



possibilities
unlimited

Condensed Interim Financial Information (Un-audited)
for the Half Year ended June 30, 2014



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Company Information

Board of Directors

Kulsum Dawood (Chairperson)
Ghias Uddin Khan
Hasan Reza-ur Rahim
Jonathan Bilal Lenihan
Kamran Nishat
*A. Samad Dawood
*Sulaiman S. Mehdi (Chief Executive)

Board Audit Committee

Kamran Nishat (Chairman)
Hasan Reza-ur Rahim
Ghias Uddin Khan

Board HR & Remuneration Committee

Ghias Uddin Khan (Chairman)
Kamran Nishat
Hasan Reza-ur Rahim

Board Investment Committee

Hasan Reza-ur Rahim (Chairman)
Kulsum Dawood
Jonathan Bilal Lenihan
A. Samad Dawood

COO & Company Secretary

*Sulaiman S. Mehdi

CFO

Faisal Nadeem Mangroria

Head of Internal Audit & Compliance

Ghulam Haider

Executives**

Sulaiman S. Mehdi (CEO)
Faisal Nadeem Mangroria (CFO)
Ghulam Haider (Head of IA & Compliance)
Muhammad Anas Karimi (Manager Finance)
Muhammad Ali Heemani (Investment Analyst)
Azam Khan (Investment Analyst)

* Mr. A. Samad Dawood resigned and Mr. Sulaiman S. Mehdi, COO & Company Secretary appointed as Chief Executive effective August 26, 2014.

** As determined by the Board of Directors

Auditors

A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-C,
I.I. Chundrigar Road, Karachi.
Website: www.pwc.com/pk

Tax Consultants

A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-A,
I.I. Chundrigar Road, Karachi.
Website: www.pwc.com/pk

Internal Auditor

The Internal Audit Function has been outsourced to Anjum Asim Shahid Rahman (Chartered Accountants)

Share Registrar/Transfer Agent

Technology Trade (Pvt.) Ltd.
Dagja House, 241-C, Block-2,
P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi.
Tel: (92-21) 34391316-7, 19 & 34387960-1
Fax: (92-21) 34391318

Legal Advisors

Mohsin Tayebally & Co.
1st Floor, Dime Centre,
BC-4, Block 9, Kehkashan,
Clifton, Karachi.

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Barclays Bank PLC Pakistan

Registered Office

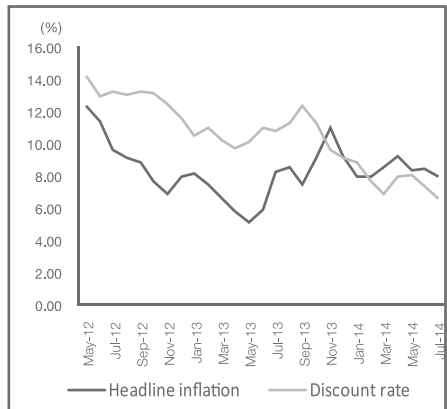
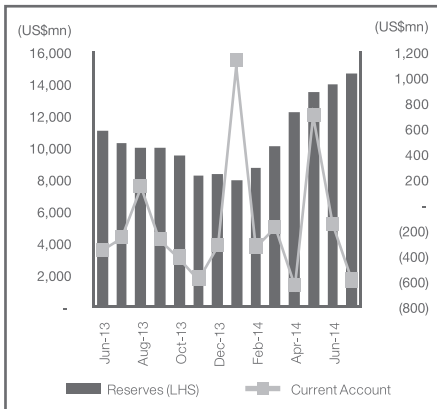
Dawood Centre, M.T. Khan Road
Karachi-75530
Website: www.cyanlimited.com

Directors' Review

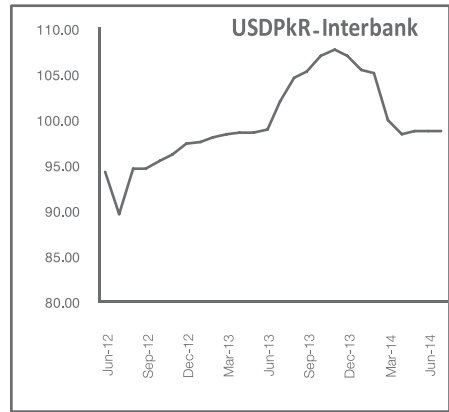
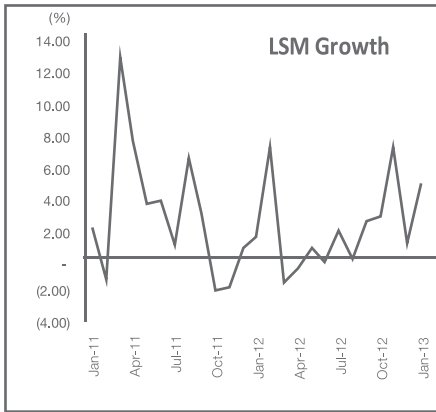
The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial information of the company for the half year ended June 30, 2014.

Economy Review

1HCY14 has seen a remarkable turnaround in macroeconomic fundamentals but has also served to highlight that recent gains can prove to be ephemeral if the reforms agenda is not pursued with. During the period under review, Pakistan's external position, so often the economy's Achilles heel, has substantially improved. Specifically, fx reserves have climbed to US\$14.34bn (import cover: 3.8 months) with the GoP following up on its successful Eurobond issuance with Secondary Public offering (SPOs) for PPL and UBL besides conducting the 3G/4G license auction. This has coincided with continued strong remittances, up by 14% YoY to US\$15.8bn in FY14. As a result, Moody's Investor Service revised the outlook on Pakistan's foreign currency government bond rating to 'stable' from 'negative'. That said, risks remain – the GoP postponed a planned increase in power tariffs in view of the recent rise in political temperature – where continuing political instability could prove disruptive for macroeconomic reforms and equity market performance.



The improvement in the external position has dovetailed with a stronger PKR that managed to appreciate by 6.5% vs. the US\$ in 1HCY14. This helped arrest imported inflation, which along with contained food inflation enabled FY14 CPI to average at a manageable 8.6%YoY. With Jul'14 CPI also clocking in at below 8%YoY levels the SBP, which has kept the Discount Rate unchanged at 10% since Jan'14, appears to have space to commence monetary easing again and this could occur as early as the Sep'14 monetary policy. The key risk on this front remains any slippages on fiscal deficit amidst an increase in international oil prices given the uptick in global geopolitical risk.



Encouragingly, the real side has also depicted improvement. FY14 GDP growth has provisionally clocked in at 4.1% with impetus arising from the manufacturing side. In this regard, LSM growth over the last six months has averaged 4.9%. This has coincided with increased bank lending to the private sector (+11%YoY in FY14) where sectors attracting fresh lending include Food & Beverages, Energy, Textile and Agriculture (seasonal commodity financing), among others. Considering private sector credit offtake growth had been confined to the 5%YoY range over the last several years, this is a significant improvement and highlights the importance of energy reforms in reviving the manufacturing space. That said, with circular debt again accumulating to more than PKR550bn the pace of reforms, particularly on the energy front, will define the strength of the ongoing macroeconomic recovery.

Stock Market Review 1QCY14 & Outlook

The benchmark KSE-100 Index gained 17.4% in 1HCY14, barring a dip in Feb'14 due to an escalation in militant activity, market performance was largely consistent, driven by improving macros dominating investor attention. This, together with strong corporate profitability and high FPI inflow (US\$269mn net inflow in 1HCY14), enabled the market's drive towards historical high levels. Robust foreign flows were partly reflective of an anticipated increase in Pakistan's weight in the MSCI Frontier Markets Index to more than 8% from 4% previously.

Within the mainboard sectors, top performers during 1HCY14 included Autos (+40% on a stronger PKR and positive budgetary measures), Non Life Insurance (+31% on a buoyant equity market), Construction (+27% following an uptick in cement dispatches and absence of price war concerns), Multi-utilities (+34% on lower reported UFG) and Pharmaceuticals (+36% on a reported increase in product prices). On the flipside, laggards included Fixed Line Telecommunication (-13% on ICH dissolution), Textiles (flat on stronger PKR despite commencement of GSP Plus status) and Oil & Gas (+2% on share supply concerns post OGDC/PPL offerings under the privatization program). Other mainboard sectors including Banks and Food Producers broadly performed inline with the market.

Outlook

While the market reacted positively post the FY15 Budget, it has recently come under pressure due to an escalation in political temperature, within the backdrop of a major military offensive in N. Waziristan. As a result, the KSE-100 Index has shed more than 5% from its CYTD high to trade

at a forward P/E of 8.1x. These are attractive valuations relative to both the 10yr P/E average (more than 9x) and the region (MSCI Asia Pac P/E: 11.9x), with the discount to the region standing at 32%. That said, considering the sharp valuation rerating witnessed since last year's general elections, market performance is now more than ever aligned with political stability. Restoration of the same should enable the Pakistan Market to touch higher highs while any disruptive political change would likely hold back the macroeconomic recovery which would adversely impact stock market performance. With politics at the fulcrum of near-term market performance, defensive (high D/Y stocks) have recently outperformed their high beta counterparts. On the flipside, any drawdown in political noise will likely lead to a swift rebound in the Pakistan Market with cyclical stocks to again come into the limelight.

Company Performance

During the half year the company adopted an aggressive stance on the public equities and increased its exposure to 70% (average), whereas 30% was vested towards mutual funds and Government Securities. The increase in equity exposure was based on overall improvement in the key macroeconomic metrics, particularly FX reserves, inflation in single digits and continuous flows from foreign investors.

The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, sizable investments were made in banks, energy, oil and gas, cements, personal goods stocks and money market mutual funds. Due to alignment of company's portfolio towards blue chip stocks, the dividend income increased by 31% to Rs.121 million for the half year ended June 30, 2014 as opposed to Rs.92 million earned in the corresponding period last year. Un-realized gains of Rs.352 million were recorded during the half year as compared Rs.668 million reported in the corresponding period in 2013. The major contributors to the unrealized gain were UBL (Rs.115 Million), HMB (Rs.67 Million), BAHL (Rs.46 Million) and HBL (Rs.35 Million). The company also earned capital gains of Rs.193 million during the period as opposed to Rs.119 million recorded in the corresponding period in 2013 whereby the major contributors were UBL (Rs.92 Million), MLCF (Rs.15 Million), HMB (Rs.13 Million) and PSO (Rs.11 Million).

The brief summary of the financial highlights for the half year ended June 30, 2014 and 2013 is as under:

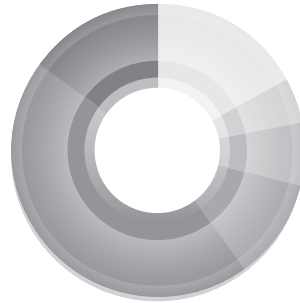
	Rs.'000		
	June 30, 2014	June 30, 2013	Change
Return on Investments	122,702	94,099	30%
Gain on Sale of Investments - Net	193,026	119,126	62%
Other Income	16,028	4,078	293%
	331,756	217,303	53%
Unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit and loss-net	352,416	667,621	(47%)
	684,172	884,924	(23%)
Operating & Administrative Expenses	(104,018)	(99,402)	(5%)
PBT	580,154	785,522	(26%)
Taxation	(90,561)	(28,969)	(213%)
PAT	489,593	756,553	(35%)
Loss from discontinued Operations net of tax	-	(372)	(100%)
Net Profit for the half year	489,593	756,181	(35%)
EPS – Rupees	8.35	12.89	(35%)

Top 10 Holdings* by Companies June 30, 2014



- 11% HUBCO
- 15% Cash & Mutual Funds
- 6% HMB
- 4% HBL
- 17% PPL
- 14% NBP
- 5% DGKC
- 7% DLL
- 6% BAML
- 15% UBL

Top 10 Holdings* by Sector June 30, 2014



- 17% Oil and Gas
- 5% Construction and Material
- 7% Personal Goods
- 11% Electricity
- 45% Banks
- 15% Cash & Mutual Funds

*Top Ten Holding represent 89% of total portfolio

Earnings per Share

During the half year ended June 30, 2014 the company posted earnings per share of Rs.8.35 compared to Rs.12.89 in the corresponding period in 2013.

Appropriation and Dividend

The Company's profit after tax for the half year ended stood at Rs.489.59 million and the Board has declared interim cash dividend of 250% (Rs. 25 per share) for the half year ended June 30, 2014.

Credit Rating

On May 16, 2014 JCR-VIS Credit Rating Company Limited has assigned initial entity ratings of 'A+/A-1' (A Plus/A-One) to Cyan Limited (CL). The assigned ratings take into account adequate capitalization and strong liquidity profile of the company. Outlook on ratings is 'Stable'.

Related Party Transactions

During the quarter all transactions made with associated companies/related parties were duly approved by the Board of Directors of the company. All transactions with related parties are on arms length basis.

Subsequent Event

The Board of Directors has approved the resignation of Mr. A. Samad Dawood and appointed Mr. Sulaiman S.Mehdi in his place as Chief Executive effective August 26, 2014.



Acknowledgement

We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unswerving commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan, the management of the Karachi and Lahore Stock Exchanges and the Auditors for their continued support and cooperation.

On behalf of the Board

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Karachi: August 26, 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Cyan Limited** as at June 30, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2014 and June 30, 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2014.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: Rashid A. Jafer

Dated: 27 August 2014

Karachi

Condensed Interim Statement of Financial Position

As at June 30, 2014

	Note	June 30, 2014 (Un-audited) ----- (Rupees in '000) -----	December 31, 2013 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	19,524	20,237
Intangible assets	6	1,887	2,577
Long term loans		13,967	5,628
Long term deposits		2,500	2,500
		<u>37,878</u>	<u>30,942</u>
CURRENT ASSETS			
Short term investments	7	6,123,625	5,383,322
Long term loans - current portion		2,733	1,332
Trade and other receivables		25,708	71,973
Advances and short term prepayments		2,203	2,107
Cash and bank balances	8	18,103	17,835
		<u>6,172,372</u>	<u>5,476,569</u>
TOTAL ASSETS		<u>6,210,250</u>	<u>5,507,511</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2013: 100,000,000)			
Ordinary shares of Rs. 10/- each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up share capital		586,277	586,277
Unappropriated profit		4,591,957	4,395,503
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(1,779)	(1,726)
Surplus on revaluation of available-for-sale investments		311,467	198,150
		<u>5,621,010</u>	<u>5,311,292</u>
NON-CURRENT LIABILITIES			
Deferred liability - gratuity		9,735	8,858
Deferred taxation		49,374	26,890
		<u>59,109</u>	<u>35,748</u>
CURRENT LIABILITIES			
Creditors, accrued expenses and other liabilities		451,255	129,023
Taxation - net		78,876	31,448
		<u>530,131</u>	<u>160,471</u>
TOTAL EQUITY AND LIABILITIES		<u>6,210,250</u>	<u>5,507,511</u>
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Condensed Interim Profit and Loss Account

For the half year ended June 30, 2014 - (Un-audited)

Note	Half Year Ended		Quarter Ended	
	June 30, 2014	Jun 30, 2013	June 30, 2014	Jun 30, 2013
----- (Rupees in '000) -----				
CONTINUING OPERATIONS				
Return on investments	122,702	94,099	20,153	8,830
Gain on sale of investments - net	193,026	119,126	170,237	33,028
Other income	16,028	4,078	15,363	3,685
	<u>331,756</u>	<u>217,303</u>	<u>205,753</u>	<u>45,543</u>
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	352,416	667,621	181,206	457,277
	<u>684,172</u>	<u>884,924</u>	<u>386,959</u>	<u>502,820</u>
EXPENSES				
Operating and administrative expenses	(104,018)	(99,402)	(49,424)	(50,548)
	<u>(104,018)</u>	<u>(99,402)</u>	<u>(49,424)</u>	<u>(50,548)</u>
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS	580,154	785,522	337,535	452,272
Taxation - current year	(68,130)	(16,019)	(54,603)	(1,222)
- deferred	(22,431)	(12,950)	(34,580)	(14,809)
	<u>(90,561)</u>	<u>(28,969)</u>	<u>(89,183)</u>	<u>(16,031)</u>
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	489,593	756,553	248,352	436,241
DISCONTINUED OPERATIONS				
Loss from discontinued operations - net of tax	-	(372)	-	(192)
NET PROFIT FOR THE PERIOD	<u>489,593</u>	<u>756,181</u>	<u>248,352</u>	<u>436,049</u>
----- (Rupees) -----				
Basic and diluted earning / (loss) per share	10			
From continuing operations	8.35	12.90	4.24	7.44
From discontinued operations	-	(0.01)	-	(0.01)
Total	<u>8.35</u>	<u>12.89</u>	<u>4.24</u>	<u>7.43</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Condensed Interim Statement of Comprehensive Income

For the half year ended June 30, 2014 - (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	----- (Rupees in '000) -----			
Profit after taxation	489,593	756,181	248,352	436,049
Items that may be reclassified subsequently to profit or loss				
Surplus / (deficit) on revaluation of available-for-sale investments - net of tax	113,317	60,423	82,846	38,336
Items that will not be reclassified to profit or loss				
Remeasurment of post retirement benefits obligations - net of tax	(53)	-	(53)	-
Total comprehensive income for the period	602,857	816,604	331,145	474,385

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2014 - (Un-audited)

	Share Capital	Capital reserves		Revenue reserves		Remeasurement on post retirement benefits obligation-net of tax	Surplus / (deficit) on revaluation of available for sale investments	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Capital gain reserve	General reserve	Unappropriated profit			
	------(Rupees in '000)-----							
Balance as at January 1, 2013	586,277	10,535	2,553	120,000	3,688,477	(610)	56,566	4,463,798
Final dividend @ Rs.3 per share for the year ended Dec 31, 2012	-	-	-	-	(175,884)	-	-	(175,884)
Net Profit for the half year ended June 30, 2013	-	-	-	-	756,181	-	-	756,181
Other comprehensive income	-	-	-	-	-	-	60,423	60,423
Balance as at June 30, 2013	<u>586,277</u>	<u>10,535</u>	<u>2,553</u>	<u>120,000</u>	<u>4,268,774</u>	<u>(610)</u>	<u>116,989</u>	<u>5,104,518</u>
Balance as at December 31, 2013	586,277	10,535	2,553	120,000	4,395,503	(1,726)	198,150	5,311,292
Final dividend @ Rs.5.00 per share for the year ended Dec 31, 2013	-	-	-	-	(293,139)	-	-	(293,139)
Net Profit for the half year ended June 30, 2014	-	-	-	-	489,593	-	-	489,593
Other comprehensive income	-	-	-	-	-	(53)	113,317	113,264
Balance as at June 30, 2014	<u>586,277</u>	<u>10,535</u>	<u>2,553</u>	<u>120,000</u>	<u>4,591,957</u>	<u>(1,779)</u>	<u>311,467</u>	<u>5,621,010</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Condensed Interim Statement of Cash Flows

For the half year ended June 30, 2014 - (Un-audited)

Half Year Ended
June 30, June 30,
2014 2013
----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation (including Discontinued Operations) 580,154 785,150

Adjustment for non cash charges and other items:

Depreciation / Amortisation	2,506	2,868
Gain on sale of property and equipment	(398)	-
Provision for impairment in value of investments	-	-
Capital gain on sale of investments - net	(193,026)	(119,126)
Amortization income on government securities	(2,096)	(965)
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net	(352,416)	(667,621)
	(545,430)	(784,844)

Operating profit before working capital changes 34,724 306

Decrease / (Increase) in operating assets

Trade and other receivables	46,265	8,468
Long term loan	(9,740)	525
Short term deposits	-	2,000
Advances and short term prepayments	(96)	(110)
	36,429	10,883
(Decrease) in creditors, accrued expenses and other liabilities	(33,049)	(27,907)
Increase in deferred liability	877	1,136
Net cash generated from / (used in) operations	38,981	(15,582)

Taxes paid (20,702) (20,577)
Dividend paid (287,358) (173,271)
Net cash used in operating activities (269,079) (209,430)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	8,274,359	4,599,000
Investment in securities	(8,004,307)	(4,391,066)
Capital expenditure incurred	(1,731)	(2,329)
Proceeds from sale of property and equipment	1026	20
Net cash generated from investing activities	269,347	205,625

Net increase / (decrease) in cash and cash equivalents 268 (3,805)
Cash and cash equivalents at the beginning of the period 17,835 13,494

Cash and cash equivalents at the end of the period 18,103 9,689

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

Notes to and forming part of the Condensed Interim Financial Information

For the half year ended June 30, 2014 - (Un-audited)

1. LEGAL STATUS AND NATURE OF BUSINESS

Cyan Limited, a DH Group Company (“the Company”), is a Public Limited Company incorporated in Pakistan on 23 April 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company is listed on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Dawood Centre, Molvi Tamizuddin Khan Road, Karachi.

The company is engaged in making equity investments in companies with high growth potential.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

This condensed interim financial information is un-audited and is being presented to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi and Lahore Stock Exchanges. This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard - 34 “Interim Financial Reporting”. This condensed interim financial information does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2013.

2.2 Basis of measurement

This condensed interim financial information has been prepared on the historical cost basis, except for certain investments which are measured at fair value.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani rupee, which is also the Company’s functional and presentation currency.

2.4 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2013.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with approved Accounting Standards requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended December 31, 2013.

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees in '000) -----	
5. PROPERTY AND EQUIPMENT		
Opening book value	20,237	22,393
Additions during the six months period / year	1,655	2,310
	21,892	24,703
Less: Written down value (WDV) of disposal during the six months period / year	(625)	(83)
Less: Depreciation for the six months period / year	(1,743)	(4,383)
	(2,368)	(4,466)
	<u>19,524</u>	<u>20,237</u>

The details of additions and disposals during the six months period / year are as follows:

Additions-Cost

Furniture and Fixtures	-	1,229
Office Equipment	1,655	1,081
	<u>1,655</u>	<u>2,310</u>

Disposals-Cost

Office Equipment	1,254	49
Vehicles	-	70
	<u>1,254</u>	<u>119</u>

6. INTANGIBLE ASSETS	Note	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
		----- (Rupees in '000) -----	
Opening book value		2,577	3,801
Additions during the six months period / year		76	300
		<u>2,653</u>	<u>4,101</u>
Less: Written down value (WDV) of disposal during the six months period / year		(3)	-
Less: Amortisation for the six months period / year		(763)	(1,524)
		<u>(766)</u>	<u>(1,524)</u>
		<u>1,887</u>	<u>2,577</u>

The details of additions and disposals during the six months period / year are as follows:

Additions-Cost

Computer software	76	300
	<u>76</u>	<u>300</u>

Disposal-Cost

Softwares, Licenses and Trade Mark	9	-
	<u>9</u>	<u>-</u>

7. INVESTMENTS

Held-to-maturity investments - Short term	7.1	41,763	44,748
Available-for-sale investments	7.2	439,059	325,741
Investments carried at fair value through profit or loss	7.3	5,642,803	5,012,833
		<u>6,123,625</u>	<u>5,383,322</u>
		<u>6,123,625</u>	<u>5,383,322</u>

- 7.1 These are Treasury Bills placed with the State Bank of Pakistan (SBP) as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000. These will be released once the outstanding claims and balances relating to insurance are settled.

Note June 30, December 31,
2014 2013
(Un-audited) (Audited)
------(Rupees in '000)-----

7.2 Available-for-sale investments

Un-quoted shares	7.2.1	-	-
Mutual funds	7.2.2	36,703	32,241
Un-quoted debentures	7.2.3	-	-
Quoted shares - related parties	7.2.4	402,356	293,500
		<u>439,059</u>	<u>325,741</u>

7.2.1 Un-quoted Shares

Name of investee company	Note	Number of Shares		Cost	
		30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
				(Rupees in '000)	
Bankers Equity Limited	7.2.1.1	13,465	13,465	117	117
Saifi Development Corporation Limited	7.2.1.1	8,900	8,900	34	34
				<u>151</u>	<u>151</u>
Less: Provision for Impairment Carrying Value				<u>(151)</u>	<u>(151)</u>
				<u>-</u>	<u>-</u>

7.2.1.1 Unquoted companies in which the Company has made investments are in the process of liquidation, therefore, the names of the respective Chief Executives are not available.

7.2.2 Mutual Funds

Name of fund	Note	Number of Units		Cost	Market Value	
		30-Jun-14	31-Dec-13	30-Jun-14	30-Jun-14	31-Dec-13
					Rupees '000'	
National Investment Unit Trust (NIT)	7.2.2.1	240,500	240,500	3,131	13,610	11,962
Golden Arrow Selected Stock Fund		2,405,532	2,405,532	8,798	23,093	20,279
				<u>11,929</u>	<u>36,703</u>	<u>32,241</u>
Less : Provision for impairment Carrying value				<u>(2,279)</u>		
Market value as at 30 June 2014				<u>9,650</u>		
				<u>36,703</u>		
Unrealised gain on mutual funds				<u>27,053</u>		

7.2.2.1 NIT units amounting to Rs.13.610 million (2013: 11.962 million), are under lien against a bank guarantee issued by Habib Bank Limited.

7.2.3 Un-quoted debentures

Name of investee company	Number of Debentures		Cost	
	30-Jun-14	31-Dec-13	30-Jun-14	31-Dec-13
			---- Rupees '000'----	
Hyson Sugar Mills Limited	240,500	240,500	60	60
			60	60
Less: Provision for Impairment			(60)	(60)
Carrying value			-	-

7.2.4 Quoted Shares - Related Parties

Name of investee company	Number of Shares		Cost	Market Value	
	30-Jun-14	31-Dec-13	30-Jun-14	30-Jun-14	31-Dec-13
				----- Rupees '000'-----	
Chemicals					
Dawood Hercules Corporation Limited	794,380	794,380	47,653	55,440	44,580
Equity held: 0.17% (2013: 0.17%)					
Personal Goods					
Dawood Lawrencepur Limited	2,965,095	2,965,095	222,110	346,916	248,920
Equity held: 5.02% (2013: 5.02%)					
			269,763	402,356	293,500
Less: Provision for impairment			(151,821)		
Carrying value			117,942		
Market value as at 30 June 2014			402,356		
Unrealised gain on quoted shares			284,414		

	Note	Market Value	
		June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
7.3 Investment Carried at fair value through profit or loss		----- (Rupees in '000)-----	
Quoted shares	7.3.1	4,622,969	3,598,329
Mutual funds	7.3.2	1,019,834	1,414,504
		<u>5,642,803</u>	<u>5,012,833</u>

7.3.1 Quoted Shares

Name of investee company	Note	Number of Shares		Carrying Value		Market Value	
		30-Jun-14	31-Dec-13	30-Jun-14	30-Jun-14	31-Dec-13	
				----- Rupees '000' -----			
Oil & Gas							
Pakistan Oil Fields Limited (POL)		200,000	400,000	99,542	114,860	199,084	
Pakistan Petroleum Limited (PPL)	7.3.1.2	4,000,000	2,070,000	869,791	897,360	442,897	
Pakistan State Oil Limited (PSO)		-	400,000	-	-	132,888	
Oil & Gas Development Company Limited (OGDCL)		-	200,000	-	-	55,272	
Construction & Materials							
D.G Khan Cement Limited (DGKC)	7.3.1.2	3,000,000	2,000,000	267,925	263,880	171,460	
Maple Leaf Cement Company Limited		-	7,475,500	-	-	205,053	
Electricity							
The Hub Power Company Limited (HUBCO) - (related party) Equity held: 0.86% (2013: 0.86%)	7.3.1.1	10,000,000	10,000,000	607,200	587,400	607,200	
Pakgen Power Limited		-	2,000,000	-	-	43,420	
Personal Goods							
Nishat Mills Limited (NML)		-	2,863,300	-	-	364,327	
Automobile and Parts							
Pak Suzuki Motors Company Limited		258,500	-	48,933	70,801	-	
Travel and Leisure							
Pakistan International Airlines Corporation-A		1,000,000	-	7,698	6,590	-	
Commercial Banks							
National Bank of Pakistan (NBP)	7.3.1.2	11,652,500	-	695,322	725,135	-	
United Bank Limited (UBL)	7.3.1.2	4,500,000	5,166,939	643,318	758,520	684,878	
Bank Al Habib Limited		6,450,000	6,525,000	243,634	290,121	271,114	
Habib Bank Limited		1,015,000	750,000	161,410	196,697	124,973	
Habib Metropolitan Bank Limited	7.3.1.2	9,447,000	11,669,500	236,836	304,099	292,554	
Faysal Bank Limited		8,037,000	-	111,392	129,798	-	
NIB Bank Limited		30,000,000	-	83,587	66,900	-	
Non Life Insurance							
Adamjee Insurance Company Limited (AICL)	7.3.2.1	1,750,000	-	76,999	80,098	-	
IGI Insurance Company Limited		574,000	-	118,660	130,710	-	
Technology Hardware and Equipment							
TPL Trakker Limited (TPL)		-	431,847	-	-	3,209	
Carrying value as at 30 June 2014				<u>4,272,247</u>	<u>4,622,969</u>	<u>3,598,329</u>	
Market Value as at 30 June 2014				4,622,969			
Unrealised Gain on Quoted Shares				<u>350,722</u>			

7.3.1.1 5,000,000 (December 31, 2013: 5,000,000) shares of The Hub Power Company Limited having market value of Rs. 293.70 million (December 31, 2013: Rs. 303.60 million) as at June 30, 2014 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

7.3.1.2 The Company has running finance facility of Rs.500 million (December 2013: 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.85% and will expire on March 31, 2015.

The facility is secured against pledge of 4.5 million (market value: Rs. 264.33 million), 1.5 million (market value: Rs.252.84 million), 0.5 million (market value: Rs.112.17 million), 2 million (market value: Rs.175.92 million), 5 million (market value: Rs.311.15 million), 1 million (market value: Rs.45.77 million) and 7 million (market value: Rs.225.33 million) ordinary shares of HUBCO, UBL, PPL, DGKC, NBP, AICL and HMB respectively.

7.3.2 Mutual Funds

Name of Funds	Number of Units		Cost	Market value	
	30-Jun-14	31-Dec-13	30-Jun-14	30-Jun-14	31-Dec-13
				----- Rupees '000'-----	
ABL Cash Fund (related party)	-	19,594,908	-	-	196,045
AKD Cash Fund	1,001,928	1,254,406	50,000	50,163	62,765
Atlas Money Market Fund	-	204,492	-	-	102,809
Pakistan Cash Management Fund	-	2,017,931	-	-	100,947
PIIC Cash Fund	5,697,362	4,699,347	570,000	570,418	473,053
Alfalal GHP Cash Fund	-	306,368	-	-	153,343
Primus Daily Reserve Fund	1,600,692	2,219,454	160,000	160,358	222,191
NAFA Government Securities Liquid Fund	7.3.2.1 223,871	215,055	2,159	2,251	2,160
NAFA Money Market Fund	-	10,107,227	-	-	101,191
UBL Government Securities Fund	2,357,627	-	235,981	236,644	-
Carrying Cost as at 30 June 2014			1,018,140	1,019,834	1,414,504
Market Value as at 30 June 2014			1,019,834		
Unrealised Gain on Mutual Funds			1,694		

7.3.2.1 223,871 units (December 31, 2013: 215,055) of NAFA Government Liquid Fund having a market value of Rs. 2.251 million (December 31, 2013: 2.16 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
8. CASH AND BANK BALANCES	----- (Rupees in '000) -----	
Cash in hand	50	16
Stamps in hand	-	28
Cash at bank	18,053	17,791
	<u>18,103</u>	<u>17,835</u>

9. CONTINGENCIES AND COMMITMENTS

Guarantees issued on behalf of the Company by commercial banks.	5,205	5,205
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	June 30, 2014 (Un-audited)	June 30, 2013 (Un-audited)
	----- (Rupees in '000) -----	
10. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax for the period		
Continuing Operations	489,593	756,553
Discontinued Operations	-	(372)
Net profit for the period	<u>489,593</u>	<u>756,181</u>
	(Number of shares)	
Weighted average number of ordinary shares outstanding as at the period end	<u>58,627,722</u>	<u>58,627,722</u>
	----- (Rupees in '000) -----	
Earnings per share		
Continuing Operations	8.35	12.90
Discontinued Operations	-	(0.01)
	<u>8.35</u>	<u>12.89</u>

11. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, staff retirement fund, directors and key management personnel. Transactions with related parties are entered into at rates negotiated with them. Remuneration to key management personnel are in accordance with their terms of engagement. Transactions with related parties other than those which have been disclosed elsewhere in the condensed interim financial information are as follows:

Transactions	Half Year Ended		Quarter Ended	
	June 30, 2014 (Un-audited)	June 30, 2013 (Un-audited)	June 30, 2014 (Un-audited)	June 30, 2013 (Un-audited)
	----- (Rupees in '000) -----			
Premiums (refund) /underwritten	-	(16)	-	-
Premiums collected	-	13	-	-
Rent paid	2,876	2,615	1,438	1,308
Dividend received	25,794	50,620	794	-
Dividend paid	198,254	120,396	198,254	-
Bonus shares received (face value)	7,417	7,429	1,795	4,069
Brokerage	776	452	306	168
Purchase of units	612,000	1,023,038	298,000	282,419
Sale of units	776,510	897,694	681,510	709,287
Services charges	600	491	300	491
Contribution to provident fund	1,848	1,532	961	776
Charge for staff retirement gratuity scheme	1,951	1,136	975	563
Key Management Personnel				
Dividend paid	7,563	3,777	7,563	-
Remuneration excluding bonus	25,675	24,130	12,837	12,631
Director Meeting fee	300	700	250	300
Employee Loan Recovery	871	670	445	335
Employee Loan Issued	10,400	-	10,000	-

	June 30, 2014 (Un-audited) ----- (Rupees in '000) -----	December 31, 2013 (Audited)
Balances		
Loan to executive	<u>16,700</u>	<u>6,960</u>
Payable to Related Parties	<u>849</u>	<u>1,186</u>

12. AUTHORISATION FOR ISSUE

- 12.1 This condensed interim financial information was authorised for issue on August 26, 2014 by the Board of Directors of the Company.
- 12.2 The Board of Directors in their meeting held on August 26, 2014, have announced an interim cash dividend of Rs. 25 (2013: Rs. 5) per share amounting to Rs 1,465.69 million (2013: 293.138 million) .The condensed interim financial information for the half year ended June 30, 2014 does not include the effect of these appropriations which will be accounted for subsequent to the half year end.

13. CORRESPONDING FIGURES

Corresponding information has been reclassified, rearranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. However no significant re-arrangements have been made.

14. GENERAL

- 14.1 The figures in this condensed interim financial information have been rounded off to the nearest thousand rupees unless otherwise stated.

Ghias Uddin Khan
Director

A. Samad Dawood
CEO

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