

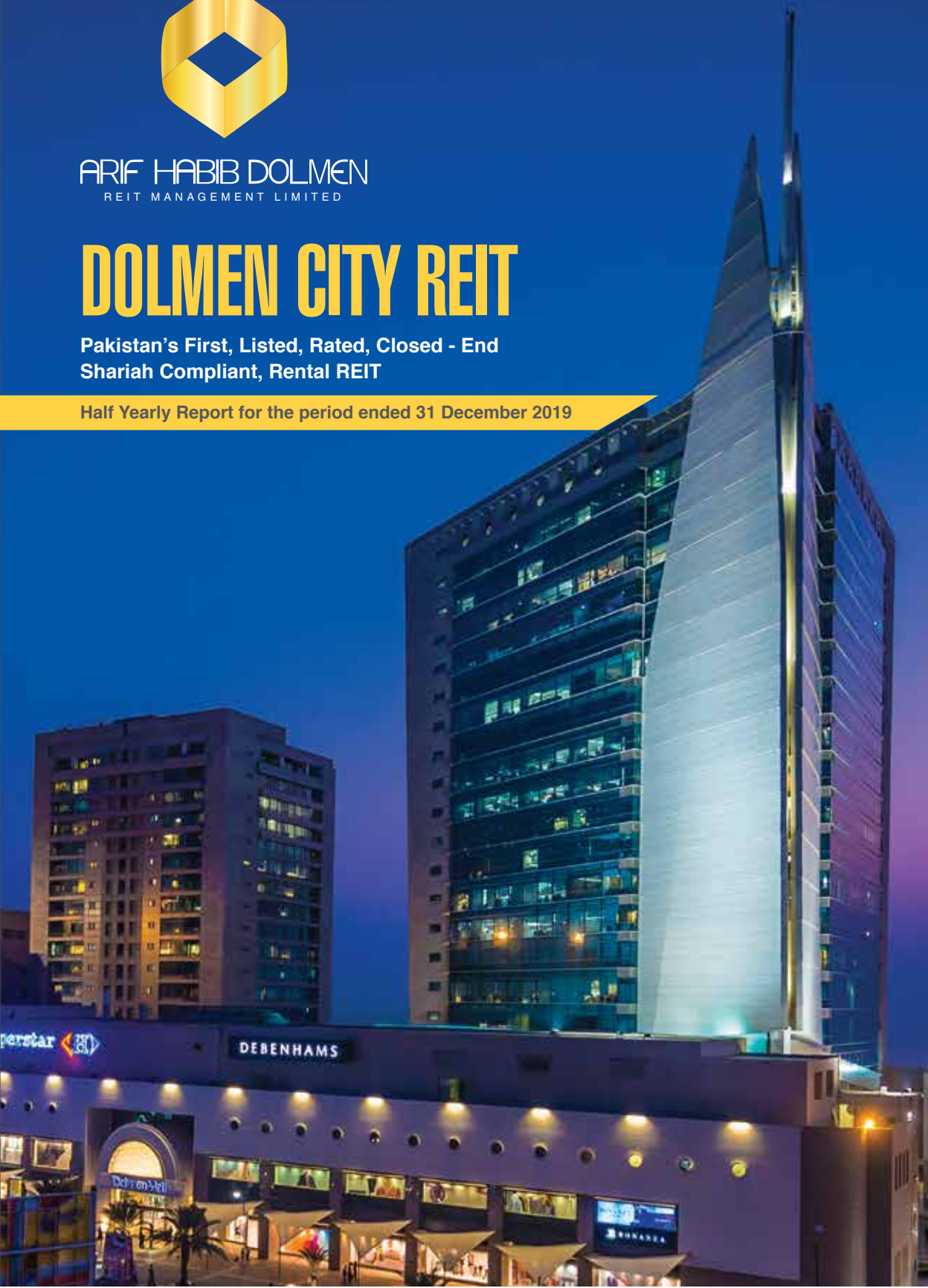


ARIF HABIB DOLMEN  
REIT MANAGEMENT LIMITED

# DOLMEN CITY REIT

Pakistan's First, Listed, Rated, Closed - End  
Shariah Compliant, Rental REIT

Half Yearly Report for the period ended 31 December 2019





# ABOUT REITs

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

## REITs IN PAKISTAN

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

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

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

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

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# SCHEME'S INFORMATION

<b>Management Company</b>	Arif Habib Dolmen REIT Management Limited	
<b>Board of Directors</b>	Mr. Nasim Beg Mr. Tayyeb Afzal Mr. Qamar Hussain Ms. Tayyaba Rasheed Mr. Nadeem Riaz Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Sajidullah Sheikh Mr. Muhammad Ejaz	Chairman Independent Director Independent Director Independent Director Director Director Director Director Chief Executive Officer
<b>Audit Committee</b>	Mr. Qamar Hussain Mr. Abdus Samad A. Habib Mr. Tayyeb Afzal	Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Ms. Tayyaba Rasheed Mr. Abdus Samad A. Habib Mr. Faisal Nadeem Mr. Muhammad Ejaz	Chairperson Member Member Member
<b>CFO &amp; Company Secretary</b>	Mr. Zohaib Yaqoob	
<b>Head of Internal Audit &amp; Compliance</b>	Mr. Muneer Gader	
<b>Trustee</b>	Central Depository Company of Pakistan Limited CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi.	
<b>Share Registrar</b>	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi.	
<b>Bankers</b>	Bank Al Habib Limited Askari Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited Meezan Bank Limited United Bank Limited Allied Bank Limited Bank Alfalah Limited Dubai Islamic Bank Pakistan Limited	

**External Auditors**

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

**Internal Auditors**

Junaidy Shoaib Asad & Co.  
Chartered Accountants  
1/6-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**

MYK Associates (Private) Limited

**Shariah Advisor**

Alhamd Shariah Advisory Services (Private) Limited

**Rating Agency**

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

**Current Ratings**

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

**Registered Office  
of Management Company**

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

## **VISION - “all eyes on you”**

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

## **MISSION - “challenge the status quo and try new things”**

**Be a space where people aspire to work**

Inspiring you to achieve more

**Be the place where people love to shop**

Enhance the customer experience to maximize shopper loyalty

**To be the landlord of choice**

Optimizing the tenancy mix through proactive leasing

## **DELIVERING VALUE - “security, stability, resilience”**

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



# DIRECTORS' REVIEW REPORT



# DIRECTORS' REVIEW REPORT

## Dear Unit holders of Dolmen City REIT

On behalf of the Board of Directors of Arif Habib Dolmen REIT Management Limited, we are pleased to present the Director's Review report of Dolmen City REIT (DCR), the Scheme, for the half year ended on December 31, 2019.

## Financial and Operational Performance

During the period under review, DCR recorded a rental income of PKR 1,698 million as compared to PKR 1,613 million in corresponding period showing an increase of 5.3%. Marketing income was recorded at PKR 97.3 million as compared to PKR 86.7 million in corresponding period showing an increase of 12.2%. Administrative and operating expenses during the period were 14.3% of rental income at PKR 242.4 million. Net Operating Income 'NOI' for the period was recorded at PKR 1,553 million as compared to PKR 1,472 million in corresponding period with an increase of 5.46%. Profit for the period was recorded at PKR 4,020 million, comprising of PKR 1,603 million from operations and PKR 2,417 million from change in fair value of investment property based on the valuation conducted by independent valuator MYK Associates (Private) Limited on December 31 2019. The profit translates into earnings of PKR 1.8079 per unit as against PKR 1.9532 per unit in the corresponding period. The EPU comprises of distributable income of PKR 0.7207 per unit (as compared to PKR 0.6617 for the corresponding period) and un-distributable unrealized fair value gain of PKR 1.0872 per unit (as compared to PKR 1.2915 for the corresponding period).

DCR has been able to maintain its occupancy levels above 95% which is regarded as cent percent internationally. Occupancy at the Mall remained constant at 98.3%. However, due to vacation of office by Siemens Pakistan Engineering Limited and partial vacation by Phillip Morris Pakistan Limited at The Harbour Front Building, the historical full occupancy was reduced to 92% at 235,294 square feet at the end of December 2019. Negotiations were already in place and new tenants will occupy space of 21,430 square feet in the near future. During the quarter, some brands such as QnH and Almas Collection have exited the tenancy pool of the mall while Dune London and Bays Lingerie Studio have entered. Tenants' satisfaction with the operations and property management at the premises is reflected in their long-term agreements and eagerness to occupy further space on availability. As on December 31, 2019, the Weighted Average Lease Expiry 'WALE' based on the leasable area of Dolmen City Mall (68% of the total area) is around 3.63 years and of the Harbour Front (32% of the total area) is around 3.43 years (DCR's current average lease expiry is 3.53 years).

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

Lease Occupancy	Leasable Area	Leased Area December, 2019	Vacant Area	Occupancy%
		(in square feet)		
Dolmen Mall Clifton	547,924	538,692	9,232	98.3%
The Harbour Front	256,724	235,294	21,430	91.65%
<b>Total</b>	<b>804,648</b>	<b>773,986</b>	<b>30,662</b>	<b>96%</b>

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

Lease Occupancy	Leased Area December, 2019	Leased Area September, 2019	Occupancy Variations	Occupancy Variation %
		(in square feet)		
Dolmen Mall Clifton	538,692	538,692	-	0%
The Harbour Front	235,294	235,114	180	0%
<b>Total</b>	<b>773,986</b>	<b>788,806</b>	<b>180</b>	<b>0%</b>

## Marketing Activities

Marketing and branding activities during the period in review kept the Mall bustling with healthy footfall during the quarter



Month	Monthly Footfall	Daily Average
Oct -19	936,617	30,213
Nov -19	966,717	32,224
Dec -19	1,080,894	34,868

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

**Beauty Festival:** During 18th to 23rd October, Beauty Festival was held which was based on the theme of makeup and beauty aiming to provide a platform for cosmetic brands to promote themselves. The theme of the event was chosen keeping in mind the changing fabric of society where youth as well as adults are now more sensitive about their appearance.

All major retailers and brand partners announced special promotions for this event hence allowing for greater engagement with customers. This year a total of 11 brands came on board compared to 8 from last year, which itself is evident to the success of the event. There was 18% increase in event footfall compared to last year.

**World Soccer Stars:** On 9th November, Dolmen Mall welcomed the World Soccer Stars: Kaka, Figo, Puyol & Anelka. Dolmen Mall called out their customers and football fanatics to have a chance to meet the celebrity players.

**Children's Day:** 20th November marks the occasion of Universal Children's Day, where we observe the importance of children around the world as issues related to them are brought to the fore.

The event aims to promote the wellbeing of children and to ensure the development of children for a better future, to offer all the parents support in developing their growing children and to make parents aware about their responsibilities towards their children.

### Dolmen Shopping Festival

The 27th version of DSF embarked from 20th Dec 2019 to 5th Jan, 2020. Shopping, in the recent years has become an event. Taking a leaf out of the Major Malls of the world and continuing with our own tradition, the Dolmen Shopping Festival has been one of the most anticipated shopping events of the year with larger than life installations highlighting the best that the city has to offer with phenomenal deals, exclusive gifts, exciting events, and a lively gala of endless shopping.

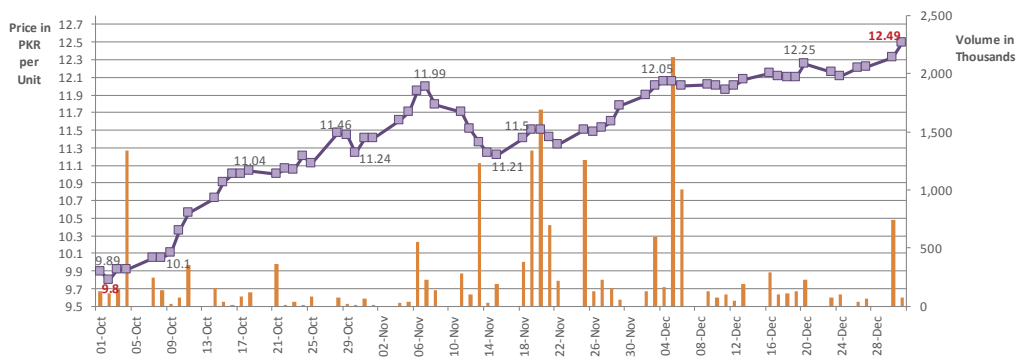
DSF-27 ended with a lot of memories to hold for the customers who visited us during the event. Customers were happy to take pictures with different characters on ground, fantasy setups and corridor installations and fascinating décor. Customers who were able to win through the draws and games have got even more memories to cherish for lifetime.

### Stocks Performance

During the quarter under review, 'DCR' traded at an average unit price of PKR 11.43 on the stock exchange and touched a high of PKR 12.49 and a low of PKR 9.80 per unit. Unit price grew by 27.32% during the quarter in review. In the same period KSE100 index moved in the range between 41,768.66 to 32,254.32. In a volatile market, the unit of DCR remained fairly stable with beta of 0.31 (which means for every 1 rupee change in the value of a share in the benchmark; DCR price would likely change by only 31 paise, beta here represents low volatility and elasticity) and covariance with the market of only 0.38 (which is a measure of the degree to which returns on two risky assets move in tandem, indicate low positive correlation of DCR stock performance with the market performance). Hence, REITs are excellent instruments for accomplishing portfolio diversification and reduced volatility.

#### Stock Market performance of DCR Unit

September 2019 to December 2019



The Net Asset Value 'NAV' per Unit of DCR is PKR 21.92 at the quarter ended on December 31, 2019 which was PKR 20.32 at the end of the corresponding period last year i.e. December 31, 2018). DCR on its closing Unit price of PKR 12.49 traded at a discount of 43.02% to its NAV on December 31, 2019.

### Dividend Distribution

The board of directors have declared and approved an interim cash dividend for the quarter ended on December 31, 2019 equivalent to PKR 0.35 per unit. Together with the earlier dividend paid of PKR 0.35 per unit in the last quarter; it will translate into annual dividend yield of 14%. The said dividend will be entitled to those unit holders whose name will appear in the register of unit-holder on the close of business on February 3, 2020.

### Business Environment

The business environment surrounding Dolmen City remains stable. However, it is pivotal that the taxation regime encompassing REITs and real estate sector are made equitable and consistent in the longer term. It is important that impediments against REITs are addressed at all levels and the fair treatment that is available to REITs in the province of Sindh is extended throughout the country in harmony for REITs to help documentation of real estate.

The introduction of new, quality malls in the country is creating a healthy competition, bringing with it benefits of several international brands eyeing Pakistan as their next destination. With professional property management, long lease tenure, extensive marketing activities and renowned tenants, we remain confident that Dolmen City will remain the destination of choice for the visitors, retail operators and corporations alike. This was also confirmed by the DCR Rating reaffirmation AAA (rr) (highest investment quality and highest degree of stability in NAV) by VIS Credit Rating Agency in 2019.

### Outlook

Dolmen City REIT is operating above its projected financial trajectory and has remained successful in maintaining occupancy levels and posting rental growth. Consistently healthy footfall and tenants' contentment with the mall is the testimony of operational success for DCR. Going forward, rental escalations would be the prime revenue driver as the mall is nearing maximum occupancy. However upcoming office supplies in next one or two year may put pressure in rental growth for office space but in case of Dolmen Mall the Scheme should be able to derive double digit growth year on year basis.

Vigilance at all levels by Trustee, RMC, Shariah Advisor, Internal / External Auditors and the SECP ensures compliance to the REIT Regulations and other applicable laws and standards is adhered. These factors continue to provide DCR's Unit Holders with a rewarding investing experience.

### 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  
January 20, 2020



**Nasim Beg**  
Chairman

**Head Office**

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Fax: (92-21) 34326021 - 23  
URL: [www.cdcpakistan.com](http://www.cdcpakistan.com)  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)



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

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

We Central Depository Company of Pakistan Limited, being the Trustee of Dolmen City REIT (the Fund) are of the opinion that Arif Habib Dolmen REIT Management Limited, being the Management Company of the Fund has materially complied with the Business Plan during the period ended December 31, 2019.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi: February 18, 2020



**ALHAMD SHARIAH ADVISORY SERVICES**

**(PVT) LIMITED**

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

نحمده ونصلي على رسوله الكريم

## **Bi-Annual Shariah Advisor's Report**

*For the period ended December 2019*

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 (The 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.

In the capacity of Shariah Advisor, we reviewed the transactions conducted under Dolmen City REIT. The main source of REIT income is the rentals that it receive from its valuable clients. In our opinion, the business affairs of Dolmen City REIT have been generally carried out in accordance with rules and regulations of Shariah, therefore we confirm that the income generated under this REIT is HALAL AND SHARIAH COMPLIANT.

We are thankful to the Directors and management of Arif Habib Dolmen REIT management company, 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 the this Project.

In the end; we would like to take this opportunity to express my wishes for further progress, development, and prosperity of Dolmen City REIT.

**MUFTI MUHAMMAD IBRAHIM ESSA**

*For and on behalf of*

Alhamd Shariah Advisory Services Private Limited

Shariah Advisor -Dolmen City REIT

Dated: 08<sup>th</sup> Jan, 2020



Address: Flat 503, 8<sup>th</sup> Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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# ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

نحمدہ و نصلی علی رسولہ الکریم

## ششماہی شریعہ ایڈوائزر رپورٹ

دسمبر ۲۰۱۹

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

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

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

ہم ان تمام معاملات کو شریعت کے مطابق رکھنے میں، عارف حبیب ڈولمین REIT مینجمنٹ کمپنی، ٹرسٹیز، پراپرٹی مینجیور اور دیگر اسٹیک ہولڈرز کی حمایت اور تعاون کا شکریہ ادا کرتے ہیں، ساتھ ہی ساتھ ان یونٹ ہولڈرز کا بھی خاص طور پر شکریہ ادا کرتے ہیں جنہوں نے اس REIT پر اعتماد کیا اور اس میں سرمایہ کاری کی۔

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

محمد ابراہیم عیسیٰ

مفتی محمد ابراہیم عیسیٰ

سی، ای، او، - ڈائریکٹر

الحمد شریعہ ایڈوائزر سروسز (پرائیویٹ) لمیٹڈ

۸، جنوری، ۲۰۲۰



Address: Flat 503, 8<sup>th</sup> Floor Ibrahim Residency, C.P & Berar Society, Karachi.

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE UNIT HOLDERS OF DOLMEN CITY REIT (THE SCHEME)

#### Report on review of interim financial statements

##### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dolmen City REIT** ("the Scheme") as at December 31, 2019, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in unit holders' fund and notes to the condensed interim financial statements (here-in-after referred to as the 'interim financial statements') for the six months period ended December 31, 2019. REIT Management Company is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2019.

##### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six months period ended December 31, 2019 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is *Nadeem Yousuf Adil*.

*Deloitte Yousuf Adil*  
Chartered Accountants

Place: Karachi  
Date: January 29, 2020





# CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019





# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	Unaudited 31 December 2019 (Rupees in '000)	Audited 30 June 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Total non-current assets - Investment property	6	47,372,138	44,954,466
<b>Current assets</b>			
Rent receivables	7	169,339	150,171
Short term deposits, prepayments and other assets	8	287,805	285,127
Profit accrued		18,396	13,091
Bank balances	9	1,684,890	1,619,355
Total current assets		2,160,430	2,067,744
<b>Total assets</b>		<b>49,532,568</b>	<b>47,022,210</b>
<b>REPRESENTED BY:</b>			
<b>Unit holders' fund</b>			
Issued, subscribed and paid up (2,223,700,000 units of Rs. 10 each)		22,237,000	22,237,000
<b>Reserves</b>		<b>26,504,367</b>	<b>23,996,196</b>
<b>Total unit holder's fund</b>		<b>48,741,367</b>	<b>46,233,196</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Total non-current liabilities-Security deposits		137,624	200,469
<b>Current liabilities</b>			
Payable to REIT management company	10	28,163	77,499
Security deposits		205,931	135,299
Accrued expenses and other liabilities	11	404,404	360,359
Unclaimed dividend		15,079	15,388
Total current liabilities		653,577	588,545
<b>Total unit holder's fund and liabilities</b>		<b>49,532,568</b>	<b>47,022,210</b>

(Rupees)

<b>Net asset value per unit</b>	<b>21.92</b>	20.79
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## CONTINGENCIES AND COMMITMENTS

12

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Financial  
Officer

Chief Executive  
Officer

Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD AND QUARTER ENDED 31 DECEMBER 2019

	Note	Six months period ended		Quarter ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		(Rupees in '000)			
INCOME					
Rental income		1,698,410	1,613,208	851,019	814,444
Marketing income		97,343	86,783	55,044	44,621
Administrative and operating expenses	13	1,795,753 (242,430)	1,699,991 (227,154)	906,063 (125,060)	859,065 (122,073)
Net operating income		1,553,323	1,472,837	781,003	736,992
Other income - profit on deposits		110,727	56,912	56,378	32,526
		1,664,050	1,529,749	837,381	769,518
Management fee	10.1	(46,600)	(44,185)	(23,430)	(22,110)
Sindh sales tax on management fee	10.1	(6,058)	(5,744)	(3,046)	(2,874)
Trustee remuneration	11.1	(7,767)	(7,364)	(3,905)	(3,685)
Sindh sales tax on trustee remuneration	11.1	(1,010)	(957)	(508)	(479)
		(61,435)	(58,250)	(30,889)	(29,148)
Profit before change in fair value of Investment property		1,602,615	1,471,499	806,492	740,370
Unrealised gain due to change in fair value of investment property	6	2,417,672	2,871,907	2,417,672	2,871,907
Profit before taxation		4,020,287	4,343,406	3,224,164	3,612,277
Taxation	14	-	-	-	-
Profit after taxation for the period		4,020,287	4,343,406	3,224,164	3,612,277
(Rupees)					
Earnings per unit					
On distributable income		0.72	0.66	0.36	0.33
On undistributable unrealised fair value gains		1.09	1.29	1.09	1.29
Earnings per unit - Basic and diluted	16	1.81	1.95	1.45	1.62

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Financial  
Officer

Chief Executive  
Officer

Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

## FOR THE SIX MONTHS PERIOD AND QUARTER ENDED 31 DECEMBER 2019

	Six months period ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in '000)			
Profit after taxation for the period	4,020,287	4,343,406	3,224,164	3,612,277
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	4,020,287	4,343,406	3,224,164	3,612,277

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial  
Officer



Chief Executive  
Officer



Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	Six months period ended	
	31 December 2019	31 December 2018
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,020,287	4,343,406
Adjustments for:		
Unrealised gain due to change in fair value of investment property	(2,417,672)	(2,871,907)
Profit on deposits	(110,727)	(56,912)
	1,491,888	1,414,587
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
- Rent receivables	(19,168)	18,365
- Short term deposits, prepayments and other assets	(1,592)	(16,647)
<b>Increase / (decrease) in current liabilities</b>		
- Payable to the REIT management company	1,003	(105)
- Security deposits received- net	7,787	17,461
- Accrued expenses and other liabilities	44,045	1,988
Cash generated from operations	1,523,963	1,435,649
Taxes paid (withheld at source)	(1,086)	(2,723)
Formation costs paid	(50,339)	(54,916)
<b>Net cash generated from operations</b>	1,472,538	1,378,010
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash generated from investing activities - Profit on deposits received	105,422	54,310
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash used in financing activities - Dividend paid	(1,512,425)	(1,400,940)
<b>Net increase in cash and cash equivalents during the period</b>	65,535	31,380
<b>Cash and cash equivalents at beginning of the period</b>	1,619,355	1,479,790
<b>Cash and cash equivalents at end of the period</b>	1,684,890	1,511,170

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Chief Financial  
Officer



Chief Executive  
Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN UNIT HOLDERS' FUND (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	Units	Reserves			Total reserves	Unit holders' fund
		Capital reserves		Revenue reserve		
		Premium on issue of units - net	Fair Value Reserve (note 16.1.1)	Unappropriated profit		
(Rupees in '000)						
Balance as at 30 June 2018 (audited)	22,237,000	281,346	18,882,132	831,703	19,995,181	42,232,181
Transactions with owners						
Cash dividend for the year ended 30 June 2018 (Rs. 0.30 per unit)	-	-	-	(667,110)	(667,110)	(667,110)
Cash dividend for the quarter ended 30 September 2018 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
	-	-	-	(1,400,931)	(1,400,931)	(1,400,931)
Total comprehensive income for the six months period	-	-	2,871,907	1,471,499	4,343,406	4,343,406
Balance as at 31 December 2018	22,237,000	281,346	21,754,039	902,271	22,937,656	45,174,656
Balance as at 30 June 2019 (audited)	22,237,000	281,346	22,717,466	997,384	23,996,196	46,233,196
Transactions with owners						
Cash dividend for the year ended 30 June 2019 (Rs. 0.33 per unit)	-	-	-	(733,821)	(733,821)	(733,821)
Cash dividend for the quarter ended 30 September 2019 (Rs. 0.35 per unit)	-	-	-	(778,295)	(778,295)	(778,295)
	-	-	-	(1,512,116)	(1,512,116)	(1,512,116)
Total comprehensive income for the six months period	-	-	2,417,672	1,602,615	4,020,287	4,020,287
Balance as at 31 December 2019	22,237,000	281,346	25,135,138	1,087,883	26,504,367	48,741,367

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.

Chief Financial  
Officer

Chief Executive  
Officer

Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

### 1 STATUS AND NATURE OF BUSINESS

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

The Trust Deed of the Scheme was registered on 20 January 2015 whereas approval of the registration of the REIT Scheme has been granted by the SECP on May 29, 2015. The Scheme is a Perpetual, Closed-end, Shariah Compliant, Rental REIT. The Scheme is listed on Pakistan Stock Exchange. The Scheme is rated AAA(rr) by VIS Credit Rating Company Limited. The registered office of the REIT Management Company is situated at Arif Habib Center, 23 M.T. Khan Road, Karachi. All of the activities undertaken by the Scheme during the period ended 31 December 2019 including but not limited to deposits and placements with banks, rental and marketing income earned were all in accordance with principals of Shariah.

- 1.2** The Scheme is the subsidiary of International Complex Projects Limited (ICPL). As at 31 December 2019, ICPL directly holds 75 percent units of the Scheme. The Scheme started its commercial activities on 01 June 2015.

### 2 BASIS OF PREPARATION

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

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

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

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS-34. These condensed interim financial statements do not include all the information and disclosures which are required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Scheme for the year ended 30 June 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last financial statements of the Scheme.

These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the external auditors in accordance with the requirements of the section 237 of Companies Act, 2017.

The comparatives in the condensed interim statement of financial position as at 31 December 2019

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

have been extracted from the audited financial statements of the Scheme for the year ended 30 June 2019, whereas, the comparatives in the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in unit holders' fund and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements of the Scheme for the six months period ended 31 December 2018.

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

### 2.2 Basis of measurement

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

### 2.3 Functional and presentation currency

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2019 except for certain accounting and reporting standards which became effective for current accounting period.

In addition to this certain amendments to existing accounting and reporting standards and interpretations also became effective for the current accounting period however the new accounting and reporting standards or amendments to existing accounting and reporting standards or interpretations are either not relevant or do not have any significant impact on this condensed interim financial statements.

### 3.1 New standards, interpretations and amendments to published accounting and reporting standards that are effective for the year ending 30 June 2020

The following standards, amendments and interpretations are effective for the year ending 30 June 2020. These standards, interpretations and the amendments are either not relevant to the Scheme's operations or are not expected to have significant impact on the Scheme's condensed interim financial statements other than certain additional disclosures, except as otherwise stated.



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

Effective date (accounting period  
beginning on or after)

### Standards, Interpretations or Amendments

- IFRS 16 'Leases' - This standard superseded IAS 17, IFRIC 4, SIC-15, SIC-27 upon its effective date (refer 3.1.1 for impact assessment)	01 January 2019
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' Long-term interests in Associates and Joint Ventures	01 January 2019
- Amendments to IAS 19 'Employee Benefits'. Plan amendment,	01 January 2019
- IFRIC 23 'Uncertainty over Income Tax Treatments'. Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	01 January 2019

The Scheme's management is yet to assess the impact of these amendments on the Scheme's financial statements, unless specifically stated.

Consequently, the following changes in accounting policies have taken place effective from 01 July 2019

### 3.1.1 Impact assessment of IFRS 16 Leases

In January 2016, the IASB published the new standard for lease accounting, IFRS 16 Leases, which replaces the existing rules contained in IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard is to be applied for annual periods beginning on or after 01 January 2019.

IFRS 16 does not change substantially how a lessor accounts for leases. As in the previous standard, IAS 17, lessors still have to differentiate between finance and operating leases, under IFRS 16, a lessor continues to classify leases as either finance lease or operating leases and account for these two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risk arising from its residual interest in leased assets.

The application of IFRS 16 does not have a Significant impact on the financial position and / or financial performance of the Scheme.

## 4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with accounting and reporting 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.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

In preparing these condensed interim financial statements, the significant judgments made by RMC in applying the Scheme's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Scheme as at and for the year ended 30 June 2019.

### 5 RISK MANAGEMENT

The Scheme's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements as at and for the year ended 30 June 2019.

Note	Unaudited 31 December 2019 (Rupees in '000)	Audited 30 June 2019
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### 6 INVESTMENT PROPERTY

Carrying amount at beginning of the year		44,954,466	41,119,132
Add: Unrealised gain due to change in fair value of investment property		2,417,672	3,835,334
Carrying amount at end of the period / year	6.1	47,372,138	44,954,466

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

The investment property has been valued by MYK Associates (Private) Limited ('MYK' or 'the Valuer') as at 31 December 2019 and 30 June 2019. The Valuer used all prescribed approaches to value the investment property as per the clause 7 (a) of Schedule VI to the REIT Regulations, 2015. The valuation under different approaches are summarised below:

	31 December 2019 (Rupees in million)	30 June 2019
<b>Cost approach</b>	28,103	22,848
<b>Sales comparison approach</b>	66,476	62,131
<b>Income capitalization approach</b>		
(a) Valuer's assessment of rental income – using 7% capitalization rate	48,923	45,656
(b) On projected Net Operating Income (NOI) based on existing rental agreements and expected rent for the vacant area – using 7% capitalization rate	47,372	44,954

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

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

The forced sales value of the investment property is assessed to be Rs. 53,180.576 million (30 June 2019: Rs. 49,705.272 million).

The fair value measurement for the investment property has been categorised as Level 2 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 exiting leasing contracts)	+ 5%	2,803,338
- Present revenue (based on exiting leasing contracts)	- 5%	(2,803,338)
- Present operating costs (based on projected costs)	+ 5%	(434,731)
- Present operating costs (based on projected costs)	- 5%	434,731
- Capitalization rate	+ 1%	(5,921,517)
- Capitalization rate	- 1%	7,895,356
	Unaudited 31 December 2019	Audited 30 June 2019
	(Rupees in '000)	

### 7 RENT RECEIVABLES - UNSECURED

Rent receivables	201,972	182,804
Loss allowance	(32,633)	(32,633)
	<b>169,339</b>	<b>150,171</b>

### 8 SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER ASSETS

#### Unsecured - Considered good

Security deposit	959	959
Prepayments	17,055	15,463
Advance tax	269,791	268,705
	<b>287,805</b>	<b>285,127</b>

#### Considered doubtful - unsecured

	4,728	4,728
	<b>292,533</b>	<b>289,855</b>
Less: Provision for doubtful balances	(4,728)	(4,728)
	<b>287,805</b>	<b>285,127</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

	Note	Unaudited 31 December 2019 (Rupees in '000)	Audited 30 June 2019
<b>9</b>			
<b>BANK BALANCES</b>			
Term deposit receipts	9.1	1,450,000	1,299,182
Saving accounts	9.2	198,329	320,173
Current account		36,561	-
		<b>1,684,890</b>	<b>1,619,355</b>

**9.1** These represent term deposit receipts with Islamic banks and these carry expected profit rates ranging from 13.2% to 14% (30 June 2019: 12.5%) per annum with maturities of one month. These include security deposits received by the Scheme from tenants.

**9.2** This represents deposits held in riba free saving accounts carrying expected profit rates ranging from 5.99% to 13.1% (30 June 2019: 2.68% to 9.51%) per annum.

	Note	Unaudited 31 December 2019 (Rupees in '000)	Audited 30 June 2019
<b>10</b>			
<b>PAYABLE TO REIT MANAGEMENT COMPANY</b>			
Management fee payable		23,430	22,543
Sindh Sales Tax		4,733	4,617
	10.1	<b>28,163</b>	<b>27,160</b>
Current portion of formation costs		-	50,339
		<b>28,163</b>	<b>77,499</b>

**10.1** 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. The Sindh Government has levied Sindh Sales Tax on the remuneration of RMC through Sindh Sales Tax on Services Act 2011, effective from 01 July 2014. The current applicable rate is 13% being effective from 01 July 2016.

	Note	Unaudited 31 December 2019 (Rupees in '000)	Audited 30 June 2019
<b>11</b>			
<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Accrued expenses		117,246	119,066
Trustee remuneration	11.1	8,776	17,028
Provision for government levies		3,341	2,658
Monitoring fee payable to SECP		11,119	22,237
Payable to associated undertakings	11.2	31,592	27,396
Unearned rental income		171,478	109,719
Sales tax and withholding income tax		44,912	44,895
Federal Excise Duty	11.3	11,980	11,980
Shariah advisory fee		62	62
Other liabilities		3,898	5,318
		<b>404,404</b>	<b>360,359</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

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

	Unaudited 31 December 2019	Audited 30 June 2019
<b>11.2 Payable to Associated undertakings</b>	<b>(Rupees in '000)</b>	
- International Complex Projects Limited	1,819	1,819
- Dolmen Real Estate Management (Private) Limited - Property Manager	29,773	25,577
	<b>31,592</b>	<b>27,396</b>

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

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

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

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 December 2019.

## 13 ADMINISTRATIVE AND OPERATING EXPENSES

	Six months period ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	<b>(Rupees in '000)</b>			
SECP Monitoring fee	11,119	11,118	5,560	5,559
Property management fee	117,997	112,668	62,477	59,795
Ancillary income collection fee	17,510	17,628	9,647	8,311
Common area maintenance charges	9,201	6,937	4,826	2,895
Legal and professional charges	3,750	2,679	1,550	1,686
Utility expenses	728	726	523	606
Marketing expenses	34,690	39,161	20,619	24,170
Takaful fee	8,570	8,570	4,285	4,285
Property and advertisement taxes	9,127	9,203	4,560	4,676
Auditors' remuneration	1,291	1,265	691	665
Renovation expense	26,691	14,780	9,071	7,546
Shariah advisory fee	124	110	62	55
Others	1,632	2,309	1,189	1,824
	<b>242,430</b>	<b>227,154</b>	<b>125,060</b>	<b>122,073</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

### 14 TAXATION

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

The Board of Directors of the RMC intends to distribute more than ninety percent of the Scheme's accounting income for the year ending 30 June 2020 as reduced by capital gains (whether realised or unrealised) to its unit holders in the form of cash to avail the exemption. Accordingly, no tax provision has been made in the condensed interim financial statements for the six months period ended 31 December 2019.

### 15 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, MYK Associates (Private) Limited being valuer, International Complex Projects Limited being the Holding Company, Dolmen Real Estate Management (Private) Limited, being the property manager for rent collection, ancillary income collection and common area maintenance charges, connected person, associated companies, directors and key executives of the RMC and promoter of RMC.

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

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

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

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

#### 15.1 Transactions during the period:

	Unaudited Six months period ended 31 December 2019	Unaudited 31 December 2018
	(Rupees in '000)	
<b>International Complex Projects Limited - Holding Company</b>		
- Rental income	24,982	22,711
- Purchase of equipment for maintenance	-	944
- Payment against purchase of equipment for maintenance	1,194	824
<b>Dolmen Real Estate Management (Private) Limited - Property Manager</b>		
- Common area maintenance charges	9,201	6,937
- Expenses incurred on behalf of Scheme	1,253	742
- Reimbursement of expenses incurred on behalf of Scheme	818	429
- Marketing Income	742	-
<b>Associate due to common directorship:</b>		
<b>Retail Avenue (Private) Limited</b>		
- Rental income	4,818	4,374
<b>Sindbad Wonderland (Private) Limited</b>		
- Rental income	35,564	26,522
<b>MCB - Arif Habib Savings and Investment Limited</b>		
- Marketing income	-	356
- Advisory fee	107	-

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

Unaudited  
31 December  
2019  
(Rupees in '000)

Audited  
30 June  
2019

### 15.2 Amounts outstanding as at period end

#### International Complex Projects Limited - Holding Company

- Rent receivable	171	171
- Net payable in respect of purchase consideration of investment property	1,819	1,819
- Payable against purchase of equipment for maintenance	1,285	2,479

#### Dolmen Real Estate Management (Private) Limited - Property Manager

- Common area maintenance charges	5,801	3,632
- Expenses payable incurred on behalf of Scheme	1,646	1,211
- Marketing Income Receivable	742	-

#### Associate due to common directorship :

##### Retail Avenue (Private) Limited

- Rent receivable	66	66
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##### Sindbad Wonderland (Private) Limited

- Rent receivable	466	466
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##### MCB - Arif Habib Savings and Investment Limited -

- Advisory fee payable	107	-
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### 16 EARNINGS PER UNIT - BASIC AND DILUTED

Note	Six months period ended		Quarter ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Rupees in '000)			
Profit after taxation	4,020,287	4,343,406	3,224,164	3,612,277
	----- (Number of Units) -----			
Weighted average number of ordinary units outstanding during the period	2,223,700,000	2,223,700,000	2,223,700,000	2,223,700,000
	----- (Rupees) -----			
Earnings per unit - Basic and diluted	16.1 1.81	1.95	1.45	1.62



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

## FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

### 16.1 Earnings per unit comprises as follows:

Distributable income		0.72	0.66	0.36	0.33
Undistributable unrealised fair value gains	16.1.1	1.09	1.29	1.09	1.29
		<b>1.81</b>	1.95	<b>1.45</b>	1.62

**16.1.1** Under the provisions of Trust Deed, the amount available for distribution shall be total of income and realised gain net off expenses. Accordingly, unrealised fair value gain is not distributable.

**16.1.2** There is no impact of dilution on earnings per share as the Scheme did not have any convertible instruments in issue as at 31 December 2019 and 31 December 2018 which would have had any effect on the earnings per share if the option to convert had been exercised.

### 17 FAIR VALUES

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

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

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

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

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

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

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

The board of directors of the RMC in their meeting held on on 20 January 2020 have declared and approved an interim cash dividend for the six months period ended 31 December 2019 of Re. 0.35 per unit amounting to Rs. 778.295 million. This condensed interim financial statements do not include the effect of above announcement which will be accounted for in the period in which it is approved.

### 19 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements was authorised for issue by the Board of Directors of the RMC on 20 January 2020.



Chief Financial  
Officer



Chief Executive  
Officer



Director



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