

Management and Operation of the Qasr-e-Naz

Investment pitchbook

September 2025



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Executive Summary

Attractive Investment Destination

- **Pakistan** is emerging as a **regional powerhouse**, with a **reformed economy** (inflation stabilized at the lowest level in the past 50 years and GDP expected to cross USD 3.3T by 2050) and **vibrant talent** (7th largest global workforce, with 64% of the workforce under 30)
- Investors can count on **strong government support**, including accelerated licensing and tax incentives under hospitality and infrastructure development schemes




Widening Demand Gap for Luxury Hospitality

- Tourism promotion initiatives, combined with robust business and diplomatic engagement and rising medical tourism, have driven international visitor flows to Pakistan **nearly 3x** over the past five years; tourism projected to **double** again by 2030
- In particular, **Karachi stands out as a key destination for business** (hosting the country's largest port and many industrial zones), **culture, fashion, and sports** events (hosts Fashion Pakistan Week, frequent music and film launches, cricket matches), **and connectivity** (home to Pakistan's busiest airport and an entry for the Middle East, UK diaspora)
- One of the key **supply gaps is in the luxury segment**, where 4- and 5-star accommodation per capita is 8x that in Islamabad and 4x that in Lahore

Landmark Premium Hospitality Project

- Investors have the opportunity to **rehabilitate, manage and operate the Qasr-e-Naz in Karachi**, leveraging its **historic, cultural and architectural heritage** in a concession agreement with the government
- The property spans 101 rooms with the opportunity to build an additional event hall, requiring **USD 13-14M in restoration and construction costs** and can generate an estimated **USD 10-12M in run-rate revenues**
- This project has the potential of achieving a **20+% IRR over 25-year concession period**










Pakistan: Your Tourism Destination

Pakistan Value Proposition						
Reformed Economy 	USD 3.3Tn¹ Expected GDP in 2050 (from USD >410Bn ² today)	B- Improved Credit Rating ³ from CCC-	Top 10 In Business Entry Regulations ranking ⁵	Stabilized Inflation At lowest levels since 1968 ⁶	Stabilized Currency Achieved since 2023 in coordination with IMF	Special Economic Zones (SZE^s) Robust fiscal and trade incentive packages ⁷
Vibrant Demographics and Talent 	255 million Large and growing population ⁸	64% Population younger than 30 ⁸	7th largest Global workforce ⁹	2 million University students enrolled every year ¹⁰		
Emerging Tourism Ecosystem 	6.1% (+0.3pp yoy) Tourism contribution to GDP ¹¹	USD >1.5 Bn <i>(USD 2Bn expected by 2033)</i> International visitors spending ¹¹	USD >13 Bn <i>(USD 24 Bn expected by 2023)</i> Domestic visitors spending ¹¹	12 International airports ⁷	Strategic Positioning Crossroads between South Asia, East Asia, and Middle East	6 UNESCO Heritage Sites ¹²

1. Goldman Sachs; 2. National Accounts Committee; 3 Fitch Ratings; 4. Bloomberg, 84% in PKR; 5. World Bank's B-READY assessment; 6. US (St Louis) Federal Reserve Bank; 7. Pakistan Government; 8. United Nations, SIFC; 9. CIA World Factbook; 10. Higher Education Commission; 11. Pakistan Tourism Insights, 2024; 12. Include Archaeological Ruins at Moenjodaro, Taxila, and Rohtas Fort

Investors have an opportunity to rehabilitate, manage, and operate the Qasr-e-Naz in Karachi

Opportunity overview and key highlights

Opportunity Description 		Rehabilitate, manage, and operate the Qasr-e-Naz in Karachi to transform it into a profitable and sustainable asset
High-Level Opportunity Facts 		Value Proposition 
A Project Details		
 Club Road, Karachi	 2.6 Acres Plot Size	 101 Rooms
B Supply-Demand Gap	Underserved luxury accommodation market despite being the financial and trade hub of Pakistan	
C Investment Model	Revenue sharing with government while investor retains full operational and decision-making control	
Return Profile¹	IRR 21-22%	
Run-Rate Revenues	USD 10-12Mn	
Estimated Project Cost (Renovation)	USD 13-14Mn (100% equity)	
Property Use Rights: Ministry of Housing & Works is providing the use rights for a prime property in the center of Pakistan’s financial hub, Karachi		
 Increasing Demand for Accommodation: Strategic entry into an under-served hotel market for both the private sector and government officials		
 Diversified Revenue Streams: Project provides diversified revenue streams through the provision of accommodation services (rooms), as well as hosting of events and restaurants		
 Strong Government Backing: Robust policies and incentives enhance project viability		

1. In local currency; over 25 years of operations (detailed in Business Case section)
2. Year 6 of contract
Source: Expert input

A. The project involves the rehabilitation and operations of Qasr-e-Naz in Karachi to convert it into a sustainable and profitable asset

Project details



Offering

- Qasr-e-Naz is a federal historic government-owned building used as a state guest house and office space
- Currently, the hotel is operational; however, renovations are needed to upgrade the facilities
- Historically, it has commonly been used to host visiting dignitaries and as office space for government or commission purposes
- Once restored, the property will offer accommodation for private sector and event hosting, ideal for business meetings, weddings, and small to medium gatherings



Technical Specifications

- 101 keys (single and family rooms)
- 0.92 acres main hotel space
- 1.68 acres outside area



Targeted End-Users

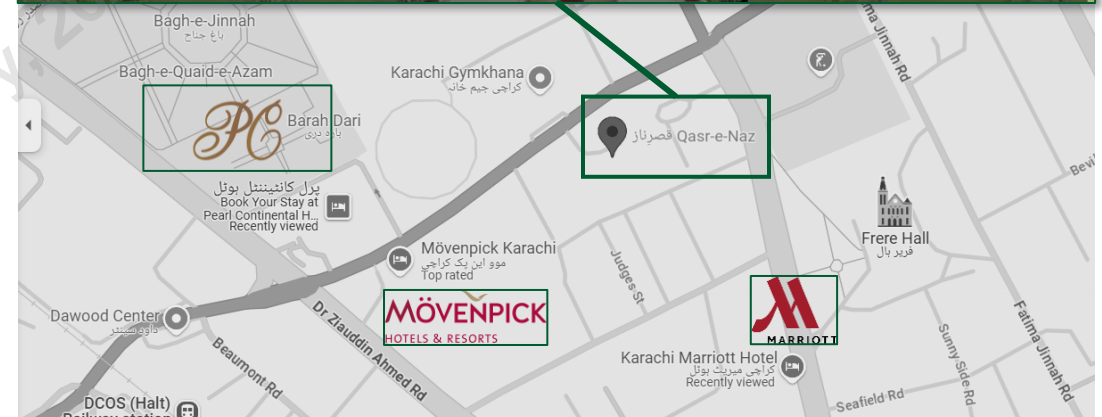
- International / domestic tourists and business travelers (corporate, multilateral agencies)
- Senior Pakistani government officials on tours
- MICE1 segment: conferences, business meetings, and banquets (e.g., weddings)



Location

- Prime location in Karachi's Club Road, in close proximity to recreational, civic, historic, and commercial centers in Pakistan's financial hub

Property Location

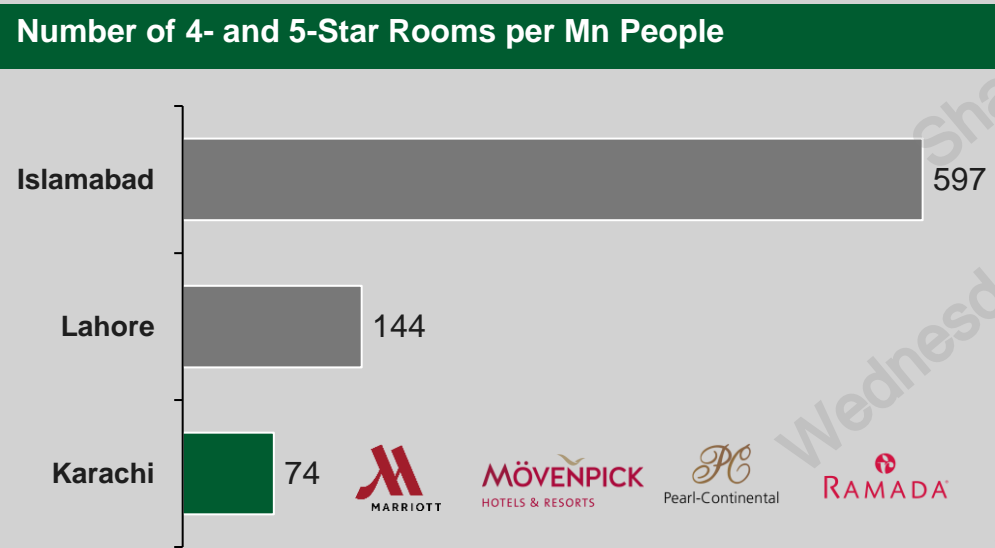


★ *Luxury properties confirming prime location*

B. The opportunity aims to leverage the growing demand for luxury accommodation in Karachi

Luxury accommodation demand tailwinds

Compared to Islamabad and Lahore, Karachi faces an undersupply of luxury accommodation¹



- Despite being the financial hub of Pakistan and an important coastal city, **Karachi has an underserved luxury accommodation market compared to Islamabad and Lahore**
- **With luxury hotel occupancies at ~70%**, serving the luxury accommodation market remains critical

Key Growth Drivers

- | | |
|---|---|
| Growing Trade & Industrial Hub | <ul style="list-style-type: none">– Karachi is Pakistan’s economic engine, contributing over 20% to GDP and hosting its largest port, stock exchange, and industrial zones– The city attracts a steady stream of business travel, especially from finance, shipping, logistics, and FMCG sectors– Industrial exhibitions, trade delegations, and port-based business create recurring demand for executive accommodation |
| Emerging Events, Fashion, and Culture Activity | <ul style="list-style-type: none">– Karachi hosts major cultural events such as Fashion Pakistan Week, Karachi Literature Festival, and music/film launches, which draw media, influencers, and audiences from across Pakistan– As a media and entertainment hub of the country, it generates sustained hotel demand from production crews, artists, and events |
| Positioning as Pakistan’s Domestic and International Gateway | <ul style="list-style-type: none">– With Jinnah International Airport as Pakistan’s busiest airport, Karachi remains a top domestic and international entry point– In 2024, 6.4 Mn passengers passed through Jinnah International Airport, out of which 4 Mn were international passengers– Increasing diaspora traffic (Middle East & UK routes), and corporate ties bring recurring transit and long-stay guests |

C. Investors will be supported by public parties in a robust hospitality ecosystem



Ministry of Housing & Works

- Custodian of federal land and responsible for allocating prime urban sites for redevelopment
- Leads planning and oversight for heritage restoration, public infrastructure, and real estate PPPs
- Provides properties use rights and facilitate government approvals



Pakistan Public-Private Authority (P3A)

- Regulates and promotes public-private partnership projects at the federal level
- Reviews, approves, and structures PPP proposals to ensure commercial viability and value-for-money

Project partner
(direct government counterpart)

Investors

PPP
Authority

Investor
relations



Special Investment Facilitation Council (SIFC)

- Facilitates and fast-tracks foreign and domestic investments
- Provides a streamlined, one-window operation for investor support and coordination across government entities

D. Investors will benefit from the Government support to create an attractive business and regulatory environment

Key opportunity enablers and incentives

Ease of Doing Business

- Ongoing review and simplification / deregulation across sectors
- One-stop licensing and digital registration
- Government intermediation with public entities



Demand Attractiveness

- Collaboration with government on diplomatic and event agenda (e.g., becoming official host of government-led events)
- Demand from the government for touring government officials



Tax & Fiscal Incentives

- Eligibility for corporate tax incentives under hospitality and infrastructure development schemes



Prime Property Use Rights

- Provision of use rights for a prime property in the center of Pakistan's financial hub, Karachi



D. The opportunity for private sector partnership with Ministry of Housing & Works is structured through a revenue sharing model

Proposed investment model and role delineation between the public and private sector

Proposed Investment model

Revenue-sharing model with Ministry of Housing & Works providing the property

Overview

- Ministry provides the property through a concession to the private sector to **rehabilitate, operate, and manage Qasr-e-Naz** for the concession duration
- Private sector **invests in and fully manages the hotel**
- Ministry **earns revenue** through an agreed **annual revenue share (20%)**
- **Property ownership remains** with the **Ministry**

Role delineation between public and private sector

Role

Hotel Ownership



N/A

Hotel Development



Rehabilitate, operate, and manage the hotel

Hotel Operations



Fully operate hotel, hire staff, manage services

Revenue Sharing



Share agreed % of gross revenues with Ministry

Financing



Raise equity for project

Demand Generation



Manage marketing and pricing to attract guests

Investors



Government (Ministry of Housing & Works)



Provide property use rights

Facilitate approvals and enable development

N/A

Receive agreed % share of revenues

N/A

Support through tourism promotion and enabling policies

D. Consequently, investors can expect 21-22% IRR over 25 years of operations, with estimated USD 13-14Mn in required CAPEX

Estimated project financials and investment case

(Figures provided are estimations based on available information)

Business Case			
Return profile	Expected IRR	21-22% ¹	<ul style="list-style-type: none"> Revenue sharing model (80% investor; 20% Ministry of Housing & Works) over the contract period of 25 years (24 operating years and 1 year asset development lead time) with an extension option
	Payback Period	6 years ²	
Operations	Revenues ³	USD 10-12Mn (PKR 3.1-3.3Bn)	<ul style="list-style-type: none"> 101 rooms (64 single rooms, and 37 suites / family rooms) Expected ADR: <ul style="list-style-type: none"> Single rooms – USD 160 Suites / Family rooms – USD 400 Average occupancy 75% Additional revenue streams from F&B and events
	EBITDA Margin ³	38%	<ul style="list-style-type: none"> Costs (SG&A, management / incentive fees of potential brand, utilities, insurance and other) computed bottom-up and based on expert input
	NOPAT ^{3,4}	USD 2.5-3Mn (PKR 770-780Mn)	
Development	Construction Cost ⁵	USD 13-14Mn (PKR 3-4Bn)	<ul style="list-style-type: none"> USD ~107k renovation cost per room (renovation CAPEX assumed at 60% of average construction CAPEX for luxury rooms) USD ~100 per ft² to build banquet halls; each banquet hall is ~10,000 ft²

Additional IRR upside can be achieved through local bank debt financing










1. Computed on 24-year operating period; 2. Payback period excludes development lead time

3. Run-rate figures after demand stabilization (year 5 of operations / year 6 of contract); 4. NOPAT computed as EBIT * (1-Tax); corporate tax rate of 29% applied

5. Estimated construction cost based on expert input and industry benchmarks

D. Support mechanisms are in place to mitigate potential risks impacting the investment case

Key investment risks and mitigation measures

Risk type 	Description 	Degree of Risk 	Investor Mitigation Actions 	Public Sector Support 
Demand/ revenue 	Risk of not achieving projected revenues or sales targets	Low – Consistent demand and supply imbalance pointing to structural (i.e., sticky) demand	Tailor marketing plans and promotional activities to attract local and expat population	Support demand through overall promotion of tourism (e.g., conferences, city-wide branding initiatives)
Macroeconomic conditions 	Risk of inflation or currency depreciation affecting profitability	Medium – Recent track record of currency and inflation and currency (at lowest levels since 1968 ¹) pointing to stabilization	Increase local sourcing: transfer CAPEX risk to developer; local OPEX (e.g., payroll, supplies)	Facilitate access to local currency loans
Infrastructure 	Delays in utilities or access roads affecting timely operations	Low – Premium property location (Club Road) in developed area of Karachi suggesting advanced connectivity	Assess site readiness and secure contingency plans for critical infrastructure	Ensure timely provision of approvals along with supporting infrastructure such as roads, utilities, and off-site infrastructure to site boundary
Regulatory / Legal 	Risk of sudden policy changes impacting contract or taxes	Low – Recent reforms and deregulation trend suggesting commitment to private sector partnerships	Include independent jurisdiction (e.g., UK) in contract; include robust stabilization and early termination clauses in concession contract	Offer legal protections and enable international arbitration where applicable

Connect with SIFC
to learn more



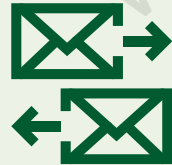
Website

<https://sifc.gov.pk/>



SIFC E-Service Gate

<https://ticketinghub.sifc.gov.pk/>



Email

invest@sifc.gov.pk

Stay connected



APPENDIX

Shaig Ahmed Bhutto
Minister (Ankara)
Wednesday, 21 January, 2026, 2:0:19 PM

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Minister (Ankara)
Wednesday, 21 January, 2026, 2:0:19 PM

A. Pakistan has reemerged as an investment destination thanks to macroeconomic stability

Pakistan's Economic Turnaround in the News

**Pakistan Isn't That Risky Anymore.
Its Economy Is a Mini-Miracle.**

BARRON'S

**Pakistan Economy Grows Faster Than
Expected on IMF Aid Boost**

Bloomberg

**Fitch Upgrades Pakistan to 'B-';
Outlook Stable**

Fitch Ratings

**Azerbaijan to invest \$2 billion in
economic sector of Pakistan**

ARAB NEWS

A. Pakistan has a track record of successful Foreign Direct Investments across sectors

Examples of Foreign Direct Investment (FDI) projects in Pakistan

FDI projects (non-exhaustive)

AD Ports (UAE)
USD 220Mn



- 50 year concession agreement to manage, operate and develop the Karachi Gateway Terminal
- USD 200Mn investment in infrastructure development by AD Ports in first 10 years

Al Mirqab Capital (Qatar)
Power Construction Corp.
(China) USD 2.09Bn



- Construction of coal-powered power plant in Port Qasim, under build-own-operate (BOO) model
- USD 2.09Bn investment, of which c.a. USD 500Mn in equity

DP World (UAE) and National Logistics Corp.
(Pakistan) JV investment not public



- Joint venture (DP World: 60%) focused on road freight logistics approved
- Follows MoU by DP World for the development of 50km freight corridor from Karachi Port to Pripri

ORA Developers (Egypt), Saif Group (Pakistan), Kohistan Builders (Pakistan)
USD 2 Bn



- Development of a USD 2 Bn mixed-use residential and hospitality development in Islamabad ("Eighteen")
- The complex is envisioned to have ~3,000 residential units (apartments and villas) and extensive leisure and commercial components (e.g., golf clubs, cinema, spa)
- Project being developed by ORA Developers (an arm of Orascom Development)

Other Announcements and MoUs (non-exhaustive)

- Reportage Properties (UAE): JV with Empire Holding Pakistan for USD 300Mn real estate development in Islamabad and Lahore
- Emaar Group (UAE): JV with Giga Group Pakistan for USD 2.4Bn Crescent Bay real estate
- Saudi Development Fund (KSA): Potential investment in mining infrastructure (USD 100Mn)
- Manara Minerals (KSA): Exploring stake in Reko Diq copper and gold mine (USD 7Bn)
- China-Pakistan Economic Corridor (China): Umbrella FDI initiative covering roads, railways, ports, energy, among others (USD 65Bn)

**A. In addition,
multiple hotels are
currently being
developed across
Pakistan's main
cities**

Examples of Hotels Under Development and Announced in Pakistan

ISLAMABAD

Rotana


JW MARRIOTT

IHG
HOTELS & RESORTS

KARACHI


ACCOR

LAHORE


FAISALTOWN

Swiss International
HOTELS & RESORTS


HYATT
REGENCY
RESORT

Source: Press releases

Non-Exhaustive

D. Opportunity P&L

Extract from pre-feasibility financial model

Preliminary numbers being validated; figures provided are estimations based on available information

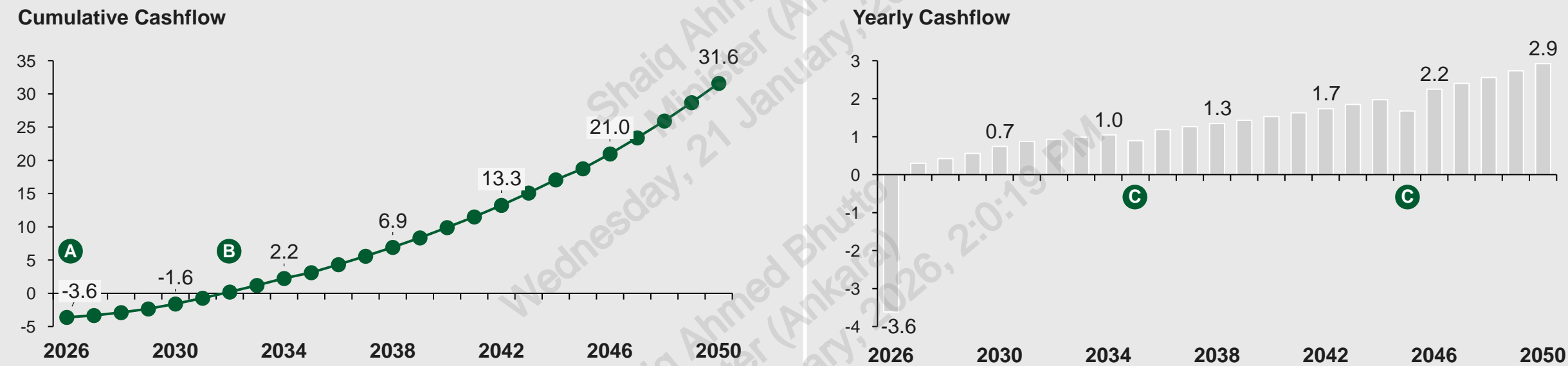
Numbers in PKR	Year 1 ¹	Year 5 ¹	Year 10 ¹
Occupancy rate	30%	75%	75%
Total Revenue	1,072,893,906	3,140,811,038	4,250,664,285
Rooms	797,503,100	2,630,815,371	3,689,854,651
Food & Beverage	165,824,820	355,338,900	355,338,900
MICE	96,300,000	126,229,656	177,043,622
Other	13,265,986	28,427,112	28,427,112
Total Cost of Service Delivery	262,409,108	707,014,017	927,540,787
Gross Profit	810,484,797	2,433,797,022	3,323,123,498
<i>Gross Margin</i>	76%	77%	78%
Total OPEX	437,773,604	1,242,645,652	1,685,867,594
SG&A	60,414,026	157,241,433	213,587,389
Utilities	19,131,600	38,403,161	53,862,419
Others expenses	303,628,975	879,634,759	1,190,013,808
Royalties	54,599,003	167,366,299	228,403,977
Management base fees	21,457,878	62,816,221	85,013,286
Incentive fees	33,141,124	104,550,078	143,390,691
EBITDA	372,711,194	1,191,151,370	1,637,255,904
<i>EBITDA Margin</i>	35%	38%	39%
NOPAT	187,631,133	777,555,402	1,103,918,603

- Ministry of Housing & Works internal data
- Expert input

- Expert input / industry reports (e.g., JLL)
- Ministry of Housing & Works
- Other desktop research and benchmarking

D. Investor Cash Flows

Investor cash flows, PKR Bn



Investor cash flows:

- Upfront equity investment: PKR 3.6Bn
- Cumulative cash flows over the duration of the investment: PKR 31.6Bn

Additional information:

- A** Development period: 1 years
- B** Payback period: year 6 of operations
- C** Periodical maintenance: 5% of CAPEX every 10 year

D. Revenue Assumptions



Extract from pre-feasibility financial model

Preliminary numbers being validated; figures provided are estimations based on available information

Revenue		Assumption	Value	Unit	Revenue		Assumption	Value	Unit
Rooms	Single	Number of single rooms	64	#	Food & Beverage	Number of restaurants	1	#	
		Average daily rate ¹	46,000	PKR		Average seating capacity per restaurant	155	#	
	Family	Number of family rooms	37	#		Average number of meals per day	1	#	
		Average daily rate ¹	114,000	PKR		Table turnover ratio per restaurant	2	#	
		Starting occupancy rate	30%	%		Average cost per customer	4,200	PKR	
	MICE ²	Stabilized occupancy rate	75%	%	Starting occupancy rate	30%	%		
		MOD ³	Area	2	#	Stabilized occupancy rate	75%	%	
			Capacity	1,000	#	Area	2	#	
	Number of times this is being utilized		24	#	Capacity	1,000	#		
	Utilization		50%	%	Number of times this is being utilized	24	#		
	Charge per person	7,500	PKR	Utilization	50%	%			
	MOD ¹	8%	% of F&B Revenues	Charge per person	7,500	PKR			

1. An approximate exchange rate of USD 1 = PKR 280 has been estimated; 2. Meetings, Incentives, Conferences, and Exhibitions; 3. Minor operating department, which refers to revenues from secondary or ancillary sources (e.g., gift shops, parking, business centers, technology);

D. Sensitivity Analysis

Increase in Room Average Daily Rate vs. Stabilized Occupancy

		Increase in Stabilized Occupancy				
		65%	70%	75%	80%	85%
Increase in Room Average Daily Rate	-20%	17.4%	17.8%	18.5%	19.0%	19.6%
	-10%	18.8%	19.3%	20.0%	20.6%	21.1%
	0%	20.3%	20.8%	21.4%	22.1%	22.6%
	10%	21.6%	22.1%	22.8%	23.5%	24.0%
	20%	22.9%	23.5%	24.2%	24.8%	25.4%

Increase in Room Average Daily Rate vs. CAPEX

		Restoration CAPEX as a % of Total CAPEX				
		50%	55%	60%	65%	70%
Increase in Room Average Daily Rate	-20%	20.5%	19.4%	18.5%	17.6%	16.8%
	-10%	22.2%	21.0%	20.0%	19.1%	18.2%
	0%	23.8%	22.5%	21.4%	20.5%	19.6%
	10%	25.3%	24.0%	22.8%	21.8%	20.9%
	20%	26.8%	25.4%	24.2%	23.1%	22.1%

IRR is higher than the estimated cost of equity (19%)

Thank You

