

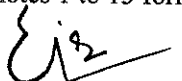
**ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED**

Condensed Interim Financial Statements
for the quarter ended **September 30, 2015**

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2015

	Note	(Un-audited) September 30, 2015	(Audited) June 30, 2015
----- Rupees -----			
ASSETS			
Non-Current Assets			
Property and equipment		291,998	250,561
Long term investments	7	1,161,883,250	1,224,146,850
Long term receivables		1,573,614	1,582,454
Formation cost receivable from Scheme	8	157,309,514	209,247,336
Deferred tax		39,985,883	40,094,730
Current Assets			
Mark-up accrued		101,574	125,505
Receivable from Scheme		135,500,827	63,972,000
Advances, deposits, prepayments and other receivables		1,212,334	870,608
Short term investment	9	104,118	102,594
Cash and bank balances		17,752,360	6,033,115
		<u>154,671,213</u>	<u>71,103,822</u>
Total Assets		<u><u>1,515,715,472</u></u>	<u><u>1,546,425,753</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity			
Authorised share capital (50,000,000 ordinary shares of Rs.10/- each)		<u>500,000,000</u>	<u>500,000,000</u>
Share capital		<u>200,000,000</u>	<u>200,000,000</u>
Reserves			
Capital reserve		50,068,156	112,330,232
Accumulated profit		121,299,795	112,583,075
Accumulated profit		<u>171,367,951</u>	<u>224,913,307</u>
		<u>371,367,951</u>	<u>424,913,307</u>
Non-Current Liabilities			
Long term loan		919,155,416	919,155,416
Current Liabilities			
Short term loan		102,800,000	45,600,000
Accrued expenses and other payables	10	122,392,105	156,757,030
Total Equity and Liabilities		<u><u>1,515,715,472</u></u>	<u><u>1,546,425,753</u></u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Note (Un-audited)	
		Quarter ended September 30 2015	Quarter ended September 30 2014
		----- Rupees -----	
Income			
Management fee		17,629,230	-
Expenses			
Administrative expenses	11	(9,203,257)	(7,365,633)
		<u>8,425,973</u>	<u>(7,365,633)</u>
Other income		453,264	465,384
Profit / (loss) before taxation		<u>8,879,237</u>	<u>(6,900,249)</u>
Taxation			
- Current		(53,670)	(4,315)
- Deferred		(108,847)	2,366,183
Profit / (loss) for the period		<u><u>8,716,720</u></u>	<u><u>(4,538,381)</u></u>
Earning per share - Basic and diluted		0.44	(0.45)

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Quarter ended September 30 2015	Quarter ended September 30 2014
 Rupees	
Profit / (loss) for the period	8,716,720	(4,538,381)
Other comprehensive income	-	-
Total comprehensive income for the period	<u>8,716,720</u>	<u>(4,538,381)</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

..... (Un-audited)

Quarter ended	Quarter ended
September 30,	September 30,
2015	2014

----- Rupees -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before tax	8,879,237	(6,900,249)
Adjustment for:		
Depreciation	23,063	14,390
Realised gain on investments	-	(394,569)
Discount charges on advance to employees	8,840	(34,643)
Interest income on amortised cost	-	
Mark-up on bank deposit	(453,264)	(70,815)
	<u>8,457,876</u>	<u>(7,385,886)</u>
(Increase) / decrease in current assets		
Advances, deposits, prepayments and other receivables	(340,173)	(218,409)
Receivable from scheme	(71,528,827)	-
Increase / (decrease) in current liabilities		
Accrued expenses and other payables	(34,364,925)	191,981
Cash used in operations	(106,233,925)	(26,428)
Taxes paid	(55,223)	(47,238)
Net cash used in operating activities	<u>(97,831,272)</u>	<u>(7,459,552)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure incurred	(64,500)	(35,000)
Proceeds from encashment of short-term investment	-	5,039,457
Formation cost received	51,937,822	-
Mark-up received	477,195	36,952
Net cash generated from investing activities	<u>52,350,517</u>	<u>5,041,409</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds of long term loan	57,200,000	-
Net cash generated from financing activities	<u>57,200,000</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	11,719,245	(2,418,143)
Cash and cash equivalents at beginning of the period	6,033,115	3,238,605
Cash and cash equivalents at end of the period	<u>17,752,360</u>	<u>820,462</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

	Reserves				Shareholder's Equity
	Share Capital	Capital	Revenue	Sub total	
		Fair Value	Accumulated Loss / Profit		
..... Rupees					
Balance as on July 01, 2014	100,000,000	11,274	(62,559,886)	(62,548,612)	37,451,388
Unrealised loss arises on re-measurement of investment available for sale	-	1,571	-	1,571	1,571
Total comprehensive income for the period ended September 30, 2014	-	-	(4,538,381)	(4,538,381)	(4,538,381)
Balance as at September 30, 2014	<u>100,000,000</u>	<u>12,845</u>	<u>(67,098,267)</u>	<u>(67,085,422)</u>	<u>32,914,578</u>
Balance as on July 01, 2015	200,000,000	112,330,232	112,583,075	224,913,307	424,913,307
Unrealised loss arises on re-measurement of investment available for sale	-	(62,262,076)	-	(62,262,076)	(62,262,076)
Total comprehensive income for the period ended September 30, 2015	-	-	8,716,720	8,716,720	8,716,720
Balance as at September 30, 2015	<u>200,000,000</u>	<u>50,068,156</u>	<u>121,299,795</u>	<u>171,367,951</u>	<u>371,367,951</u>

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2015

1. STATUS AND NATURE OF BUSINESS

Arif Habib Dolmen REIT Management Limited (the Company) was incorporated in Pakistan as a public limited company (unquoted) on April 08, 2009 under the Companies Ordinance, 1984. The Company is a REIT Management Company, registered under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 as amended through S.R.O. 1113 (I) 2007 and S.R.O. 271 (I) / 2010, with the Securities and Exchange Commission of Pakistan (SECP). The Certificate for commencement of business was obtained from 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 (REIT Regulation 2015). The Company is rated AM2- (RMC) by JCR-VIS Credit Rating Company Limited.

The management of the company has currently launched a REIT scheme Dolmen City REIT and based on its cash flow projections, company is confident that they shall be able to launch further REIT schemes. The company's has increased the paid up capital of the Company to Rs. 200 million required for the approval of offering document of first REIT scheme. Further, the sponsors have agreed to provide funds to Schemes in case exemption from SECP in this regard is not received.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial report of the company for the quarter ended September 30, 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.

This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

2.2 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Scheme.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

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

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding annual financial statements of the Company as at and for the year ended June 30, 2015.

5 RISK MANAGEMENT

The Scheme's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements for the year ended June 30, 2015.

6 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2015.

(Un-audited) September 30 2015	(Audited) June 30, 2015
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----- Rupees -----

7 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	50,033,250	112,296,850
	<u>1,161,883,250</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 ICP at the end of three years from the date of transfer of those units in favour of company

Market value as at September 30, 2015 is Rs. 10.56 (June 30, 2015 is Rs. 11.01) per unit.

8 FORMATION COST RECEIVABLE FROM SCHEME

Formation cost of scheme	209,746,019	267,124,336
Less: Current portion shown under current asset	(52,436,505)	(57,877,000)
	<u>157,309,514</u>	<u>209,247,336</u>

8.1 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

9 SHORT TERM INVESTMENTS

9.1 Investments at available-for-sale

Pakistan Cash Management Fund (a related party)	103,504	101,980
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9.2 Investment at fair value through profit and loss

Margin financing of stock through MTS - (with related party)	614	614
	<u>104,118</u>	<u>102,594</u>

9.11 The aggregate cost of the units is Rs. 79,872 (June 30, 2015: Rs. 79,872).

9.21 Market value at period end is Rs 50.90 (June 30, 2015: Rs. 50.15) per unit.

(Un-audited) (Audited)
September 30 June 30,
2015 2015
----- Rupees -----

10 ACCRUED EXPENSES AND OTHER PAYABLES

Payable to associated undertakings	5,311,741	5,212,986
Preliminary expenses payable	113,400,538	146,764,206
Withholding taxes payable	3,215,092	3,371,539
Accrued expense	453,634	1,397,199
Others	11,100	11,100
	122,392,105	156,757,030

..... (Un-audited)

Note	Quarter ended September 30 2015	Quarter ended September 30 2014
	----- Rupees -----	

11 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	7,989,623	6,776,415
Insurance	157,635	115,154
Travelling expense	251,383	35,476
Printing and stationery	28,280	17,363
Communication	97,457	87,426
Legal and professional	123,614	67,639
Depreciation	23,063	14,390
Auditors' remuneration	51,246	51,246
Others	480,956	200,524
	9,203,257	7,365,633

12 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 the related parties.

..... (Un-audited)

Quarter ended September 30 2015	Quarter ended September 30 2014
----- Rupees -----	

12.1 Transactions with related parties during the period are as follows:

Summit Bank Limited - an associated company

Mark-up income on bank deposit	453,264	70,815
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MCB - Arif Habib Savings and Investments Limited - an associated company

Employer's contribution paid to Voluntary Pension Scheme	473,949	433,449
Short term investments in Pakistan Cash Management Fund - net (at cost)	-	62,457

Sponsors

Short term loan received during the period	57,200,000	-
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Arif Habib Limited - an associated company

Short term investment in Marginal Trading System (at cost) - 8,669,769

Group shared services

Office premises and other services provided by the Group Company for which no cost is charged as Company has not commenced operations.

(Un-audited) (Audited)
September 30, June 30,
2015 2015
----- Rupees -----

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

Summit Bank Limited - an associated company

Mark-up receivable 101,574 125,505
Bank accounts balances 320,139 6,027,005

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

Short term investments in Pakistan Cash Management Fund (at fair value) 103,504 101,980

Arif Habib Limited - an associated company

Short term investment in Marginal Trading System (at fair value) 614 614
Preliminary expenses on the formation of Dolmen City REIT 74,175,000 74,175,000

Mr. Arif Habib - Sponsor

Short term loan - unsecured and interest free 102,800,000 45,600,000

13 DATE OF AUTHORISATION

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

27 OCT 2015


CHIEF EXECUTIVE


DIRECTOR