



INGREDIENTS FOR
SUCCESS

quarterly report march 31, 2017

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COMPANY INFORMATION

Board of Directors

Hasan Reza-ur Rahim (Chairman) Non-Executive Director
Kulsum Dawood Non-Executive Director
Inam Ur Rahman Non-Executive Director
Kamran Nishat Independent Director
Shafiq Ahmed Non-Executive Director
Faisal Nadeem Mangroria Executive Director
Sulaiman S. Mehdi (Chief Executive) Executive Director

Board Audit Committee

Kamran Nishat (Chairman)
Shafiq Ahmed
Hasan Reza-ur Rahim
Inam Ur Rahman

Board HR & Remuneration Committee

Inam Ur Rahman (Chairman)
Kamran Nishat
Hasan Reza-ur Rahim

Board Investment Committee

Hasan Reza-ur Rahim (Chairman)
Kulsum Dawood
Shafiq Ahmed

CFO & Company Secretary

Faisal Nadeem Mangroria

Head of Internal Audit

Ayman Anwer

Executives*

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

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.
Dagia 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, Khekashan,
Clifton, Karachi

Rating Agency

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

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Summit Bank Limited
BankIslami Pakistan Limited

Registered Office

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

*As determined by the Board of Directors

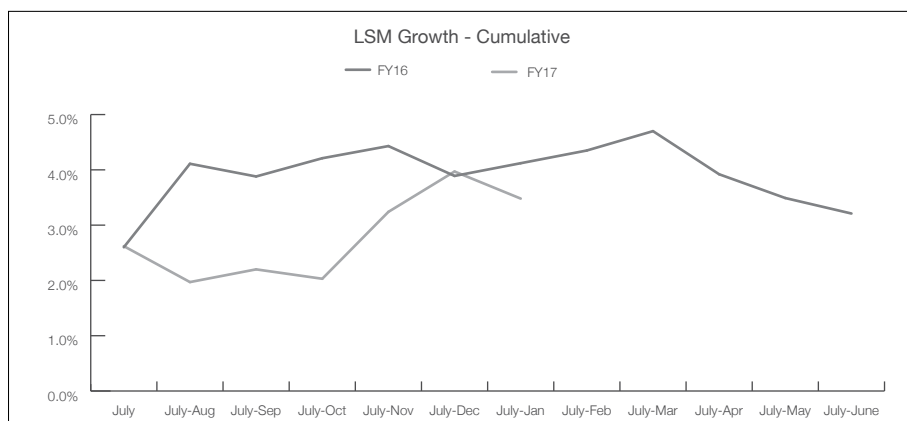
DIRECTORS' REVIEW

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial information of the company for the quarter ended March 31, 2017.

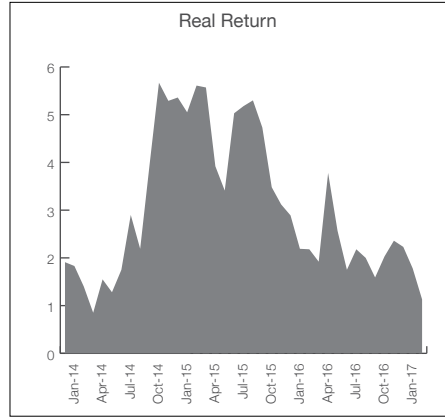
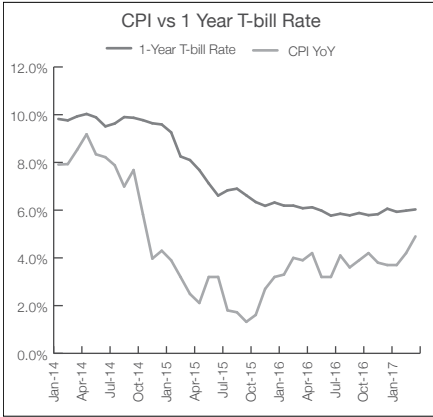
Economy Review

The overall economic environment remains conducive for growth. Status quo announced in March 2017 monetary policy, increase in development spending, growth in private sector credit and ongoing CPEC- driven activity are providing much needed support. These factors led to an improvement in overall confidence, which is particularly reflected in capacity expansion plans announced by a number of industries. In this backdrop, the aggregate output is expected to increase significantly. Private sector credit offtake increased by 13.6% YoY in Feb 2017 compared to Feb 2016 is indicative of enhanced investor and consumer confidence.

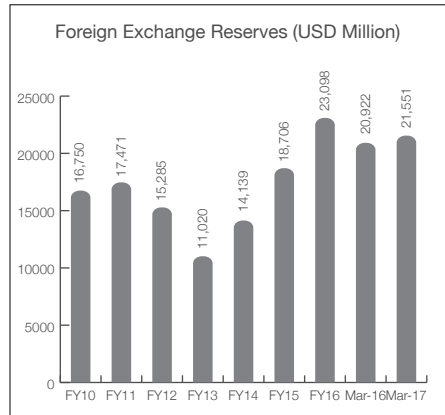
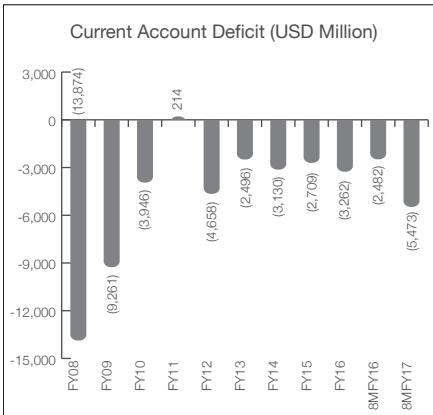
LSM recorded growth of 3.5% in July-Jan FY17 as compared to 4.1% in July-Jan FY16. After dull performance of LSM in 1QFY17, the recovery in LSM growth in 2QFY17 was due to improvement in food, steel, cement, pharmaceutical, automobiles and electronic industries. Moreover, multiple factors are anticipated to provide further impetus to LSM growth. These include supportive economic policies in terms of lower interest rate and higher Public Sector Development Program spending, incentives for export industries, improved energy situation, strong domestic consumer demand and an uptick in private sector credit for fixed investment purposes.



Headline inflation clocked in at 4.9% in March 2017. Major factors contributing to current inflation levels include constrained supply side pressures. However, upward trend in international commodity prices along with increasing domestic demand to remain an upside risk for increase in inflation going forward. In view of the above, SBP in its most recent Monetary Policy Statement in March 2017 decided to maintain status quo and kept policy rate unchanged at 5.75%.



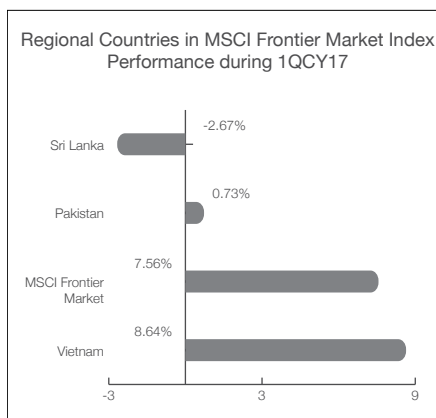
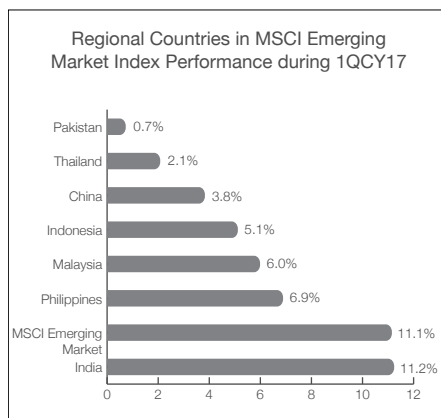
Sizable import payments in 8MFY17 increasing by 11.2% YoY against same period last year, alongside non-receipt of Coalition Support Fund (CSF) and a fall in exports and remittances, led to a significant increase in the Current Account Deficit (CAD) increasing by 120.5% in 8MFY17 compared to 8MFY16 on the back of surge in imports.



Going forward, economic activity in the country is expected to strengthen due to implementation of power and infrastructure development projects under CPEC. Key risks to this thesis include reversal in commodities prices, delays in implementation of CPEC related projects and higher than expected PKR depreciation.

Stock Market Review 1QCY17

KSE-100 Index closed at 48,156 points recording a meagre gain of 0.7% in 1QCY17 lower than regional average equity performance of 5.1%. The local bourse witnessed volatility marred by uncertainty on the political front and SECP's action on in-house badla financing, thus overshadowing the positives, which resulted in reduced investor activity during March 2017. Moreover, Foreign Portfolio Investment (FPI) recorded an outflow of USD 162.3 million during 1QCY17. KSE-100 Index still trades at an attractive forward P/E multiple of 11.1x compared to regional average multiple of 14.6x signifying a discount of 24.0%. The local bourse also yields attractive Return on Equity and Dividend Yield of 16.4% and 4.9% respectively compared to regional average of 12.1% and 2.7%.



On sectoral front, Tobacco, Investment Banks and Securities, Cable and Electrical Goods, Insurance and Chemicals outperformed KSE-100 Index during the month of March 2017. While, Modarabas, Power Generation and Distribution, Exploration & Production, Technology and Communication and Glass & Ceramics underperformed KSE-100 index during March 2017.

Outlook

Going forward, the fundamentals are expected to remain strong and the market is anticipated to track the political scenario as well as local and foreign liquidity. We believe market will witness improved flows as a result of attractive valuation and MSCI inclusion in May 2017.

Company Performance

During the quarter ended March 31, 2017 the company posted earnings per share of Rs.3.71 compared to Rs.0.25 in the corresponding period in 2016.

During the quarter the company adopted an aggressive stance on the public equities and increased its exposure to 99% (average), whereas 1% 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 and inflation in single digits.

The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, sizable investments were made in Power Generation and Distribution, Textile Composite, Commercial Banks, Technology and Communication and Cements. The dividend income decreased due to delay of group companies' dividend and lower than expected dividend announcement by HUBCO. Un-realized gain of Rs.47 million was recorded during the quarter as compared to Rs.80 million un-realized loss was reported in the corresponding quarter in 2016. The company also earned capital gains of Rs.221 million during the quarter as opposed to Rs.42 million recorded in the corresponding period in 2016.

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 unwavering 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
Chairman

Sulaiman S. Mehdi
CEO

Karachi: April 24, 2017

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 انتظامی 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 سیکرٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا بھی ان کے مسلسل تعاون اور رہنمائی کے لئے تہہ دل سے مشکور ہے۔

منجانب بورڈ

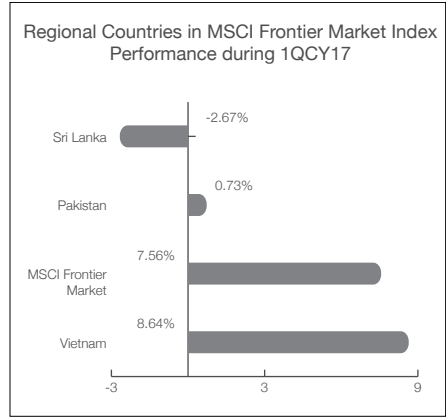
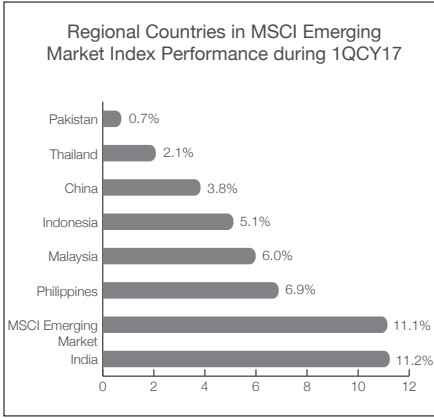
حسن رضا الرحیم

چیئر مین

سلیمان الیس مہدی

چیف ایگزیکٹو آفیسر

کراچی: 24 اپریل 2017



24.0 فیصد ڈس کاؤنٹ کی نشاندہی کرتا ہے۔ مقامی مارکیٹ نے ریٹرن آن ایکویٹی (ROE) اور ڈیویڈنڈ کی مد میں بالترتیب 16.4 فیصد اور 4.9 فیصد کا پُرکشش منافع فراہم کیا۔

شعبہ جاتی سطح پر مارچ 2017ء کے دوران تھیاکو، انویسٹمنٹ بینکس اور سکیورٹیز، کیبل اور برقی آلات، انشورنس اور کیمیکلز نے KSE-100 انڈیکس میں نمایاں کارکردگی کا مظاہرہ کیا۔ جبکہ مضاربہ بجلی کی پیداوار اور تقسیم E&Ps، ٹیکنالوجی اور مواصلات اور گلاس اور سرائیکس کے شعبہ جات میں مارچ 2017ء کے دوران کم کارکردگی دیکھنے میں آئی۔

مستقبل کے آثار

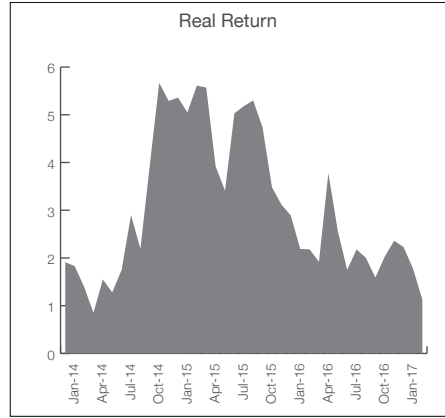
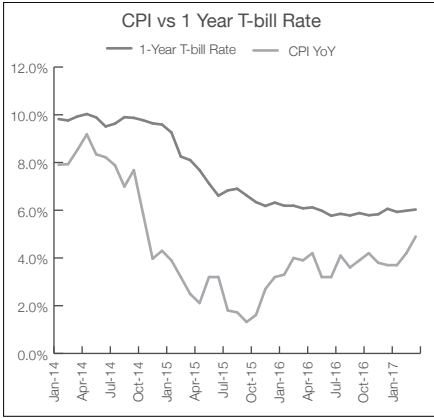
مستقبل میں مارکیٹ کے مضبوط بنیادوں پر استوار رہنے اور مارکیٹ میں سیاسی منظر نامے اور اس کے ساتھ ساتھ مقامی اور غیر ملکی کلوڈیٹی کے ساتھ اضافے کی توقع ہے۔ ہمیں یقین ہے کہ مئی 2017ء میں مارکیٹ پر کشش تعین قدر اور MSCI میں شمولیت کے نتیجے میں بہتر رفتار کا مظاہرہ کرے گی۔

کمپنی کی کارکردگی

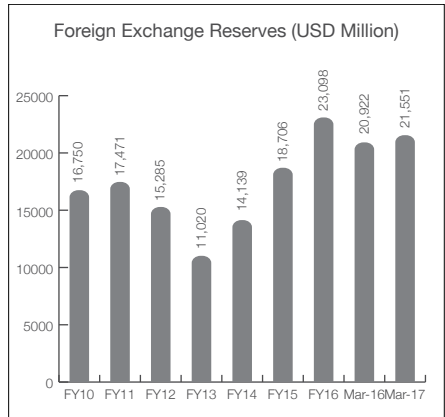
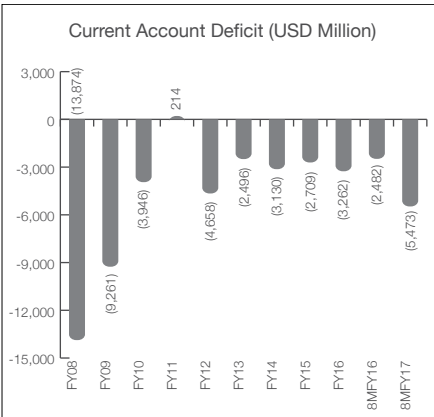
31 مارچ 2017ء کو ختم ہونے والی سہ ماہی کے دوران کمپنی کی فی حصص آمدنی 3.71 روپے رہی جو کہ سال 2016ء کی اسی مدت کے دوران 0.25 روپے تھی۔

اس سہ ماہی کے دوران کمپنی نے پبلک ایکویٹیز کے حوالے سے جرأت مندانہ موقف اختیار کیا اور اس شعبے میں سرمایہ کاریوں کے لئے 99 فیصد (اوسط) حصہ مختص کیا جبکہ 1 فیصد میوچل فنڈز اور حکومتی سکیورٹیز میں لگا۔ ایکویٹی کے حصہ میں اضافہ کی وجہ سے کمپنی کا کتنا کم شرحوں، بالخصوص غیر ملکی زرمبادلہ میں بہتری اور افراط زر میں کمی تھی۔

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 جاسکے۔ اس سلسلے میں بجلی کی پیداوار اور تقسیم، ٹیکنیکل کمپوزٹ، کمرشل بینکس، ٹیکنالوجی اور مواصلات اور سیمنٹ کے شعبے میں خاصی بڑی سرمایہ کاری کی گئی۔ ڈیویڈنڈ آمدنی میں کمی کی بنیادی وجہ گروپ کمپنیز کے ڈیویڈنڈ کا بروقت اعلان نہ ہونا اور کمپنی کے ڈیویڈنڈ کا کم اعلان کرنا رہی۔ اس سہ ماہی میں 47 ملین روپے کا غیر موصول شدہ نفع (Un-realized gain) ریکارڈ کیا گیا جبکہ 2016ء کی اسی سہ ماہی میں 80 ملین روپے کا غیر موصول شدہ خسارہ (Un-realized loss) ریکارڈ کیا گیا تھا۔ اس سہ ماہی میں کمپنی نے 221 ملین روپے کا منافع کمایا جو سال 2016ء کی اسی مدت کے دوران 42 ملین روپے کا ریکارڈ کیا گیا تھا۔



مالی سال 2017 کے 8 ماہ میں، گزشتہ سال کی اسی مدت کے مقابلے میں بڑے حجم کی برآمدی ادائیگیوں میں 11.2 فیصد سال بہ سال کا اضافہ، اور اس کے ساتھ ساتھ برآمدات اور ترسیلات زر کی عدم وصولی کرنٹ اکاؤنٹ کے خسارے (CAD) میں نمایاں اضافے کا باعث بنی جس میں درآمدات کی وجہ سے مالی سال 2016 کے 8 ماہ کے مقابلے میں مالی سال 2017 کے 8 ماہ میں 120.5 فیصد کا اضافہ دیکھنے میں آیا۔



مزید برآں، پاک چین اقتصادی راہداری (CPEC) کے تحت توانائی اور بنیادی ڈھانچوں کے ترقیاتی منصوبوں کی تکمیل کے باعث ملک میں معاشی سرگرمیاں مزید مستحکم ہونے کی توقع ہے، اس مفروضے کو لاحق بنیادی خطرات میں اشیائے صرف کی قیمتوں میں بدلاؤ، سی پیک سے متعلق منصوبوں کی تکمیل میں تاخیر اور پاکستانی روپے کی قدر میں توقع سے زیادہ کمی شامل ہیں۔

بازار حصص کا تجزیہ مالی سال 17 کی پہلی سہ ماہی

KSE-100 انڈیکس 48,156 پوائنٹس پر بند ہوئی اور مالی سال 2017 کی پہلی سہ ماہی میں 0.7 فیصد کا معمولی اضافہ ریکارڈ کیا گیا جو 5.1 فیصد کی اوسط مقامی ایکویٹی کارکردگی سے کم ہے۔ سیاسی سطح پر غیر یقینی صورت حال اور ان ہاؤس بدلتہ فنانس پر سیکورٹیز اینڈ اینیچج کمیشن آف پاکستان (SECP) کے اقدامات کے باعث مقامی مارکیٹ میں اتار چڑھاؤ دیکھنے میں آیا جس نے مثبت رجحانات کو متاثر کیا جس کے نتیجے میں مارچ 2017 میں سرمایہ کاری سرگرمیوں میں کمی کی توقع ہوئی۔ مزید برآں، مالی سال 2017 کی پہلی سہ ماہی میں فارن پورٹ فولیو انویسٹمنٹ (FIPI) میں 162.3 ملین امریکی ڈالر کا اخراج ریکارڈ کیا گیا۔ KSE-100 انڈیکس بدستور 11.1x کے پرنکس فارورڈ P/E مضاعف پر تجارت کر رہا ہے جبکہ اس کے مقابلے میں مقامی اوسط مضاعف 14.6x ہے جو

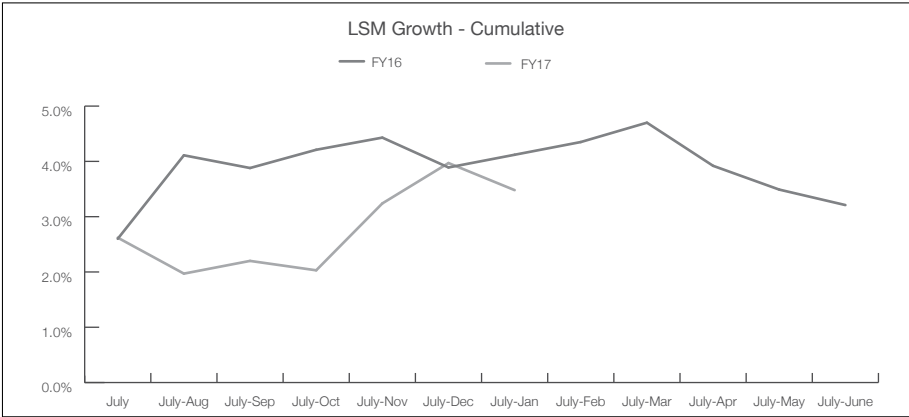
ڈائریکٹرز کی جائزہ رپورٹ

بورڈ آف ڈائریکٹرز، سیان لمیٹڈ نہایت مسرت کے ساتھ 31 مارچ، 2017 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کی غیر جائزہ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

معیشت کا جائزہ

مجموعی ماحول معاشی ترقی کے لئے بدستور سازگار رہنے کی توقع ہے۔ مارچ 2017 کی مانٹری پالیسی میں اسٹیٹس کو (Status Quo) کا اعلان، ترقیاتی سرگرمیوں پر اخراجات میں اضافہ، نجی شعبہ کے قرضہ جات میں اضافہ اور CPEC کی وجہ سے جاری سرگرمیاں ضروری تعاون فراہم کر رہی ہیں۔ یہ عناصر مجموعی اعتماد میں اضافے کا باعث بنے، جس کی عکاسی متعدد صنعتی اداروں کی جانب سے اعلان کردہ توسیعی منصوبوں سے ہوتی ہے۔ اس تناظر میں، مجموعی پیداوار میں نمایاں اضافے کی توقع ہے۔ نجی شعبے میں قرضوں کے حصول میں فروری 2017ء میں فروری 2016 کے مقابلے میں 13.6 فیصد کا سال بہ سال اضافہ دیکھنے میں آیا جو سرمایہ کار اور صارف کے بڑھتے ہوئے اعتماد کی نشاندہی کرتا ہے۔

بڑے پیمانے کے صنعت کار (LSM) نے جولائی۔ جنوری مالی سال 2016 کے 4.1 فیصد کے مقابلے میں جولائی۔ جنوری مالی سال 2017 میں 3.5 فیصد کا اضافہ ریکارڈ کیا۔ بڑے پیمانے کے صنعت کار کی مالی سال 2017 کی پہلی سہ ماہی میں کارکردگی سست رہنے کے بعد، مالی سال 2017 کی دوسری سہ ماہی میں بڑے پیمانے کے صنعت کار (LSM) کی کارکردگی بحال ہوئی جس کی وجہ غذائی اشیاء، آئٹیل، سیمنٹ، ادویہ سازی، آٹوموبائلز اور الیکٹرانک کی صنعتوں میں آنے والی بہتری تھی۔ مزید برآں، متعدد عناصر کے LSM کی ترقی میں محرک ثابت ہونے کی توقع ہے۔ ان عناصر میں کم شرح سود اور پرائیویٹ سیکٹر ڈیولپمنٹ پروگرام پر زیادہ اخراجات جیسی سازگار معاشی پالیسیاں، برآمدی صنعتوں کے لئے مراعات، توانائی کی فراہمی کی بہتر صورت حال، اشیاء صرف کی مستحکم مقامی طلب اور زمینیں سرمایہ کاری کے مقاصد کے لئے نجی شعبہ کے قرضہ جات میں اضافہ شامل ہیں۔



مارچ 2017 میں ہیڈ لائن افراط زر 4.9 فیصد تک رہی۔ موجودہ افراط زر کی سطح میں معاون عناصر میں محدود طلب کا دباؤ شامل ہے۔ تاہم، عالمی اشیاء صرف کی قیمتوں میں اضافے کا رجحان بعد بڑھتی ہوئی مقامی طلب جیسے عوامل آگے چل کر افراط زر میں اضافے کا باعث ہو سکتے ہیں۔ مندرجہ بالا صورت حال کے تناظر میں، اسٹیٹ بینک آف پاکستان نے مارچ 2017 میں اپنے حالیہ مالیاتی پالیسی بیان میں اسٹیٹس کو (Status Quo) برقرار رکھنے کا فیصلہ کیا ہے اور پالیسی کی شرح 5.75 فیصد پر برقرار رکھی ہے۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at March 31, 2017

| | Note | March 31, 2017 (Un-audited) (Rupees in '000) | December 31, 2016 (audited) |
|---|------|---|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 5 | 13,306 | 13,751 |
| Intangible assets | 6 | 240 | 266 |
| Long term loans | | 9,417 | 9,985 |
| Long term deposits | | 2,500 | 2,500 |
| Deferred taxation | | 2,265 | - |
| | | <u>27,728</u> | <u>26,502</u> |
| Current assets | | | |
| Short term investments | 7 | 3,396,933 | 3,612,508 |
| Long term loans - current portion | | 2,330 | 2,330 |
| Trade and other receivables | | 58,946 | 11,619 |
| Advances and short term prepayments | | 6,160 | 5,179 |
| Cash and bank balances | 8 | 7,739 | 906 |
| | | <u>3,472,108</u> | <u>3,632,542</u> |
| TOTAL ASSETS | | <u>3,499,836</u> | <u>3,659,044</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised share capital 100,000,000 (2016: 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 | | 1,779,664 | 1,708,968 |
| Reserves | | 133,088 | 133,088 |
| Remeasurement on post retirement benefits obligation - net of tax | | (2,611) | (2,611) |
| Surplus on revaluation of available-for-sale investments | | 639,613 | 746,881 |
| | | <u>3,136,031</u> | <u>3,172,603</u> |
| Non-current liabilities | | | |
| Deferred liability - gratuity | | 11,218 | 10,528 |
| Deferred taxation | | - | 13,803 |
| | | <u>11,218</u> | <u>24,331</u> |
| Current liabilities | | | |
| Creditors, accrued expenses and other liabilities | | 82,891 | 89,852 |
| Accrued mark - up | | 2,966 | 1,796 |
| Short term borrowing | | 35,438 | 183,265 |
| Taxation - net | | 231,292 | 187,197 |
| | | <u>352,587</u> | <u>462,110</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>3,499,836</u> | <u>3,659,044</u> |

CONTINGENCIES AND COMMITMENTS

9

The annexed notes from 1 to 12 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 quarter ended March 31, 2017 - (un-audited)

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| | (Rupees in '000) | |
| REVENUES | | |
| Return on investments | 3,483 | 75,700 |
| Gain on sale of investments - net | 220,524 | 42,253 |
| Other income | 8,307 | 2,288 |
| | <u>232,314</u> | <u>120,241</u> |
| Unrealised appreciation /(diminution) on re-measurement of investments classified as financial assets at fair value through profit or loss - net | 47,431 | (80,362) |
| | <u>279,745</u> | <u>39,879</u> |
| EXPENSES | | |
| Operating and administrative expenses | (26,518) | (25,603) |
| Financial charges | (4,974) | (1,389) |
| | <u>(31,492)</u> | <u>(26,992)</u> |
| PROFIT BEFORE TAXATION FROM OPERATIONS | <u>248,253</u> | <u>12,887</u> |
| Taxation - current period | (47,057) | (9,854) |
| - deferred | 16,069 | 11,393 |
| | <u>(30,988)</u> | <u>1,539</u> |
| NET PROFIT FOR THE PERIOD | <u>217,265</u> | <u>14,426</u> |

(Rupees)

BASIC AND DILUTED EARNINGS PER SHARE 3.71 0.25

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the quarter ended March 31, 2017 - (un-audited)

| | March 31, 2017 (Rupees in '000) | March 31, 2016 |
|---|---------------------------------------|-------------------|
| Profit after taxation | 217,265 | 14,426 |
| Items that may be reclassified subsequently to profit or loss | | |
| Deficit on revaluation of available-for-sale investments | (107,268) | (44,159) |
| Total comprehensive income / (loss) for the period | <u>109,997</u> | <u>(29,733)</u> |

The annexed notes from 1 to 12 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 quarter ended March 31, 2017 - (un-audited)

| | Share Capital | Capital reserves | | | Revenue reserves | | Re-measurment 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 01, 2016 | 586,277 | 10,535 | - | 2,553 | 120,000 | 1,378,815 | (3,480) | 420,437 | 2,515,137 |
| Net Profit for the quarter ended March 31, 2016 | - | - | - | - | - | 14,426 | - | - | 14,426 |
| Other comprehensive income | - | - | - | - | - | - | - | (44,159) | (44,159) |
| Final dividend @ Rs.4 per share for the year ended December 31, 2015 | - | - | - | - | - | (234,511) | - | - | (234,511) |
| | - | - | - | - | - | (234,511) | - | - | (234,511) |
| Balance as at March 31, 2016 | 586,277 | 10,535 | - | 2,553 | 120,000 | 1,158,730 | (3,480) | 376,278 | 2,250,893 |
| Balance as at January 01, 2017 | 586,277 | 10,535 | - | 2,553 | 120,000 | 1,708,968 | (2,611) | 746,881 | 3,172,603 |
| Net Profit for the quarter ended March 31, 2017 | - | - | - | - | - | 217,265 | - | - | 217,265 |
| Other comprehensive income | - | - | - | - | - | - | - | (107,268) | (107,268) |
| Interim dividend @ Rs.2.50 per share for the year ended December 31, 2016 | - | - | - | - | - | (146,569) | - | - | (146,569) |
| | - | - | - | - | - | (146,569) | - | - | (146,569) |
| Balance as at March 31, 2017 | 586,277 | 10,535 | - | 2,553 | 120,000 | 1,779,664 | (2,611) | 639,613 | 3,136,031 |

The annexed notes from 1 to12 form an integral part of this condensed interim financial information.

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the quarter ended March 31, 2017 - (un-audited)

| | Note | March 31, 2017 (Rupees in '000) | March 31, 2016 |
|---|------|---------------------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 248,253 | 12,887 |
| Adjustment for non cash charges and other items: | | | |
| Depreciation / amortisation | | 572 | 667 |
| Capital gain on sale of investments - net | | (220,524) | (42,253) |
| Gain on sale of property and equipment | | (601) | - |
| Amortization income on government securities | | (633) | (815) |
| Interest expense | | 4,974 | 1,389 |
| Unrealised (appreciation) / diminution on re-measurement of investments classified as financial assets at fair value through profit or loss | | (47,431) | 80,362 |
| | | (263,643) | 39,350 |
| Operating (loss) / profit before working capital changes | | (15,390) | 52,237 |
| Decrease / (Increase) in operating assets | | | |
| Trade and other receivables | | (47,327) | (74,369) |
| Long term loan | | 568 | 556 |
| Advances and short term prepayments | | (981) | (13) |
| | | (47,740) | (73,826) |
| (Decrease) in creditors, accrued expenses and other liabilities | | (8,003) | (212,636) |
| Increase in deferred liability | | 690 | 856 |
| Net cash used in operations | | (70,443) | (233,369) |
| Taxes paid | | (2,962) | (481) |
| Interest paid | | (3,803) | (1,044) |
| Dividend Paid | | (145,528) | - |
| Net cash used in operating activities | | (222,736) | (234,894) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of investments | | 1,950,263 | 1,182,112 |
| Investment in securities | | (1,573,367) | (1,122,365) |
| Capital expenditure incurred | | (190) | (25) |
| Proceeds from sale of property and equipment | | 690 | - |
| Net cash generated from investing activities | | 377,396 | 59,722 |
| Net increase / (decrease) in cash and cash equivalents | | 154,660 | (175,172) |
| Cash and cash equivalents at the beginning of the period | | (179,359) | 162,891 |
| Cash and cash equivalents at the end of the period | 8.1 | (24,699) | (12,281) |

The annexed notes from 1 to12 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 quarter ended March 31, 2017 - (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 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 Pakistan Stock Exchange. 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, 2016.

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.

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, 2016.

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, 2016.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

| | March 31, 2017 (Un-audited) (Rupees in '000) | December 31, 2016 (Audited) (Rupees in '000) |
|--|---|---|
| 5 PROPERTY AND EQUIPMENT | | |
| Opening book value | 13,751 | 15,593 |
| Additions during the quarter / year | 190 | 897 |
| | 13,941 | 16,490 |
| Less: Written down value (WDV) of disposal during the quarter / year | (89) | (94) |
| Less: Depreciation for the quarter / year | (546) | (2,645) |
| | (635) | (2,739) |
| | <u>13,306</u> | <u>13,751</u> |

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

| | | |
|-----------------------|------------|------------|
| Additions-Cost | | |
| Office Equipment | 190 | 897 |
| | <u>190</u> | <u>897</u> |
| Disposals-Cost | | |
| Office Equipment | - | 633 |
| Motor | 947 | - |
| | <u>947</u> | <u>633</u> |

| | | |
|--|------------|------------|
| 6 INTANGIBLE ASSETS | | |
| Opening book value | 266 | 30 |
| Additions during the quarter / year | - | 269 |
| | 266 | 299 |
| Less: Written down value (WDV) of disposal during the quarter / year | - | - |
| Less: Amortisation for the quarter / year | (26) | (33) |
| | (26) | (33) |
| | <u>240</u> | <u>266</u> |

The details of additions during the quarter / year are as follows:

| | | |
|-----------------------|----------|------------|
| Additions-Cost | | |
| Computer software | - | 269 |
| | <u>-</u> | <u>269</u> |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

| | Note | March 31, 2017 (Un-audited) (Rupees in '000) | December 31, 2016 (Audited) (Rupees in '000) |
|--|------|---|---|
|--|------|---|---|

7 SHORT TERM INVESTMENTS

Investments comprise of the following:

| | | | |
|--|-----|------------------|------------------|
| Held-to-maturity investments | | - | 44,367 |
| Available-for-sale investments | 7.1 | 757,555 | 864,822 |
| Investments carried at fair value through profit or loss | 7.2 | 2,636,378 | 2,700,319 |
| Loan and Receivables | 7.3 | 3,000 | 3,000 |
| | | <u>3,396,933</u> | <u>3,612,508</u> |
| | | <u>3,396,933</u> | <u>3,612,508</u> |

7.1 Available-for-sale investments

| | | | |
|---------------------------------|-------|----------------|----------------|
| Un-quoted shares | 7.1.1 | - | - |
| Un-quoted debentures | 7.1.2 | - | - |
| Quoted shares - related parties | 7.1.3 | 757,555 | 864,822 |
| | | <u>757,555</u> | <u>864,822</u> |

7.1.1 Un-quoted Shares

| Name of investee company | Note | Number of Shares | | Cost | |
|--------------------------------|---------|------------------|-----------|--------------|------------|
| | | 31-Mar-17 | 31-Dec-16 | 31-Mar-17 | 31-Dec-16 |
| | | | | Rupees '000' | |
| Bankers Equity Limited | 7.1.1.1 | 13,465 | 13,465 | 117 | 117 |
| | | | | <u>117</u> | <u>117</u> |
| Less: Provision for Impairment | | | | (117) | (117) |
| Carrying Value | | | | <u>-</u> | <u>-</u> |

7.1.1.1 Unquoted company in which the Company has made investments is in the process of liquidation, therefore, the name of the respective Chief Executive is not available.

7.1.2 Un-quoted debentures

| Name of investee company | | Number of Debentures | | Cost | |
|--------------------------------|--|----------------------|-----------|--------------|-----------|
| | | 31-Mar-17 | 31-Dec-16 | 31-Mar-17 | 31-Dec-16 |
| | | | | Rupees '000' | |
| Hyson Sugar Mills Limited | | 240,500 | 240,500 | 60 | 60 |
| | | | | <u>60</u> | <u>60</u> |
| 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 quarter ended March 31, 2017 - (un-audited)

7.1.3 Quoted Shares - Related Parties

| | Number of Shares | | Cost | Market value | |
|-------------------------------------|------------------|-----------|-----------|--------------------------|-----------|
| | 31-Mar-17 | 31-Dec-16 | 31-Mar-17 | 31-Mar-17 | 31-Dec-16 |
| | | | | ----- Rupees '000' ----- | |
| Name of investee company | | | | | |
| Chemicals | | | | | |
| Dawood Hercules Corporation Limited | 794,380 | 794,380 | 47,653 | 105,264 | 114,653 |
| Equity held: 0.17% (2016: 0.17%) | | | | | |
| Personal Goods | | | | | |
| Dawood Lawrencepur Limited | 2,965,095 | 2,965,095 | 222,110 | 652,291 | 750,169 |
| Equity held: 5.02% (2016: 5.02%) | | | | | |
| | | | 269,763 | 757,555 | 864,822 |
| | | | (151,821) | | |
| Less: Provision for impairment | | | | | |
| Carrying value | | | 117,942 | | |
| Market value as at 31 March 2017 | | | 757,555 | | |
| | | | | | |
| Unrealised gain on quoted shares | | | 639,613 | | |

| | Note | Market Value | |
|--|-------|------------------|-------------------|
| | | March 31, 2017 | December 31, 2016 |
| | | (Un-audited) | (Audited) |
| | | Rupees '000' | |
| 7.2 Investment Carried at fair value through profit or loss | | | |
| Quoted shares | 7.2.1 | 2,563,721 | 2,697,752 |
| Mutual funds | 7.2.2 | 72,657 | 2,567 |
| | | <u>2,636,378</u> | <u>2,700,319</u> |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

7.2.1 Quoted Shares

| Name of investee company | Number of Shares | | Carrying Value | Market value | |
|---|------------------|------------|----------------|--------------|-----------|
| | 31-Mar-17 | 31-Dec-16 | 31-Mar-17 | 31-Mar-17 | 31-Dec-16 |
| | | | | Rupees '000' | |
| Oil and Gas Marketing Companies | | | | | |
| Sui Northern Gas Pipeline Limited | - | 1,648,000 | - | - | 134,427 |
| Cement | | | | | |
| D.G Khan Cement Limited | 750,000 | 1,000,000 | 168,281 | 174,300 | 221,730 |
| Thatta Cement Limited | - | 500,000 | - | - | 19,690 |
| Bestway Cement Company Limited | 100,000 | - | 28,955 | 28,011 | - |
| Textile Composite | | | | | |
| Nishat Chunian Limited | 3,000,000 | 3,000,000 | 193,152 | 181,710 | 187,290 |
| Nishat Mills Limited | 750,000 | 1,000,000 | 118,369 | 123,900 | 152,270 |
| Gul Ahmad Textile Mills Limited | - | 3,600,000 | - | - | 184,212 |
| Transport | | | | | |
| Pakistan International Bulk Terminal Limited | 1,000,000 | - | 29,797 | 28,350 | - |
| Technology & Communication | | | | | |
| Medial Times Limited | 5,000,000 | 5,000,000 | 24,750 | 20,050 | 24,750 |
| TRG Pakistan Limited | 1,500,000 | - | 82,302 | 78,120 | - |
| Power Generation | | | | | |
| The Hub Power Company Limited (related party) | 10,000,000 | 10,000,000 | 1,234,800 | 1,310,600 | 1,234,800 |
| Equity held: 0.86% (2016: 0.86%) | | | | | |
| K-Electric Limited | 5,000,000 | - | 49,495 | 40,900 | - |
| Commercial Banks | | | | | |
| Askari Bank Limited | - | 2,000,000 | - | - | 49,900 |
| Bank of Punjab | 2,490,000 | 2,490,000 | 36,001 | 35,956 | 43,949 |
| National Bank of Pakistan | 2,502,000 | 2,002,000 | 187,929 | 186,824 | 149,930 |
| MCB Bank Limited | 200,000 | 200,000 | 47,564 | 45,480 | 47,564 |
| Habib Bank Limited | 500,000 | - | 143,325 | 134,805 | - |
| JS Bank Limited | 10,000,000 | 10,000,000 | 108,100 | 104,200 | 108,100 |
| Engineering | | | | | |
| Mughal Iron & Steel Industries Limited | 500,000 | - | 63,560 | 70,515 | - |
| Aisha Steel Mills Limited | - | 5,000,000 | - | - | 78,650 |
| Textile Spinning | | | | | |
| Hira Textile Mills Limited | - | 4,600,000 | - | - | 60,490 |
| Carrying Cost as at 31 March 2017 | | | 2,516,380 | 2,563,721 | 2,697,752 |
| Market Value as at 31 March 2017 | | | 2,563,721 | | |
| Unrealised gain on Quoted Shares | | | 47,341 | | |

7.2.1.1 3,000,000 (December 31, 2016: 3,000,000) shares of The Hub Power Company Limited having market value of Rs. 393.18 million (December 31, 2016: Rs. 370.44 million) as at March 31, 2017 have been pledged as collateral in favor of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

7.2.1.2 The Company has a facility of Rs.500 million under Share Murabahah arrangement with BankIslami Pakistan Limited. The facility carries profit calculated the relevant KIBOR plus 0.8% and will be expired on December 31, 2017.

The facility is secured against pledge of 0.650 million (Market value: Rs.85.19 million) ordinary shares of HUBCO.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

7.2.1.3 The Company has running finance facility of Rs. 500 million (December 31, 2016: 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, 2016: 3 month KIBOR + 0.85% per annum).

The facility is secured against pledge of 4.00 million (Market value: Rs. 524.24 million) and 0.794 million (Market value: Rs.105.26 million) ordinary shares of The Hub Power Company Limited and Dawood Hercules Corporation Limited respectively.

7.2.2 Mutual Funds

| | | Note | Number of Units | | Cost | Market value | |
|--|--|---------|--------------------------|-----------|-----------|--------------|-----------|
| | | | 31-Mar-17 | 31-Dec-16 | 31-Mar-17 | 31-Mar-17 | 31-Dec-16 |
| Name of fund | | | ----- Rupees '000' ----- | | | | |
| NAFA Government Securities Liquid Fund | | 7.2.2.1 | 246,349 | 246,349 | 2,567 | 2,657 | 2,567 |
| NAFA Money Market Fund | | | 6,788,010 | - | 70,000 | 70,000 | - |
| Carrying Cost as at 31 March 2017 | | | | | 72,567 | 72,657 | 2,567 |
| Market Value as at 31 March 2017 | | | | | 72,657 | | |
| Unrealised Gain on Schemes | | | | | 90 | | |

7.2.2.1 223,871 units (December 31, 2016: 223,871 units) Of NAFA Government Liquid Fund having a market value of Rs. 2.415 million (December 31, 2016: 2.332 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

| Note | March 31, 2017 (Un-audited) (Rupees in '000) | December 31, 2016 (Audited) |
|------|---|-----------------------------------|
|------|---|-----------------------------------|

7.3 Loan and receivables

| | | |
|-----------------------------------|-------|-------|
| Deposit maturing within one month | 3,000 | 3,000 |
|-----------------------------------|-------|-------|

7.3.1 Term Deposit Receipts carry mark-up at 5.25% per annum (December 31 2016: 5.25%) per annum and maturity on April 28, 2017 (January 28, 2017).The company has pledged the TDR with Bank Alhabib against Rs. 2.8 million guarantee pending settlement of claim in litigation

8 CASH AND BANK BALANCES

| | | |
|--------------|-------|-----|
| Cash in hand | 50 | 20 |
| Cash at bank | 7,689 | 886 |
| | 7,739 | 906 |

| | |
|---|-----------------------------------|
| March 31, 2017 (Un-audited) (Rupees in '000) | March 31, 2016 (Un-audited) |
|---|-----------------------------------|

8.1 Cash and cash equivalents

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

| | | |
|----------------------------|----------|----------|
| Cash and bank balances | 7,739 | 67,043 |
| Term deposit receipts | 3,000 | 3,000 |
| Short term running finance | (35,438) | (82,324) |
| | (24,699) | (12,281) |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

| | March 31, 2017 (Un-audited) | December 31, 2016 (Audited) |
|--|-----------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 9 CONTINGENCIES AND COMMITMENTS | | |
| Guarantees issued on behalf of the Company by commercial banks | <u>2,800</u> | <u>2,800</u> |

10 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:

| | March 31, 2017 (Un-audited) | March 31, 2016 (Audited) |
|---|-----------------------------------|--------------------------------|
| | (Rupees in '000) | |
| Transactions | | |
| Rent expense | <u>2,068</u> | <u>1,885</u> |
| Dividend income | <u>-</u> | <u>59,825</u> |
| Dividend paid | <u>98,157</u> | <u>157,052</u> |
| Advisory income | <u>7,500</u> | <u>-</u> |
| Contribution to provident fund | <u>640</u> | <u>551</u> |
| Charge for staff retirement gratuity scheme | <u>897</u> | <u>856</u> |

Key Management Personnel

| | | |
|------------------------------|--------------|--------------|
| Dividend paid | <u>5,519</u> | <u>8,830</u> |
| Remuneration excluding bonus | <u>9,640</u> | <u>9,897</u> |
| Director Meeting fee | <u>400</u> | <u>750</u> |
| Employee Loan Recovery | <u>699</u> | <u>699</u> |

| | March 31, 2017 (Un-audited) | December 31, 2016 (Audited) |
|---------------------------------|-----------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| Balances | | |
| Loan to chief executive officer | <u>3,643</u> | <u>3,940</u> |
| Loan to other executives | <u>8,104</u> | <u>8,375</u> |
| Receivable from Related party | <u>528</u> | <u>755</u> |
| Payable to related parties | <u>959</u> | <u>5,094</u> |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION

for the quarter ended March 31, 2017 - (un-audited)

11 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on April 24, 2017 by the Board of Directors of the Company.

12 GENERAL

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

Kamran Nishat
Director

Sulaiman S. Mehdi
Chief Executive Officer








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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