر اور معروف برانڈز بھی اس کرایہ داری اشتراک کا حصہ بننے دیکھے گئے۔ ان نئے کرائے داروں میں Golden Chick, HSY, Rowtisserie, Boston Creamery, Hakka Chine, Stylo and Sapphire Textile Adidas, وغیرہ شامل ہیں۔ 30 جون 2016 کے مطابق، ویڈیو ایوز تین لیز ایکسپائری ڈولمین سٹی مال کے لیز کے قابل رقبے (جو کہ کل رقبے کا 68% ہے) تقریباً 4.67 سال ہے اور ہاربر فرنٹ (کل رقبے کا 32%) تقریباً 1.87 سال ہے (DCR کی موجودہ اوسط لیز ایکسپائری 3.78 سال ہے)۔










Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

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

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



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

 jamapunji.pk

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

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



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

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