

Information Memorandum

Globe Residency REIT

A Developmental REIT Scheme

Managed by:

Arif Habib Dolmen REIT Management Limited



ARIF HABIB DOLMEN
REIT MANAGEMENT LIMITED

Under Trusteeship of:

Central Depository Company of Pakistan Limited



December 2021

DISCLAIMER

The information and indicative projections shared in this Information Memorandum are based on REIT Management Company's present knowledge and information supplied by the sponsors with respect to the business plan, economic data, source markets, and the status of the competitive market environment.

Private Investors are required to undertake that they have examined the Constitutive Documents along with Information Memorandum carefully and understand that investment in this REIT Scheme (i.e. Globe Residency REIT 'GRR') may involve risks which they are willing to take; and therefore Arif Habib Dolmen REIT Management Limited disclaims any liability for any loss arising from or in reliance upon this document to anyone.

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All investors are strongly urged to take financial advice from a qualified Advisor prior to making the investment decision and thoroughly read and understand the contents of the documents to make an independent decision to invest in REIT Scheme.

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DEFINITIONS

Approvals and NOCs	means all requisite approvals / no objection certifications from authorities concerned for acquiring the Real Estate (as applicable)
Business Day	means a day on which scheduled banks are open for normal banking business in Pakistan
Business Plan	means the business plan prepared by the RMC for the REIT Project as specified in the REIT Regulations, as set forth in Annexure B hereof and as may be amended from time to time
Commission	means the Securities and Exchange Commission of Pakistan
Companies Act	means Companies Act, 2017
Customer Advances	has the meaning given to the term in the REIT Regulations
Declaration	means the declaration to the RMC to be signed by each Eligible Private Investor interested in subscribing to the Units, that it completely understands all the risks of investment in a REIT Scheme, in the form set forth in Annexure A hereof
Deed of Adherence	means the deed as may be prescribed by the RMC which shall be executed by each transferee of the Units
Developmental REIT Scheme	has the meaning given to the term in the REIT Regulations
End-Product	has the meaning given to the term in the Fact Sheet below
Financial Close	means the stage when all investment and financing arrangements have been made and funds have been received by the Trustee in the bank account, as per the Business Plan
Fund/Closed-end Scheme/Trust/REIT Scheme/GRR	Globe Residency REIT, a Developmental REIT Scheme, constituted pursuant to the Trust Deed, as a closed end scheme, the Units of which are to be traded at PSX
NBFC Rules	Means Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003
Net Assets	means difference between the value of assets and liabilities of a REIT Scheme as given in the balance sheet at any given date
Offering Document	is defined in the REIT Regulations
Offer Period	is described in the Fact Sheet below
Private Investor	means an Eligible Private Investor who/which has subscribed to the Units of the REIT Scheme
PSX	Pakistan Stock Exchange Limited
Register	means the Register of the Unit Holders kept pursuant to the REIT Regulations.
Real Estate	means the real estate identified in the Fact Sheet and details of which are provided in Section 2 below
Real Estate Owners	means the current owners of the subject real estate (prior to the launch of the REIT), i.e., Javedan Corporation Limited (JCL)
REIT	means Real Estate Investment Trust registered under the REIT Regulations
REIT Assets	means Real Estate (to be acquired) and other assets, moveable or immovable, of the REIT Scheme acquired in the name of Trustee
REIT Fund	is defined in the REIT Regulations
REIT Project	Construction of acquired Real Estate into Flats/Apartments 'End-Product'; for generating income for Unit Holders, through sale of End Product to the Customers and disposal of all other REIT Assets.

REIT Regulations	means the Real Estate Investment Trust Regulations, 2015 issued by the Commission
RMC	is identified in the Fact Sheet below
Special Resolution	means a resolution which has been passed by a majority of not less than three-fourth of such Unit Holders entitled to vote as are present in person or by proxy or by post at a general meeting
Sponsors	means the sponsors of the RMC, details of whom/which have been provided in Section 1 below
Strategic Investor	has the meaning given to the term under the REIT Regulations
Trust Deed	means the Trust Deed executed between the Trustee and the RMC dated _____ 2021 and registered as a Specialized Trust under the Sindh Trusts Act 2020, as amended by the Sindh Trusts (Amendment) Act 2021, vide [will insert description of registration document]
Unit Subscription Agreement	means the agreement to be executed between the RMC and any Eligible Private Investor with respect to subscription of Units
Units	shall mean the units of the REIT Scheme
Unit Holders	means the person who is the legal owner of one or more Units and whose name appears in the Register
Valuation Report	means the Valuation Report as set forth in Annexure C

FACT SHEET OF THE REIT SCHEME

Name	Globe Residency REIT ‘GRR’
Nature	Limited Life (indicatively 5 years), Rated, Privately Placed (to be subsequently Listed), closed-end, Developmental REIT Scheme
RMC	Arif Habib Dolmen REIT Management Limited
Trustee	The Central Depository Company of Pakistan Limited
Purpose	The REIT Scheme is being established for acquisition of ‘Globe Residency Apartments’ project comprising of real estate land parcels (FL 3, 4, 5, 7 and 8) admeasuring 40,500 square yards in Naya Nazimabad, Karachi, with the objective of construction of the acquired Real Estate into Flats/Apartments (referred as ‘End Product’) by the RMC; for generating income for Unit Holders, through sale of the End Product to the Customers and disposal of all other REIT Assets
REIT Project Location	<p>The ‘Globe Residency Apartments’ or the REIT Project site is situated inside Karachi’s largest gated, master planned, residential housing project, Naya Nazimabad (‘NN’).</p> <p>The REIT Project site inside NN is perfectly situated at the cusp of two famous roundabouts ‘Globe Chowrangi’ and ‘Ghora Chowrangi’ and overseas the majestic grand mosque of Naya Nazimabad.</p>
REIT Fund Size	PKR 2.8 Billion/-
Units of the Fund	<p>Par value of each Unit shall be PKR 10/- each.</p> <p>The Units shall be issued against cash except those issued in lieu of Real Estate.</p> <p>The Unit Holder(s) will not be liable to make any payment after such Unit Holder has paid the consideration against price of the Unit(s) and no further liability can be imposed on any Unit Holder(s) in respect of Unit(s), which he holds; provided in case of subscription of rights Units offered by the RMC, if any, the Unit Holder(s) shall pay for the subscription price of the rights Units.</p> <p>All Unit(s) represent an undivided share in the REIT Assets and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions, and each Unit Holder has a beneficial interest in the REIT Fund proportionate to the Unit(s) held by such Unit Holder(s).</p>
Eligible Private Investors	Reputable corporations / private Investors, excluding charitable trust, societies and not-for-profit organizations, which/who alone offers a minimum of twenty million rupees (PKR 20,000,000/-) for investment in REIT Scheme and furnishes the Declaration to the RMC

Minimum Investment Amount	PKR 20,000,000/-
Subscription Procedure	<p>An Eligible Private Investor may, during the Offer Period, agree to subscribe to the Units by delivering the following documents to us at the address shown in the Subscription Agreement:</p> <ul style="list-style-type: none"> • completed and executed Subscription Agreement; • a signed Declaration; and • where the Eligible Private Investor is also a strategic investor, a signed undertaking (in a form acceptable to the RMC) to hold certain Units as strategic investment in accordance with the REIT Regulations. <p>Eligible Private Investor shall also be required to provide such information, documents and sign such additional forms as may be necessary to comply with applicable laws.</p> <p>Units shall be issued in accordance with applicable laws.</p>
Offer Period	Offer Period will commence on the circulation of this Information Memorandum to the Eligible Private investors and conclude [1] year from the date of registration of the REIT Scheme with the Commission
Issue Price	PKR 10/- per Unit
Permitted Borrowing	The REIT Scheme may borrow in compliance with REIT Regulations and as per the Borrowing Policy stated in this Information Memorandum and Business Plan.
Permitted Investments	The REIT Scheme will primarily invest in real estate project with the objective of development, construction and sale; however during the REIT life, the REIT Scheme will place any surplus funds with AA rated Banks, other Financial Institutions and money market funds or investment in other avenues in accordance with and as allowed under the REIT Regulations.
Development Advisor	<p>A Consortium of entities (which are duly registered and licensed with their respective professional body/association/councils) comprising of the following:</p> <ol style="list-style-type: none"> a) Arch Vision to undertake the Architectural Design and Planning, Costing and Scheduling. Under Arch Vision there will be engineering service providers and consultants to perform relevant design activities including Civil, Electrical, Plumbing etc., including consultants to assist in procuring requisite approvals from pertinent authorities; and b) Arif Habib Real Estate Services (Pvt) Limited to undertake Project Management which includes material procurement, sales and marketing, collection, contract preparation, coordination and supervision of the Project (together, referred as the 'Development Advisor')

Valuers	<p>Preliminary Valuation by two Valuers:</p> <ol style="list-style-type: none"> 1) Tristar International Consultants Private Limited; and 2) MYK Associates Private Limited <p>REIT Valuer: TBD (will be engaged for 3 years term to value property every 6 months as per REIT Regulations)</p>											
Preliminary Valuation	<p>Preliminary property valuation is conducted as per the requirements of REIT Regulations. Assessed values of project land: circa 40,500 square yard are:</p> <table border="1" data-bbox="646 531 1513 768"> <thead> <tr> <th>Valuer</th> <th>Cost Approach</th> <th>Sales Comparison Approach</th> </tr> </thead> <tbody> <tr> <td>Tristar International Consultants</td> <td>N/A</td> <td>PKR 3,645,000,000/-</td> </tr> <tr> <td>MYK Associates</td> <td>N/A</td> <td>PKR 3,543,750,000/-</td> </tr> </tbody> </table>			Valuer	Cost Approach	Sales Comparison Approach	Tristar International Consultants	N/A	PKR 3,645,000,000/-	MYK Associates	N/A	PKR 3,543,750,000/-
Valuer	Cost Approach	Sales Comparison Approach										
Tristar International Consultants	N/A	PKR 3,645,000,000/-										
MYK Associates	N/A	PKR 3,543,750,000/-										
Legal Counsel	Ahmed & Qazi Advocates and Legal Consultants											
Auditor	To Be Finalized											
Unit Registrar	CDC Share Registrar Services Private Limited											
Rating Agency	VIS Credit Rating Company Limited 'VIS'											
Expected Listing Date	Within three (3) years from the date of Financial Close											
Anticipated Return	The REIT Scheme anticipates to generate healthy return for the Unit Holders. Project yields an indicative pre-tax Internal Rate of Return (IRR) of circa 35%.											

SECTION 1.

Details of the RMC

1 Details of the RMC:

1.1 General

RMC was incorporated in Pakistan as a public limited company (un-quoted) on April 08, 2009 under the repealed Companies Ordinance, 1984 (now Companies Act). The Company is a REIT Management Company, registered under the NBFC Rules with the Commission. 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 principal business of the RMC is to launch REIT Schemes and provide REIT management services in accordance with the REIT Regulations. As on June 30, 2021 the RMC has been rated AM2+ (RMC) by VIS Credit Rating Company Limited.

The combined experience of its management and leadership from the Sponsors and Board enables the RMC to carry out efficient REIT management operations. The RMC aspires to develop the REIT industry in Pakistan with multiple projects in the pipeline.

1.2 Sponsors

Arif Habib Group

The Arif Habib Group is one of the major conglomerates in Pakistan. This has been made possible by a proven record of strong ability in identifying and developing successful business ventures and generating phenomenal returns despite subdued economic development. The Arif Habib Group manages assets in excess of PRs. 37 billion (US\$ 617 million).

The Arif Habib Group holds interests in the securities brokerage, investment and financial advisory, private equity, investment management, fertilizer manufacturing, cement, steel, real estate, dairy and energy.

Dolmen Group

The Dolmen Group is one of Pakistan's leading real-estate companies, primarily engaged in the development, construction and management of prime commercial real-estate. Since its inception in 1984, Dolmen Group has been the pre-eminent developer of quality real estate in the country, continually setting new standards of excellence while expanding its portfolio and pushing the implementation of architectural distinction and transcendental luxury experiences with every new project. The Dolmen Group currently owns and manages the largest portfolio of shopping malls in the country.

Dolmen Group has redefined the Pakistani shopping experience. With the creation of major shopping malls across Karachi that attract a multitude of local and international retail brands and eateries, the Dolmen Group has pioneered organized retail in the country. By establishing secure, superior spaces that merge the best in retail and entertainment, Dolmen Group's work goes beyond simply reshaping Karachi's shopping culture.

Pattern of Shareholding

The RMC is jointly held in the ratio of 50%:50% by the Arif Habib Group and the Dolmen Group.

The joint ownership provides the RMC with financial and operational synergies to carry out effective REIT management services.

1.3 Name of Directors and their profile

Mr. Nasim Baig (Chairman)

Mr. Nasim Beg is the Chief Executive Officer of Arif Habib Consultancy (Pvt.) Limited, along with being the Vice Chairman of MCB-Arif Habib Savings & Investments Limited, an asset management company that was conceived and set up by him and which he headed as Chief Executive Officer till June 2011.

He qualified as a chartered accountant in 1970 and over the decades has had experience in the business world, including manufacturing, as well as in financial services, within and outside the country. Before joining the Arif Habib Group, Mr. Beg served as the Deputy Chief Executive of the National Investment Trust, which he joined during its troubled period and played an instrumental role in its modernization and turn around. He also served as the acting chief executive officer of NIT for a few months. He has also been associated at top-level positions with other asset management and investment advisory companies. Mr. Beg has also held senior level responsibilities in the automobile industry. During his tenure as the chief executive officer of Allied Precision (a subsidiary of the Allied Engineering Group), he set up a green field project for the manufacture of sophisticated indigenous components for the automotive industry under transfer of technology licenses with Japanese and European manufacturers. His initiation to the financial services business was with the Abu Dubai Investment Company, UAE, where he was a part of the team that set up the company in 1977. He was the founding chairman of the Institute of Financial Markets of Pakistan, which was sponsored by the Commission. He has served on several committees set up by the Commission for developing the capital markets, including the one that authored the voluntary pension system. He has also held the chairmanship of the Mutual Funds Association of Pakistan. In addition, he has also been a member of the Prime Minister's Economic Advisory Council.

Mr. Nadeem Riaz (Non-Executive Director)

Mr. Nadeem Riaz has experience of over 31 years in the real estate market developing and managing renowned and award winning residential, commercial and retail projects. He is a pioneer in developing international standard shopping malls in Pakistan transforming the dynamics of the retail industry.

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

Mr. Naeem Ilyas (Independent Director)

Mr. Naeem Ilyas has over 25 years of strategic cum operational level combined experience. He has served in senior positions across corporates including FMCG (Shield Corporation Ltd), Pharmaceuticals (PharmEvo Pvt Limited), Polymer Process Industry (Novatex Limited) & Building Design Consultancy (Fahim, Nanji & deSouza Engineering Co.).

Mr. Ilyas is a Pakistan Engineering Council registered professional electrical engineer having MBA, LLB, MA (Eco), PGD(NILAT) degrees/diplomas and has specialization in operations management from LUMS / McGill. He has been instrumental in bringing about organizational and cultural changes in the organizations

he has served. He is also serving as a board member in a leading NGO (HANDS) and has also served as Founder Chairman PQATI (BQATI), Vice Chairman LATI, Chairman EFP-NICC Forum, Managing Trustee of MPF Educational Trust and Secretary General of Memon Professional Forum. He during his academics received President Talent Farming Scholarship and IAESTE Student Exchange Trainings in Central Asian States. He has professional hands on experience and trainings in Canada, Japan, Germany, China and Middle East.

Ms. Tayyaba Rasheed (Independent Director)

Tayyaba Rasheed CFA, FRM is Head of Investment Banking Group at a large commercial bank. She is highly qualified with more than 17 years of diversified corporate and investment banking experience, a proven successful career in investment banking, corporate banking and corporate finance with profound skills in structured financing, infrastructure advisory, capital markets and Islamic finance. She is a well-known corporate and investment banker and is focused on delivering results across the board. She has got diversified experience and has an in depth understanding of various sectors of the economy. She has worked in senior position at CIBG NBP and Bank Alfalah where she started her career as Management Trainee Officer.

She holds an MBA degree from IBA and is a CFA, FRM charter holder. She holds JAIBP to her credit from Institute of Bankers Pakistan. She successfully completed NIBAF certification and underwent a thorough Islamic Finance training program. She has also completed the Directors Training Program and is a certified Independent Director.

Mr. Abdus Samad A. Habib (Non-Executive Director)

Starting off with a career at Arif Habib Corporation Limited; Samad built up his experience in sales, marketing and corporate activities working his way up through various executive positions. Joining Arif Habib Limited in 2004, he led the company as Chairman and Chief Executive playing a key role in the strategic direction of the company where he specialized in capital market operations and corporate finance building achieving a range of significant IPOs and private placements.

In 2011 he moved to Javedan Corporation Limited as a part of the driving force behind the transformation of the dilapidated cement plant to a living community. At Naya Nazimabad, Samad Habib has contributed to making a positive impact on society providing a quality lifestyle to the middle class of the city. His dedication and optimism is set to further transform the area with the largest commercial precinct development in the city presently under planning.

Mr. Faisal Nadeem (Non-Executive Director)

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

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

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

Mr. Sajidullah Sheikh (Non-Executive Director)

Mr. Sajidullah Sheikh is a Fellow member of Institute of Chartered Accountants of Pakistan. His association with Dolmen Group started spans over 9 years and is currently the Group CFO at the Dolmen Group. He started his career with KPMG Taseer Hadi and Co. later joining Avery Dennison Pakistan before associating with Dolmen Group.

Mr. Muhammad Ejaz (Chief Executive)

Muhammad Ejaz is the founding Chief Executive of Arif Habib Dolmen REIT Management Limited, which has successfully launched South Asia's first listed REIT fund. He has been associated with Arif Habib Group since August 2008 and sits on the board of several group companies. He has spear headed several group projects when these were at a critical stage during their execution.

Prior to joining Arif Habib Group, Ejaz has served at senior positions with both local and international banks. He was the Treasurer of Emirates NBD bank in Pakistan and served Faysal Bank Pakistan as Regional Head of Corporate Banking group. He also served Saudi-Pak bank (now Silkbank) as Head of Corporate and Investment Banking. He also had short stints at Engro Chemical and American Express bank. Mr. Ejaz did his graduation in Computer Science from FAST, ICS and did MBA in Banking and Finance from IBA, Karachi where he is a regular visiting faculty member. He has also conducted programs at NIBAF–SBP and IBP. He is a Certified Director and also a Certified Financial Risk Manager. He actively participates in the group's CSR initiatives especially those which render services in the fields of health and education with emphasis on female literacy.

1.4 Name along with details of Shareholders holding 10% or more shares in RMC

S. No	Name	Nationality	No. of Shares	Percentage holding
1	Muhammad Arif Habib	Pakistan	3,800,000	19%
2	Nadeem Riaz	Pakistan	5,000,000	25%
3	Abdus Samad A. Habib	Pakistan	6,199,994	30.99997%
4	Faisal Nadeem	Pakistan	5,000,000	25%

1.5 Financial Details of RMC

Below are extracts from latest audited financial statements of the RMC

RMC with a paid up capital of PKR 200 million has two major sources of income generation i.e. management income from the REIT scheme it has launched and Fee income from real estate advisory services.

Dolmen City REIT (a Shariah Compliant rental REIT scheme launched by RMC in 2015), has remained the backbone of RMC's income. RMC is entitled to 3% management fee on net operating income of Dolmen City REIT.

Dolmen City REIT's net operating income for the year ended June 30, 2021 amounted to PKR 2,664 million, entitling RMC to management fee amounting to PKR 79.931 million. Other sources of income for RMC include profits on bank deposits and dividend income on investments made.

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	2021	2020
	-----Rupees-----	
ASSETS		
Non-current assets		
Property and equipment	1,403,001	396,148
Right-of-use asset	3,637,095	6,061,826
Intangible asset	6,477	9,667
Long term advances and deposits	3,665,000	3,328,600
Long term loans to employees	14,000	16,000
/Deferred tax asset – net	288,863	-
	9,014,436	9,812,241
Current assets		
Mark-up accrued on bank deposits	887,309	451
REIT management fee receivable	23,425,612	6,652,900
Current portion of long term loan to employees and advances	8,189,535	7,557,835
Prepayments and other receivables	8,050,728	7,524,091
Advance for purchase of units	600,000,000	-
Taxation-net	940,969	1,433,618
Short term investment	614	84,289,214
Cash and bank balances	30,493,213	114,601,173
	671,987,980	222,059,282
Total assets	681,002,416	231,871,523
EQUITY AND LIABILITIES		
Share capital and reserves		
<i>Authorized capital</i>	500,000,000	500,000,000
Issued, subscribed and paid-up capital	200,000,000	200,000,000
<i>Revenue reserves</i>		
Accumulated profit / (losses)	24,430,432	18,899,530
	224,430,432	218,899,530
LIABILITIES		
Non-current liabilities		
Deferred tax liability - net	-	1,391,174
Long term loan	400,000,000	-
Lease liability	1,776,217	4,512,270
	401,776,217	5,903,444
Current liabilities		
Accrued expenses and other payables	51,491,201	4,703,495
Current maturity of lease liability	3,009,573	2,100,542
Taxation-net	294,993	264,512
	54,795,767	7,068,549

Total equity and liabilities	681,002,416	231,871,523
ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED		
STATEMENT OF PROFIT OR LOSS		
FOR THE YEAR ENDED JUNE 30, 2021		
	2021	2020
	-----Rupees-----	
Operating revenue - net	85,493,047	77,054,010
(Loss) on sale / gain on re-measurement of short term investment	(1,083,600)	6,281,050
Administrative expenses	(83,907,426)	(64,615,937)
Finance cost	(1,061,669)	(1,153,923)
Loss on Disposal of Property and Equipment	(13,496)	-
Other income	16,341,893	20,175,455
Profit before taxation	15,768,747	37,740,655
Taxation	(10,237,845)	(13,231,554)
Profit after taxation	5,530,902	24,509,101
Earnings per share - basic and diluted	0.28	1.23

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	-----Rupees-----	
Profit after taxation	5,530,902	24,509,101
Other comprehensive loss		
Total comprehensive income for the year	5,530,902	24,509,101

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,768,747	37,740,655
Adjustment for:		
Depreciation on property and equipment	282,630	161,998
Depreciation on right-of-use assets	2,424,731	2,424,731
Amortization of intangible assets	3,190	4,764
Finance Cost	1,061,669	1,153,923
Dividend income	(8,591,400)	(10,681,200)
Loss / (gain) on re-measurement of short term investments	1,083,600	(6,281,050)
Loss on disposal of equipment	13,496	-
Mark-up on bank deposits	(7,750,493)	(9,494,255)
	(11,472,575)	(22,711,089)
Cash generated from operating activities before working capital changes	4,269,172	15,029,566
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
REIT management fee receivable	(16,772,712)	18,820,603
Current portion of long term loans to employees and advances	(631,700)	2,874,753
Prepayments and other receivables	(526,637)	(1,051,414)
Advance for purchase of units	(600,000,000)	-
Short term investment	-	(59,294,750)
	(617,931,049)	(38,650,808)
<i>Increase / (decrease) in current liabilities</i>		
Accrued expenses and other payables	46,787,706	(18,897,871)
Cash used in operations	(566,847,171)	(42,519,113)
Finance Cost paid	(1,031,188)	(1,153,923)
Taxes paid	(11,425,233)	(14,601,997)
Net cash used in operating activities	(579,303,592)	(58,275,033)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,302,979)	(97,146)
Long term advances (made) / recovered	(336,400)	(695,800)
Long term loan to employees recovered / (disbursed)	2,000	3,000
Dividend received	8,591,400	10,681,200
Proceed from Disposal of Investment	83,205,000	-
Formation cost received from scheme	-	50,339,537
Markup received	6,863,633	10,656,564
Net cash generated from investing activities	97,022,654	70,887,355
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(1,827,022)	(1,873,745)
Proceeds from long term loan	400,000,000	-
Net cash generated from / (used in) financing activities	398,172,978	(1,873,745)
Net (decrease) / increase in cash and cash equivalents	(84,107,960)	10,738,577
Cash and cash equivalents at beginning of the year	114,601,173	103,862,596
Cash and cash equivalents at end of the year	30,493,213	114,601,173

ARIF HABIB DOLMEN REIT MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Capital Surplus on re- measurement of investments	Reserves	Revenue	Sub total	Shareholder's equity
				Accumulated (loss)/ profit		
				Rupees		

Balance as at June 30, 2019	200,000,000	-		(5,609,571)	(5,609,571)	194,390,429
Total comprehensive income for the year						
Profit for the year	-	-		24,509,102	24,509,102	24,509,102
Other comprehensive loss	-	-		-	-	-
	-	-		24,509,101	24,509,101	24,509,101
Balance as at June 30, 2020	200,000,000	-		18,899,530	18,899,530	218,899,530
Total comprehensive income for the year						
Profit for the year	-	-		5,530,902	5,530,902	5,530,902
Other comprehensive income	-	-		-	-	-
	-	-		5,530,902	5,530,902	5,530,902
Balance as at June 30, 2021	200,000,000	-		24,430,432	24,430,432	224,430,432

1.6 Details regarding related parties; and

Below is the list of related parties in accordance with REIT Regulations and Companies Act section 208 in addition to Directors/Key management personnel and their relatives:

S.No	Name
1	Arif Habib Corporation Limited
2	Aisha Steel Mills Ltd
3	Arif Habib Consultancy (Pvt.) Ltd
4	MCB-Arif Habib Savings & Investment Ltd
5	Pakarab Fertilizer Ltd
6	Pakistan Opportunities Ltd
7	Power Cement Ltd
8	DHA Cogen Limited
9	Unity Foods Limited
10	International Complex Projects Ltd
11	Al Feroz (Pvt.) Ltd
12	Dolmen (Pvt.) Ltd
13	Retail Avenue (Pvt.) Ltd
14	Sindbad Wonderland (Pvt.) Ltd
15	Dolmen Real Estate Management (Pvt) Ltd
16	Grove (Pvt.) Ltd
17	DHA Dolmen Lahore (Pvt) Limited
18	SWSA (Pvt.) Ltd
19	GMG Travels (Private) Ltd
20	GMG Holidays and Tours (Pvt) Ltd
21	Javedan Corporation Ltd
22	Safemix Concrete Ltd
23	Arif Habib Equity (Pvt.) Ltd
24	Arif Habib Foundation
25	Arif Habib Real Estate Services (Pvt) Ltd
26	Black Gold Power Ltd
27	Nooriabad Spinning Mills (Pvt) Ltd
28	REMMCO Builders & Developers Ltd
29	Rotocast Engineering Company (Pvt) Ltd
30	Sukh Chayn Gardens (Pvt.) Ltd
31	Easy Health Tech Int'l Private Limited
32	Magna Engineering Private Limited
33	Essa Textile & Commodities (Pvt.) Ltd
34	Parkview Corporation (Pvt.) Ltd
35	Sweetwater Diaries Pakistan (Pvt) Ltd
36	AH Aviation (Pvt.) Ltd
37	Sachal Energy Development (Pvt) Limited
38	Chanda Oil and Gas Securitization Company Limited
39	Fahim,Nanji & Desouza (Pvt.) Ltd
*40	Parents Pakistan (SMC-PVT) Ltd

1.7 **Name and address of the auditor**

Auditor: Rehman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants (A member of Russell Bedford International)

Address: Plot No. 180-A, S.M.C.H.S., Karachi 74400, Karachi Sindh, Pakistan

SECTION 2.

Details of Real Estate

2 Details of Real Estate:

2.1 Complete Real Estate Details – Location, Area, Dimensions

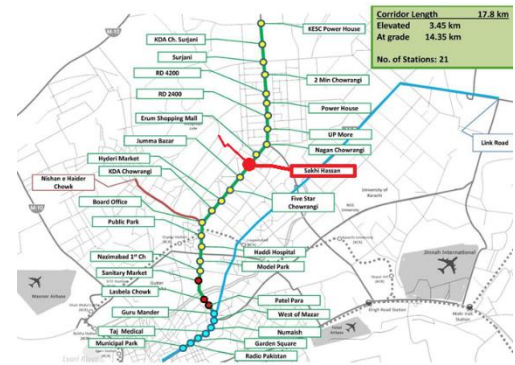
REIT Project Location:

The 'Globe Residency Apartments' or the REIT Project site is situated inside Karachi's largest gated, master planned, residential housing project, Naya Nazimabad ('NN') which was launched by Javedan Corporation Limited ('JCL') in the year 2011. It now houses around 1,000 families and has over 1,200 constructed houses along with circa 400 under construction. NN is a self-contained city, conceptualized and developed with the vision of providing a peaceful community atmosphere, containing provision for all necessary amenities for today's living, within walking distance for its residents.

Located on Manghopir Road in the northern part of Karachi, Deh Manghopir; NN is accessible from Qalandria Chawk via Sakhi Hasan and North Nazimabad. It is just 2 km from Sakhi Hasan; 5 km from Hyderi Market and Water Pump and 8 km from NIPA Chowrangi.

The site is also adequately served by public transport. The Bus Rapid Transit 'BRT' Green-line, which is a 17.8 km busway in Karachi, is almost at the completion of its construction and will have 21 stations. It is expected to be functional by next year.

The REIT Project site inside NN is perfectly situated at the cusp of two famous roundabouts 'Globe Chowrangi' and 'Ghora Chowrangi' and oversees the majestic grand mosque of Naya Nazimabad.



GOOGLE IMAGE

NN Location



KARACHI MAP

NN Location



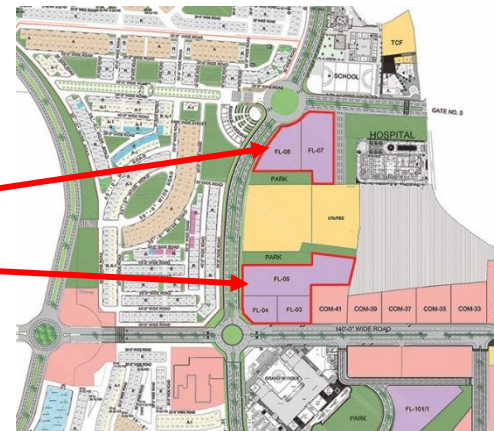
NAYA NAZIMABAD

Master Plan



GLOBE RESIDENCY

Site Location



Real Estate Parcels:

Spanning over circa **40,500 square yards**, the REIT Project is spread over **five (5) Flat Sites (FL)**. These are listed in the table below:

Plot #	Parcel Number	Location	Area (in Square Yards)	Real Estate Owner	Ownership Type
1	FL- 03	Near Globe Chowrangi	4,508	Javedan Corporation Limited 'JCL'	Freehold
2	FL- 04		4,188		
3	FL- 05		14,325		
4	FL- 07	Near Ghora Chowrangi	9,469		99 Years Leasehold
5	FL- 08		8,010		
Total Land Area			40,500		

The allowed Floor Area Ratio 'FAR' of land parcel is 1:4

Brief History of Real Estate Parcels and Javedan Corporation Limited:

The 1,366 acre of land parcel of Javedan Corporation Limited can be broken down into three components: 928 acres* (99 Year Leasehold land) allotted to JCL in 1960/1961; 310 acres of freehold land, and 128-acre leasehold land allotted to JCL in 2011.

*Initially 1,074 acres were leased out JCL in 1960 under the Bombay Land Revenue Act. Further 39 acres were leased out to the Company in 1961. 186 acre of leasehold land was transferred to another entity in the 1960s. Hence, the Company was left with 928 acres of leasehold land allotted in 1960/1961.

The Company was nationalized under the Economic Reforms Order of 1972 and was renamed as Javedan Cement Limited. Earlier, it was called Valika Cement Limited and was one of the earlier listed companies at the Karachi Stock Exchange.

The Company was privatized in 2006 through a transparent bidding process. 96.34% shares were acquired by the present sponsors. On July 19, 2006, PC issued its Letter of Acceptance no. 9(7) PC/94 to the successful bidder for the sale of JCL against a total sale consideration of PKR 4,315,947,440/-. Subsequently, on August 23, 2006 through a formal Share Purchase Agreement, the shares were duly sold to the successful bidder (present sponsors of JCL).

Naya Nazimabad project was planned and the Company submitted for the NOC, as required by law, to develop a housing project to the Board of Revenue through EDO in 2008, which was duly forwarded to DG Lyari Development Authority (LDA) by District Officer in February 2009. The Master Plan was approved by LDA in 2010 and Sale NOC from SBCA was obtained in 2011. It may also be noted that public announcements were made in leading newspapers at each relevant step of the approval process.

In January 2011, the company applied for the survey and demarcation of its Naiclass (unmeasured) land. The land was duly surveyed and new survey numbers were issued. These survey numbers were duly incorporated in the Record of Rights as well. Further, record of each individual plot as per the approved Master Plan is also entered into Record of Rights (Board of Revenue).

After obtaining all necessary approvals Naya Nazimabad project was formally launched on November 19, 2011 and first lot of residential plots and bungalows were handed over to allottees in 2016. The Company has provided 2,000 plus sub-leases to its allottees and approximately 1,000 families have obtained occupancy and have commenced residing in Naya Nazimabad.

2.2 Summary information of the Valuation Report

In accordance with the provisions of the REIT Regulations, the RMC appointed Tristar International Pvt Limited and MYK Associates Pvt Limited as PBA approved “no limit” Valuers to carryout independent preliminary valuation of open land parcels, detailed in Section 2.1 above. The valuation surveys and exercise were conducted in **November 2021** and reports were submitted by the Valuers in **December 2021**.

MYK Associates (Pvt) Limited is an ISO-9001-2015 accredited real estate valuator of Pakistan. It was incorporated in September 2000 and is registered under the Companies Ordinance 1984. As a professional Survey and Evaluation company, it has over 14 years of experience in conducting evaluation, inspection assignments. It provides services to the financial and private Sector in Pakistan and is on the approved panel of the Pakistan Banks Association to carry out valuation of unlimited category. As a nationwide company, its services comprise of valuations of fixed and current assets, inspections of hypothecated and pledged stock and collateral value etc. They are also on the approved panel of NBF1 and Modarba Association of Pakistan.

Tristar international Consultants (Pvt) Limited is a multi-dimensional, innovative business venture providing valuation services to the financial sector for the past two decades. It provides valuation services, local / international credit reports, and credit support services, consultation on strategic banking matters and also provide customs clearing and forwarding services. They are a well-regarded business partner with the banking industry in Pakistan and are enlisted with a host of professional bodies which include the Pakistan Bank’s Association on unlimited category and the Pakistan Engineering Council.

The Real Estate was valued by both Valuers in compliance with Schedule VI of the REIT Regulations using one of the International Valuations Standard Committee’s prescribed approaches Sales Comparison Approach, to arrive at the following:

Value of Real Estate using: Sales Comparison Approach	Area (Square Yard)	@ Average Rate per Sqyd (PKR)	Value (PKR)
Tristar International Pvt Limited	40,500	90,000	3,645,000,000/-
MYK Associates Pvt Limited	40,500	87,500	3,543,750,000/-

According to the Valuers, valuation using **Cost Approach** was not possible / irrelevant as the Real Estate is an open land. While, the Sales Comparison Approach compares recently-sold properties or land (of local similar nature) with the other similar property. Price adjustments are made for differences in the comparable factors of the property.

After transfer of real estate in the REIT Scheme, a Valuer for the REIT Scheme, in compliance with regulation 15B and 15C of the REIT Regulations, will be appointed for a period of three (years) with consent of REIT Trustee, who will evaluate the real estate at least once in every half year, in accordance with Schedule VI of the REIT Regulations.

2.3 Details of agreement with Real Estate Owners, if any:

The Real Estate Owner is desirous to develop the land parcels under the structure of a Developmental REIT Scheme, titled **Globe Residency REIT 'GRR'**, subject to all regulatory approvals and compliance with applicable laws, in light of which **Javedan Corporation Limited 'JCL'** has consented to be the **Strategic Investor 'SI'** in the **GRR**.

GRR will acquire 5 FL Sites (3, 4, 5, 7 and 8) from JCL with an aggregate land size of 40,500 square yards for the construction and sale of Apartments. JCL has agreed to sell the project to GRR at a **consideration of PKR 3.24 Billion** (PKR 80,000/- per square yard). Following is the break-up of land consideration payments:

Head	Amount	Source
Land Payment from REIT Scheme	PKR 2.54 Billion	Equity (PKR 1.4 Billion) + Borrowing (PKR 1.14 Billion)
Unpaid Land Value	PKR 700 Million	Customer Advances / Project flows
Total Land Value	PKR 3.24 Billion	

Land Consideration of PKR 2.54 Billion will be paid out of the REIT Fund and **Unpaid Land Value amounting PKR 700 Million** will be paid over life of the REIT Scheme, which at all times be subordinate to payments of all regulatory and business obligations of GRR and subject to availability of cash flows.

The deferred payment to JCL may increase up to PKR 1.84 Billion if the borrowing arrangements of PKR 1.4 Billion are not availed, subject to approval by the Unit Holders. The Borrowing envisaged in the plan is primarily to fund partial land payment (up to PKR 1.14 Billion). In such an eventuality, the upfront land payment (PKR 2.54 Billion) will be reduced by (PKR 1.14 Billion). Therefore PKR 1.14 Billion plus PKR 700 Million = PKR 1.84 Billion will be deferred.

The REIT Fund Size is **PKR 2.8 Billion** - comprising of: a) **PKR 1.4 Billion Equity**; and b) **PKR 1.4 Billion Debt**.

JCL will hold **25%** GRR Units in a separate blocked account for life of REIT Scheme as a 'Strategic Investor'.

GRR Units up to (25% - Face value PKR 350 million) are offered to **Institutions / Eligible Private Investors**. Cash proceeds of these Units shall be passed on to **JCL** as part of their land consideration. To expedite the transaction JCL may subscribe to 100% REIT Units (Face value PKR 1.4 Billion) and may subsequently partially sell these Units to Institutions / Eligible Private Investors.

Total REIT Subscription amount and REIT Units to be issued and to be blocked as Strategic investment are mentioned in the table shown below:

Investor(s)	Subscription Amount (PKR)	Total Subscribed Units	Blocked Units (out of the Total Subscribed Units)	
Javedan Corporation Limited 'JCL' / Institutions / Eligible Private Investors	1,400,000,000/-	140,000,000/-	35,000,000/-	25.00%

2.4 Details of other relevant agreements, if any:

The Real Estate Owners have recently introduced the Globe Residency Apartments to the general public for Sales on November 20, 2021. Therefore, Globe Residency REIT, subsequent to its registration, will acquire the entire project 'as is' (real estate plus customer advances and any obligations recorded till the time of real estate transfer to the subject REIT Scheme). Novation of existing allotments, will be obtained in the name of GRR. Construction of the project and subsequent sale of remaining inventory will be the responsibility of GRR.

Following legal procedure is envisaged to be undertaken to execute the above:

Legal Assignment:

Immediately followed by the execution of the Conveyance Deed / Sub-Lease Deed (as the case may be), a tripartite legal **Assignment Deed** will be entered into between JCL, the Trustee and all the third parties; the consequence of which would be that all the rights and liabilities between JCL and the third parties shall stand novated, and those rights and liabilities shall thereafter exist between the Trustee and the third parties.

Indemnity:

At the time of signing of the Assignment Deed, a **Deed of Indemnity** will be executed by JCL, through which JCL will agree and undertake to indemnify the Trustee and the RMC from:

- (i) any loss, damage or liability incurred by the Trustee arising from the legal arrangement existing between JCL and the third parties prior to the abovementioned assignment taking place,
- (ii) any claim brought any third party to the extent such claim relates to, and is based upon, the legal arrangement existing between JCL and the third parties prior to the abovementioned assignment taking place, and
- (iii) any contractual breach committed by JCL in relation to any of its outstanding/surviving obligations or any misrepresentation under the legal arrangement existing between JCL and the third parties prior to the abovementioned assignment taking place.

Accounting Treatment:

Assets and Liabilities will be transferred to the REIT Scheme post audit by a designated accounting firm. These audited statements of assets and liabilities, which are to be transferred to GRR, shall be shared with the Trustee and the RMC. JCL will inform how much money has been received so far and how much of that money has been spent on the project. That will become part of, and be absorbed into the REIT Scheme, on an "as is where is" basis, and will be disclosed to the SECP and the prospective unitholders.

SECTION 3.

Details of the REIT Scheme

3 Details of the REIT Scheme:

3.1 Name of the proposed REIT Scheme

The proposed REIT Scheme is being referred as '**Globe Residency REIT**' or '**GRR**'.

3.2 Category of the REIT (i.e. Development or Rental REIT)

GRR will be a **Developmental REIT Scheme**.

3.3 Registered office address

Arif Habib Dolmen REIT Management Limited (RMC), Arif Habib Center, 23 M. T. Khan Road, Karachi, Pakistan

3.4 Vision

To develop the finest habitat that is environmentally sustainable, economically viable, financially rewarding and overall conducive for business and human development.

3.5 Objective

Construction of the acquired Real Estate into **Flats/Apartments 'End-Product'**; for **generating income** for Unit Holders, **through sale** of End Product to the Customers and disposal of all other REIT Assets.

3.6 Investment Policy of the REIT Scheme

GRR will primarily invest in real estate with the objective of construction and sale; however during the REIT life, the REIT Scheme will place surplus funds in avenues allowed under and as per the REIT Regulations.

3.7 Strategy, Key data and Overview of the REIT Scheme

Key elements of our Strategy:

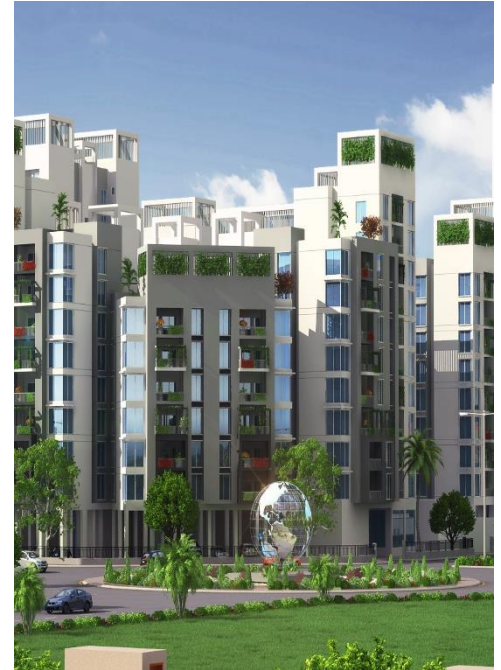
- Selecting a Project with land parcels providing conducive environment for development
- Hiring finest experts for design and development
- Putting in place a transparent framework to undertake all activities with well-defined roles and responsibilities for all stakeholders
- Developing a robust business plan with mechanism for monitoring and accountability
- Adopting effective sales and marketing strategies

We draw our confidence from the REIT framework and management and sponsors' experience of successfully executing trend setting projects in industry and real estate.

REIT Project Design:

The design for Globe Residency Apartments project is very aesthetically conceptualized by **Arch-Vision** engaged by the Real Estate Owners as the project Architects and planners.

The design contemplates development of nine (9) Towers comprising of 1,344 flats categorized as 2 Bed/DD/L and 3 Bed/DD/L. Apartment Area: 2 Bed 1,249 SFT and 3 Bed 1,785 SFT. Meticulous attention is given in the plan to ensure provisioning of necessary amenities, ample car parking, air and light access to all apartments.



Land Area and Utilization Plan:

Plot #	Plot Area In Sq Yds	Saleable Area	Common/ Parking Area In SFT	Built-up Area	Towers	Type of Apartment		No of Apartment
						2 Bed	3 Bed	
FL-3	4,508	200,892	119,566	320,458	1	2 Bed	108	142
						3 Bed	34	
FL-4	4,188	197,750	104,906	302,656	1	2 Bed	55	123
						3 Bed	68	
FL-5	14,325	667,720	376,788	1,044,508	1	3 Bed	94	502
					2	2 Bed	118	
					3	2 Bed	180	
					4	2 Bed	110	
FL-7	9,469	449,148	250,236	699,384	1	3 Bed	98	327
					2	2 Bed	229	
FL-8	8,010	378,060	163,683	541,743	1	2 Bed	114	250
						3 Bed	136	
40,500		1,893,570	1,015,179	2,908,748				1,344

Project Execution Plan:

Cities rely on commercial and residential growth for their health and continued existence. Research indicates that property prices are mainly determined by the property's internal features and the neighborhood effects. The RMC envisages **modular approach** for the construction and sales of beautifully designed End product filled with pleasing neighborhood including green spaces and necessary amenities.

Total completion time for the whole REIT Project is estimated / targeted as **four (4) years**.

Construction and Sales Sequence:

We plan undertaking the following modular approach for construction and sales:

	Year 0	Year 1	Year 2	Year 3	Year 4
Cost Outlay / Timeline:					
Construction		20%	25%	25%	30%
Contingencies				50%	50%
Other Project Costs (Approvals, Marketing, Dev. Advisor, Admin)	20%	20%	20%	20%	20%
Borrowing Repayment			20%	40%	40%
Project Management Fee		25%	25%	25%	25%
Sales Achievement Plan:					
	Year 0	Year 1	Year 2	Year 3	Year 4
Apartment Sales		50%	50%		
Sales Collections:					
	Year 0	Year 1	Year 2	Year 3	Year 4
Year – 1 Sales		35%	15%	15%	35%
Year – 2 Sales			40%	20%	40%

The sequence is subject to change depending on our assessment of market conditions, however, overall construction is expected to complete in **4 years** and sales collection done by the same time, subsequent to which REIT project will extinguish and liquidation proceeds will be distributed to the REIT Unit holders. If the RMC receive a lucrative offer from any Developer to construct the REIT project; RMC may evaluate it, considering its implication on the REIT Investor's projected return.

Marketing Strategy

The objective of the marketing strategy is to attract the right customers our End products and providing them with a great living experience. The marketing strategy will include the following:

1. Identifying the Target Market segmentation
2. Identifying the right product
3. Establishing USP for the project and its products
4. Developing a payment and financing plan that makes the product affordable for end buyers
5. Determining the right promotion mix in terms of contents and distribution channels

Establishing Unique Selling Proposition 'USP'

We consider the following as the components of our USP:

1. Clear and bankable property title
2. Project being developed under the REIT structure, which is most disciplined and transparent method of development
3. Sponsor or REIT Private Investor is part of country's most reputed corporate conglomerate Arif Habib Group with a proven track record of successfully concluding large and complex projects
4. Availability of affordable finance for consumers
5. Design, developed by finest experts, that ensures a healthy and quality community life

Environmental, Social and Governance aspects:

We are embedding ESG considerations into every stage of property life cycle from due-diligence to acquisition to construction and sales to the asset management of the project. Drawing synergies from Sponsor's and Development Advisor's experiences, our focus is on creating the most livable and affordable settlements in the region.

Environmental Aspects: Maintaining a sustainable and eco-friendly environment is JCL's mainstay and sponsors have emphasized on keeping horticulture and vertical gardens in planning considerations. JCL has invested heavily on tree plantation not only within Naya Nazimabad perimeters, but all over the city with park developments, garbage removal in collaboration with local government and various NGOs, particularly with National Forum for Environment & Health.

The design and construction activity at Globe Residency project will aim to reduce operational emissions. Assessment during the planning process will be made whether costs and benefits of insulated/green construction material will contribute towards reduction in building cooling requirements and optimize returns. We understand that projects with ESG considerations are easier to market. However, green technology is at a primitive stage in Pakistan and we are still exploring and evaluating this for our projects. Our design features incorporate ventilation and lightening considerations, meaning, we envisage building designs that will reduce dependence on internal lightening, enable drain water utilization, provide ample ventilation and cumulatively mitigate climate related risks facing the built environment, with extreme weather (heavy rainfall, extreme heat and moisture) could otherwise lead to significant property damage.

NOC from Sindh Environment Protection Agency (SEPA) for Naya Nazimabad Project has already been obtained at time of launch of project. Further NOC for the project site under GRR shall be obtained in due course of time and as per the applicable requirement.

Social Aspects: We aim to provide affordability and contribute towards community building. These elements are key to all of our REIT projects. Health and Safety is an important aspect which drives communities in a sustainable manner. Our project will be meticulously planned to be inclusive in design (accessible to physically challenged); featuring necessary amenities (sports/health/education/religious/social) ensuring dwellers feel proud, happy, connected and stay healthy. We

The target market for our end-product is educated, salaried/or small business segment of our society that aspires owning a beautiful home for their family but a large percentage of this class remain financially constraint. We aim to provide buyers of our end-product affordability and therefore we've signed Understandings 'MoUs' with various Commercial Banks to offer long-term mortgage financing to buyers; making our project extremely attractive.

Governance Aspects: Development of Glove Residency under REIT structure will ensure project transparency, detailed disclosures by RMC, funds escrow management by Trustee and oversight by SECP, Trustee, Rating Agency, Auditor and lending institutions/Banks. REIT framework has been carefully designed to meet international best practices. Furthermore, every stakeholder such as Development Advisor, contractors and consultants will be engaged under their separate Agreements detailing the roles, rights and obligations and compliances and milestones will be monitored with the aim to completing project within envisaged timelines and resources.

Sales Pricing:

The pricing for apartments will be competitive and upward sloping depending upon the product absorption, and acknowledgement of our distinction by the market. We have set the following tentative pricing:

<u>Prices per SFT (PKR):</u>	Year 1	Year 2
Apartments	10,000	11,000

Annual increase of PKR 1,000 PSFT assumed in sales price

Construction Cost:

The construction cost is assumed at **PKR 4,000 PSFT**.

Breakup of other Project Costs:

Following other costs are taken as a percentage of construction cost:

Particulars	% of Construction Cost	Amount (PKR)
Approvals	1.00%	116,349,960
Marketing	2.25%	261,787,410
Development Advisor / Consultancy	2.50%	290,874,900
Administration	1.50%	174,524,940
Total Other Costs	7.25%	843,537,210

Fees and cost to be charged to the REIT Scheme

Expenses incurred or to be incurred in connection with the establishment, registration, and operations of REIT scheme shall be charged to the REIT scheme; such expenses include but are not limited to registration of the REIT Scheme, legal and other due diligence and Initial valuation of Real-Estate, costs connected with arrangement and servicing and repayment of borrowing (if any), engagement with/of Legal Counsel, Development Advisor, Valuer,

Rating Agency, Auditor, REIT Accountant, Unit Registrar, Insurance Operators and other Service Providers, costs incurred in obtaining all requisite approvals and payment of real estate including duties and taxes required for the transfer of the Real Estate, project marketing cost as well as the Listing via offer for sale, allotment and issuance of Units including commission payable to underwriters; fee of REIT Management Company, Trustee and Commission monitoring as per regulations and fee of all consultants including the Civil works and other Contractors etc. and all such expenses as stated in Schedule II of the REIT Regulations.

Indicative REIT related project expenses are listed below. This list is non-exhaustive and it may include other fee of consultants and services hired during the process of REIT establishment and operations, such as fee for market surveys, topographical, hydrological and environmental surveys etc.

REIT Registration and Initial Expenses			- Rs. -
	Rate		
SECP REIT Registration Fee	500,000	; fixed (REIT Reg.)	500,000
Valuer Fee (2 separate initial valuations)	400,000	; Negotiable	400,000
REIT Legal Counsel	6,000,000	; Negotiable	6,000,000
REIT Auditor	1,500,000	; Negotiable	1,500,000
CDC - Fresh Issue Fees	0.16%	; Annex. (V) of REIT Reg.	4,480,000
CDC - Annual Fees	600,000	; Lumpsum	600,000
CDC - Security Deposit from RMC	100,000	; Lumpsum	100,000
Stamp Duty on Issue of Units	0.15%	; fixed	4,200,000
			17,780,000

REIT Annual Expenses				- Rs. -
		Rate	Annual (Plus 13% Sales Tax)	Total Project
Monitoring Fees payable to SECP	% of REIT Fund	0.20%	5,600,000	22,400,000
Rating Agency Fee	Negotiable	800,000	904,000	3,896,353
Unit Registrar Fee	Negotiable	600,000	678,000	2,922,265
REIT Auditor	Negotiable	1,400,000	1,582,000	6,818,618
Stock Exchange Annual Fee	Negotiable	600,000	678,000	2,922,265
CDC Annual Fee	Negotiable	600,000	678,000	2,922,265
Valuer Fee	half yearly	200,000	452,000	1,948,177
Insurance	% of Construction	0.01%	1,314,755	5,666,756
REIT Accountant	Negotiable	2,400,000	2,712,000	11,689,059
Trustee Fee	% of REIT Fund	0.20%	6,328,000	25,312,000
RMC Fee	% of REIT Fund	1.00%	31,640,000	126,560,000
			52,566,755	213,057,757

REIT Expense Growth Rate	per annum	5.00%
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REIT Listing (Offer for Sale) Expense			- Rs. -
Year of Listing	2 Year		
Underwriters Fee	1.00%	; % of OFS amount (25%)	3,500,000
Take-up Commission	0.00%	; % of Take-up amount	-
Commission to Bankers to the Offer	0.50%	; % of OFS amount	1,800,000
Bankers to the offer Out-of-Pocket	1,200,000	; estimated, 50k per bank	1,200,000
Brokers' Commission	1.00%	; % of OFS amount	3,500,000
PSX Listing Fees (initial)	1,500,000	; % of Fund Size (reg5.18)	1,500,000
PSX Listing Fees (Annual)	637,500+0.013%	; % of Fund Size (reg5.18)	1,573,500
PSX Services Fee	50,000	; fixed (reg32)	50,000
PSX Book Building Software charges	500,000	; fixed (reg32)	500,000
Lead Financial Advisor and Arranger Fee	1.75%	; % of OFS amount	6,100,000
Transferor & Balloting Agent	1,000,000	; Negotiable	1,000,000
Marketing, Ad/Media & Printing Expenses	1.50%	; Negotiable	5,300,000

CDC - eIPO Expenses
Banks - eIPO Expenses

0.80%	<i>; of amount from CDC e-IPO</i>	2,800,000
900,000	<i>; 300,000 each for Bank</i>	900,000
		<u>29,723,500</u>

Project Management Fee:

As per market convention a working partner is involved in real estate development projects (referred as the ‘**Project Manager**’). The Project Manager is an essential partner that manages development, procurement, sales and marketing of a real estate project and ensure construction milestones and sales plan are delivered as per business plan and on indicated timelines.

According to the GRR projected profitability of PKR 2.17 Billion – a Project Management Fee of circa PKR 326.67 Million (**15% of profit**) is envisaged to be paid over project life of four (4) years. Certain estimate of non-refundable project management expense will be claimed on a monthly basis which shall be adjusted from the overall project management fee to be determined upon completion, however, projections are depicting an equal outflow every year.

3.8 Proposed amount of Investible Funds

The REIT Scheme shall have a Fund size of **PKR 2.8 Billion** which will be utilized for a) partial real estate consideration – circa PKR 2.54 Billion; plus b) Land transfer and REIT formation expenses – circa PKR 60 Million; and b) partial project Approvals and Marketing expenses – circa PKR 200 Million.

The REIT Fund comprises a Debt/Equity ratio of 50%:50%. REIT Units equivalent to **PKR 1.4 Billion** will be issued at inception: 75% (or PKR 1.05 Billion) to the Real Estate Owner – Javedan Corporation Limited ‘JCL’ in lieu of partial consideration of JCL’s selling the real estate to GRR and 25% (or PKR 350 Million) to Institutions / Eligible Private Investors. Whereas, the remaining consideration and other payments of formation, approvals and marketing will be paid by the REIT Scheme in cash via bank borrowing of circa **PKR 1.4 Billion**.

3.9 Eligible Private Investors

Reputable corporations / private Investors including the Real Estate Owner and excluding charitable trust, societies and not-for-profit organizations, which/who alone offers a minimum of twenty million rupees (PKR 20,000,000/-) for investment in REIT Scheme and furnishes the Declaration to the RMC

Apart from the utilization of investible REIT Fund as stated under Section 3.8 above and borrowing from FIs/Banks, REIT Project expenditure including on the development and construction shall be financed through Customer Advances.

3.10 Borrowing and Customer Advances Policy

Borrowing Policy:

In compliance with REIT Regulations, the REIT Scheme may borrow for:

a) Shortfalls / Developer Finance - The REIT Project is primarily funded with Customer Advances. Apart from Unit holder's equity and initial indicative borrowing (**PKR 1.4 Billion**) stated under the REIT Fund size; there is no further borrowing envisaged in the business plan. However, borrowing may be availed under compliance to the REIT Regulations, to bridge shortfall in cash flows arising from the timing differences or gaps in collection of instalments from customers and payment of construction and other expenses.

Terms of initial indicative borrowings shall be subject to negotiation with financial institutions; however under the business plan, the indicative term of the borrowing is kept at four (4) years. Drawdown will be at the inception of REIT Scheme and repayment over three (3) years with one (1) year grace. Profit of the facility shall be tentatively at 3 months KIBOR plus 1%, however it has been projected at fixed 11.81% over facility term and will be serviced by the REIT Scheme on quarterly basis.

Indicative borrowing timeline is as follows:

	Year 0	Year 1	Year 2	Year 3	Year 4
Borrowing Timeline:					
Drawdown	100%				
Repayment			20%	40%	40%

3.11 Customer Advances Policy:

Sales Collection timeline is stated in the table showing 'Construction and Sales Sequence' above for the purpose of business plan;

The RMC may consider to make it longer and more flexible at the time of marketing remaining inventory depending on the competitive scenario.

	Year 1	Year 2	Year 3	Year 4	Total
Cash Flows (PKR)					
Sales Collection	3,313,747,500	5,586,031,500	3,503,104,500	7,479,601,500	19,882,485,000

On an overall basis the REIT Project cost (circa PKR 18.03 Billion) is funded up to circa 84% by Customer Advances (circa PKR 15.23 Billion) over REIT life. 100% of the construction cost (circa PKR 11.63 Billion) is funded via Customer Advances.

3.12 Name and address of the auditor of the REIT Scheme

Auditor of the REIT Scheme is to be finalized – proposals have been solicited from firms including EY.

3.13 Total Project Cost and Funding Mix:

Project Cost & Income (Indicative)		- PKR -
Land	3,240,000,000	
Land transfer taxes and duties	33,008,600	
Total Land related Cost		3,273,008,600
Construction - Apartments	7,574,280,000	
Construction – Parking	4,060,716,000	
Total Construction Cost		11,634,996,000
Contingencies		1,163,499,600
Other Project Costs (Approvals + Marketing + Development Advisor/Consultancy + Administration)		843,537,210
Borrowing Cost (Interest During Construction)		529,088,000
REIT Related Expenses (PKR 17.78 Million Registration & Initial + PKR 213.06 Billion Recurring + PKR 29.72 Million Listing)		260,561,257
Project Management Fee (15% of Profit i.e. PKR 2.18 Billion)		326,669,150
Total Project Cost		(18,031,359,817)
Total Income		19,882,485,000
Project Return		- PKR-
Profit Before Taxation		1,851,125,183
Project IRR		35.57%

Funding Mix		- PKR -
Eligible Private Investor (including FIs / HNWI) (25%) - indicatively	350,000,000	
Javedan Corporation Limited 'JCL' (including Strategic Investment) (75%)	1,050,000,000	
Equity (50%)		1,400,000,000
Borrowing (50%)		1,400,000,000
Total REIT Fund Size	(a)	2,800,000,000
Customer Advances	(b)	15,231,359,817
Total Funding	(a + b)	18,031,359,817

3.14 Financial Projections:

GRR CASH FLOWS

Cash Flows (PKR)

	Year 0	Year 1	Year 2	Year 3	Year 4	Total
Inflows						
Opening Balance		40,503,958	358,970,774	2,007,798,352	774,268,196	
Return on Bank Deposit						
REIT Equity	1,400,000,000	-	-	-	-	1,400,000,000
Borrowing	1,400,000,000	-	-	-	-	1,400,000,000
Sales Revenue		3,313,747,500	5,586,031,500	3,503,104,500	7,479,601,500	19,882,485,000
Outflows						
Land	(2,540,000,000)	(200,000,000)	(250,000,000)	(250,000,000)	-	(3,240,000,000)
Land Transfer and Duties	(33,008,600)	-	-	-	-	(33,008,600)
REIT Registration and Initial Expenses	(17,780,000)	-	-	-	-	(17,780,000)
REIT Listing Expenses	-	-	(29,723,500)	-	-	(29,723,500)
Construction	-	(2,326,999,200)	(2,908,749,000)	(2,908,749,000)	(3,490,498,800)	(11,634,996,000)
Contingency	-	-	-	(581,749,800)	(581,749,800)	(1,163,499,600)
Other Costs	(168,707,442)	(168,707,442)	(168,707,442)	(168,707,442)	(168,707,442)	(843,537,210)
Project Management Fee	-	(81,667,287)	(81,667,287)	(81,667,287)	(81,667,287)	(326,669,150)
REIT Annual Expenses	-	(8,998,755)	(9,448,692)	(9,921,127)	(10,417,183)	(38,785,757)
SECP Monitoring Fee	-	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)	(22,400,000)
RMC Fee	-	(31,640,000)	(31,640,000)	(31,640,000)	(31,640,000)	(126,560,000)
Trustee Fee	-	(6,328,000)	(6,328,000)	(6,328,000)	(6,328,000)	(25,312,000)
Borrowing Markup	-	(165,340,000)	(165,340,000)	(132,272,000)	(66,136,000)	(529,088,000)
Borrowing Principal Repayment	-	-	(280,000,000)	(560,000,000)	(560,000,000)	(1,400,000,000)
Net Cumulative Cash Flows	40,503,958	358,970,774	2,007,798,352	774,268,196	3,251,125,183	1,851,125,183
Project Annual Cash Flows	(1,400,000,000)	358,970,774	1,648,827,578	(1,233,530,156)	2,476,856,987	1,851,125,183
Project IRR	35.57%					

GRR BALANCE SHEET

Balance Sheet (PKR)	Year 1	Year 2	Year 3	Year 4
ASSETS				
Inventory under Construction	6,120,542,684	9,363,339,126	13,154,817,368	-
Cash and Bank Balances	358,970,774	2,007,798,352	774,268,196	-
Total Assets	6,479,513,458	11,371,137,478	13,929,085,564	-
LIABILITIES AND EQUITY				
LIABILITIES				
Unpaid Land Value	500,000,000	250,000,000	-	-
Borrowing	1,400,000,000	1,120,000,000	560,000,000	-
Advances from Customers	3,313,747,500	8,899,779,000	12,402,883,500	-
	5,213,747,500	10,269,779,000	12,962,883,500	-
EQUITY				
Paid-up Capital	1,400,000,000	1,400,000,000	1,400,000,000	-
Accumulated Profit / (Loss)	(134,234,042)	(298,641,522)	(433,797,936)	-
	1,265,765,958	1,101,358,478	966,202,064	-
Total Liabilities and Equity	6,479,513,458	11,371,137,478	13,929,085,564	-

* Year end balances. Project is forecasted to complete at the end of 4th year; hence no balances are shown in the 4th year.

GRR PROFIT & LOSS STATEMENT

Profit and Loss Statement (PKR)	Year 1	Year 2	Year 3	Year 4
Sales Revenue	-	-	-	19,882,485,000
Cost of Sales	-	-	-	(17,461,909,410)
Gross Profit / (Loss)	-	-	-	2,420,575,590
REIT Listing Expenses	-	(29,723,500)	-	-
REIT Annual Expenses	(8,998,755)	(9,448,692)	(9,921,127)	(10,417,183)
SECP Monitoring Fee	(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)
RMC Fee	(31,640,000)	(31,640,000)	(31,640,000)	(31,640,000)
Trustee Fee	(6,328,000)	(6,328,000)	(6,328,000)	(6,328,000)
Profit Before Tax	(52,566,755)	(82,740,192)	(53,489,127)	2,366,590,407
Project Management Fee	(81,667,287)	(81,667,287)	(81,667,287)	(81,667,287)
REIT - Corporate Taxation	-	-	-	-
Net Income / (Loss)	(134,234,042)	(164,407,480)	(135,156,414)	2,284,923,119
Distributable Profit	-	-	-	1,851,125,183

GRR FUND FLOW STATEMENT

Funds Flow Statement (PKR)	Year 0	Year 1	Year 2	Year 3	Year 4
Inflows					
Beginning Cash	-	40,503,958	358,970,774	2,007,798,352	774,268,196
Paid- up Capital	1,400,000,000	-	-	-	-
Sales Collections		3,313,747,500	5,586,031,500	3,503,104,500	7,479,601,500
Borrowing	1,400,000,000	-	-	-	-
	2,800,000,000	3,354,251,458	5,945,002,274	5,510,902,852	8,253,869,696
Outflows					
Land Payment	(2,540,000,000)	(200,000,000)	(250,000,000)	(250,000,000)	-
REIT Listing Expenses		-	(29,723,500)	-	-
Construction		(2,326,999,200)	(2,908,749,000)	(2,908,749,000)	(3,490,498,800)
Contingency		-	-	(581,749,800)	(581,749,800)
Other Costs	(168,707,442)	(168,707,442)	(168,707,442)	(168,707,442)	(168,707,442)
Project Management Fee		(81,667,287)	(81,667,287)	(81,667,287)	(81,667,287)
REIT Annual Expenses		(8,998,755)	(9,448,692)	(9,921,127)	(10,417,183)
SECP Monitoring Fee		(5,600,000)	(5,600,000)	(5,600,000)	(5,600,000)
RMC Fee		(31,640,000)	(31,640,000)	(31,640,000)	(31,640,000)
Trustee Fee		(6,328,000)	(6,328,000)	(6,328,000)	(6,328,000)
Borrowing Markup		(165,340,000)	(165,340,000)	(132,272,000)	(66,136,000)
Ancillary Financial Charges		-	-	-	-
Borrowing Repayment		-	(280,000,000)	(560,000,000)	(560,000,000)
Cash Available for Distribution 'CAD'		358,970,774	2,007,798,352	774,268,196	3,251,125,183
Dividends Paid		-	-	-	(1,851,125,183)
Liquidation Payout		-	-	-	(1,400,000,000)
Land Transfer Cost	(33,008,600)				
REIT Registration / Initial Expenses	(17,780,000)				
Ending Cash Balance	40,503,958	358,970,774	2,007,798,352	774,268,196	-

3.15 Summary of the substantive provisions of the Trust Deed

The REIT Scheme is a Limited-life, Closed-end, Rated and Privately placed, Developmental REIT Scheme that is governed by the Trust Deed. The Trust Deed governs the way in which the REIT Scheme operates and sets out the rights and benefits attaching to the Units. The Trust Deed contains provisions in relation to a number of issues including but not limited to:

- appointment of Trustee;
- the rights, obligations and powers of the Trustee;
- the rights, obligations and powers of the RMC;
- the rights of Unit Holders (as beneficiaries);
- the Trustee's right to indemnity from the REIT Assets;
- the Trustee's right to receive the Trustee fee and reimbursement for expenses;
- the RMC's right to receive management fee and reimbursement for expenses;
- terms and conditions regarding borrowing, investment, Customer Advances and issuance of dividends;
- the retirement, resignation and removal of the Trustee and/or the RMC;
- the extinction or revocation of the REIT Scheme

3.16 Permitted Investment Avenues and Restrictions, if any

Apart from the primary investment in real estate, the REIT Scheme will place any surplus funds with AA rated Banks, other Financial Institutions and money market funds or investment in other avenues in accordance with and as allowed under the REIT Regulations.

3.17 General and Specific Risks

Risks relating to the Real Estate

All risks (actual or potential) relating to the Real Estate, as at the date of this Information Memorandum, (regardless of such risks being in the actual or imputed knowledge of the RMC, Trustee and/or the RMC) stand already disclosed to the Eligible Private Investors by virtue of the Eligible Private Investors being the current owner of the Real Estate.

Generally speaking, all real estate investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, demand for [plots/apartments], competition from other available [mix-use/residential and commercial premises] and various other factors. Certain significant expenditures, including property taxes, capital repair and replacement costs, maintenance costs, insurance costs and related charges must be made throughout the period of ownership of real estate regardless of whether the property is producing any income.

Defected title or litigation on the Real Estate under consideration will render Real Estate not transferable in the name of REIT Trustee. Failure to obtain requisite approvals and NOCs for the acquisition and/or development of Real Estate will render the REIT Project unworkable. Public notices will be published in newspapers to solicit objections. Failure to respond to such notices, however, will

not prejudice a claimant's right with respect to the Real Estate. To mitigate the said risk, an expert legal team has been hired by the RMC and real estate will only be acquired after satisfactory opinion by these experts.

Given the culture and general trends in the real estate sector in Pakistan, parcels of land in general remain vulnerable to unwarranted possession / encroachment of pockets of land. The Real Estate has, however, been in the possession of the Javedan Corporation Limited since the inception of Naya Nazimabad project. Subject real estate is within the secured and gated area.

Unsold inventory

The business model assumes 100% inventory sales; deviation from which could lead to lower than projected profits and cash flow shortages. The risk is however mitigated as the REIT Project is envisaged to be developed using a modular approach.

Slow Off-take

The business model assumes certain sale quantum for the REIT Project with in certain timelines. Any adverse deviation from these assumptions would lead to delays and cash flow shortages. There is an acute shortage and strong demand for the product.

Cost Overrun

Development projects are exposed to a significant risk of cost-overrun as no hedging instruments are available. This risk is mitigated by ensuring timely procurement of material for which the project's management has the experience and capacity. Furthermore a cushion of 10% for contingencies is built in the numeration of project cost.

Legal and Regulatory Risks

The REIT Scheme is subject to regulation by laws and regulations at local, and national level. These laws and regulations, as well as their respective interpretations and enforcement, may be changed from time to time in a way that could have a material adverse effect on the REIT Scheme's business.

The local legal systems may suffer material ineffectiveness, uncertainty, and in some cases, corrupt practises. Laws may change unexpectedly.

The laws governing real-estate are spread over multiple pieces of legislation, rules, regulations, circulars, notifications etc., which are not always re-concillable or readily available in the public domain. The market practise is often divergent to the laws governing real-estate matters. Court processes in connection with real estate matters are cumbersome and protracted and determination of disputes may spread over a number of years.

Acts of God, acts of war, epidemics, geopolitical, economic, social, and diplomatic Factors

The REIT Scheme will be exposed to the direct and indirect consequences of potential political, economic, social, or diplomatic conflicts in Pakistan.

Geopolitical events, such as natural disasters, man-made disasters, terrorist attacks and outbreaks of diseases may cause disruptions to commerce, reduced economic activity or market liquidity and continued volatility in markets throughout the world. Such events could have an adverse impact on the REIT Assets and the marketability and sale of the End-Products. The RMC cannot predict the

manner in which and the extent to which the REIT Assets held by the REIT Scheme would be affected by such events. Such events could also result in incidents or circumstances that would disrupt the normal operations of the RMC, which could also have negative effects on the proposed construction and development plan for the REIT Scheme. REIT Schemes however, are required under REIT Regulations to comprehensively cover their Assets with Insurance policies.

Conflicts of Interest

The RMC may in future establish other investment Trusts with similar investment objectives or strategies to the Trust. RMC may have a conflict of interest when allocating and/or recommending investment opportunities between the Trust and other clients. However, when making investments where a conflict of interest may arise, the RMC will endeavour to act in a fair and equitable manner as between the RMC and other clients. There will be no limitation with respect to other activities and investments of the RMC or with respect to the activities of other investment portfolios managed by the RMC. Accordingly, conflicts of interest may occur.

Possible Indemnification Obligations

The REIT Scheme is generally obliged to indemnify the RMC, the directors and possibly other parties under the various agreements entered into with such persons against any liability they or their respective affiliates may incur in connection with their relationship with the Trustee/RMC provided that such indemnification obligations shall not be triggered if the losses were incurred as a result of the RMC's (its directors and other parties) fraud, willful misconduct, gross negligence, or material breach of fiduciary duty.

Possible lack of independent experts representing Unit Holders

The legal advisors serve as legal counsel for the REIT Scheme. The legal advisors have not been engaged to act and have not acted on behalf of the prospective Unit Holders or conducted a review or investigation on their behalf.

Environmental, Social and Governance Risks

In the remote event that any term of the EIA approval or any other environmental law in Pakistan is breached during the tenor of the project, the RMC and the Trustee may be exposed to regulatory action from SEPA or any other relevant regulatory authority.

Periodic review of the project is undertaken by SEPA; we plan on presenting the findings to the Board and all matters will be timely addressed to the satisfaction of the authority.

Risks from Legal Assignment / Novation of project Agreements from JCL into GRR

Although risks in terms of losses, damages, liabilities, claims, JCL's contractual breach or misrepresentation arising in relation to, and based upon, the legal arrangement existing between JCL and the third parties prior to the aforementioned assignment taking place will be mitigated by JCL executing the Deed of Indemnity, something that would bind JCL to compensate any such losses, damages, liabilities and defending any claims from third parties etc., the Trustee may still be made party to any litigation filed by any third party and, hence, have to defend such litigation.

3.18 **Income Distribution Policy**

Income may be distributed by the RMC on behalf of the REIT Scheme (by way of cash dividend or bonus issue).

The RMC on behalf of the REIT Scheme shall, **unless determined otherwise** by the Board of Directors of the RMC, distribute by way of dividend to the Unit Holders not less than **ninety per cent (90%)** of the **accounting income** of the REIT Scheme in any financial year received or derived from sources other than capital gains as reduced by such expenses as are chargeable to the REIT Scheme under the REIT Regulations.

3.19 **Management Fee of RMC**

Annual Management fee of RMC will be **1% of the REIT Fund size**, payable quarterly on accrual basis.

3.20 **The accounting year of the REIT Scheme**

Accounting year of the REIT shall end on **30th June** of each year.

3.21 **Details regarding periodic reporting to investors**

RMC shall ensure quarterly reporting to investors of the REIT scheme in accordance with the REIT Regulations, 2015.

3.22 **Frequency of issuance and redemptions of units**

Issuance of Units

Initially all the Units shall be subscribed by the Private Investors, which can be sold privately in accordance with provisions of the REIT Regulations and the Unit Subscription Agreement, whereafter Units may be issued to the Private Investors/Pre-IPO Investors in accordance with this Section 3.22 and Section 3.23.

The Units shall be listed on the PSX through offer for sale within 3 years of issuance after which the Units shall be eligible to be publically traded.

Redemption of Units

All the Units shall be redeemed at the liquidation of the REIT Scheme in accordance with the provisions of the REIT Regulations. For the avoidance of doubt, the Units are not otherwise redeemable during the life of the REIT Scheme.

3.23 **Procedure for subscribing, redeeming or conversion/transfer of units**

Issuance and Transfer of Units

Issuance of Units

An Eligible Private Investor may, during the Offer Period, agree to subscribe to the Units by delivering the following documents to the RMC at the registered address shown in the Unit Subscription Agreement:

- completed and executed Subscription Agreement;
- a signed Declaration; and
- where the Eligible Private Investor is also a strategic investor, a signed undertaking (in a form acceptable to the RMC) to hold certain Units as strategic investment in accordance with the REIT Regulations.

Eligible Private Investor shall also be required to provide such information, documents and sign such additional forms as may be necessary to comply with applicable laws.

Units shall be issued after the date of receipt of contribution in the name of the Trustee in accordance with the terms of the Unit Subscription Agreement. The Units may be sent to the Unit Holder or his duly authorized nominee at his own risk by registered post or by courier service.

Further Issue of Units

The RMC may at any time with prior approval of the Unit Holders obtained by way of Special Resolution and after complying with all applicable laws, increase the size of the REIT Scheme by the issuance of Unit(s) of such amount as may be deemed expedient, as rights Units.

Where it is decided to increase the size of the REIT Scheme by the issue of further Unit(s), such Unit(s) shall be offered to the then existing Unit Holder(s) first, strictly in proportion to the existing Unit(s) held by each Unit Holder and such offer shall be made by notice specifying the number of Unit(s) to which the Unit Holder is entitled, and limiting the time within which the offer, if not accepted, will be deemed to be declined.

Transfer of Units

Any Unit Holder may sell, assign, novate, transfer, exchange, hypothecate, encumber, pledge, conveyance or dispose (the **Change in Rights to Units**) of all or any of his/its Units. The disbursement of any loan secured by any Units shall be at the entire discretion of the Unit Holders' creditors/lenders. The Trustee, the RMC, or the Registrar shall not be liable for ensuring the validity of any such Change in Rights to Units nor shall they be held to owe any duty or obligation towards the Unit Holders' creditor(s)/lender(s).

Provided that no Change in Rights to Units mentioned in the preceding paragraph will take effect if it would result in a violation of any applicable law or if the written instrument of Change in Rights of Units (where and if applicable) signed by all relevant parties and duly completed (including affixation of stamps of the requisite value) has been received by the RMC. Furthermore, in case of transfer of any Units, such transfer shall not be effective until the following procedure, where and when applicable, has been followed (provided that the RMC shall have the right to waive or modify any of the following steps pertaining to a Change in Rights to Units at its discretion):

- (a) The process delineated under the Unit Subscription Agreement has been followed;
- (b) the written instrument under which the transfer is happening (where and if applicable) signed by the transferor and the transferee and duly completed (including affixation of stamps of the requisite value) has been received by the RMC;

- (c) the transferee has executed the Deed of Adherence acknowledging its assumption (in whole or, if the substitution is in respect of part only, in the proportionate part) of the obligations of the transferring Unit Holder and agreeing that such transferee will be bound by all the provisions of the Unit Subscription Agreement];
- (d) the RMC has confirmed that the transferee has, in the RMC's view, supplied the necessary information to allow them to comply with any applicable law relating to the admission of the transferee as a Unit Holder in the Fund (including execution of the Declaration); and
- (e) such transfer has been recorded in the Register and the name of the transferee has been entered in the Register in respect thereof.

Redemption of Units

All the Units shall be redeemed at the liquidation of the REIT Scheme.

Redemption of such Units issued in book entry form or deposited in to the CDS shall be dealt with in accordance with the provisions of the Central Depositories Act, 1997 (XIX of 1997), the Central Depository Company of Pakistan Limited Regulations as amended from time to time, and any notifications or directions given by the Central Depository Company of Pakistan.

3.24 Detail of Trustee

Central Depository Company of Pakistan Limited will be the Trustee of the REIT scheme. CDC is an unlisted public limited company incorporated in Pakistan under the erstwhile Companies Ordinance, 1984 (now Companies Act, 2017), having its registered office at CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi. Right, Obligations and Powers of the Trustee are as stated in the REIT Regulations.

3.25 Names along with obligations and rights of Development Advisor, RMC, REIT Accountant, Trustee and Unit Holders

Development Advisor

The details of the Development Advisor along with Names are as set forth in the Fact Sheet above.

The Development Advisor shall be caused by RMC to fulfill all its obligations as are required to be fulfilled by any developer of real estate, by law and best local and international practices or normal practice. Without prejudice to the foregoing, RMC shall ensure that the Development Advisor shall inter alia:

- 1 prepare plan and the design the REIT Project in accordance with the highest professional competence and expertise and prepare working drawings and final drawings for approval of RMC with changes as may be desired by RMC to its satisfaction;
- 2 appoint renowned qualified and experienced civil engineer for supervising the construction of REIT Project and performing related functions as are normally and customarily performed by civil engineers in multi-storeyed projects;

- 3 prepare building plans for submission to the relevant governmental authorities like Lyari Development Authority, Sindh Building Control Authority etc. of the pertinent area (if any);
- 4 obtain approval of the building plans from relevant authorities after acceptance of the same by RMC;
- 5 prepare phase-wise schedule of construction with estimated timelines for completion of various phases and the overall REIT Project;
- 6 prepare costing and bill of quantities for REIT Project for approval of RMC; provided the same may be subject to revision by RMC before finalization;
- 7 select and recommend competent and qualified Civil Works Contractor for appointment by RMC after floating tenders for various civil works based on experience, qualification, expertise and their past track records and their quotations for the respective segments of the REIT Project without compromising on quality of works or materials in view of the best interest of the unit holders;
- 8 prepare agreements to be executed with Civil Works Contractor containing all requisite and protective terms and conditions for approval by RMC and assist RMC in awarding such contract;
- 9 assess the competence, experience and past records of the sub-contractors proposed to be appointed by Civil Works Contractor and approve and assist RMC in granting the approval for sub-contracting;
- 10 prepare sub-contract agreements to be executed between Civil Works Contractor and respective sub-contractors after getting the same cleared by RMC;
- 11 monitor and supervise day-to-day construction and development of the REIT Project by Civil Works Contractor, pay regular visits to the REIT Project through its authorized qualified and experienced civil engineers and to issue requisite instructions where necessary for avoidance or removal of any flaws, workmanship, defects or substandard works and shall issue monthly progress report to RMC and the Trustee in the form and substance acceptable to them;
- 12 cause the Civil Works Contractor and sub-contractors to remove any flaws or substandard works at their respective cost;
- 13 inspect and measure the construction works undertaken by Civil Works Contractor and the sub-contractors and approve their running bills as well as other invoices in accordance with the terms and conditions of their contracts and sub-contracts;
- 14 Recommend the appointment of Material Providers on best competitive rates without compromising on quality of such materials and prepare contracts or agreements to be executed with them by RMC on protective terms and conditions;
- 15 act as an arbitrator in the event of any dispute between the Civil Works Contractor and RMC on any matter pertaining to the construction of the REIT Project and give its just award based on fairness and equity; for avoidance of doubt, RMC shall not get involved in any disputes between Civil Works Contractor and the sub-contractors inter se, provided the Development Advisor shall endeavor to resolve such disputes satisfactorily in the best interest of the REIT Project and other stake holders and in particular the Unit Holders;
- 16 act as an arbitrator in the event of any dispute between the Material Providers and RMC on any matter pertaining to the quality and characteristics of materials supplied for the REIT Project and give its just award based on fairness and equity;
- 17 apply for either directly or through any of Civil Works Contractor for utility connections, such as electricity, water, sewerage, gas, etc. for the entire REIT Project, including individual Premises thereof, without involving RMC, except where signatures of RMC or the Trustee are required, the same shall be obtained after satisfactorily explaining to them the purpose, necessarily and significance of such application and supporting documents;
- 18 prepare and submit final completion plan with drawings to the concerned authority after the completion of the REIT Project and obtain completion/occupancy certificates for the entire REIT Project, including individual Premises thereof, through the Architect;

- 19 advise RMC and the Trustee in respect of any changes or amendments in the applicable laws, rules or regulations during the course of constructions and recommending the remedial measures or alternate plans and proposals so that the completion of the REIT Project is not hampered or delayed and to keep the interest of the Unit Holders uppermost in mind;
- 20 be liable for breach of any of its obligations, duties, negligence and for any negligent act or omission in performance of its duties; however, the RMC shall be responsible to recover such costs, losses and damages from the Development Advisor.

REIT Management Company 'RMC'

Arif Habib Dolmen REIT Management Limited, a company existing under the laws of Pakistan and having its registered office at Arif Habib Centre, 23 M. T. Khan Road, Karachi. Right, Obligations and Powers of the RMC are as stated in the REIT Regulations.

REIT Accountant

The REIT Accountant will be appointed by the Trustee within one (1) month of the financial close of the REIT Scheme under intimation to the Commission. The REIT Accountant [name to be disclosed to the Private Investors upon appointment] shall be responsible for authorizing and monitoring all payments including countersigning interim payment certificates and reporting variances to the Trustee after comparing them with the project milestones.

It may hire any technical/ professional resource necessary for performance of his duties. The Trustee may remove the REIT Accountant, if the Trustee is not satisfied with the performance.

The Indicative fee of Trustee/Development Advisor/REIT Accountant, are covered in the financial projections of GRR, however, contractual fee of Development Advisor and REIT Accountant [to be disclosed to the investors upon appointment] will be paid out of the REIT Scheme.

Unit Holders

3.26 Rights and liabilities of Unit Holders

Management Affairs: No Unit Holder shall have the right or power to participate in the management or affairs of the REIT Scheme, nor shall any Unit Holder have the power to sign for or bind the REIT Scheme.

Unit Holders ranking pari passu: The Unit Holders shall rank pari passu inter se, according to the number of Units held by each Unit Holder. All Unit(s) represent an undivided share in the REIT Assets and rank pari passu as to their rights in the Net Assets, earnings, and the receipt of the dividends and distributions and each Unit Holder has a beneficial interest in the REIT Assets proportionate to the Unit(s) held by such Unit Holder(s). Further, the Liability of the Unit Holders shall be limited to the amount of subscription money paid for subscription of Units.

Access to books and records: The Unit Holders shall be entitled to inspect the books and records of the REIT Scheme and have access to the REIT Scheme's balance sheet, profit and loss statement, cash flow statement and statement of the movement in NAV along with the report of the Trustee, the report of the Auditor, the Valuation Report and any other document as specified by the Commission.

Liability of the Unit Holders: The Unit Holders shall not have any personal liability whatsoever in its capacity as a Unit Holder whether to the REIT Scheme, to any of the Unit Holders or to the creditors of the REIT Scheme, for the debts, liabilities, contracts or any other obligations of the REIT Scheme or for any losses of the REIT Scheme, except as specifically set forth in the Trust Deed (and save as provided in the Unit Subscription Agreement) or this Information Memorandum. After the subscription price shall have been paid in full, but subject to the provisions of the Trust Deed [and the Unit Subscription Agreement, a Unit Holder shall not be obligated to make any further contribution to the REIT Scheme to repay to the REIT Scheme, any Unit Holder or any creditor of the REIT Scheme.

Other than as specifically set forth in the Trust Deed or this Information Memorandum, no Unitholder shall be entitled to any interest or compensation by reason of payment of the subscription price or by reason of serving as a Unit Holder.

No Unit Holder shall be required to lend any funds to the REIT Scheme.

Meetings of Unit Holders: Meetings of Unit Holders shall be convened and held in line with the provisions of the REIT Regulations and the Trust Deed.

Other rights of the Unit Holders: Rights of Unit Holders shall be in accordance with the REIT Regulations, and shall include the right to.

- have Units redeemed as stipulated in 3.24 above
- dividends as per 3.19 above
- remove the RMC through a special resolution in accordance with and subject to the REIT Regulations
- to new units (in proportion to their existing units) if new units are issued by the REIT Scheme.
- pledge / lien all or any of his Units as security for any debt to any third party in accordance with this Information Memorandum and the Trust Deed
- demand revocation of the REIT Scheme through a special resolution in accordance with and subject to the REIT Regulations and the Trust Deed
- to the proceeds from the sale of REIT Assets in accordance with the REIT Regulations and the Trust Deed

3.27 An overview of the applicable regulatory framework

The REIT Scheme is primarily regulated pursuant to the REIT Regulations as may be amended from time to time.

Other laws and regulations that may apply include, Transfer of Property Act, 1882, Income Tax Ordinance, 2001, Sindh Trusts Act, 2020, Companies Act 2017 and its corresponding rules and regulations. The Commission issues circulars, notifications, and letters from time to time, which may also apply. To the extent that any foreign investors are involved, the Foreign Exchange Regulation Act, 1947 read with the Foreign Exchange Manual issued by the State Bank of Pakistan may also become relevant. The list of aforementioned laws is non-exhaustive and provides the primary laws that may be applicable to the REIT Scheme.

3.28 Circumstances for the extinguishment/revocation of the REIT Scheme

The REIT shall have an indicative life of 4 to 5 years. Notwithstanding the same, the REIT Scheme shall continue until the entire REIT Project is developed and completed, all the End Products are allotted, sold and delivered to the end-buyers against full payments of purchase price to the Trustee on account of the REIT Scheme.

The REIT Scheme may, however, be revoked and dissolved earlier than the completion of the REIT Project and delivery and transfer of the End Product to any end-buyers, on the happening of one or more of the following events:-

- (a) where, in the opinion of the RMC, the REIT Project cannot be commenced or completed due to a frustration of the Trust Deed attributable to various factors beyond the control of the RMC or the Trustee or the REIT Project cannot be completed due to a force majeure event that continues to subsist, making the REIT Project infeasible, with the prior consent of the Unit Holders through passing the Special Resolution;
- (b) if the Unit Holders pass a Special Resolution demanding revocation of the REIT Scheme;
- (c) if the RMC goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or does not hold valid license unless the management rights have been transferred in conformity with the REIT Regulations and the Trust Deed;
- (d) if in the opinion of the RMC, the REIT Scheme is not commercially viable or the purpose of the REIT Scheme cannot be accomplished or its objective cannot be achieved and the Unit Holders have consented to such an action through a Special Resolution; provided that the RMC shall not vote at such meetings and its presence shall not be counted towards requisite voting for Special Resolution;
- (e) if in the opinion of the Trustee an event or circumstance has occurred which, as per the Trust Deed, requires the REIT Scheme to be revoked;
- (f) if the Commission deems it necessary to revoke the REIT Scheme and directs so to the Trustee or the RMC in the interest of Unit Holders;
- (g) in case the Real Estate is not transferred to the REIT Scheme within the time period stipulated under the REIT Regulations (unless approved otherwise by the Commission); or
- (h) due to occurrence of any circumstances specified in Regulation 40 of the REIT Regulations,

3.29 Mechanism for the distribution of assets of REIT Scheme, upon the extinction or revocation of the Trust and the manner in which the beneficiaries shall be transferred their proportionate shares of the sale proceeds

The proceeds from the sale of the REIT Assets shall be first utilized towards discharge of Customers Advances and borrowing and thereafter towards payment of all other liabilities as are due and payable by the REIT Scheme and after making appropriate provisions for meeting the expenses connected with such revocation, the balance amount of land payment, if any, shall be paid to the Real Estate Owners and remaining amount, if any, shall be paid to the Unit Holders, including the strategic investor(s) in proportion to their respective investments in the REIT Assets of the REIT Scheme.

3.30 Retirement or removal of Trustee, specifically giving the Commission the power to remove the Trustee

Removal of the Trustee: The Trustee may be removed by the Commission in the following cases:

- (a) The Trustee goes into liquidation, becomes bankrupt or if a receiver, liquidator or administrator is appointed over its assets, upon which the Commission shall appoint a new trustee.
- (b) The RMC by giving cogent reasons supported by evidence applies in writing to the Commission for change of the Trustee and proposes a new trustee, and the Commission, satisfied by the reasons given by the RMC and after providing an opportunity of hearing to the Trustee, approves the removal of the existing Trustee and the appointment of a new trustee.
- (c) The Commission after providing a reasonable opportunity of representation to the Trustee, the Commission is of the opinion of that: -
 - Trustee has been in violation of the Trust Deed, the REIT Regulations or any directives, code or guidelines issued by the Commission or is found guilty of misconduct or failed to discharge its obligation under the Trust Deed or the REIT Regulations; or
 - Trustee is guilty of insider trading or fraud or a criminal offence.

Retirement: The Trustee may, subject to prior approval of the Commission, retire from its office on appointment of a new trustee and the retirement shall take effect at the same time as the new trustee is appointed or from the date of assumption of assets of the REIT Scheme by the newly appointed trustee, whichever is later.

3.31 Circumstances and procedure for the change of the RMC upon the request of the Unit Holders

The management rights of the REIT Scheme may be transferred to another REIT management company upon the occurrence of any of the following events: -

- (a) the RMC goes into liquidation, becomes bankrupt or has a liquidator appointed over its assets, or its license has been cancelled or ceases to hold valid license to act as an RMC; or
- (b) where the Unit Holders pass a Special Resolution and fulfil the conditions specified therein to pass such a resolution to replace RMC provided that the RMC shall not vote at such meetings and its presence shall not be counted towards the requirement of minimum percentage of voting for Special Resolution; or

(c) If in the opinion of the Commission, further management of REIT Scheme by the RMC is detrimental to the interest of the Unit Holders or the REIT Project or for any other reason to be recorded in writing; provided that RMC shall be given an opportunity of hearing before any action is taken against it under this Section. However, the Commission shall not be restricted from taking any interim measures in the interest of unit holders.

3.32 A statement that the REIT Management Company accepts responsibility for the information contained in the Information Memorandum as being accurate at the date of publication

The RMC accepts responsibility for the information contained in the Information Memorandum as being accurate at the date of publication.

3.33 Disclosures required under these Regulations

The REIT Regulations specifies various disclosures to be made to investors and regulatory authorities including but not limited to the disclosures in to be made in this Information Memorandum, offering document and annual reports of the scheme. Such disclosures would be made from time to time as and when required by the REIT Regulations.

3.34 Any other information that the Commission may specify from time to time

N/A

DECLARATION BY PRIVATE INVESTOR

All Private Investors are advised that completion of this declaration form is mandatory to invest in the proposed REIT Scheme.

I/We hereby acknowledge that:

- i. I/We have examined the Constitutive Documents along with Information Memorandum carefully and I/We understand that investment in this REIT Scheme (i.e. Globe Residency REIT 'GRR') may involve risks which I understand and willing to take;
- ii. The Units of the REIT Scheme have not been recommended by the SECP and in making an investment decision, I/We will rely on my/our own judgment of the REIT Scheme and the terms of the offer including the merits and risks involved

Name (s) of Private Investor

Signature of Private Investor or Authorized Person

In case of authorized person, authorizing instrument shall be enclosed.

BUSINESS PLAN

VALUATION REPORTS