



Nine Months Report September 30, 2016

Investing into growth



CONTENTS

Company Information	2
Directors' Review	3
Directors' Review (Urdu)	8
Condensed Interim Statement Of Financial Position	9
Condensed Interim Profit & Loss Account	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Changes in Equity	12
Condensed Interim Statement of Cash Flows	13
Notes to and forming part of the Condensed Interim Financial Information	14

COMPANY INFORMATION

Board of Directors

Shahzada Dawood (Chairman)
Kulsum Dawood
Hasan Reza-Ur Rahim
Ghias Uddin Khan
Kamran Nishat
Shafiq Ahmed
Sulaiman S. Mehdi (Chief Executive)

Board Audit Committee

Kamran Nishat (Chairman)
Shafiq Ahmed
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
Shahzada Dawood
Shafiq Ahmed

CFO & Company Secretary

Faisal Nadeem Mangroria

Head of Internal Audit

Ayman Anwer

Executives*

Sulaiman S. Mehdi (CEO)
Faisal Nadeem Mangroria (CFO & CS)
Ayman Anwar (Head of Internal Audit)
Muhammad Anas Karimi (Senior Manager Finance)
Narender Lakhwani (Investment Associate)
Wahaj Ghulam Hussain (Manager Compliance & Risk Management)
Ali Akber Zafar (Investment Associate)
Sheikh Zulqarnain (Assistant Manager)

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

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
BankIslami Pakistan Limited
Habib Bank Limited

Registered Office

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

Rating Agency

JCR – VIS Credit Rating Agency
VIS House, 128/C,
25th Lane Off Khayaban-e-Ittehad,
Phase VII, DHA, Karachi

*As determined by the Board of Directors

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 nine months and quarter ended September 30, 2016.

Economy Review & Outlook

On macroeconomic front, FY17 started off with positive momentum as Pakistan and IMF concluded three year Extended Fund Facility (EFF) Program in August 2016 crowning it as the first successful IMF Programme.

Upbeat private credit offtake growing at 8% YoY in August, 2016, Large Scale Manufacturing (LSM) growth at 2.62% YoY in Jul 2016 and record high foreign exchange reserves at USD 23 billion as at September 30, 2016 resulted in enhanced investor and consumer confidence. Inflation witnessed uptick in 3Q CY16 averaging at 3.9% as compared to 1.6% in SPLY but well below the SBP target of 4.5-5.5 % for FY16-17. However, SBP announced status quo with respect to discount rate in September's Monetary Policy Review and highlighted that domestic demand will largely determine the inflation path in coming months. Additionally, higher current account deficit at USD 1.3 billion in 2MFY17 vs USD 0.69 billion SPLY and declining remittances by 3% YoY in 2MFY17 may put further pressure on the exchange rate and hence the inflation numbers.

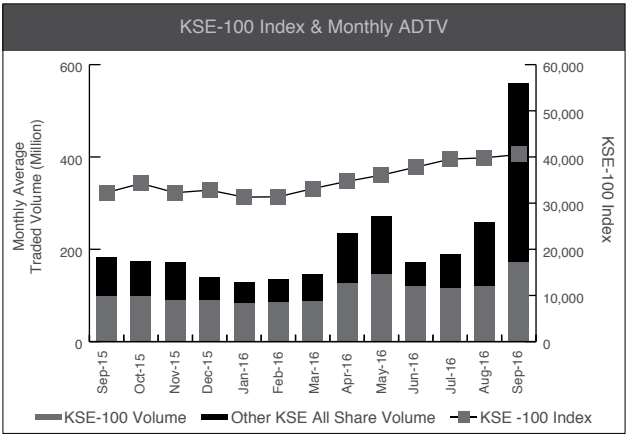
Going forward, the economy is anticipated to witness positive momentum as CPEC related projects worth USD 18 billion are at the implementation stage while remaining USD 28 billion are in the pipeline for which Pak-China Joint Committee is scheduled to be held in the last week of November 2016. Moreover, improving industrial activity mainly construction and power generation, lower input prices and interest rates shall further add fuel to rampant economic growth.

Key risks include reversal in commodities prices, delay in implementation of CPEC projects and higher than expected PKR depreciation on account of interest rate cycle reversal in the US. Continued slowdown in global economies may exert further pressure on the country's exports which have already witnessed a decline of 9% YoY in 2MFY17, a reflection of global macroeconomic headwinds.

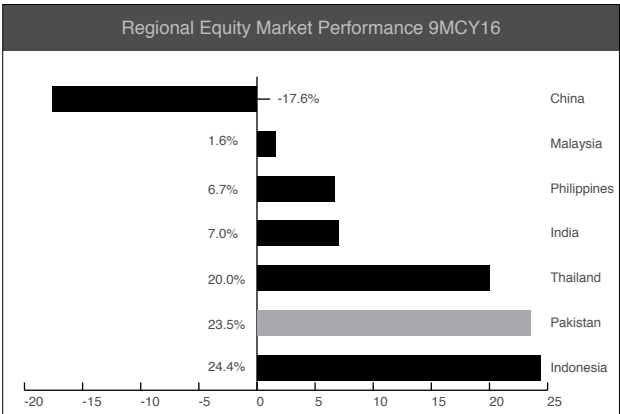
Stock Market Review & Outlook

Renewed optimism and buoyant investor sentiments witnessed at Pakistan Stock Exchange as the KSE-100 index closed at an all-time high of 40,541 on 30 Sep 2016, registering a growth of 7% in Q3 CY16. With this upbeat momentum, KSE-100 Index stood out as the 2nd best performing equity market amongst MSCI Asian Emerging Market Index (EM) generating a return of 23.5% on 9MCY16 basis as compared to an average MSCI Asian EM Index return of 9.4%.

The month of Sep 2016 experienced significant rise in KSE-100 Monthly Average Daily Traded Volume higher by 43% MoM at 173 million as compared to 120 million in Aug 2016 discarding geo political tensions. Augmented volumes and increased investor interest was also observed in mid and small cap stocks. Looking at the performance of market heavy-weights in 3QCY2016, Textiles were up by 14%, Banks 10%, Cements 9%, Oil & Gas 7%, Food Producers 4% while Chemicals were down by 1%.



Going forward, KSE-100 is expected to retain the limelight as Pakistan still trades at an attractive P/E multiple of 9.9x signifying a steep discount to MSCI Asian EM Index (15.68x) of 58% and MSCI EM Index (13.8x) of 32%. Inclusion of Pakistan in MSCI EM Index may result in multiple rerating and can generate substantial gains for the market participants.



Company Performance

During the nine months ended September 30, 2016 the company posted earnings per share of Rs.8.04 compared to Rs.6.65 in the corresponding period in 2015.

During the period, the company adopted an aggressive stance on the public equities and increased its exposure to equity market based on overall improvement in the key macroeconomic metrics, particularly FX reserves and inflation in single digits.

The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, investments were made in Power Generation & Distribution, textile composite, Refinery, Automobile Parts & Accessories, Fertilizer, Oil & Gas Marketing and Banks. Due to alignment of

company's portfolio, the dividend income decreased by 10% to Rs.136 million for the nine months ended September 30, 2016 as opposed to Rs.151 million earned in the corresponding period last year. Un-realized gain of Rs.253 million were recorded during the period as compared Rs.257 million reported in the corresponding period in 2015. The company also earned capital gains of Rs.165 million during the period as opposed to Rs.189 million recorded in the corresponding period in 2015.

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 and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Hasan Reza-Ur Rahim
Director

Sulaiman S. Mehdi
Chief Executive

Karachi: October 25, 2016

کمپنی کی کارکردگی

30 ستمبر 2016 کو ختم ہونے والے نو ماہ میں کمپنی کی فی حصص آمدنی 8.04 روپے رہی جو سال 2015 کی یکساں مدت کے دوران 6.65 روپے تھی۔

اس مدت میں کمپنی نے پبلک ایکویٹیز کے حوالے سے جرأت مندانہ موقف اختیار کیا اور ایکویٹی مارکیٹ میں سرمایہ کاریوں میں اضافہ کیا جس کی بنیادی وجہ میکرو اکنامک پیمانوں میں بہتری، بالخصوص غیر ملکی زرمبادلہ کے ذخائر میں اضافہ اور افراط زر میں کمی جیسے عوامل شامل تھے۔ ایکویٹی پورٹ فولیو کو دوبارہ ترتیب دیا گیا تاکہ زیادہ تیزی سے ترقی کرنے والی اور زیادہ منافع بخش سرمایہ کاریوں میں توازن برقرار رکھا جائے۔ اس سلسلے میں بجلی کی پیداوار، ٹیکسٹائل کمپوزٹ، ریفا سٹری، گاڑیوں کے پرزہ جات اور ایسی سریز، فریڈیاز، تیل اور گیس مارکیٹنگ اور بینکاری میں سرمایہ کاری کی گئی۔ کمپنی کی سرمایہ کاری کی ترتیب نو کے باعث 30 ستمبر 2016 کو ختم ہونے والے نو ماہ میں کمپنی ڈیویڈنڈ آمدنی 10% کی کمی کے ساتھ 136 ملین روپے ہو گئی جو گزشتہ سال کی اسی مدت کے دوران یہ آمدنی 151 ملین روپے تھی۔ زیر جائزہ مدت میں سال 2015 کی اسی مدت کے مقابلے میں 253 ملین روپے کا غیر موصول شدہ اضافہ (Un-realized gain) ریکارڈ کیا گیا۔ اس مدت میں کمپنی نے 165 ملین روپے کا منافع کمایا جو سال 2015 کی اسی مدت کے دوران 189 ملین روپے ریکارڈ کیا گیا تھا۔

اظہار تشکر

ہم اپنے معزز شریکان کار، بالخصوص اپنے قابل قدر سرمایہ کاران کے تہہ دل سے مشکور ہیں جنہوں نے ہم پر اعتماد کیا اور اس کے ساتھ ہی ہم اپنی ٹیم کی غیر متزلزل وابستگی، انتھک محنت، اور کمپنی کی ترقی کے لئے ان کی کاوشوں کی بھی دل سے قدر کرتے ہیں۔ کمپنی کا بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کا بھی ان کے مسلسل تعاون اور رہنمائی کے لئے تہہ دل سے مشکور ہے۔

منجانب بورڈ

حسن رضا الرحیم

ڈائریکٹر

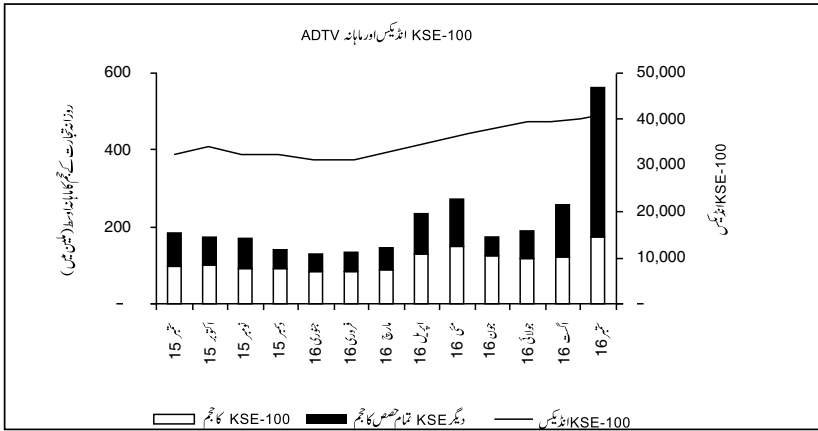
سلیمان ایس مہدی

چیف ایگزیکٹو

کراچی: 25 اکتوبر، 2016

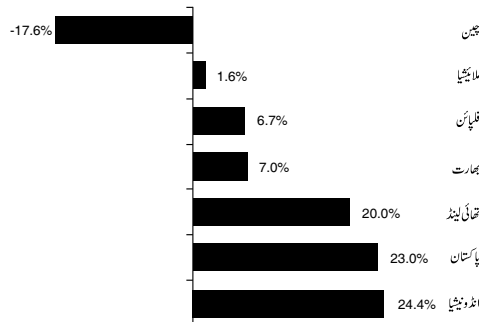
کارکردگی کی حامل دوسری ایکویٹی مارکیٹ بن گئی اور MSCI ایشین EM انڈیکس کے اوسط منافع 9.4% کے مقابلے میں کیلنڈر سال 2016 کے 9 ماہ میں 23.5% منافع حاصل کیا۔

ماہ ستمبر 2016 میں KSE-100 انڈیکس کے روزانہ تجارتی حجم کا ماہانہ اوسط جغرافیائی سیاسی کشیدگی کے باوجود اگست 2016 کے 120 ملین کے مقابلے میں 43% ماہ بہ ماہ اضافے کے بعد 173 ملین رہا، لہذا اوسط اور چھوٹے درجے میں بھی اضافہ شدہ حجم اور بڑھتی ہوئی سرمایہ کاری کا رجحان دیکھنے میں آیا۔ کیلنڈر سال 2016 کی تیسری سہ ماہی میں اگر مارکیٹ کے بڑے شعبوں کی کارکردگی پر نظر ڈالی جائے تو ٹیکسٹائل میں 14%، بیکاری میں 10%، سینٹ میں 9%، تیل و گیس میں 7%، غذائی پیداوار کے شعبہ میں 4% اضافہ جبکہ کیمیکلز میں 1% کی کمی ریکارڈ کی گئی۔



مزید یہ کہ، KSE-100 انڈیکس میں ترقی کی رفتار برقرار رہنے کی توقع ہے کیونکہ پاکستان 9.9x کے پرکشش P/E ملٹی پل پر تجارت کر رہا ہے جو MSCI Asian EM انڈیکس (15.68x) کے 58% اور MSCI EM انڈیکس کے (13.8x) کے 32% کے بڑے ڈسکاؤنٹ کی نشاندہی کرتا ہے۔ MSCI EM انڈیکس میں پاکستان کی شمولیت کا نتیجہ ملٹی پل ری-ریٹنگ کی صورت میں برآمد ہو سکتا ہے جو مارکیٹ کے شراکت داروں کے لئے حقیقی معنوں میں اضافے کا باعث ہوگا۔

کیلنڈر سال 2016 کے نو ماہ میں علاقائی ایکویٹی مارکیٹوں کی کارکردگی



ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز، سیان لمیٹڈ، نہایت مسرت کے ساتھ 30 ستمبر 2016 کو ختم ہونے والی سہ ماہی اور نو ماہ کے لئے کمپنی کی غیر جائزہ شدہ مختصر عبوری مالیاتی معلومات پیش کرتا ہے۔

معیشت کا تجزیہ اور مستقبل کے آثار

میکرو اکنامک سطح پر مالی سال 2017 کا آغاز مثبت انداز سے ہوا، جب پاکستان اور آئی ایم ایف نے اگست 2016 میں تین سالہ توسیعی فنڈ فیسیلیٹی (EFF) پروگرام کامیابی سے مکمل کیا اور جسے پہلا پایہ تکمیل تک پہنچنے والا آئی ایم ایف پروگرام قرار دیا گیا۔

اگست 2016 میں نجی قرضوں میں 8% سال بہ سال ہونے والا اضافہ کا حوصلہ افزا رجحان سامنے آیا، بڑی فروخت کی صنعتوں (LSM) میں 2.62% سال بہ سال اضافہ ہوا اور جولائی 2016 میں غیر ملکی زرمبادلہ 30 ستمبر 2016 تک 23 بلین امریکی ڈالر کی تاریخی بلند سطح پر رہا، جو کہ سرمایہ کاروں اور صارفین کے اعتماد کا باعث بنی۔ کیلنڈر سال 2016 کی تیسری سہ ماہی میں افراط زر کی شرح گزشتہ سال کی اسی مدت کے 1.6% کے مقابلے میں بڑھ کر 3.6% ہو گئی تاہم یہ شرح مالی سال 2016-17 کے مقابلے میں اسٹیٹ بینک آف پاکستان کی متوقع شرح 5.5 - 4.5 فیصد سے کافی کم رہی۔ اگرچہ، اسٹیٹ بینک آف پاکستان نے ستمبر کے مانیٹری پالیسی جائزے میں ڈسکاؤنٹ ریٹ حسب سابق برقرار رکھا اور نشاندہی کی کہ آئندہ مہینوں میں مقامی طلب ہی بڑے پیمانے پر افراط زر کا تعین کرے گی۔ مزید یہ کہ، مالی سال 2017 کے 2 ماہ میں 1.3 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ جو گزشتہ سال کی اسی مدت میں 0.69 بلین امریکی ڈالر تھا، اور مالی سال 2017 کی دوسری سہ ماہی میں 3% سال بہ سال کے حساب سے کم ہوتی ہوئی ترسیلات زر سے زرمبادلہ کی شرح پر دباؤ مزید بڑھ سکتا ہے جس کا نتیجہ افراط زر میں اضافے کی صورت میں برآمد ہو سکتا ہے۔

آگے چل کر، معیشت میں مثبت انداز میں اضافے کی توقع ہے کیونکہ پاک چین اقتصادی راہداری (CPEC) کے تحت 18 بلین امریکی ڈالر کے منصوبے تکمیل کے مراحل میں ہیں جبکہ بقیہ 28 بلین ڈالر کے لئے پاک چین مشترکہ کمیٹی کا اجلاس نومبر 2016 کے آخری ہفتے میں منعقد ہوگا۔ مزید برآں، صنعتی سرگرمیوں بالخصوص تعمیرات اور بجلی کی پیداوار میں اضافہ، کم ہوتی ہوئی لاگتیں اور شرح سود جیسے عوامل، روز افزوں ترقی کرتی ہوئی معیشت میں مزید اضافے کا باعث ہوں گے۔

درپیش بنیادی خطرات میں اشیائے صرف کی قیمتوں میں تبدیلی، CPEC منصوبوں کی تکمیل میں تاخیر اور امریکہ میں شرح سود میں بدلاؤ کے باعث پاکستانی روپے کی قدر میں توقع سے زیادہ گراؤ جیسے عوامل شامل ہیں۔ عالمی معیشتوں میں سست روی کے تسلسل کے باعث ملکی برآمدات مزید دباؤ کا شکار ہو سکتی ہیں، جنہیں مالی سال 2017 کے دوسرے مہینے میں 9% سال بہ سال کے حساب سے پہلے ہی کمی کا سامنا ہے جو عالمی میکرو اکنامک حالات کی واضح عکاسی کرتی ہیں۔

بازار حصص کا تجزیہ اور مستقبل کے آثار

پاکستان اسٹاک ایکسچینج میں اس وقت سرمایہ کاری کا ایک امید افزاء اور خوشگوار رجحان دیکھنے میں آیا جب 30 ستمبر 2016 کو KSE-100 انڈیکس تاریخ کی بلند ترین سطح 40,541 پر بند ہوا اور کیلنڈر سال 2016 کی پہلی سہ ماہی میں 7% اضافہ رجسٹر کیا گیا۔ اس حوصلہ افزاء رفتار کے ساتھ KSE-100 انڈیکس MSCI ایشین ایمریکنج مارکیٹ انڈیکس (EM) میں بہترین

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at September 30, 2016

	Note	September 30, 2016 (Un-audited) ----- (Rupees in '000) -----	December 31, 2015 (Audited)
ASSETS			
Non-current assets			
Property and equipment	5	14,039	15,593
Intangible assets	6	11	30
Long term loans		10,544	11,712
Long term deposits		2,500	2,500
		<u>27,094</u>	<u>29,835</u>
Current assets			
Short term investments	7	3,141,448	2,825,317
Long term loans - current portion		2,330	2,348
Trade and other receivables		66,532	10,981
Advances and short term prepayments		3,751	3,997
Cash and bank balances	8	5,447	159,891
		<u>3,219,508</u>	<u>3,002,534</u>
TOTAL ASSETS		<u>3,246,602</u>	<u>3,032,369</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2015: 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		1,469,154	1,378,815
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(3,480)	(3,480)
Surplus on revaluation of available-for-sale investments		604,419	420,437
		<u>2,789,458</u>	<u>2,515,137</u>
Non-current liabilities			
Deferred liability - gratuity		10,929	8,369
Deferred taxation		4,800	45,166
		<u>15,729</u>	<u>53,535</u>
Current liabilities			
Creditors, accrued expenses and other liabilities		242,783	284,175
Taxation - net		198,632	179,522
		<u>441,415</u>	<u>463,697</u>
TOTAL EQUITY AND LIABILITIES		<u>3,246,602</u>	<u>3,032,369</u>
CONTINGENCIES AND COMMITMENTS			

9

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

for the nine months and quarter ended September 30, 2016 - (un-audited)

	Note	Nine Months		Quarter Ended	
		September 30,		September 30,	
		2016	2015	2016	2015
------(Rupees in '000)-----					
REVENUES					
Return on investments		138,493	153,784	14,163	66,880
Gain on sale of investments - net		165,101	188,978	105,391	104,386
Other income		3,808	6,546	602	493
		<u>307,402</u>	<u>349,308</u>	<u>120,156</u>	<u>171,759</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net					
		253,054	257,498	91,531	(20,830)
Unrealised gain on re-measurement of derivatives-net		-	-	448	-
		<u>560,456</u>	<u>606,806</u>	<u>212,135</u>	<u>150,929</u>
EXPENSES					
Operating and administrative expenses		(87,189)	(70,358)	(30,029)	(37,925)
Financial charges		(10,346)	-	(2,741)	-
		<u>(97,535)</u>	<u>(70,358)</u>	<u>(32,770)</u>	<u>(37,925)</u>
PROFIT FOR THE PERIOD BEFORE TAXATION					
		<u>462,921</u>	<u>536,448</u>	<u>179,365</u>	<u>113,004</u>
Taxation - current period		(31,869)	(68,932)	(20,759)	(22,288)
- prior period		-	(37,423)	-	-
- deferred		40,367	(40,006)	(10,710)	6,812
		<u>8,498</u>	<u>(146,361)</u>	<u>(31,469)</u>	<u>(15,476)</u>
PROFIT FOR THE PERIOD AFTER TAXATION					
		<u>471,419</u>	<u>390,087</u>	<u>147,896</u>	<u>97,528</u>
------(Rupees)-----					
Basic and diluted earnings per share	10	8.04	6.65	2.52	1.66

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the nine months and quarter ended September 30, 2016 - (un-audited)

	Nine Months		Quarter Ended	
	September 30		September 30	
	2016	2015	2016	2015
	----- (Rupees in '000) -----			
Profit after taxation	471,419	390,087	147,896	97,528
Items that may be reclassified subsequently to profit and loss account				
Surplus on revaluation of available-for-sale investments	183,982	27,833	69,198	19,081
Total comprehensive income for the period	<u>655,401</u>	<u>417,920</u>	<u>217,094</u>	<u>116,609</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the nine months ended September 30, 2016 - (un-audited)

	Share Capital	Capital reserves			Revenue reserves		Remesurement 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	Reserve for bonus shares	Capital gain reserve	General reserve	Unappropriated profit			
----- (Rupees in '000) -----									
Balance as at January 1, 2015	586,277	10,535	-	2,553	120,000	3,535,458	(3,697)	339,387	4,590,513
Net Profit for the period ended September 30, 2015	-	-	-	-	-	390,087	-	-	390,087
Other comprehensive income	-	-	-	-	-	-	-	27,833	27,833
Final dividend @ Rs.42.50 per share for the year ended December 31, 2014	-	-	-	-	-	(2,491,678)	-	-	(2,491,678)
	-	-	-	-	-	(2,491,678)	-	-	(2,491,678)
Balance as at September 30, 2015	<u>586,277</u>	<u>10,535</u>	<u>-</u>	<u>2,553</u>	<u>120,000</u>	<u>1,433,867</u>	<u>(3,697)</u>	<u>367,220</u>	<u>2,516,755</u>
Balance as at December 31, 2015	<u>586,277</u>	<u>10,535</u>	<u>-</u>	<u>2,553</u>	<u>120,000</u>	<u>1,378,815</u>	<u>(3,480)</u>	<u>420,437</u>	<u>2,515,137</u>
Final dividend @ Rs.4.00 per share for the year ended December 31, 2015	-	-	-	-	-	(234,511)	-	-	(234,511)
Interim dividend @ Rs.2.50 per share for the half year ended June 30, 2016	-	-	-	-	-	(146,569)	-	-	(146,569)
Net Profit for the period ended September 30, 2016	-	-	-	-	-	471,419	-	-	471,419
Other comprehensive income	-	-	-	-	-	-	-	183,982	183,982
Balance as at September 30, 2016	<u>586,277</u>	<u>10,535</u>	<u>-</u>	<u>2,553</u>	<u>120,000</u>	<u>1,469,154</u>	<u>(3,480)</u>	<u>604,419</u>	<u>2,789,458</u>

*The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the nine months ended September 30, 2016 - (un-audited)

	Note	Nine Months Ended	
		September 30,	
		2016	2015
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		462,921	536,448
Adjustment for non cash charges and other items:			
Depreciation / Amortisation		1,978	3,278
Gain on sale of property and equipment		(14)	(23)
Capital gain on sale of investments - net		(165,101)	(188,978)
Amortisation income on government securities		(2,247)	(2,748)
Financial charges		10,346	-
Unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(253,054)	(257,498)
		(408,092)	(445,969)
Operating profit before working capital changes		54,829	90,479
(Increase) / Decrease in operating assets			
Trade and other receivables		(55,551)	(80,214)
Long term loan		1,186	1,377
Advances and short term prepayments		246	311
		(54,119)	(78,526)
(Decrease) / Increase in operating liabilities			
Creditors, accrued expenses and other liabilities		(191,364)	(8,220)
Deferred liability		2,560	(1,119)
		(188,804)	(9,339)
Net cash (used in) / generated from operations		(188,094)	2,614
Taxes paid		(12,759)	(15,730)
Financial charges paid		(8,200)	-
Dividend paid		(233,253)	(2,482,334)
		(254,212)	(2,498,064)
Net cash used in operating activities		(442,306)	(2,495,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		5,664,695	12,232,539
Investment in securities		(5,376,441)	(9,657,597)
Capital expenditure incurred		(439)	(481)
Proceeds from sale of property and equipment		47	85
Net cash generated from investing activities		287,862	2,574,546
Net decrease in cash and cash equivalents		(154,444)	79,096
Cash and cash equivalents at the beginning of the period		162,891	24,844
Cash and cash equivalents at the end of the period	8.2	8,447	103,940

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (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 Pakistan Stock Exchange. The registered office of the Company is situated at 4th Floor 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 has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2015.

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. Further, obligation in respect of staff retirement benefits is carried at present value of defined benefit obligation less fair value of plan assets.

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, 2015.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

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, judgments 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, 2015.

September 30, December 31,
2016 2015
(Un-audited) (Audited)
------(Rupees in '000)-----

5 PROPERTY AND EQUIPMENT

Opening book value	15,593	17,644
Additions during the period / year	439	1,036
	16,032	18,680
Less: Written down value of disposal during the period / year	(34)	(62)
Less: Depreciation for the period / year	(1,959)	(3,025)
	(1,993)	(3,087)
	14,039	15,593

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

Additions-Cost

Furniture and Fixtures	-	19
Office Equipment	439	1,017
	439	1,036

Disposals-Cost

Office Equipment	(87)	(170)
------------------	------	-------

6 INTANGIBLE ASSETS

Opening book value	30	1,108
Less: Amortisation for the period / year	(19)	(1,078)
	11	30

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
7		----- (Rupees in '000) -----	
Held-to-maturity investments - Short term	7.1	43,705	44,077
Available-for-sale investments	7.2	722,361	548,028
Investments carried at fair value through profit or loss	7.3	2,372,382	2,230,212
Term Deposit Receipts	7.4	3,000	3,000
		<u>3,141,448</u>	<u>2,825,317</u>

- 7.1 These are Treasury Bills placed with the State Bank of Pakistan as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000. The Treasury Bills have a face value of Rs. 45 million and market value of Rs. 43.723 million as at September 30, 2016 (December 31, 2015: market value of Rs. 44.20 million). These will be released once the outstanding claims and balances relating to insurance are settled.

7.2 Available-for-sale investments

Un-quoted shares	7.2.1	-	-
Mutual Funds		-	38,301
Un-quoted debentures	7.2.2	-	-
Quoted shares - related parties	7.2.3	722,361	509,727
		<u>722,361</u>	<u>548,028</u>

7.2.1 Un-quoted Shares

Name of investee company	Note	Number of Shares		Cost	
		30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
				----- Rupees '000' -----	
Bankers Equity Limited		13,465	13,465	117	117
Less: Provision for Impairment				(117)	(117)
Carrying Value				<u>-</u>	<u>-</u>

7.2.2 Un-quoted Debentures

Name of investee company		Number of Debentures		Cost	
		30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
				----- Rupees '000' -----	
Hyson Sugar Mills Limited		240,500	240,500	60	60
				60	60
Less: Provision for Impairment				(60)	(60)
Carrying value				<u>-</u>	<u>-</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

7.2.3 Quoted Shares - Related Parties

Name of investee company	Number of Shares		Cost	Market value	
	30-Sep-16	31-Dec-15	30-Sep-16	30-Sep-16	31-Dec-15
----- Rupees '000'-----					
Fertilizer					
Dawood Hercules Corporation Limited	794,380	794,380	47,652	105,621	94,643
Equity held: 0.17% (2015: 0.17%)					
Textile Composite					
Dawood Lawrencepur Limited	2,965,095	2,965,095	222,110	616,740	415,084
Equity held: 5.02% (2015: 5.02%)					
			269,762	722,361	509,727
			(151,820)		
Less : Provision for impairment					
Carrying value			117,942		
Market value as at September 30, 2016			722,361		
Unrealised gain on quoted shares			604,419		

Note	Market Value	
	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	----- Rupees '000'-----	

7.3 Investment carried at fair value through profit or loss

Quoted shares	7.3.1	2,329,792	2,124,447
Mutual funds	7.3.2	42,590	105,765
		<u>2,372,382</u>	<u>2,230,212</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

7.3.1 Quoted Shares

Name of investee company	Number of Shares		Carrying Value	Market value	
	30-Sep-16	31-Dec-15	30-Sep-16	30-Sep-16	31-Dec-15
	Rupees '000'				
Oil and Gas Marketing Companies					
Hascol Petroleum Limited	-	1,091,200	-	-	157,406
Sui Southern Gas Co. Limited	1,000,000	2,000,000	40,787	40,540	74,700
Sui Northern Gas Pipelines Limited	1,500,000	-	73,705	75,180	-
Refinery					
Pakistan Refinery Limited	-	500,000	-	-	22,605
Attock Refinery Limited	150,000	-	51,867	48,882	-
Byco Petroleum Limited	1,504,000	-	37,473	35,570	-
Cement					
Thatta Cement Company Limited	860,000	-	33,159	33,067	-
D.G Khan Cement Limited	-	250,000	-	-	36,898
Dewan Cement Limited	-	1,500,000	-	-	19,425
Maple Leaf Cement Company Limited	-	1,000,000	-	-	74,580
Textile Composite					
Gul Ahmad Textile Mills Limited	1,694,500	1,000,000	63,382	87,961	36,240
Nishat Mills Limited	1,100,000	-	123,290	154,990	-
Nishat Chunian Limited	2,500,000	-	111,337	114,650	-
Textile Spinning					
Hira Textile Mills Limited	3,500,000	-	46,881	48,965	-
Automobile Parts and Accessories					
Agriauto Industries Limited	304,200	-	76,646	88,258	-
General Tyre and Rubber Company of Pakistan Limited	-	200,000	-	-	34,316
Automobiles Assembler					
Honda Atlas Cars (Pakistan) Limited	-	101,200	-	-	24,181
Millat Tractors Limited	50,000	-	32,441	33,949	-
Technology and Communication					
TRG Pakistan Limited	-	10,000,000	-	-	346,500
Power Generation & Distribution					
The Hub Power Company Limited (related party)	10,000,000	10,000,000	1,026,000	1,191,700	1,026,000
Equity held: 0.86% (2015: 0.86%)					
K-Electric Limited	5,000,000	-	45,980	46,050	-
Pakgen Power Limited	-	500,000	-	-	14,715
Japan Power Generation Limited	-	3,000,000	-	-	11,880
Commercial Banks					
National Bank of Pakistan	3,000,000	-	204,623	219,630	-
MCB Bank Limited	500,000	100,000	109,165	110,400	21,684
United Bank Limited	-	350,000	-	-	54,232

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

	Number of Shares		Carrying Value	Market value	
	30-Sep-16	31-Dec-15	30-Sep-16	30-Sep-16	31-Dec-15
				Rupees '000'	
Cable and Electrical Goods					
Pak Elektron Limited	-	500,000	-	-	31,270
TPL Trakker Limited	-	1,000,000	-	-	14,930
Pharmaceutical					
GlaxoSmithKline Pakistan Limited	-	200,000	-	-	44,004
Non Life Insurance					
Adamjee Insurance Company Limited	-	500,000	-	-	28,255
IGI Insurance Limited	-	214,000	-	-	50,626
			<u>2,076,736</u>	<u>2,329,792</u>	<u>2,124,447</u>
Unrealised Gain on Quoted Shares			<u>253,056</u>		

7.3.1.1 3 million shares (December 31, 2015: 5 million shares) of The Hub Power Company Limited having market value of Rs. 357.51 million (December 31, 2015: Rs. 513 million) as at September 30, 2016 have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

7.3.1.2 The Company has a facility of Rs.500 million (December 31, 2015: Nil) under share Murabaha arrangement with Bank Islami Pakistan Limited. The facility carries profit calculated at relevant KIBOR plus 0.8% per annum and will expire on December 31, 2016.

The facility is secured against pledge of 1.500 million ordinary shares of The Hub Power Company Limited having market value of Rs. 178.76 million.

7.3.1.3 The Company has running finance facility of Rs. 500 million (December 31, 2015: Rs. 500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.85% per annum (December 31, 2015: 3 month KIBOR + 0.85% per annum) and will expire on March 31, 2017.

The facility is secured against pledge of 4.000 million (market value: Rs. 476.68 million) and 0.794 million (Market value: Rs.105.62 million) ordinary shares of The Hub Power Company Limited and Dawood Hercules Corporation Limited respectively.

7.3.2 Mutual Funds

Name of fund	Note	Number of Units		Carrying value	Market value	
		30-Sep-16	31-Dec-15	30-Sep-16	30-Sep-16	31-Dec-15
					Rupees '000'	
AKD Cash Fund		-	487,282	-	-	25,108
Atlas Money Market Fund		-	67,602	-	-	35,118
Meezan Islamic Income Fund		-	323,378	-	-	17,023
NAFA Government Securities Liquid Fund	7.3.2.1	246,349	236,220	2,565	2,533	2,462
PICIC Cash Fund		147,486	-	15,014	15,027	-
NAFA Money Market Fund		2,506,586	2,572,465	25,013	25,030	26,054
				<u>42,592</u>	<u>42,590</u>	<u>105,765</u>
Unrealised loss on Mutual Fund units				(2)		

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

7.3.2.1 246,349 units (December 31, 2015: 236,220 units) of NAFA Government Securities Liquid Fund having a market value of Rs. 2.533 million (December 31, 2015: 2.462 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

		Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
			----- (Rupees in '000) -----	----- (Rupees in '000) -----
7.4	Term Deposit Receipts			
	Deposits maturing within one month	7.4.1	<u>3,000</u>	<u>3,000</u>

7.4.1 Term Deposit Receipts carry mark-up at 5.5% per annum (December 31, 2015: 5.5%) and maturity on October 24, 2016.

8 CASH AND BANK BALANCES

Cash in hand		50	6
Cash at bank	8.1	<u>5,397</u>	<u>159,885</u>
		<u>5,447</u>	<u>159,891</u>

8.1 These include balances placed under mark-up arrangement with mark-up ranging between 4.0% to 5.5% (December 31, 2015: 5.5% to 7%) per annum.

8.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow comprises of the following:

	September 30, 2016 (Un-audited)	September 30, 2015 (Un-audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Cash and bank balances	5,447	100,940
Term Deposit Receipts	<u>3,000</u>	<u>3,000</u>
	<u>8,447</u>	<u>103,940</u>

9 CONTINGENCIES AND COMMITMENTS

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Guarantees issued on behalf of the Company by commercial banks	<u>5,205</u>	<u>5,205</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

	September 30, 2016 (Un-audited) ----- (Rupees in '000) -----	September 30, 2015 (Un-audited) ----- (Rupees in '000) -----
10 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit for the period after taxation	<u>471,419</u>	<u>390,087</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) -----	
Earnings per share	<u>8.04</u>	<u>6.65</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:

	Nine Months September 30		Quarter Ended September 30	
	2016 (Un-audited)	2015 (Un-audited)	2016 (Un-audited)	2015 (Un-audited)
Transactions	----- (Rupees in '000) -----			
Rent paid	5,534	4,904	1,845	1,740
Dividend received	107,138	105,327	7,149	64,533
Dividend paid	255,208	1,668,671	98,156	-
Services charges	-	700	-	100
Commission income from a related party on sale of property	-	3,900	-	-
Contribution to provident fund	1,838	1,598	639	521
Charge for staff retirement gratuity scheme	2,569	2,432	856	811
Key Management Personnel				
Dividend paid	14,349	17,850	5,519	-
Remuneration excluding bonus	30,977	27,574	10,436	9,459
Director meeting fee	1,250	700	300	350
Proceeds from sale of property and equipment	-	38	-	-
Employee loan recovered	1,649	2,471	466	290
Employee loan disbursed	-	530	-	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
Balances	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Loan to chief executive officer	4,234	4,881
Loan to other executives	8,640	9,179
Receivable from a related party	610	100
Payable to related parties	858	700

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 13, the Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

Investment carried at fair value are categorized as follows:

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the nine months and quarter ended September 30, 2016 - (un-audited)

	----- As at September 30, 2016 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			

ASSETS

Investment in securities - financial assets at fair value through profit or loss

- Quoted shares	2,329,792	-	-	2,329,792
- Mutual fund units	42,590	-	-	42,590

Investment in securities - financial assets available for sale

- Quoted shares	722,361	-	-	722,361
- Mutual fund units	-	-	-	-

	----- As at December 31, 2015 -----			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			

ASSETS

Investment in securities - financial assets at fair value through profit or loss

- Quoted shares	2,124,447	-	-	2,124,447
- Mutual fund units	105,765	-	-	105,765

Investment in securities - financial assets available for sale

- Quoted shares	509,727	-	-	509,727
- Mutual fund units	38,301	-	-	38,301

13 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on October 25, 2016 by the Board of Directors of the Company.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

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
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


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4th Floor, Dawood Centre, M.T. Khan Road, Karachi-75530
Ph: (92-21) 35684019, 35681491 Fax: (92-21) 35680218