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# Valuation Report

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Plot No. 25-B, Korangi Industrial Area,  
Qayyumabad, Karachi, Pakistan.

31 December 2023

Ref: V-0237

Mr. Ali Asghar  
Chief Executive Officer  
TPL REIT Management Company Limited &  
TPL REIT Fund I.  
20<sup>th</sup> Floor, Sky Tower – East Wing,  
Dolmen City, Block 4, Clifton,  
Karachi, Pakistan.

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37-A, Lalazar Avenue, Beach Hotel Road,  
Off MT Khan Road, Karachi, Pakistan  
savills.pk

Dear Sir,

**CLIENT:** TPL REIT Management Company Limited & TPL REIT Fund I  
**PROPERTY:** PLOT NO. 25-B, KORANGI INDUSTRIAL AREA, QAYYUMABAD, KARACHI, PAKISTAN

In accordance with the email dated 05 December 2023, we have undertaken a valuation of the Property.

We draw your attention to our accompanying report together with the General Assumptions and Conditions upon which our Valuations have been prepared, details of which are provided at the rear of our report.

Should you have any queries, please do not hesitate to contact us.

Yours faithfully

For and on behalf of Savills



Muhammad Shumail Nini, CFA  
Senior Manager



Engr. Sajjad Ali  
Senior Manager

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Annexure-A: Declaration by Valuer

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Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

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## Executive Summary

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# Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan



Property	Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan
Registered Owner	TPL Technology Zone Phase 1 (Pvt) Ltd (as per information provided by the Client)
Purpose of Valuation	Valuation as required by REIT Regulations
Interest Valued	Leasehold
Basis of Value	Market Value
Plot Area	Plot Area 10,002 sq. yds. (as per client information)
Built-up Area	The subject plot is an open land parcel with boundary wall and gates
Property Description	The subject property is situated at Qayyumabad, Karachi. The subject plot is an industrial plot and is currently vacant.
Occupancy Details	The property is fully vacant
Valuation Approach	Cost Approach
Date of Inspection	11 December 2023
Date of Valuation	31 December 2023
Adopted Market Value	PKR 2,461,617,651/- (RUPEES TWO BILLION FOUR HUNDRED SIXTY-ONE MILLION SIX HUNDRED SEVENTEEN THOUSAND SIX HUNDRED FIFTY-ONE ONLY)

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## 1. Instructions and Terms of Reference

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# Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan



## 1.1 Instructions

You have instructed us to provide our opinions of value on the following bases:

The current Market Value of the property, subject to the ownership documents provided and subject to the assumptions contained within this report. We confirm that our valuation is reported in Pakistani Rupees (PKR).

## 1.2 Basis of Valuation

In undertaking our valuations, we have adopted the RICS definition of Market Value, as defined below:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

## 1.3 General Assumptions and Conditions

Our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

## 1.4 Date of Valuation

Our opinions of market value are as at 31 December 2023. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

## 1.5 Purpose of Valuation

You have instructed us that our valuations are required for financial reporting purposes only.

## 1.6 Conflicts of Interest

We are not aware of any conflict of interest preventing the firm or valuers involved, from providing an independent valuation of the Properties. We confirm we have completed the necessary conflict of interest checks and are in full compliance with professional standards. We will be acting as External Valuers, as defined in the Red Book Global.

## 1.7 Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Savills Team. The valuations have been reviewed by Muhammad Shumail Nini, CFA, Senior Manager and Fazal Ahmad, Director Valuations.

The property was inspected on 11 December 2023.

We confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuations competently.

## 1.8 Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuations are stated in the relevant sections of our report below.

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Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

## **1.9 Liability Cap**

Savills liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with this assignment shall be limited to an amount that does not exceed the fees received by Savills from the client for this assignment.

Savills does not accept any duty, liability or responsibility to any party other than the Instructing Party with respect to the report unless and to the extent otherwise agreed with such party in writing. No employees, partners or consultants individually has a contract with the instructing party or owes a duty of care or personal responsibility to any parties relying on this report. All parties agree that they will not bring a claim against any such individual personally in connection with our services.

## **1.10 Confidentiality and Responsibility**

We would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.





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## 2. The Property, Statutory & Legal Aspects

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## 2.1 Site Location and Description

The site consists of a land parcel of 10,002 sq. yds. in Qayyumabad, Karachi. The Subject Property is currently an open plot with boundary wall. The property is located on main Korangi Crossing Road near Thal Engineering Electric Systems Business, approximately 500 meters ahead of KPT Interchange. The Property has a frontage on the main Korangi Crossing Road, hence enjoying high visibility. The plot can be accessed from two gates located on the side road. Accessibility is restricted due to the plot being located behind one other plot on the road entrance. The plot comprises of one more gate located off main Korangi Crossing Road, which provides another convenient access to the site.

Being located in a prominent area of Korangi, the Property is easily accessible by both public and private transport. Public transport options such as buses reach the subject area from all over the city, whereas taxis and other means of transport are also readily available. The location of the site is provided below:



## 2.2 Connectivity and Nearby Developments



- 1 Centrepont Tower
  - 2 Grove Residency
  - 3 Thal Engineering
  - 4 MTN Fleet and Logistics Solutions
  - 5 Sanofi-Aventis
- Subject Site

## 2.3 Site's Immediate Neighbourhood

The subject site is bounded as under:

- North: Thal Engineering
- South: Korangi Crossing Road
- East: Malir River/Undeveloped Land
- West: Plot

## 2.4 Condition

We have not been provided with a Condition Report for the Property.

## 2.5 Planning & Statutory Background

We have not undertaken any detailed research into the planning permission of the Property. Unless advised by you and stated in this report, we have assumed that the Property has received the appropriate permits/certificates issued by the relevant authorities.

Should subsequent planning information be found to the contrary, we reserve the right to amend our valuations.

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## 2.6 Environmental Considerations

Unless advised by you and stated in the following schedules, we have assumed that the Property is not adversely affected by environmental matters and that ground conditions are sufficient for any proposed developments/extensions.

We recommend that specialists be instructed to verify this and should it subsequently be established that contamination or hazardous materials exist at the Property, or on any neighbouring land, then we may wish to review our valuation advice.

## 2.7 Legal Title

Unless otherwise specifically stated, we have relied upon information that has been provided to us by the instructing party. We have assumed the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing.

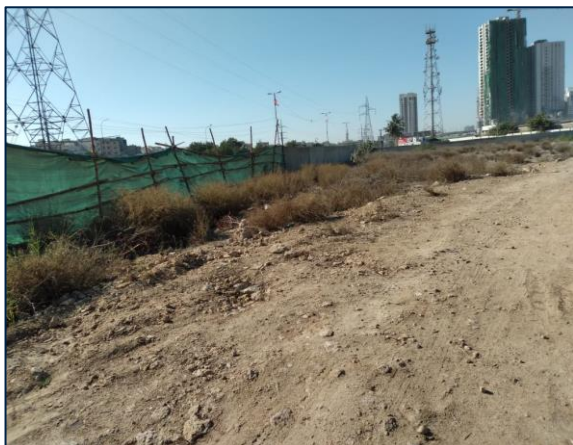
As we are not experts in this area, should subsequent legal advice find to the contrary, we reserve the right to amend our valuations.

## 2.8 Photographs



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## 3. Project Overview

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## Project Technology Park

As per information provided by the Client, the proposed development is going to be the first of its kind, Technology Park in Pakistan, with high end IT infrastructure designed for tech companies looking for an office space that fosters innovation, collaboration, stimulates health, wellness and social sustainability. The development is also going to comprise of a 42 key business hotel with high quality accommodation and personalized service, high-end restaurant and luxurious amenities.

The Project will be classified as a Special Technology Zone (STZ). The STZ Authority Ordinance 2002, enables all the inhabitants to enjoy import duty concessions and tax holidays which will make the proposed development attractive to many companies.

<b>Registered Owner</b>	TPL Technology Zone Phase 1 (Pvt) Ltd
<b>Target Customers</b>	Office: Tech Companies including tech startups, software houses, tech support, etc. Hotel: Local & International business travelers and delegates
<b>Business Model</b>	Partial office space to be sold on off-plan basis, while the remaining office space will be retained and rented out. The hotel shall be retained and operated by the REIT

## Status of Project Technology Park

The land parcel has been acquired by TPL Technology Zone Phase 1 (Pvt.) Limited. The detailed design for the project is 50% completed. The architectural plans have been submitted to SBCA for approval. The regulatory approvals were expected to be completed by 3Q2023, followed by completion of detailed design and award of tender for main construction works. The construction works for the project are expected to commence in 1Q2024.

## STZA Update

TPL Properties Limited has successfully applied to the Special Technology Zones Authority (STZA) for grant of a license as a Zone Developer with regards to Technology Park. The application has been well received by the STZA and TPLP has promptly responded to all the queries raised by the STZA. The application has been cleared by the internal committees of STZA and is pending review and confirmation of their "Approval Committee". The STZA approval is expected to be received by end of this quarter.

Various NOCs have been obtained from relevant regulatory authorities, details of which can be referred from the table below:

S.No.	Subject	Approval Date	Approving Authority	Status
1.	Provision of Site Coordinates in WGS 84	15-Apr-21	Survey of Pakistan	Granted
2.	Height Clearance as per Rule 68 and Aviation safety standards	31-May-21	Civil Aviation Authority	Granted
3.	NOC	19-Jul-21	Air Force Headquarters	Granted
4.	NOC - Issuance of provisional confirmation of Electricity Connections	21-Apr-21	K Electric	Granted

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5.	NOC	19-May-21	Sui Southern Gas Company	Granted
6.	Architectural Plan	-	Sindh Building Control Authority	Applied / Approval Pending
7.	Structural Plan	-	Sindh Building Control Authority	Post Architectural approval, minimum 2 weeks process
8.	Strategic asset safety	-	Strategic Plans Division	Post Architectural approval, minimum 4 weeks process





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## 4. Valuation Advice

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## 4.1 Approach to Valuation

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report. Furthermore, it has been assumed that reasonable resources are available in negotiating the sale and exposing the property to the market.

In assessing the value of the subject, we have considered the Cost approach:

The approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility whether by purchase or construction.

## 4.2 Valuation Assumptions

In arriving at our opinion of the value of the property, we have made the following assumptions:

- Our valuations assume all services are provided to the site boundaries.
- We have specifically assumed that the sale and marketing of the subject property will be handled in a professional manner.
- We have assumed that the information provided by the client, commercial/ residential agents and other parties is accurate, complete and up to date. We have tried to verify all information; however, this is an imperfect market and verification can be difficult at times and impossible at others. If the information provided proves inaccurate, we reserve the right to amend our report and valuations accordingly.
- We have not made any allowance for vendor's sale costs, nor for any tax liabilities which may arise upon the disposal of the property or any parts thereof.

## 4.3 Suitability for Loan Security

We have not been provided with detail of the loan terms of the Property / client and therefore cannot pass comment of the Property's suitability to loan security, however we believe the Property would be marketable.

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the assets reflecting current market conditions, there are certain risks, which may or may not become uninsurable. Before undertaking any financial transaction based upon these valuations, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

## 4.4 Comparable

Description	Size	Demand/Transaction	Discounts/Premiums
A commercial plot is available for sale in DHA Phase II ext. located near Defence Police Station.	1,200 sq. yd.	PKR 500,000/- per sq. yd. (Demand)	<p><b>Premiums:</b> Corner: 5% - Subject site is a corner plot</p> <p><b>Discounts:</b> Size: 15% - Subject plot is bigger in size than the comparable Access, Visibility &amp; Location: 25% - The comparable has better access and location Negotiations: 7% - This comparable is available for sale Land Use: 25% - Subject plot is an industrial plot while the comparable is a commercial plot</p>
A commercial plot located near the Subject Property, near Qayyumabad Roundabout, was valued by Savills in September 2022.	24,200 sq. yd.	PKR 350,000/- per sq. yd. (Valuation)	<p><b>Discounts:</b> Corner: 10% - The comparable is a three-side corner plot Location &amp; Access: 15% - The comparable is better in location and accessibility: Orientation: 13% - The subject property is irregular in shape Land Use: 25% - Subject plot is an industrial plot while the comparable is a commercial plot.</p> <p><b>Premiums:</b> Size: 10% - The comparable is larger in size</p>

## 4.5 Capital Work in Progress (CWIP)

According to our discussions with TPL RMC's management, Development cost (including borrowing cost) incurred on the Technology Park project are to be included in the asset valuation. As per information provided by the Client, the total cost incurred on TPL Technology Zone Phase I Private Limited as of December 31, 2023, is PKR 811,287,651/-.

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## 4.6 Valuation

We are of the opinion that the market value of the property subject to the contents, terms, and conditions contained within our report are as follows:

**PKR 2,461,617,651/-**  
**(RUPEES TWO BILLION FOUR HUNDRED SIXTY-ONE MILLION SIX HUNDRED SEVENTEEN THOUSAND SIX HUNDRED FIFTY-ONE ONLY)**

### Break-up:

Land Area: 10,002 sq. yds. @ PKR 165,000/- per sq. yd. = PKR 1,650,330,000/-

Development cost (including borrowing cost) incurred as of December 31, 2023 = PKR 811,287,651/-

Prepared by Savills  
Yours faithfully,

**Muhammad Shumail Nini, CFA**  
Senior Manager  
For and on behalf of:  
Savills Pakistan Pvt. Ltd.

**Engr. Sajjad Ali**  
Senior Manager  
For and on behalf of:  
Savills Pakistan Pvt. Ltd.



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## 5. General Assumptions & Conditions

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## 5.1 General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing and good title can be shown. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not validated the Title Deeds or Site Plans.
2. That we have been supplied with all information likely to have an effect on the value of the Property, and that the information supplied to us and summarised in this Report is both complete and correct.
3. That the Property is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
4. That there is unrestricted access to the Property and that it is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
5. Sewers, mains services and roads giving access to the Property have been adopted, and any lease provides rights of access and egress over all communal development roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
6. That the Property is free from environmental hazards and has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
7. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
8. No allowance will be made for any expenses of realisation.
9. When valuing a property on a no inspection basis that has previously been inspected by Savills, the client confirmed there to be no material changes to the property since the date of our last inspection.
10. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
11. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
12. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of an Administrative Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
13. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

# Report & Valuation

Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan

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## Annexures

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## Annexure-A: Declaration by Valuer

Annexure "A"

### DECLARATION

I Sajjad Ali of Savills Pakistan Pvt. Ltd. carried out a valuation of Plot No. 25-B, Korangi Industrial Area, Qayyumabad, Karachi, Pakistan and do solemnly and sincerely, to the best of my knowledge and belief declare:

1. That after an inspection of the Real Estate and a study of pertinent factors, including valuation trends and an analysis of neighbourhood data the market value of the subject Real Estate as on December 31, 2023 is PKR 2,461,617,651/- (Rupees Two Billion Four Hundred Sixty-One Million Six Hundred Seventeen Thousand Six Hundred Fifty-One Only)
2. That the statements of fact contained in this report are true and correct.
3. That I have not withheld any information.
4. That I have no interest in the Real Estate that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. That I have not been instructed either by our company or the client to report a predetermined value for the subject Real Estate.
6. That I am neither a director nor an employee of the TPL REIT Management Company Limited ("TPL RMC") and do not have any financial interest, direct or indirect, in the TPL RMC.
7. That I have personally inspected the Real Estate that is the subject of this report.

Declared by:

.....  
Name and signature: Sajjad Ali  
Designation: Senior Manager  
Date: December 31, 2023

Witnessed by:

.....  
Name and signature: Hammad Rana  
Designation: CEO  
Date: December 31, 2023

