

**ARIF HABIB DOLMEN REIT MANAGEMENT
LIMITED**

Condensed Interim Financial
Information for the Quarter ended
March 31, 2016

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2016</i>	<i>2015</i>
<i>Note</i>	-----	<i>Rupees</i> -----	
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	4.	253,739	250,561
Long term investments	5.	1,160,771,400	1,224,146,850
Long term receivables		1,623,158	1,582,454
Formation cost receivable from Scheme	6.	160,171,257	209,247,336
Deferred tax	7.	30,949,185	40,094,730
		1,353,768,739	1,475,321,931
Current Assets			
Mark-up accrued		7,862	125,505
Receivable from Scheme	8.	76,101,821	63,972,000
Advances, deposits, prepayments and other receivables	9.	6,474,211	870,608
Short term investment		107,091	102,594
Cash and bank balances	10.	5,831,205	6,033,115
		88,522,190	71,103,822
Total Assets		1,442,290,929	1,546,425,753
<u>EQUITY AND LIABILITIES</u>			
Share capital and reserves			
Authorised share capital			
50,000,000 Ordinary shares of Rs.10 each		500,000,000	500,000,000
Issued, subscribed and paid up capital		200,000,000	200,000,000
Reserves		129,308,698	224,913,307
		329,308,698	424,913,307
Non-Current Liabilities			
Long term loan	11.	965,589,788	919,155,416
Current Liabilities			
Short term loan		112,800,000	45,600,000
Accrued expenses and other payables	12.	34,592,443	156,757,030
Contingencies and commitments	13.		
Total Equity and Liabilities		1,442,290,929	1,546,425,753

The annexed notes 1 to 20, form an integral part of these condensed interim financial information.


 Chief Executive


 Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
----- Rupees -----					
Revenue					
Management fee	14.	51,092,280	-	18,145,580	-
Expenses					
Administrative expenses	15.	(28,055,314)	(22,643,101)	(9,578,996)	(7,762,579)
		23,036,966	(22,643,101)	8,566,584	(7,762,579)
Finance cost	16.	(46,434,372)	-	(15,619,591)	-
		(23,397,406)		(7,053,007)	(7,762,579)
Other income	17.	900,755	929,630	90,766	83,168
Loss before tax		(22,496,651)	(21,713,471)	(6,962,241)	(7,679,411)
- Current		(591,460)	(10,829)	(207,768)	(2,364)
- Deferred		(9,145,545)	6,280,441	(2,769,479)	2,490,482
Loss for the period		(32,233,656)	(15,443,859)	(9,939,488)	(5,191,293)
Loss per share					
- Basic and diluted		(1.61)	(1.54)	(0.50)	(0.52)

The annexed notes 1 to 20. form an integral part of these condensed interim financial information.


 Chief Executive


 Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND QUARTER ENDED MARCH 31, 2016

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31,</i> <i>2016</i>	<i>March 31,</i> <i>2015</i>	<i>March 31,</i> <i>2016</i>	<i>March 31,</i> <i>2015</i>
Loss for the period	(32,233,656)	(15,443,859)	(9,939,488)	(5,191,293)
Other comprehensive income				
<i>Items that are to be reclassified subsequently to profit and loss account</i>				
Unrealized gain arises on re-measurement of investment available for sale	(63,370,953)	4,725	(32,242,195)	1,539
Total comprehensive loss for the period	(95,604,609)	(15,439,134)	(42,181,683)	(5,189,754)

The annexed notes 1 to 20. form an integral part of these condensed interim financial information.



 Chief Executive



 Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Issued, subscribed and paid-up capital	Reserves		Sub total	Shareholder's Equity
		Capital	Revenue		
		Remeasurement gain/(loss)	Accumulated Loss		
----- Rupees -----					
Balance at July 01, 2014	100,000,000	11,274	(62,559,886)	(62,548,612)	37,451,388
Total comprehensive loss for the nine months period ended March 31, 2015					
Loss for the period	-	-	(15,443,859)	(15,443,859)	(15,443,859)
Other Comprehensive Income					
Unrealized gain arises on re-measurement of investment available for sale	-	4,725	-	4,725	4,725
	-	4,725	(15,443,859)	(15,439,134)	(15,439,134)
Balance at March 31, 2015	100,000,000	15,999	(78,003,745)	(77,987,746)	22,012,254
Balance at July 01, 2015	200,000,000	112,330,232	112,583,075	224,913,307	424,913,307
Total comprehensive loss for the nine months period ended March 31, 2016					
Loss for the period	-		(32,233,656)	(32,233,656)	(32,233,656)
Other Comprehensive Income					
Unrealized gain arises on re-measurement of investment available for sale	-	(63,370,953)	-	(63,370,953)	(63,370,953)
	-	(63,370,953)	(32,233,656)	(95,604,609)	(95,604,609)
Balance as at March 31, 2016	200,000,000	48,959,279	80,349,419	129,308,698	329,308,698

The annexed notes 1 to 20, form an integral part of these condensed interim financial information.



 Chief Executive


 Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	<i>Nine months ended</i>	
	<i>March 31, 2016 Rupees</i>	<i>March 31, 2015 Rupees</i>
A CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(22,496,651)	(21,713,471)
Adjustments for:		
Depreciation	75,657	53,107
Interest on amortised cost	46,434,372	-
Realised gain on investment at fair value through profit and loss	-	(825,430)
Discount charges / (revenue) on advance to employees	(40,704)	39,135
Mark-up on bank deposit	(900,755)	(104,200)
	23,071,919	(22,550,859)
(Increase) / decrease in current assets		
Receivable from scheme	(12,129,821)	-
Advances, deposits, prepayments and other receivables	(2,273,074)	1,154,382
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	(122,164,587)	228,993
	(136,567,482)	1,383,375
Cash used in operations	(113,495,563)	(21,167,484)
Taxes paid	(3,921,989)	(106,391)
Net cash used in operating activities	(117,417,552)	(21,273,875)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(92,500)	(73,809)
Proceeds from disposal of property and equipment	13,665	-
Formation cost receivable from scheme	49,076,079	-
Proceeds from encashment of short-term investment	-	13,819,543
Markup received	1,018,398	110,458
Net cash generated from / (used in) investing activities	50,015,642	13,856,192
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short term loan	67,200,000	4,500,000
Net cash generated from financing activities	67,200,000	4,500,000
Net decrease in cash and cash equivalents (A+B+C)	(201,910)	(2,917,683)
Cash and cash equivalents at beginning of the period	6,033,115	3,238,605
Cash and cash equivalents at end of the period	5,831,205	320,922

The annexed notes 1 to 20, form an integral part of these condensed interim financial information.


 Chief Executive


 Director

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

1. STATUS AND NATURE OF BUSINESS

Arif Habib REIT Management Limited (the Company) was incorporated in Pakistan as a public limited company (un-quoted) on April 08, 2009 under the Companies Ordinance, 1984. The Company is a REIT Management Company, registered with the Securities and Exchange Commission of Pakistan (SECP) under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O. 1113 (1) 2007 and S.R.O. 271 (I) / 2010. The Certificate for commencement of business was given by SECP on September 07, 2009. The registered office of the company is situated at Arif Habib Centre, 23 M.T Khan Road, Karachi, Pakistan.

The Company has been established with exclusive objective to launch Real Estate Investment Trust (REIT) Schemes and provide REIT management services in accordance with the Real Estate Investment Trust Regulations, 2015. The Company has been assigned rating of AM2-(RMC) by JCR-VIS Credit Rating Company Limited on June 08, 2015. Currently, the Company is managing the following REIT Scheme under management:

	<u>Net assets value as at</u>	
	<u>March 31, 2016</u>	<u>June 30, 2015</u>
	----- Rupees in '000' -----	
Dolmen City REIT	25,901,433	22,688,323

2. BASIS OF PREPARATION

2.1 Statement of Compliance

This condensed interim financial report of the company for the period ended December 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules 2003), the Real Estate Investment Trust Regulations, 2015 (REIT Regulation 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, the NBFC Rules 2003, the REIT Regulation 2015 or the directives issued by the SECP shall prevail.

2.2 The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Company for the year ended June 30, 2015.

2.3 Accounting convention

This condensed interim financial information has been prepared under the historical cost convention except as otherwise disclosed in these notes.

2.4 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupee which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, ASSUMPTIONS AND CHANGES THEREIN

3.1 The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published audited financial statements of the Company for the year ended June 30, 2015.

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

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at and for the year ended June 30, 2015.

3.3 The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Company for the year ended June 30, 2015.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Company's accounting period beginning on or after July 1, 2015. None of those amendments have a significant effect on this condensed interim financial information.

	<i>(Un-audited)</i> <i>March 31,</i> <i>2016</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2015</i> <i>Rupees</i>
4. PROPERTY AND EQUIPMENT		
Opening net book value	250,561	191,047
Additions	92,500	134,809
Less: Disposals-net		
Cost	(20,264)	-
Depreciation	6,599	-
	(13,665)	
Depreciation	(75,657)	(75,295)
Closing net book value	<u>253,739</u>	<u>250,561</u>

(Un-audited) *(Audited)*
March 31, *June 30,*
2016 *2015*
----- *Rupees* -----

5. LONG TERM INVESTMENTS- AFS

Available for Sale Investment

Investment in units of Dolmen city REIT	1,111,850,000	1,111,850,000
Unrealized gain on remeasurement of investment	48,921,400	112,296,850
	<u>1,160,771,400</u>	<u>1,224,146,850</u>

These units were acquired for a period of three years at a cost of Rs 10 per unit from International complex Project and the entire purchase price shall be paid by the company to the ICPL at the end of three years from the date of transfer of those units in favour of company

Market value as at March 31, 2016 is Rs. 10.44 (June 30, 2015 is Rs. 11.01) per unit.

(Un-audited) *(Audited)*
March 31, *June 30,*
2016 *2015*
Note ----- *Rupees* -----

6. FORMATION COST RECEIVABLE FROM SCHEME

Formation cost of scheme	6.1	215,087,117	267,124,336
Less: Current portion shown under current asset		(54,915,860)	(57,877,000)
		<u>160,171,257</u>	<u>209,247,336</u>

6.1 These represent preliminary expenses paid by the company for launching of Dolmen City REIT in accordance with REIT regulation 2015. This is interest free and receivable in equal amount paid annually over period of five years

7. DEFERRED TAX

- 7.1 Net deferred tax asset of Rs.30.95 million (June 30, 2015 : Rs.40.094) million is recognised. The management of the Company believes that based on the projections of future taxable profits, it would be able to realise these tax losses in the future.

(Un-audited) (Audited)
 March 31, June 30,
 2016 2015
 ----- Rupees -----

8. RECEIVABLE FROM SCHEME

Management fee receivable	8.1	20,685,961	6,095,000
Current portion of formation cost of scheme		54,915,860	57,877,000
Expenses incurred on behalf of the Scheme		500,000	-
		76,101,821	63,972,000

- 8.1 Under the provisions of REIT Regulations 2015, RMC is entitled to an annual management fee not exceeding three percent of NOI of scheme.

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Unsecured - Considered good

Advance tax - net		3,475,310	144,781
Advance to employees		196,069	219,367
Deposits		12,500	12,500
Prepayments		561,831	339,242
Others		2,228,501	154,718
		6,474,211	870,608

- 9.1 Advances, deposits and other receivables are neither past due nor impaired.

10. CASH AND BANK BALANCES

Cash in hand		45,000	6,110
Cash at bank	10.1	5,786,205	6,027,005
		5,831,205	6,033,115

- 10.1 This represents saving deposit in Summit Bank Limited (a related party) carrying markup at the rate ranging from 4.0% to 5.6% (2015 : 5.5%) per annum.

11. LONG TERM LOAN

- Unsecured - Interest free

Payable to International Complex Projects Limited	14.1	1,111,850,000	1,111,850,000
Less: Unamortised cost		(146,260,212)	(192,694,584)
		965,589,788	919,155,416

11.1 This represents loan payable to International Complex Projects Limited in lieu of units acquired and held as available for sale investments in Dolmen City REIT in accordance with unit purchase agreement executed on May 28, 2015. This loan is interest free and is repayable over a period of three years from the agreement date.

<i>(Un-audited)</i>	<i>(Audited)</i>
<i>March 31,</i>	<i>June 30,</i>
<i>2016</i>	<i>2015</i>
----- <i>Rupees</i> -----	

12. ACCRUED EXPENSES AND OTHER PAYABLES

Payable to associated undertaking		-	5,212,986
Preliminary expenses payable	12.1	26,155,221	146,764,206
Withholding taxes payable		8,718	3,371,539
Accrued expense		1,593,392	602,199
Sales tax payable		6,824,012	795,000
Others		11,100	11,100
		<u>34,592,443</u>	<u>156,757,030</u>

12.1 These represent preliminary expenses payable by the company for launching of Dolmen City REIT in accordance with REIT regulation 2015.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 March 2016.

<i>Nine months ended</i>		<i>Quarter ended</i>	
<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
----- <i>Rupees</i> -----			

14. MANAGEMENT FEE

Management fee	58,245,199	-	20,685,961	-
Sales tax	(7,152,919)	-	(2,540,381)	-
	<u>51,092,280</u>	-	<u>18,145,580</u>	-

15. ADMINISTRATIVE EXPENSES

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>	<i>March 31,</i>
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
<i>Note</i>	<i>----- Rupees -----</i>			
Salaries, allowances and benefit 15.1	22,479,707	20,209,959	7,439,044	6,675,706
Legal and professional	1,623,388	680,171	566,828	452,563
Communication	339,181	264,593	75,858	103,145
Travelling	880,899	143,845	522,786	62,562
Printing and stationery	128,799	45,994	26,450	18,523
Insurance	431,377	356,831	133,027	139,542
Depreciation	75,657	53,107	26,217	20,478
Auditors' remuneration	266,451	175,963	119,451	36,501
Others	943,405	712,638	385,885	253,559
Director meeting fee	70,000	-	20,000	-
Training and membership expense	421,450	-	93,450	-
Donation	395,000	-	170,000	-
	28,055,314	22,643,101	9,578,996	7,762,579

15.1 This include Rs.1,399,731 (2015 : Rs.1,310,847) in respect of contribution to a Voluntary Pension Scheme.

<i>Nine months ended</i>	
<i>March 31,</i>	<i>March 31,</i>
<i>2016</i>	<i>2015</i>
<i>----- Rupees -----</i>	

16. FINANCE COST

Amortization effect of long term loan	16.1	46,434,372	-
		46,434,372	-

16.1 This represents finance cost arised due to unwinding of dicount on on long term loan.

17. OTHER INCOME

Income from financial assets			
Mark-up on bank deposit		900,755	104,200
Realised gain on sale of investments held under			
Margin financing of stock through MTS		-	825,430
		900,755	929,630

18. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, sponsors, directors and key management personnel. Transaction with related parties are carried out by the company at agreed terms with related parties.

<i>Nine months ended</i>	
<i>March 31,</i>	<i>March 31,</i>
<i>2016</i>	<i>2015</i>
<i>----- Rupees -----</i>	

18.1 Transactions with related parties during the year are as follows:

Summit Bank Limited - an associated company		
Mark-up income on bank deposit	<u>408,965</u>	<u>104,200</u>
MCB - Arif Habib Savings and Investments Limited - an associated company		
Short term investments in Pakistan Cash Management Fund - net (at cost)	<u>79,872</u>	<u>62,457</u>
Arif Habib Limited - an associated company		
Realized Gain on Margin Financing of stock through Marginal Trading System (MTS)	<u>-</u>	<u>825,430</u>
Disposal proceeds from Margin financing of stock through Marginal Trading System (MTS)	<u>-</u>	<u>13,819,543</u>
Voluntary Pension Scheme managed by MCB Arif Habib Savings and Investments Limited		
Employer's contribution paid	<u>1,399,731</u>	<u>1,310,847</u>
Dolmen Arif Habib Real Estate Services (Private) Limited - an associated company		
Received amount due	<u>-</u>	<u>1,265,000</u>
Sponsors		
Short term advance received during the period	<u>67,200,000</u>	<u>4,500,000</u>
Group shared services		
Office premises and other services provided by the Group Company.		

(Un-audited) (Audited)
 March 31, June 30,
 2016 2016
 ----- Rupees -----

18.2 The details of balances due from / to related parties are as follows:

Summit Bank Limited - an associated company

Mark-up receivable	7,862	125,505
Bank account balance	1,317,221	6,027,005

MCB - Arif Habib Savings and Investments Limited - an a associated company

Short term investments in Pakistan Cash Management Fund (at fair value)	106,477	101,980
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Arif Habib Limited - an associated company

Lead financial advisory fee payable	24,175,000	74,175,000
Short term investment in Margin Financing of stock through MTS (at fair value)	614	614

Mr. Arif Habib - Sponsor

Short term advance - unsecured and interest free	112,800,000	45,600,000
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19. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on

11 9 APR 2016

20. GENERAL

Amounts have been rounded off to the nearest rupee unless otherwise stated.



 Chief Executive



 Director