

PAK CHINA INVESTMENT COMPANY LIMITED
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024

Chairman's & Directors' Report 2024

We present the combined Chairman's and Directors' Report of Pak China Investment Company Limited (PCICL – the Company) along with the audited financial statements of the Company and Auditors' report thereon, for the year ended 31 December 2024.

Economy overview

Pakistan's external position and macro outlook improved modestly through 2024 amid an IMF financing track and renewed access to multilateral support, but the economy remained vulnerable to weather shocks and political uncertainty that weighed on activity in the first half of the year. After a severe dislocation in 2023, growth broadly stabilized in FY24, international agencies put the recovery in the range of ~2–2.5%, supported by nascent domestic demand and import normalization, while flood damage and episodic disruptions constrained a faster rebound. Inflation fell sharply from peak levels, with headline CPI moderating into single digits by late 2024 as commodity prices eased and base effects worked through, helping to reduce near-term macro stress.

Monetary policy pivoted from emergency tightening earlier in the adjustment to gradual easing as inflation moderated: the State Bank of Pakistan lowered its policy rate from 22% at start of the year to 13% by the year end, signaling a shift toward supporting activity while remaining mindful of price risks. Credit conditions showed improvement in parts of the year, private-sector advances expanded and headline private-sector credit recorded strong year-end levels, which, together with lower policy rates, underpinned a cautious recovery in domestic demand, nevertheless, banking sector and fiscal vulnerabilities kept the policy stance calibrated.

Operating Results

	Dec-24	Dec-23
P&L		
Net Interest Income	4,490	4,102
Non-Interest Income	335	1,018
Total Income	4,825	5,120
Non-Interest Expense	(830)	(755)
Operating Profit	3,995	4,366
Credit loss allowance (net)	(261)	(520)
Profit before tax	3,734	3,846
Profit after tax	2,441	2,378
EPS (Rs.)	2.46	2.40
Balance Sheet		
Assets	81,650	44,984

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Advances – net	18,461	18,855
Investments – net	54,435	18,156
Net Assets	25,179	21,780

PCICL recorded a profit after tax of Rs.2.44 billion for financial year 2024, showcasing a modest increase of 2.63% from last year's Rs.2.37 billion profit after tax. Consequently, the Earnings per Share (EPS) for 2024 rose to Rs. 2.46 from Rs. 2.40 in the prior year.

In 2024, the State Bank of Pakistan (SBP) maintained a high policy rate, starting at 22% before cutting it to 13% by December due to decelerating inflation, which influenced economic activity and borrowing costs. During the year, despite economic challenges, net interest income improved, highlighting efficient asset-liability management amid a volatile interest rate environment, PCICL's net mark-up income increased by 9.45%, rising from Rs. 4.10 billion in 2023 to Rs. 4.49 billion in 2024. Fee and commission income recorded a significant increase of 73%, majorly attributable to the advisory services fee earned by Investment Banking. PKR remained one of the most stable currencies in South Asia and therefore revaluation resulting in FX loss of 48.6 million compared to FX gain of 813 million in 2023.

The Pakistan Stock Exchange remained notably bullish during the year, with the KSE-100 Index appreciating by 85%, which contributed to a net gain on securities of Rs. 217.43 million, compared to Rs. 121.65 million in the previous year.

Operating expenses rose by mere 9.97% during 2024. Key contributors to this rise included the compensation of the newly appointed Managing Director, higher traveling and conveyance costs, and general inflationary trends affecting operational overheads.

On the Balance Sheet, total assets increased significantly to Rs. 81.65 billion at the end of 2024, compared to Rs. 44.98 billion at the end of 2023. This growth was primarily driven by the investment in Government Securities, financed through borrowings from scheduled banks, resulting in a corresponding increase in borrowings of Rs. 30.71 billion.

In line with the prevailing economic environment, PCICL continued to pursue a conservative consolidation strategy, directing corporate lending primarily toward low-risk, blue-chip entities. As a result, gross advances recorded a controlled decline of 1.1% compared to the prior year. This approach reinforced the Company's focus on prudent portfolio management and closer monitoring of client relationships. Consequently, the NPL-to-advances ratio exhibited a small unfavorable trend, going from 6.51% to 7.38%.



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Nevertheless, the Bank prudently recognized net credit loss allowances of Rs. 260.72 million against investments, advances, other assets, and off-balance sheet exposures. These measures underscore PCICL's commitment to maintaining transparent financial reporting and sustaining the strength of its balance sheet amidst a dynamic economic environment.

Appropriations

The Board of Directors approves the appropriations of Rs. 488.17 million from unappropriated profit to statutory reserve for the year ended 31 December 2024, as per instructions of SBP.

Entity Ratings

During the year, the Company's long-term entity rating was reaffirmed at 'AAA' by VIS Credit Rating Company Limited. This rating represents the highest credit quality, with negligible risk, marginally above the risk associated with Government of Pakistan debt. The short-term rating of 'A-1+' reflects the highest certainty of timely payment, with strong liquidity and safety levels slightly below risk-free short-term obligations of the Government of Pakistan. The outlook on the assigned ratings remains 'Stable'.

The assigned ratings reflect the implicit support of the Company's two sovereign sponsors, the Government of Pakistan (GoP) and the People's Republic of China (PRC), which hold equal shareholding through the Ministry of Finance (MoF) and China Development Bank (CDB), respectively. In addition, the ratings take into consideration the Company's strong capitalization, diversified revenue streams, robust liquidity position, and conservative risk management framework, underscoring its financial strength and resilience in a dynamic economic environment.

Risk Management

The Company's risk management framework is built on a foundation of multi-tier management supervision, robust monitoring mechanisms, and clearly defined risk appetite, policies, and procedures. PCICL is exposed to a range of risks, including credit risk, market risk, liquidity risk, and operational risk, which arise from its core business activities. In the current macroeconomic environment of Pakistan, foreign exchange risk and interest rate risk are also significant, impacting both on- and off-balance sheet exposures.

The Board Risk Management Committee provides oversight of the overall risk environment in which PCICL operates and reviews the effectiveness of the mitigation strategies employed.

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Comprehensive details of the principal risks faced by the Company, along with their respective mitigants, are provided in Note 45 of the accompanying financial statements.

The Company remains adequately capitalised as at 31 December 2024 with a capital adequacy ratio reported at 52.29% (2023: 50.19%) and leverage ratio at 23.85% (2023: 27.48%).

Customer Complaint Management

PCICL maintains a formal procedure for the receipt and resolution of customer complaints. During the year under review, no customer complaints were received, reflecting the Company's commitment to high standards of client service and effective grievance management.

Corporate Governance

The Corporate Governance Regulatory Framework issued by the State Bank of Pakistan on November 22, 2021, provides that while Development Finance Institutions (DFIs) are not mandated to follow the Listed Companies (Code of Corporate Governance) Regulations, they are expected to adhere to best practices in corporate governance. In line with this expectation, the Company has remained fully committed to implementing and maintaining the highest standards of corporate governance, and a statement affirming this commitment is provided below.

Corporate and Financial Reporting Framework

- The financial statements, prepared by the management, fairly present the state of affairs, results of operations, cash flows, and changes in equity of the Company.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied, and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed, with any departures adequately disclosed and explained.
- The system of internal controls is sound in design, effectively implemented, and continuously monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.



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- Key operating and financial data for the last six years, in a summarized form, is given hereunder:

Rs. in millions

	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19
P&L						
Net Interest Income	4,490	4,102	2,376	1,468	1,439	1,713
Non-Interest Income	335	1,018	817	352	284	263
Profit before tax	3,777	3,846	2,119	1,133	1,166	1,066
Profit after tax	2,334	2,378	1,325	773	773	760
EPS (Re)	2.36	2.40	1.36	0.80	0.80	0.82
Balance Sheet						
Assets	81,466	44,984	94,215	37,971	31,409	33,400
Advances – net	18,492	18,855	16,198	15,842	11,550	9,291
Investments – net	54,352	18,156	73,441	12,843	15,658	19,241
Net Assets	25,015	21,780	19,616	18,275	17,482	16,632

- There are no overdue statutory payments on account of taxes, duties, levies, or charges as of 31 December 2024, except as disclosed in the financial statements.
- Details of aggregate remuneration of executives and non-executive Directors are provided in Note 38 of the financial statements.
- The fair value of investments as at 31 December 2024 is:
 - Provident Fund: Rs. 160.9 million (audited)
 - Gratuity Fund: Rs.124.54 million (audited)
- During 2024, one Board Audit Committee meeting and one Board of Directors meeting were held.

Board Structure and Performance Evaluation

The Board of Directors' composition, including the number of male and female directors, classification into executive and non-executive directors, and membership of Board committees, is disclosed in the Statement of Compliance with the Code of Corporate Governance annexed to this Annual Report. During 2024, one Board Audit Committee meeting and one Board of Directors meeting were held. In line with the State Bank of Pakistan (SBP) guidelines, the Company has

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established an internal framework to evaluate the Board's performance on key parameters such as composition, working procedures, oversight responsibilities, and the Board's relationship with management. Evaluation is conducted through a structured questionnaire to ensure a systematic assessment of governance practices.

External performance evaluation of the Board was not conducted in 2024 due to limited engagement of Board members, which would not have allowed a comprehensive assessment of the Board's conduct or its committees' performance. Accordingly, an internal evaluation for 2024 was carried out and approved by the Board of Directors in its meeting, ensuring continued oversight and adherence to best practices in corporate governance.

Pattern of Shareholding

The pattern of shareholding at the close of 31 December 2023 is as under:

Shareholders	Shareholding
Ministry of Finance, Government of Pakistan	50%
China Development Bank	50%

Statement on Internal Controls

The Board of Directors of the Company is responsible for ensuring the existence of an adequate and effective system of internal controls, while the management assumes responsibility for establishing, implementing, and monitoring these controls across the organization. The management has provided a formal statement confirming the effectiveness of the internal control system, which has been reviewed and duly endorsed by the Board, reflecting the Company's commitment to a robust control environment and sound corporate governance practices.

Auditors

The present auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants, have completed their audit for the year ended 31 December 2024 and will retire upon conclusion of the forthcoming Annual General Meeting. Being eligible, they have offered themselves for reappointment as auditors of the Company for the year ending 31 December 2025.

Events after the Date of Statement of Financial Position

There have been no material events occurring subsequent to the date of the Statement of



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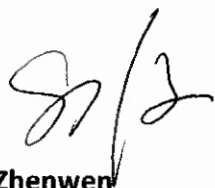
Financial Position that would require adjustments to, or disclosure in, the accompanying financial statements.

Looking Ahead

Pakistan's policymakers face the imperative of reinforcing macroeconomic stability and strengthening the fiscal framework by raising the tax-to-GDP ratio, improving fiscal discipline, containing inflationary pressures, and sustaining momentum in export competitiveness. The operating environment remains challenging and uncertain, shaped by domestic structural constraints as well as heightened global volatility, and therefore demands careful, strategic, and timely policy action. Within this setting, 2025 is expected to be a defining year, characterized by continued efforts toward fiscal consolidation and the restoration of macroeconomic balance. Against this backdrop, the Company remains committed to developing a high-quality asset portfolio and supporting commercially viable enterprises, anchored by a resilient and agile operating platform. This strategic positioning enables the Company to navigate economic uncertainties effectively while contributing to long-term sustainable growth.

Acknowledgements

The Board extends its sincere gratitude to our sponsors, the Ministry of Finance, Government of Pakistan, and China Development Bank, for their continued support and commitment. The Board also acknowledges and appreciates the dedication and efforts of the management and employees in establishing the Company's strong presence in a relatively short period. Furthermore, the Board is thankful for the ongoing guidance and oversight provided by the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan.



Song Zhenwen
Managing Director
Pak China Investment Co. Ltd.



Amjad Mahmood
Chairman Board of Directors
Pak China Investment Co. Ltd.

04 December 2025
Islamabad



چیز میں اور ڈائریکٹرز کی رپورٹ 2024ء

ہم 31 دسمبر 2024ء کو اختتام پذیر سال کے لئے پاک چائنا انویسٹمنٹ کمپنی لمیٹڈ (PCICL-کمپنی) کے چیز میں اور ڈائریکٹرز کی مشترکہ رپورٹ بعد کمپنی کے پرماتل شدہ گوشوارے اور ان پر آڈیٹرز کی رپورٹ ازراہ سرت پیش کرتے ہیں۔

معاشی جائزہ

آئی ایم ایف کے فائنلنگ ٹریک اور کثیر طرفہ مدد تک مزید رسائی کے باعث سال 2024 میں، پاکستان کی بیرونی حالت اور اقتصادی منظر نامے میں معمولی بہتری آئی۔ لیکن معیشت ابتر موسمی تبدیلیوں اور سیاسی بے یقینی کی صورتحال کے باعث کمزور رہی جس نے رواں برس کے پہلے نصف حصے میں معاشی سرگرمیوں پر دباؤ ڈالا۔ سال 2023ء میں روڈ بدل کے بعد مالی سال 2024ء میں نمونائی حد تک مستحکم ہوئی۔ بین الاقوامی اداروں نے ملکی سطح پر ابھرتی ہوئی طلب اور درآمدات کے معمول میں بہتری کے ساتھ بحالی کو 2.5%~2% تک برقرار رکھا لیکن سیلاب کی تباہ کاریوں اور وقتاً فوقتاً رکاوٹوں نے تیز رفتار بحالی کو محدود کر دیا۔ مہنگائی بلند سطح سے تیزی سے نیچے آئی جب 2024ء کے اواخر میں ہیڈلائن CPI واحد عدد تک پہنچ گئی کیونکہ اشیائے ضروریہ کی قیمتوں میں بہتری آئی اور اس کے بنیادی اثرات نے کام کیا جس سے قلیل مدتی اقتصادی دباؤ کم کرنے میں مدد ملی۔

مہنگائی میں کمی کے باعث ابتدائی طور پر ایزر جنسی سختی سے مانیٹری پالیسی میں ہندرتج نرئی آئی: اسٹیٹ بینک آف پاکستان نے سال کے آغاز میں پالیسی کی شرح کو 22% سے سال کے اختتام پر 13% کر دیا۔ یہ اقدام قیمت کے خطرات سے بخوبی آگاہ رہتے ہوئے معاون سرگرمی کی جانب توجہ کا اشارہ کرتا ہے۔ سال کے کچھ حصوں میں کریڈٹ حالات میں پیش رفت سامنے آئی۔ اور نجی شعبے کے قرضہ کی سطح سال کے اختتام پر بلند ترین مقام تک پہنچ گئی۔ جو پالیسی کی کم شرح کے ساتھ ملکی سطح کی طلب میں محتاط بحالی کی عکاسی کرتی ہے۔ علاوہ بینکنگ سیکٹر اور مالیاتی عدم استحکام نے پالیسی کے مؤقف سے ہم آہنگ رہے۔

آپریٹنگ نتائج

نفع و نقصان	دسمبر 2024ء	دسمبر 2023ء
خالص سودی آمدنی	4,490	4,102
غیر سودی آمدنی	335	1,018
کل آمدنی	4,825	5,120
غیر سودی اخراجات	(830)	(755)
آپریٹنگ منافع	3,995	4,366
کریڈٹ خسارہ الاؤنس (خالص)	(261)	(520)
نفع برعکس	3,734	3,846
نفع علاوہ ٹیکس	2,441	2,378
فی حصص آمدنی (روپے)	2.46	2.40
بیلنس شیٹ		
اثاثہ جات	81,650	44,984
ایڈوائسز-خالص	18,461	18,855
انویسٹمنٹس-خالص	54,435	18,156
خالص اثاثہ جات	25,179	21,780

PCICL نے مالی سال 2024 کے لئے 2.44 بلین روپے کا منافع علاوہ ٹیکس درج کیا جو گذشتہ برس کے 2.37 بلین روپے منافع علاوہ ٹیکس سے 2.63% زائد ہے۔ اس کے نتیجے میں، فی حصص آمدنی (EPS) گذشتہ برس میں 2.40 روپے سے سال 2024ء میں 2.46 روپے تک بڑھ گئی۔

سال 2024ء میں اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی کی بلند شرح کو برقرار رکھا جو مہنگائی میں کمی کے باعث دسمبر میں 13% کی سطح پر 22% تھی۔ جس سے معاشی سرگرمی اور

قرضوں پر لاگت کو متاثر کیا۔ رواں برس کے دوران معاشی مشکلات کے باوجود خالص سودی آمدنی میں 9.45% تک اضافہ ہوا۔ غیر مستحکم شرح سود کے ماحول میں عمدہ asset-liability management کو بروئے کار لاتے ہوئے سال 2023ء میں 4.10 بلین روپے سے بڑھ کر سال 2024ء میں 4.49 بلین روپے تک ہو گئی۔ انویسٹمنٹ بینکنگ کو حاصل ایڈوائزی سروسز فیس کی بدولت فیس اور کمیشن آمدنی میں 73% کا نمایاں اضافہ ریکارڈ ہوا۔ پاکستانی روپیہ جنوبی ایشیاء کی مستحکم ترین کرنسی رہی لہذا غیر ملکی زرمبادلہ کا 48.6% بلین کا خسارہ سال 2023ء میں 813 بلین منافع میں تبدیل ہو گیا۔

رواں برس کے دوران پاکستان اسٹاک ایکسچینج کی نمو کی توقع جاری رہی ہے جب کہ KSE-100 انڈیکس 85% تک بڑھ گیا جس کے نتیجے میں 217.43 بلین روپے کی سکیورٹیز پر خالص آمدنی حاصل ہوئی جب کہ گزشتہ برس کے دوران یہی خالص آمدنی 121.65 بلین روپے تھی۔

سال 2024ء کے دوران آپریٹنگ اخراجات میں 9.97% تک اضافہ ہوا۔ اس اضافہ کی بنیادی وجوہات میں نئے منتخب مینجنگ ڈائریکٹر کا معاوضہ، زیادہ سفری اور کنونینس اخراجات اور فراڈ زکام عمومی رجحان شامل ہیں جس سے آپریٹنگ اخراجات متاثر ہوئے۔

بیلنس شیٹ کے مطابق سال 2024ء کے اختتام پر کل اثاثہ جات واضح طور پر 81.65 بلین روپے تک بڑھ گئے۔ جبکہ سال 2023ء کے اختتام پر یہی اثاثہ جات 44.98 بلین روپے تھے۔ اس نمو کو بنیادی طور پر گورنمنٹ سکیورٹیز اور شیڈ ولفڈ بینکوں سے حاصل قرضوں کے ذریعے سرمایہ داری سے منسوب کیا جاسکتا ہے جس کے نتیجے میں قرضوں میں 30.71 بلین روپے کا اضافہ ہوا۔

موجودہ معاشی ماحول کے پیش نظر، PCICL نے اپنی استحکام کی پالیسی کو برقرار رکھا جس سے کاروباری قرضے کم خطرہ بلیو چپ اداروں کی جانب مائل ہوئے۔ اس کے نتیجے میں، رواں برس کے دوران مجموعی ایڈوانسز میں گزشتہ برس کی نسبت 1.1% کی محدود تنزیل ریکارڈ ہوئی۔ اس حکمت عملی نے کمپنی کو کلائنٹ تعلقات اور منظم پورٹ فولیو مینجمنٹ کی مربوط نگرانی کے قابل بنایا۔ نتیجتاً، NPL-to-Advances تناسب میں ناسازگار رجحان سامنے آیا جو 6.51% سے بڑھ کر 7.38% ہو گیا۔

علاوہ ازیں، بینک نے سرمایہ کاری، ایڈوانسز، دیگر اثاثہ جات اور آف بیلنس شیٹ ایکسیپوژر کے مقابلے میں 260.72 بلین روپے کے خالص کریڈٹ لاس الاؤنس حاصل کئے۔ ان اقدامات سے متحرک معاشی ماحول میں شفاف مالیاتی رپورٹنگ کو برقرار رکھنے اور اپنی بیلنس شیٹ کو مضبوط کرنے کی جانب PCICL کے عزم کی عکاسی ہوتی ہے۔

تخصیصات

بورڈ آف ڈائریکٹرز نے اسٹیٹ بینک آف پاکستان کی ہدایات کے مطابق 31 دسمبر 2024ء کو اختتام پذیر سال کے لئے غیر تخصیصی منافع سے 488.17 بلین روپے کی تخصیصات منظور کیا۔

ادارہ جاتی درجہ بندی

سال بھر میں، VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے کمپنی کی طویل مدتی ادارہ جاتی درجہ بندی کو AAA پر دوبارہ برقرار رکھا۔ یہ ریٹنگ اعلیٰ درجے کی کریڈٹ کوالٹی، نظر انداز کئے جانے والے خطرات اور حکومت پاکستان کے رسک فری قرضہ کے مقابلہ میں معمولی زیادہ ہے۔ '+A-1' کی قلیل مدتی ریٹنگ بروقت ادائیگیوں کی بلند یقینی صورتحال، بہترین لیکویڈٹی عوامل اور حفاظت کو ظاہر کرتی ہے جو حکومت پاکستان کے خطروں سے پاک قلیل مدتی قرضوں سے معمولی کم ہے۔ مقررہ درجہ بندی پر آڈٹ لک، مستحکم ہے۔

تفویض کردہ درجہ بندی کمپنی کے دو خود مختار سپانسرز حکومت پاکستان (GoP) اور عوامی جمہوریہ چین (PRC) کی سپورٹ سے ممکن ہوئی جو بالترتیب وزارت خزانہ (MoF) اور چین ڈیولپمنٹ بینک (CDB) میں مساوی شیئر ہولڈنگ کے مالک ہیں۔ علاوہ ازیں، ریٹنگ کے دوران کمپنی کی مربوط سرمایہ داری، آمدنی کے متنوع ذرائع، مضبوط لکویڈٹی پوزیشن اور محدود رسک مینجمنٹ کو مد نظر رکھا گیا جو اس کے مالیاتی استحکام اور متحرک معاشی ماحول میں چلک کی عکاسی کرتا ہے۔

رسک مینجمنٹ

کمپنی کا رسک مینجمنٹ فریم ورک کثیر جہتی انتظامی اور کارکردگی سے بھرپور نگرانی اور خطرے سے نبرد آزما ہونے کی صلاحیت، پالیسیوں اور طریقہ ہائے کار پر مشتمل ہے۔ PCICL اپنے بنیادی کاروباری امور کے دوران کریڈٹ رسک، مارکیٹ رسک، لکویڈٹی رسک اور آپریٹنگ رسک کا شکار ہو سکتی ہے۔ پاکستان کے موجودہ کئی اقتصادی تناظر میں، غیر ملکی زرمبادلہ کا خطرہ اور شرح سود کا خطرہ بھی نمایاں ہے۔ جس سے کمپنی آن اور آف بیلنس شیٹ اثرات کا شکار ہو سکتی ہے۔

بورڈ رسک مینجمنٹ کمیٹی مجموعی رسک ماحول پر نظر رکھتی ہے جس میں PCICL کام کرتی ہے اور جس پر کمپنی نبرد آزما ہونے کی حکمت عملیوں کو لاگو کرتی ہے۔ کمپنی کو درپیش ان بنیادی خطرات کی جامع تفصیلات اور ان سے نمٹنے کے اقدامات منسلک مالیاتی اسٹیٹمنٹس کے نوٹ 45 میں درج کئے گئے ہیں۔

کمپنی میں 31 دسمبر 2024 کو سرمایہ لگایا گیا جب کہ سرمایہ کی موزونیت کا تناسب 52.29% رپورٹ ہوا (50.19%: 2023) اور لیوریج تناسب 23.85% (27.48%: 2023) رہا۔

صارف شکایات کا انتظام

PCICL نے صارف شکایات کی وصولی اور حل کے لئے ایک روایتی طریقہ کار وضع کیا ہے۔ زیر جائزہ سال کے دوران کوئی صارف شکایت درج نہ ہو مگر کلائنٹ سروس اور ازالہ کے مؤثر انتظام کے اعلیٰ معیار کی جانب کمپنی کے عزم کی عکاسی کرتی ہے۔

کاروباری نظم و ضبط

اسٹیٹ بینک آف پاکستان کے جاری کردہ کاروباری نظم و ضبط ریگولیٹری فریم ورک مورخہ 22 نومبر 2021ء کے مطابق ڈیویڈنڈ فائٹنس انسٹیٹیوشنز (DFIs) کے لئے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط کی پیروی لازم نہیں لیکن DFIs سے کاروباری نظم و ضبط پر بہترین عمل داری کی توقع کی جاتی ہے۔ اس توقع کے پیش نظر، کمپنی کاروباری نظم و ضبط کے اعلیٰ معیار کو برقرار رکھنے اور اس کے اطلاق کے لئے پرعزم ہے۔ اس عزم بابت اعلامیہ حسب ذیل ہے:

- انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس اس کے امور کی صورتحال، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی بھرپور نمائندگی کرتی ہیں۔
- کھاتوں کی باقاعدہ کتابیں تیار کی گئی ہیں؛
- معقول اکاؤنٹنگ پالیسیوں کا متواتر اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات معقول اور قابل فیصلوں کی بنیاد پر لگائے گئے ہیں؛
- پاکستان میں نافذ انٹرنیشنل فنانشیل رپورٹنگ اسٹینڈرڈز (IFRS) کا اطلاق کیا گیا ہے اور ان میں کسی بھی قسم کے قسم کو ظاہر اور واضح کیا گیا ہے۔
- داخلی کنٹرول کا ایک مربوط نظام موجود ہے جس کا باقاعدہ اطلاق اور نگرانی کی جاتی ہے۔
- کمپنی کی کاروبار کرنے کی صلاحیت پر کوئی نمایاں ابہام موجود نہیں ہے۔
- گذشتہ پچھ برسوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ حسب ذیل ہے:

ملین روپوں میں

دسمبر-19	دسمبر-20	دسمبر-21	دسمبر-22	دسمبر-23	دسمبر-24	نفع و نقصان
1,713	1,439	1,468	2,376	4,102	4,490	خالص سودی آمدنی
263	284	352	817	1,018	335	غیر سودی آمدنی
1,066	1,166	1,133	2,119	3,846	3,777	نفع بمعہ ٹیکس
760	773	773	1,325	2,378	2,334	نفع علاوہ ٹیکس
0.82	0.80	0.80	1.36	2.40	2.36	فی حصص آمدنی (روپے)
						بیلنس شیٹ
33,400	31,409	37,971	94,215	44,984	81,466	اثاثہ جات
9,291	11,550	15,842	16,198	18,855	18,492	ایڈوانسز- خالص
19,241	15,658	12,843	73,441	18,156	54,352	انویسٹمنٹس- خالص
16,632	17,482	18,275	19,616	21,780	25,015	خالص اثاثہ جات

- ٹیکسوں، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی لازمی واجبات نہیں ہیں جو کہ 31 دسمبر 2024 تک واجب الادا ہوں۔ ماسوائے ان کے جن کو مالیاتی اسٹیٹمنٹس میں ظاہر کیا گیا ہے۔
- ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے کل منافع کی تفصیلات کو مالیاتی اسٹیٹمنٹس کے نوٹ 38 میں شامل کیا گیا ہے۔
- 31 دسمبر 2024ء کو سرمایہ کاری کی فیئر ویلیو حسب ذیل ہے:

160.9	پر اوپنٹ فنڈ:
124.54	گر بجوائی فنڈ:

2024ء کے دوران بورڈ آؤٹ کمیٹی اور بورڈ آف ڈائریکٹرز کا ایک اجلاس منعقد ہوا۔

بورڈ کا ڈھانچہ اور کارکردگی کا جائزہ

خاتون و مرد ڈائریکٹرز کی تعداد بورڈ کے ڈائریکٹرز کی ترکیب ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز میں تقسیم اور بورڈ کمیٹیوں کی ممبر شپ کو کوڈ آف کارپوریٹ گورننس کے تعمیلی اعلامیہ میں درج کیا گیا ہے۔ جو کہ سالانہ رپورٹ کے ساتھ تلف ہے۔ سال 2024ء کے دوران بورڈ آؤٹ کمیٹی اور بورڈ آف ڈائریکٹرز کا ایک ایک اجلاس منعقد ہوا۔ اسٹیٹ بینک آف پاکستان (SBP) کی ہدایات کی روشنی میں کمپنی نے ترکیب، کام کے طریقہ کار، ذمہ داریوں پر نگرانی اور بورڈ کے انتظامیہ سے تعلقات جیسے اہم امور پر بورڈ کی کارکردگی کا جائزہ لینے کے لئے ایک داخلی فریم ورک قائم کیا ہے۔ ایک مربوط

سوالنامہ کے ذریعے جائزہ لیا جاتا ہے تاکہ گورننس امور کے سسٹمیک جائزہ کو یقینی بنایا جاسکے۔

بورڈ اراکین کے مابین محدود رابطے کے باعث سال 2024ء میں بورڈ کی پیرودنی کارکردگی کا جائزہ نہیں لیا گیا جس کے باعث بورڈ کے عمل اور اس کی کمیٹیوں کی کارکردگی کا جامع جائزہ لینا ممکن نہ تھا۔ اس طرح سے سال 2024ء کے لئے اندرونی کارکردگی کا جائزہ عمل میں لایا گیا اور جسے بعد ازاں بورڈ آف ڈائریکٹرز نے اپنے اجلاس میں منظور کیا تاکہ متواتر نگرانی اور کاروباری نظم و ضبط پر کی بہترین عمل داری کو یقینی بنایا جاسکے۔

شیئر حالمین کی ترتیب

31 دسمبر 2023ء تک شیئر ہولڈنگ کا پیرن حسب ذیل ہے:

شیئر ہولڈرز	شیئر ہولڈنگ
وزارت خزانہ، حکومت پاکستان	50%
چانکا ڈیولپمنٹ بینک	50%
اندرونی انضباط کا احوال	

کمپنی کے بورڈ آف ڈائریکٹرز یقینی بنانے کے لئے ذمہ دار ہیں کہ کمپنی میں ایک مربوط اور متاثر کن اندرونی کنٹرول سسٹم قائم ہو اور یہ کہ کمپنی کی انتظامیہ ادارے میں متاثر کن اندرونی کنٹرولز کے قیام اور نفاذ کے لئے ذمہ داری قبول کرے۔ انٹرئل کنٹرول سسٹم کی موزونیت کی توثیق کے لئے انتظامیہ نے ایک باقاعدہ اعلامیہ جاری کیا ہے جس کا بورڈ نے باقاعدہ جائزہ لیا ہے اور بعد ازاں اسے اپنایا ہے جو مضبوط کنٹرول ماحول اور مربوط کاروباری نظم و ضبط کے امور پر کمپنی کے عزم کی عکاسی کرتا ہے۔

آڈیٹرز

موجودہ آڈیٹرز M/s Grant Thornton Anjum Rehman Chartered Accountants نے 31 دسمبر 2024ء کو اختتام پذیر سال کے لئے اپنا آڈٹ مکمل کر لیا ہے اور آئندہ سالانہ اجلاس عام کے اختتام پر وہ ریٹائر ہو جائیں گے۔ 31 دسمبر 2025ء کو اختتام پذیر سال کے لئے انہوں نے بطور کمپنی آڈیٹرز اپنی دوبارہ تقرری کی پیشکش کی ہے۔


مالیاتی حالت پرائیویٹس کے بعد کے واقعات

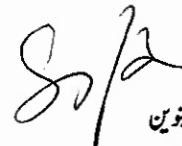
ایسے مادی واقعات پیش نہ آئے ہیں جو مالیاتی حالت پرائیویٹس کے بعد وقوع پذیر ہوئے ہوں یا جن کی منسلک مالیاتی اسٹیٹمنٹس پرائیویٹس میں درکار ہے۔ مستقبل کا منظر نامہ

پاکستان کے پالیسی ساز کوکلی اقتصادی استحکام اور مالیاتی ڈھانچے کو نکھارنے کے اہم مقصد کو حاصل کرنے کا ٹاسک دیا گیا ہے۔ اس میں ٹیکس بنام GDP تناسب کی بہتری، مالیاتی نظم و ضبط میں بہتری، افراد زر کے دباؤ سے نجات اور برآمدی مسابقت کو بڑھانے کے لئے رفتار کو برقرار رکھنا شامل ہے۔ کام کا ماحول پیچیدہ اور بے یقینی ہے جو قومی ساختی مجبوریوں اور عالمی عدم استحکام پر مشتمل ہے لہذا ایک مؤثر پالیسی وضع کرنے کی ضرورت ہے۔ اس تناظر میں، سال 2025ء ایک انقلابی سال رہنے کی توقع ہے جو کہ ایسا دورانیہ ہوگا جو مالیاتی استحکام اور کلی اقتصادی توازن کی جانب لاگاتار کوششوں پر مشتمل ہے۔ اس مئی پیش رفت کے برعکس، کمپنی اعلیٰ اور معیاری ایسٹ پورٹ فولیو و تجارتی لحاظ سے سازگار اداروں کی سپورٹ کے لئے پر عزم ہے جس سے ایک لچکدار اور متحرک آپریٹنگ پلیٹ فارم مہیا ہوگا۔ یہ اسٹریٹجک پوزیشننگ کمپنی کو معاشی بے یقینی سے نکلنے میں مددگار ثابت ہوگی جس سے طویل مدتی پائیدار نمو حاصل کرنا ممکن ہوگا۔

اعترافات

بورڈ اپنے سپانسرز، وزارت خزانہ، حکومت پاکستان اور چانکا ڈیولپمنٹ بینک کی جانب سے کی گئی لگاتار سپورٹ اور عزم کے لئے شکر گزار ہے۔ بورڈ اس قلیل مدت میں اپنے قدم جمانے پر انتظامیہ اور کمپنی ملازمین کو بھی خراج تحسین پیش کرتا ہے۔ مزید برآں، بورڈ اسٹیٹ بینک آف پاکستان اور سیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی کے لئے بھی تہہ دل سے شکر گزار ہے۔


امیر محمود
چیرمین بورڈ آف ڈائریکٹرز
پاک چانکا ڈیولپمنٹ کمپنی لمیٹڈ


سونگ ڈیوین
مینجنگ ڈائریکٹر
پاک چانکا ڈیولپمنٹ کمپنی لمیٹڈ

04 دسمبر 2025ء

اسلام آباد



ANNUAL STATEMENT OF INTERNAL CONTROLS 2024

An internal control system is a set of procedures and activities designed to identify and mitigate the risk in processes and operations in order to support the overall business objectives of the Company. It is the responsibility of the Company's management to establish an internal control system to maintain an adequate and effective internal control environment on an ongoing basis.

The Management of Pak China Investment Company Limited assumes full responsibility for establishing and maintaining an adequate and effective system of internal controls throughout the company that provides reasonable assurance regarding the reliability of financial reporting. Management understands that the effective maintenance of the Internal Controls System is an ongoing process under the ownership of the management. All significant policies and procedural manuals are in place; and the review, revision, and improvement to keep them updated to cope with latest challenges is actively pursued by the management.

The management of PCICL, has adopted the internationally accepted COSO Integrated Framework, in accordance with the guidelines on Internal Controls from State Bank of Pakistan and has completed all stages of Internal Control over Financial Reporting (ICFR). Internal Audit conducts audit of relevant activities and processes to evaluate the effectiveness of the control environment throughout the Company.


The Company follows the SBP's instructions on Internal Controls over Financial Reporting (ICFR) and has complied with the SBP's stage wise implementation roadmap. As part of this exercise, the Company has documented a comprehensive ICFR Framework which has been approved by the Board of Directors. The Company's external auditors are engaged annually to provide a Long Form Report on ICFR. During year 2024, the Company conducted testing of financial reporting controls for ensuring the effectiveness of ICFR in the last quarter of 2024.

Based upon the results achieved from reviews and audits conducted during the year, management considers that the existing Internal Control System is adequate and is being effectively implemented and monitored, though room for improvement always exists.

During the year under review, PCICL endeavored to follow the guidelines issued by the SBP on internal controls, for evaluation and management of significant risks, and will continue to endeavor for further improvements in the Internal Controls System. While an Internal Controls System will be effectively implemented and monitored, however, due to inherent limitations, the Internal Controls System is designed to manage rather than eliminate the risks of failure to achieve desired objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board of Directors of PCICL is ultimately responsible for ensuring that an adequate and effective Internal Control System exists in the Company and endorses the above management evaluation.


Armughan Ahmad Daud
Chief Financial Officer


Song Zhenwen
Managing Director

04 December 2025

**Grant Thornton Anjum
Rahman**

302 B, 3rd Floor,
Evacuee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of
Pak China Investment Company Limited

T +92 51 2271906
F +92 51 2273874

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

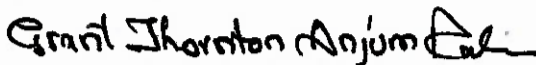
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak China Investment Company Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the company for the year ended December 31, 2024.



Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad

Date: December 05, 2025

UDIN: CR202410164pwPoeMxZd



Statement of Compliance with the Best Practices of Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of the Company: Pak China Investment Company Limited

Year ending: December 31, 2024

The State Bank of Pakistan, through BPRD Circular No. 05 dated November 22, 2021, issued the Corporate Governance Regulatory Framework (the "Framework"), requiring DFIs operating under Joint Venture Agreements to comply with the provisions of the Framework, unless such provisions conflict with the terms of their respective agreements. As per the framework, the Company is not required to follow the Listed Companies (CCG) Regulations, but it is expected that the Company will continue to follow the best practices on Corporate Governance. In line with this, and as a matter of best practice, the Company adheres to relevant provisions of the Code of Corporate Governance for listed companies to strengthen its governance and transparency standards

The company reports compliance with the Code of Corporate Governance for listed companies along with the Joint Venture Agreement in the following manner:

1. The Joint Venture Agreement; under which the Company was established in 2007, requires that the Board of Directors (the Board) shall consist of six members, to be appointed equally by respective shareholders. The Board comprised of following members:

Categories	Names
Non-Executive Directors	Mr. Sun Bo - Chairman Mr. Amjad Mahmood Mr. Shahnawaz Mahmood
Executive Directors	Mr. Jiang Ketao – Deputy Managing Director
Female Directors*	-
Independent Directors*	-

*As per the Joint Venture Agreement (JVA) dated July 18, 2007, under which the Company was established, the Board of Directors is to comprise six (6) members, equally nominated by each shareholder. In light of this arrangement, the appointment of independent directors is not applicable to the Company. Consequently, as the Corporate Governance Regulations require the Chairpersons of the Audit and Human Resource Committees to be independent directors, the Company is unable to comply with this requirement due to the absence of independent directors on its Board. No nomination have been received from our sponsors for female directors.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies.
3. The Company has prepared a Code of Conduct ("Statement of Ethics & Business Practices") and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
5. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations.
6. The meetings of the Board were presided by Chairman and, in his absence, by the director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and the Regulations except in respect of the frequency, recording, and circulation of minutes of meetings. This non-compliance arose due to the meetings not being held during the year 2024, solely on account of non-availability of audited and reviewed financials statements.
7. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 (The Act) and the Regulations.
8. All the directors of the board have obtained directors training program or obtained exemption except one newly appointed Chinese director.
9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations. The Board has also approved the appointment of Chief Financial Officer as Company Secretary because in an unlisted company, the nature and operational complexity of the Company Secretary's role does not present a significant conflict of interest, and the code itself is voluntarily adopted.
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board. The quarterly financial statements of company were not published and circulated along with director's review on the affairs of the Company for the financial year 2024, due to exemption available from SBP, as previous year audit was undergoing.

11. The Board has formed committees comprising of members given below:

Committee	Name of Chairman / Members	
Board Audit Committee*	Mr. Amjad Mahmood	Chairman
	Mr. Shahnawaz Mahmood	Member
Board Human Resource & Remuneration Committee	Mr. Sun Bo	Chairman
	Mr. Shahnawaz Mahmood	Member
	Mr. Amjad Mahmood	Member
Board Risk Management Committee	Mr. Shahnawaz Mahmood	Chairman
	Mr. Amjad Mahmood	Member
	Mr. Jiang Ketao	Member

* FPT clearance of one of the Chinese Directors got delayed due to availability of valid passport.

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

13. The frequency of meetings of the committees were as following:

Name of Committee	Number of Meetings held	Number of Meetings required
Board Audit Committee (BAC)	1	Quarterly
Board Human Resource and Remuneration Committee (BHR & RC)	-	As and when required / At least annually
Board Risk Management Committee (BRMC)	-	Half Yearly

* (The required meetings were not held during the year as Company was completing the long outstanding audit requirement of previous year financial statements)

14. The Board has set up an effective Internal Audit function, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

15. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouses, parent, dependent and non-dependent children) of the Chief Executive



Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

Except the matters highlighted at Para 1, 6, 9, 10 and 13 above, we confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.


Song Zhenwen
Managing Director


Amjad Mahmood
Chairman Board of Directors

04-Dec-2025
Islamabad



INDEPENDENT AUDITOR'S REPORT

**Grant Thornton Anjum
Rahman**

302 B, 3rd Floor,
Evacuee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.

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To the members of Pak China Investment Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pak China Investment Company Limited** (the Company), which comprise the statement of financial position as at December 31, 2024 and the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information to be included in the annual report that shall also include the directors' report but does not include the financial statements and our auditor's report thereon. The other information obtained at the date of audit report is information included in directors' report while the complete set of annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

9

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained at the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

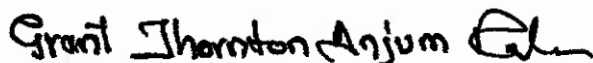
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hassaan Riaz.



Grant Thornton Anjum Rahman

Chartered Accountants

Place: Islamabad

Date: December 05, 2025

UDIN: AR202410164PSCI8xmTQ

PAK CHINA INVESTMENT COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		2024	2023
	Note	Rupees	
ASSETS			
Cash and balances with treasury banks	6	153,936,033	58,211,053
Balances with other banks	7	4,806,312,870	4,338,987,033
Lendings to financial institutions	8	2,009,199,000	1,886,342,400
Investments	9	54,434,851,732	18,156,013,803
Advances	10	18,461,057,027	18,854,724,030
Property and equipment	11	198,531,928	187,166,273
Right-of-use assets	12	92,114,185	139,907,654
Intangible assets	13	2,535,201	4,651,640
Deferred tax assets	17	-	105,850,816
Other assets	14	1,491,787,234	1,252,528,688
Total Assets		81,650,325,210	44,984,383,390
LIABILITIES			
Bills payable		-	-
Borrowings	15	52,680,469,207	21,985,719,305
Deposits and other accounts	16	2,174,951,256	370,560,678
Deferred tax liabilities	17	72,038,243	-
Lease liabilities	18	76,568,960	122,080,378
Subordinated debt		-	-
Other liabilities	19	1,467,586,150	746,270,572
Total Liabilities		56,471,613,816	23,204,630,933
NET ASSETS		25,178,711,394	21,779,752,457
REPRESENTED BY			
Share capital	20	9,905,975,280	9,905,975,280
Advance against issue of shares	21	230,652,672	15,212,360
Reserves		2,951,596,048	2,463,427,065
Surplus / (Deficit) on revaluation of assets	22	267,400,916	(462,447,573)
Unappropriated / Unremitted profit		11,823,086,478	9,857,585,325
		25,178,711,394	21,779,752,457
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes 1 to 47 form an integral part of these financial statements. 


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


CHAIRMAN


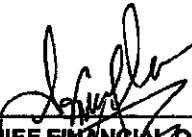

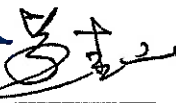


DIRECTOR


DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	Rupees	
Mark-up / Return / Interest earned	24	12,089,272,270	12,628,650,813
Mark-up / Return / Interest expensed	25	(7,589,312,711)	(8,526,247,970)
Net mark-up / Interest income		4,489,959,568	4,102,402,843
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	80,833,952	46,646,413
Dividend income		77,523,830	20,408,346
Foreign exchange income		(48,635,895)	813,414,780
Income / (Loss) from derivatives		-	-
Gain on securities	27	217,425,218	121,645,698
Net losses on derecognition of financial assets measured at amortised cost	28	(9,302,852)	-
Other income	29	16,956,168	15,945,310
Total non-markup / Interest income		334,800,421	1,018,060,547
Total income		4,824,759,989	5,120,463,390
NON MARK-UP/INTEREST EXPENSES			
Operating expenses	30	829,630,162	754,422,676
Workers welfare fund		-	-
Other charges	31	110,000	250,000
Total non-markup / Interest expenses		829,740,162	754,672,676
Profit before credit loss allowance		3,995,019,827	4,365,790,714
Credit loss allowance and write offs - net	32	260,719,425	519,535,871
PROFIT BEFORE TAXATION		3,734,300,402	3,846,254,843
Taxation	33	1,293,455,485	1,467,992,891
PROFIT AFTER TAXATION		2,440,844,917	2,378,261,952
Basic earning per share	34	2.46	2.40

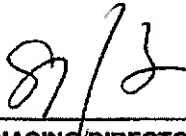
The annexed notes 1 to 47 form an integral part of these financial statements. ¶

				
MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR


PAK CHINA INVESTMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>2024</u>	<u>2023</u>
	<u>-----Rupees-----</u>	
Profit after taxation for the year	2,440,844,917	2,378,261,952
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	181,378,012	(12,355,686)
	181,378,012	(12,355,686)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement gain on defined benefit obligations - net of tax	12,825,219	2,467,172
Movement in surplus on revaluation of shares through FVOCI - net of tax	548,470,477	96,006,184
	561,295,696	98,473,356
Total comprehensive income	<u>3,183,518,625</u>	<u>2,464,379,621</u>

The annexed notes 1 to 47 form an integral part of these financial statements. 1



 MANAGING DIRECTOR



 CHIEF FINANCIAL OFFICER



 CHAIRMAN



 DIRECTOR



 DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Issued, subscribed and paid up Share capital	Advance against issue of shares	Statutory reserve *	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
	Rupees					
Balance as at 01 January 2023	9,505,975,280	5,212,360	1,987,774,675	(548,098,070)	7,952,508,591	19,305,372,835
Profit after taxation for the year ended 31 December 2023	-	-	-	-	2,378,261,952	2,378,261,952
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(12,355,688)	-	(12,355,688)
Movement in surplus on revaluation of investments in Shares - net of tax	-	-	-	98,006,184	-	98,006,184
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	2,467,172	2,467,172
Other comprehensive income - net of tax	-	-	-	83,650,498	2,467,172	86,117,670
Transfer to statutory reserve	-	-	475,652,390	-	(475,652,390)	-
Transaction with owners recognized directly in equity						
Advance against issue of shares	-	10,000,000	-	-	-	10,000,000
Balance as at 31 December 2023	9,505,975,280	15,212,360	2,463,427,065	(462,447,573)	9,857,585,325	21,779,752,457
Profit after taxation for the year ended 31 December 2024	-	-	-	-	2,440,844,917	2,440,844,917
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	181,378,012	-	181,378,012
Movement in surplus on revaluation of investments in shares - net of tax	-	-	-	548,470,477	-	548,470,477
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	12,825,219	12,825,219
Other comprehensive income - net of tax	-	-	-	729,848,489	12,825,219	742,673,708
Transfer to statutory reserve	-	-	488,168,983	-	(488,168,983)	-
Transaction with owners recorded directly in equity						
Advance against issue of shares	-	215,440,312	-	-	-	215,440,312
Balance as at 31 December 2024	9,505,975,280	230,652,672	2,951,596,048	267,400,916	11,823,085,478	25,178,711,394

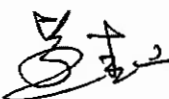
* According to BPD Circular No. 15, dated 31 May 2004, issued by the SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund, till such time the reserve fund equals the amount of the paid-up capital of the Company, and after that a sum not less than 5% of the profit after tax shall be credited to the said reserve.

The annexed notes 1 to 47 form an integral part of these financial statements.


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


CHAIRMAN

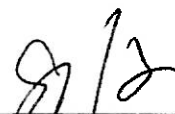

DIRECTOR



DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		3,734,300,402	3,846,254,843
Less: Dividend Income		(77,523,830)	(20,408,346)
		3,656,776,572	3,825,846,497
Adjustments:			
Depreciation	30	20,411,161	14,827,433
Depreciation on right-of-use assets	30	47,793,469	46,265,364
Amortization	30	2,116,439	1,697,696
Credit loss allowance and write-offs	32	260,719,425	525,856,032
Gain on sale / disposal of property and equipment		(57,362)	(302,615)
Finance charges on leased assets	25	16,907,458	20,923,951
Provision for gratuity		25,225,373	19,070,087
Unrealized loss on revaluation of 'FVTPL' securities	27	(138,831,400)	(91,577,076)
Exchange gain		48,635,895	(813,414,780)
		262,920,458	(276,853,908)
		3,939,697,030	3,549,192,589
(Increase) / Decrease in operating assets			
Lendings to financial institutions		(122,856,600)	(1,786,516,551)
Advances		232,657,234	(3,904,356,012)
Others assets (excluding advance taxation)		70,180,680	(498,227,564)
		179,981,314	(6,189,100,127)
Increase/ (Decrease) in operating liabilities			
Borrowings from financial institutions		32,536,729,069	(50,473,767,050)
Deposits		1,804,390,578	(1,132,859,635)
Others liabilities (excluding current taxation)		442,225,165	52,310,709
		34,783,344,812	(51,554,315,976)
Payments against off-balance sheet obligations			
Income tax paid		(1,510,298,541)	(1,418,727,910)
Contribution to plan assets		(31,555,193)	(20,247,943)
		(1,541,853,734)	(1,438,975,853)
Net cash flow from / (used in) operating activities		37,361,169,422	(55,633,199,367)
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(35,513,802,658)	53,736,541,456
Dividends received		77,523,830	20,408,346
Investments in property and equipment		(32,042,352)	(30,094,076)
Disposal of property and equipment		347,247	399,641
Net cash flow (used in) / from investing activities		(35,467,973,933)	53,727,255,367
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(62,418,876)	(61,971,374)
Receipts/ Payments of long term liabilities		(1,821,979,107)	1,036,166,667
Issue of share capital		-	-
Advance for issue of share		215,440,312	10,000,000
Net cash flow (used in) / from financing activities		(1,668,957,731)	984,195,293
Effects of exchange rate changes on cash and cash equivalents		(48,635,895)	813,414,780
Increase/(Decrease) in cash and cash equivalents		175,601,863	(108,333,927)
Cash and cash equivalents at beginning of the year		111,906,548	220,240,475
Cash and cash equivalents at end of the year	35	287,508,411	111,906,548

The annexed notes 1 to 47 form an integral part of these financial statements.


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


CHAIRMAN


DIRECTOR


DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 STATUS AND NATURE OF BUSINESS

Pak China Investment Company Limited (the Company) is a public limited company incorporated in Pakistan on July 27, 2007 under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The registered office of the Company is situated at 13th Floor, Saudi Pak Tower, Blue Area, Islamabad. The Company is a 50:50 joint venture between the 'Government of People's Republic of China' and 'Government of Islamic Republic of Pakistan' through China Development Bank and Ministry of Finance, respectively. The Company's objectives include, inter alia, investment and financing in infrastructure projects, and in industrial, manufacturing, non-manufacturing and financial sectors.

The Company commenced business after obtaining the Certificate of Commencement of Business, from the Securities and Exchange Commission of Pakistan (SECP), on 02 November 2007, and the permission to commence business from the State Bank of Pakistan (SBP), on 10 January 2008.

2 BASIS OF PRESENTATION

These financial statements have been presented in accordance with the format prescribed by The State bank of Pakistan (SBP) vide BPRD Circular letter No. 2 dated 09 February 2023.

2.1 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak. Rupee, which is the Company's functional and presentation currency.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

3.1 Wherever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the directives issued by the SBP and the SECP differ with the requirements of IFRS and IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment property' for Banks and DFIs through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks and DFIs.

The Company believes that there is no significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3.3 Standards, Interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to existing accounting and reporting standards that have become applicable to the Company for the accounting periods beginning on or after January 1, 2024. These are considered either not to be relevant or not to have any significant impact on these financial statements.

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3.4 Standards, interpretations of and amendments to the published accounting and reporting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and Interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025:

-	Title of Standard, Interpretation or amendments	Effective date (annual periods beginning on or after)
	Amendments regarding the classification and measurement of financial instruments-IFRS 07 Financial Instruments: Disclosures	January 01, 2026
	Amendments regarding the classification and measurement of financial instruments-IFRS 09 Financial Instruments	January 01, 2026
	IFRS 18 : Presentation and Disclosures in Financial Statements	January 01, 2027
	IFRS 18 : Presentation and Disclosures in Financial Statements	January 01, 2027

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

- IFRS 1 – First time Adoption of IFRS
- IFRS 17 – Insurance Contracts

4 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for:

- obligation in respect of staff retirement benefit has been carried at present value of defined benefit obligation and compensated absences;
- certain advances disbursed at lower than market rate have been carried at fair value in accordance with the requirements of IFRS 9;
- certain borrowings obtained at lower than market rate have been carried at fair value in accordance with the requirements of IFRS 9; and
- certain investments classified as FVOCI and FVTPL are carried at fair value in accordance with the requirements of IFRS 9.

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and Income and expenses. It also requires management to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if their revision affects only that period, or in the period of revision and future periods if their revision affects both current and future periods. Material accounting estimates applied in the preparation of these financial statements are presented below:

- (a) classification and valuation of investments;
- (b) expected credit loss / provision against advances;
- (c) depreciation / amortisation of fixed assets and intangible assets;
- (d) contingent assets and liabilities, provisions against off balance sheet obligations;
- (e) Assumption and estimation in recognition of provision for current and deferred taxation; and
- (f) accounting for defined benefit plan and compensated absences.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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5 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in preparation of these financial statements have been applied consistently to all periods presented in these financial statements of the Company.

5.1 IFRS 9 – Financial Instruments

To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments to be assessed based on combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. IFRS 9 also requires the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

5.1.1 Classification

Under IFRS 9 – Financial Instruments, financial assets are classified into the following categories based on the entity's business model for managing the financial asset and the contractual cash flow characteristics:

- Financial assets at fair value through profit or loss account (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortized cost

Under IFRS 9 – Financial Instruments, the default classification for financial liabilities is amortized cost. However, financial liabilities may be designated at fair value through profit or loss (FVTPL), in which case any gains or losses arising from changes in the entity's own credit risk are recognized in other comprehensive income (OCI), with no subsequent reclassification to profit or loss. The Company does not have any financial liabilities designated at FVTPL, and all financial liabilities are measured at amortized cost in accordance with IFRS 9.

The classification and subsequent measurement is dependent on the Company's business model.

5.1.2 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether management's strategy focuses on earning contractual revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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Eventually, the financial assets fall under either of the following three business models:

- a. Hold to Collect (HTC) Business Model: Holding assets in order to collect contractual cash flows
- b. Hold to Collect and Sell (HTC&S) Business Model: Collecting contractual cash flows and selling financial assets
- c. Other Business Models: Resulting in classification of financial assets as FVTPL

5.1.3 Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimise exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

The Company has arrived at the below given classification and measurement mapping for its financial assets.

Portfolio / Business Model		Financial asset measurement	
Financial Assets Portfolio	Business Model	Asset is SPPI	Asset is not SPPI
Advances and Debt Investments originated by IBG / CBG	Hold to Collect / Hold to Collect or Sell	At Amortized Cost / FVOCI	At Fair Value through Profit and Loss
Bank Deposits / Cash	Hold to Collect	At Amortized Cost	At Fair Value through Profit and Loss
Placements with Financial Institutions	Hold to Collect	At Amortized Cost	At Fair Value through Profit and Loss
Debt Investments originated by Treasury Division with the intent to hold to collect and sell	Hold to Collect and Sell	At Fair Value through Other Comprehensive Income	At Fair Value through Profit and Loss
Debt Investments originated by Treasury Division with the intent to hold to collect	Hold to Collect	At Amortized Cost	At Fair Value through Profit and Loss
Equity Investments	Other	• Quoted : At FVTPL or at FVOCI (irrevocable option)	
		• Unquoted : At Fair Value through Other Comprehensive Income	
		• Strategic Investment : N/A	
Staff Advances	Hold to Collect	At Amortized Cost	At Fair Value through Profit and Loss

5.1.4 Reclassification

Reclassification of financial assets will only be made in exceptional cases along with the rationale for the change in the business model (under which they were managed) that has led to the reclassification. Such changes must be demonstrable to external parties. Financial liabilities are never reclassified.

5.1.5 Debt Instruments - Financial assets

Debt financial assets held by the Company (including; advances, lending to financial institutions, investment in federal government securities and other private debt securities, cash and balances with treasury Banks, balances with other Banks, and other financial assets) are measured at amortized cost if they meet both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

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The Company's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales or sale(s) of significant value are/is made, the Company assess whether and how the sales are consistent with the HTC objective. This assessment includes the reason(s) for the sales, the expected frequency of sales, and whether the assets that are sold are held for an extended period of time relative to their contractual maturities.

The aforementioned financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as at FVTPL:

- the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The aforementioned financial assets if held for trading purposes are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.1.6 Equity Instruments - Financial assets

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes is classified as measured at FVTPL.

5.1.7 Initial Measurement

Investments are initially measured at their fair value for financial assets not measured at FVTPL, transaction costs are added to, or subtracted from the fair value.

Subsequent Measurement

Debt Instruments at Amortized Cost

After initial measurement, such debt instruments are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

Debt instruments at FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in the statement of profit and loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss account and recognised in gain on sale of securities'. Interest earned from these financial assets is included in interest earned using the effective interest rate method.

Equity Instruments at FVOCI

Upon initial recognition, the Company occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument-by-instrument basis.

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Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of equity securities is calculated with reference to the net assets of the investee companies as per their latest available financial statements.

Investments in other unquoted securities are valued at cost less impairment losses, if any.

Financial assets (equity and debt instruments) at fair value through profit or loss

Financial assets (both equity and debt) at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned on debt instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Impairment of investments

Impairment of debt instrument is computed using expected credit loss model. No ECL has been provided for on sovereign facilities assuming that these are fully secured against Government guarantee.

5.1.8 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are generally reported gross in the statement of financial position except when IFRS netting criteria are met.

5.1.9 Overview of the ECL principles

The IFRS 9 has fundamentally changed the Company's loan loss impairment method by replacing SBP Prudential Regulation incurred loss approach with a forward-looking ECL approach. The Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower. The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. The Company has rebutted 30 DPD presumption based on behavioral analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Company groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1:** When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the four scenarios, as explained above.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3:** For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The Company uses a PD of 100% and LGD is used as prescribed by the SBP under the prudential regulation. Therefore, the stage 3 provisioning are aligned with regulatory requirements.
- POCI:** Purchased or originated credit Impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.
- Loan commitments and letters of credit** When estimating LTECLs for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan. For revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For loan commitments and letters of credit, the ECL is recognised within Provisions.
- Financial guarantee contracts** The Company's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Company estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the four scenarios. The ECLs related to financial guarantee contracts are recognised within Provisions.

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No ECL has been provided for on sovereign facilities because these are fully secured against Government guarantee.

The calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier.
- LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The interest rate used to discount the ECLs is based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective interest rate (at reporting date), the Company uses an approximation e.g. contractual rate (at reporting date).

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Forward looking information

In its ECL models, the Company relies on a range of forward looking information as economic inputs, such

- GDP growth
- Consumer Price Index
- Volume of export of Goods,

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories and other non-financial assets. Under IFRS 9, the Company's accounting policy for taking benefit of collateral assigned to it through its lending arrangements is to consider liquid collateral only. Due to the complexities involved in the Pakistan regarding non-liquid collateral realization and lack of historical experience to demonstrate recoveries through realization of such collaterals, a hair cut of 100% was used for non-liquid collateral types for stage 1 and stage 2 loans.

Credit Conversion Factor (CCF)

As per the guidelines issued by SBP vide BPRD Circular Letter No. 03 of 2022 dated July 05, 2022, FIs are advised to estimate the expected portion of the commitment that will be drawn down over the expected life of the commitment on the basis of their past experience and forward looking information. If not possible, the FIs may use the CCF for the calculation of EAD for off balance sheet exposures as defined under BSD Circular No. 08 of 2006 dated Dec 27, 2006.

Currently the Company is in the process of the preparation of model for CCF calculation.

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Write-offs

The gross carrying amount of a credit instrument will be reduced when there is no reasonable expectation of recovery, in accordance with the terms of its Write-Off policy. Write-off constitutes a derecognition event.

Revenue recognition and other items

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net trading income and Net gains/(losses) on financial assets at fair value through profit or loss, respectively.

5.1.10 Forborne and modified loans

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Company also reassesses whether there has been a significant increase in credit risk as per Company's policy. The Company also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne until all of the relevant criteria given in the prudential regulations has been met.

5.1.11 Derecognition

Financial assets

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the profit or loss account.

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5.2 Cash and cash equivalents

For the purpose of Cash Flow Statement, cash and cash equivalents include cash on hand, non-restricted balances with treasury banks and balances with other banks (net of overdrawn nostro balances) in current and deposit accounts.

5.3 Lendings to / borrowings from financial institutions

The Company enters into transactions of reverse repos and repos at contracted rates for a specified period of time. These are recorded as under:

Sale under repurchase agreement

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos), continue to be recognized in the statement of financial position, and are measured in accordance with accounting policies for investments. Amounts received under these agreements are recorded as repurchase agreement borrowings. The difference between the sale and repurchase price, is amortized as an expense over the term of the repo agreement.

Securities held as collateral are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowing from financial institutions.

Purchase under resale agreement

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The differential between the purchase price and the resale price is amortized over the period of the agreement and recorded as income.

Securities held as collateral are not recognized in the financial statements, unless these are sold to third parties, in which case the obligation to return them is recorded at fair value as a trading liability under borrowing from financial institutions.

Other borrowings

These are recorded at the fair value of consideration received. Mark-up on such borrowings is charged to the profit and loss account on a time proportion basis.

Other lendings

These are stated net of related provisions. Mark-up on such lendings is recognized in the profit and loss account on a time apportioned basis, except for the mark-up on impaired / delinquent lendings, which is recognized on a receipt basis.

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5.4 Investments

Classification and measurement policies for investments, except for that of subsidiary and associate, as detailed in note 5.1 above.

- Investments in associate and subsidiary

Investment in associate and subsidiary is carried at cost less impairment, if any.

All purchases and sale of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date, which is the date the Company commits to purchase or sell the investments.

5.5 Advances

Advances are stated net of provision. The provision for non-performing advances is determined in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan (SBP) and IFRS 9 – Expected Credit Loss (ECL) model, whichever is higher, as per the policy outlined in Note 5.1.

The provision against non-performing advances are charged to the profit and loss account. Advances are written off when there is no realistic prospect of recovery.

5.6 Operating fixed assets

Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any, except for freehold land, which is stated at cost.

Depreciation is calculated on the straight line method to write off the depreciable amount of each asset, over its estimated useful life, after taking into account residual values, if any. Depreciation on additions during the year is charged from the month of acquisition, or the date the asset is available for use, and on disposals, up to the month of disposal. The useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

The costs of day-to-day servicing of property and equipment are recognized in profit or loss as

Gains and losses on disposal items of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within "other income" in profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets and intangible assets in the course of their acquisition, construction and installation.

Intangible assets

Intangible assets having finite useful lives, are stated at cost less accumulated amortization and impairment, if any. These are amortized using the straight line method over their estimated useful lives. The useful lives, residual values and amortization methods are reviewed and adjusted, if appropriate, at each reporting date.

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5.7 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, unless the lease term is 1 year or less or the lease contains a low-value asset.

Where the Company is Lessee

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Lease liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.8 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and any adjustments to any tax payable, relating to prior years.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Deferred

The Company accounts for deferred taxation using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization, or settlement, of the carrying amount of assets and liabilities. Deferred tax assets and liabilities, are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and any unused tax losses, to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be utilized.

Deferred tax on surplus / (deficit) on revaluation of investments is charged / (credited) to the same account.

5.9 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events which makes it probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision for guarantee claims and other off balance sheet obligations is recognized when intimated and reasonable certainty exists to settle the obligations. Expected recoveries are recognized by debiting customer accounts. Charge to profit and loss account is stated net off expected recoveries.

5.10 Revenue recognition

Advances and investments

Mark-up / return / interest income from loans, term finance certificates, bank deposits, government securities and reverse-repo transactions, is recognized on time proportion method, except where recovery is considered doubtful, in which case the income is recognized on a receipts basis.

Gain / (loss) on sale of securities, is recognized in the profit and loss account at the time of sale of relevant securities.

Dividend income

Dividend income is recognized when the right to receive the dividend is established.

Fee, brokerage and commission income

Fee, Commission and Brokerage income is recognized on an accrual basis to the extent it is highly likely that significant reversal will not occur upon conclusion of related uncertainty.

Rental income

Rental income is recognized over the period of the rent agreement.

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PAK CHINA INVESTMENT COMPANY LIMITED
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5.11 Staff retirement benefits

Defined benefit plan

The Company operates an approved funded gratuity scheme for all its regular employees.

The amounts of post-employment benefits are usually dependent on one or more factors such as age, years of service and salary.

The liability recognized in respect of the gratuity scheme is the present value of the defined benefit obligation under the scheme at the balance sheet date.

The gratuity obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. The most recent valuation in this regard was carried out as at December 31, 2024. The present value of the obligation is determined by discounting the estimated future cash outflows, using interest rates of high quality government securities that have terms to maturity approximating the terms of the related obligation.

Re-measurements, comprising of actuarial gains and losses, the return on plan assets excluding amounts included in net interest on the net defined benefit obligation and any changes in the effect of the asset ceiling are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings, through OCI, in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Company recognizes restructuring-related costs.

The Company recognizes the following changes in the defined benefit obligation under 'administrative expenses' in the profit and loss account:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- interest expense

Defined contribution plan

The Company also operates a recognized provident fund scheme for all its regular employees. Equal monthly contributions are made, both by the Company and by the employees, at the rate of 10% of the basic salary of the employee. Contributions made by the Company are charged to the profit and loss account.

5.12 Foreign currency transactions

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currencies are reported in Rupees, at the rates of exchange prevailing on the reporting date. Exchange gains and losses are included in income currently.

5.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

5.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to Ordinary shareholders, and the weighted average number of Ordinary shares outstanding for the effects of all dilutive potential Ordinary shares, if any.

5.15 Dividend and appropriations to reserves

Dividend declared and appropriations, except for transfers to the statutory reserve, made subsequent to the balance sheet date, are recognized as a liability and recorded as changes in reserves, respectively, in the period in which these are approved by the directors / shareholders, as appropriate.

5.16 Segment information

A segment is a distinguishable component of the Company that is engaged either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and is subject to risks and rewards that are different from those of other segments.

Business Segments

a) Corporate Banking & SME

Corporate Banking & SME includes services provided in connection with funded & non-funded facilities.

b) Investment Banking

Investment Banking includes services provided in connection with mergers & acquisitions,

c) Treasury

Treasury includes fixed income, equity, foreign exchange, credit, funding, own position securities, lendings and borrowings and derivatives for hedging and market making.

d) Head Office

Head Office includes functions which cannot be classified in any of the above segments.

Geographical Segments

All the Company's business segments operate only in Pakistan.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	-----Rupees-----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		3,869	14,189
With State Bank of Pakistan in			
Local currency current account	6.1	152,676,868	57,172,179
With National Bank of Pakistan in			
Local currency current account		945,409	711,447
Foreign currency current account		309,887	313,238
		<u>153,936,033</u>	<u>58,211,053</u>
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		<u>153,936,033</u>	<u>58,211,053</u>

6.1 This mainly represents the minimum cash reserve required to be maintained with SBP, in accordance with the requirements of DMMD Circular No. 21 dated 5 October 2012.

		2024	2023
	Note	-----Rupees-----	
7 BALANCES WITH OTHER BANKS			
In Pakistan			
In current account		384,357	444,266
In deposit account	7.1	4,805,954,044	4,338,645,389
		<u>4,806,338,401</u>	<u>4,339,089,655</u>
Less: Credit loss allowance held against balances with other banks		(25,531)	(102,622)
Balances with other banks - net of credit loss allowance		<u>4,806,312,870</u>	<u>4,338,987,033</u>

7.1 This mainly represents a foreign currency term deposit of USD 16,787,275 (2023: USD 15,231,000) carrying mark-up rate of 9.10% (2023: 12.02%) per annum and matured on 21 June 2025. Local currency deposit carry interest rates ranging from 5.87% to 13.5% (2023: 11.01% to 20.51%) per annum.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2024	2023
		Rupees	
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Reverse repo agreements	8.1	2,009,199,000	1,886,342,400
		2,009,199,000	1,886,342,400
Less: Credit loss allowance held against lending to financial institutions		-	-
Lendings to financial institutions - net of credit loss allowance		2,009,199,000	1,886,342,400

8.1 This is secured against underlying Government securities & Sukuks and carries mark-up rate of 13.75% to 13.90% (2023: 22% to 22.75%) per annum and matured on 02 January 2025 and 05 January 2025 respectively.

8.2 Particulars of lending		2024	2023
		Rupees	
In local currency		2,009,199,000	1,886,342,400

	2024			2023		
	Rupees			Rupees		
8.3 Security held as collateral against lendings to financial institutions	Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
Market Treasury Bills	2,085,000,000	-	2,085,000,000	1,892,655,100	-	1,892,655,100

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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9 INVESTMENTS

9.1 Investments by type

Note

2024				2023			
Fair Value / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
-----Rupees-----				-----Rupees-----			
315,000,000	-	40,950,000	355,950,000	315,000,000	-	59,850,000	374,850,000
187,872,150	(187,872,150)	-	-	-	-	-	-
502,872,150	(187,872,150)	40,950,000	355,950,000	315,000,000	-	59,850,000	374,850,000
44,793,925,370	-	210,025,231	45,003,950,601	9,031,786,299	-	2,705,804	9,034,492,103
7,582,734,874	(438,234,272)	121,385,262	7,265,885,864	8,324,060,975	(459,463,240)	31,363,686	7,895,961,421
52,376,660,244	(438,234,272)	331,410,493	52,269,836,465	17,355,847,274	(459,463,240)	34,069,490	16,930,453,524
14,957,241	-	230,963,242	245,920,483	27,333,834	-	133,829,375	161,163,209
14,957,241	-	230,963,242	245,920,483	27,333,834	-	133,829,375	161,163,209
1,122,067,240	-	(10,018,456)	1,112,048,784	1,122,067,239	-	(717,722,294)	404,344,945
676,096,000	(344,680,027)	119,680,027	451,096,000	676,096,000	(510,573,902)	119,680,027	285,202,125
1,798,163,240	(344,680,027)	109,661,571	1,563,144,784	1,798,163,239	(510,573,902)	(598,042,267)	689,547,070
54,692,652,875	(970,786,449)	712,985,306	54,434,851,732	19,496,344,347	(970,037,142)	(370,293,402)	18,156,013,803

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024				2023			
9.2	Investments by segments	Fair Value / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		-----Rupees-----				-----Rupees-----			
	Federal Government Securities								
	Market Treasury Bills	44,793,925,370	-	210,025,231	45,003,950,601	9,031,786,299	-	2,705,804	9,034,492,103
	Shares								
	Listed Companies	1,137,024,481	-	220,944,786	1,357,969,267	1,149,401,073	-	(583,892,919)	565,508,154
	Un-Listed Companies	676,096,000	(344,680,027)	119,680,027	451,096,000	676,096,000	(510,573,902)	119,680,027	285,202,125
		1,813,120,481	(344,680,027)	340,624,813	1,809,065,267	1,825,497,073	(510,573,902)	(464,212,892)	850,710,279
	Preference shares								
	Un-Listed Companies	187,872,150	(187,872,150)	-	-	-	-	-	-
	Listed Companies	315,000,000	-	40,950,000	355,950,000	315,000,000	-	59,850,000	374,850,000
		502,872,150	(187,872,150)	40,950,000	355,950,000	315,000,000	-	59,850,000	374,850,000
	Non Government Debt Securities								
	Listed Companies	4,997,105,088	(60,542,000)	86,014,371	5,022,577,459	5,148,649,219	(18,045,780)	20,083,042	5,150,686,481
	Un-Listed Companies	2,585,629,786	(377,692,272)	35,370,891	2,243,308,405	3,175,411,756	(441,417,460)	11,280,644	2,745,274,940
		7,582,734,874	(438,234,272)	121,385,262	7,265,885,864	8,324,060,975	(459,463,240)	31,363,686	7,895,961,421
	Total Investments	54,692,652,875	(970,786,448)	712,985,306	54,434,851,732	19,496,344,347	(970,037,142)	(370,293,402)	18,156,013,803

9.2.1	Investments given as collateral	2024	2023
		-----Rupees-----	
	Market Treasury Bills	41,295,743,142	-

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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9.3 Particulars of credit loss allowance

9.3.1 Investments - exposure

Gross carrying amount
Implementation of IFRS - 9

New Investments

Investments derecognised or repaid

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Amounts written off / charged off

Other changes

Closing balance

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees					
Gross carrying amount	7,655,312,625	249,111,890	419,636,460	8,259,967,917	-	437,513,920
Implementation of IFRS - 9	-	-	-	(36,735,488)	-	-
New Investments	500,000,000	-	-	400,000,000	-	-
Investments derecognised or repaid	(912,080,062)	(124,277,579)	(204,968,460)	(717,919,804)	(888,110)	(17,877,460)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	(250,000,000)	250,000,000	-
Transfer to Stage 3	(136,000,000)	-	136,000,000	-	-	-
	(548,080,062)	(124,277,579)	(68,968,460)	(567,919,804)	249,111,890	(17,877,460)
Amounts written off / charged off	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
Closing balance	7,107,232,563	124,834,311	350,668,000	7,655,312,625	249,111,890	419,636,460

9.3.2 Investments - credit loss allowance / provision

Gross carrying amount
Implementation of IFRS - 9

New Investments

Investments derecognised or repaid

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Amounts written off / charged off

Changes in risk parameters (PDs/LGDs/EADs)

Closing balance

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees					
Gross carrying amount	38,659,955	1,167,100	419,636,185	-	-	328,758,918
Implementation of IFRS - 9	-	-	-	16,314,589	-	108,755,000
New Investments	17,870,875	-	-	2,059,251	-	-
Investments derecognised or repaid	(94,676)	-	(204,968,458)	(21,453,214)	-	(17,877,460)
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	(1,167,100)	1,167,100	-
Transfer to Stage 3	(16,391,885)	-	16,391,885	-	-	-
	1,384,313	-	(188,576,573)	(20,561,063)	1,167,100	(17,877,460)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	46,517,633	(162,730)	119,608,388	42,908,429	-	(273)
Closing balance	86,561,902	1,004,370	350,668,000	38,659,955	1,167,100	419,636,185

9.3.3 Particulars of credit loss allowance against debt securities

Domestic

Performing

Stage 1

Underperforming

Stage 2

Non-performing

Stage 3

Substandard

Doubtful

Loss

Total

	2024		2023	
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
	Rupees			
Performing	7,107,232,563	86,561,902	7,655,312,625	38,659,955
Underperforming	124,834,311	1,004,370	249,111,890	1,167,100
Non-performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	350,668,000	350,668,000	419,636,460	419,636,185
Total	7,582,734,874	438,234,272	8,324,060,975	459,463,240

PAK CHINA INVESTMENT COMPANY LIMITED
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9.4 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

	2024	2023
Federal Government Securities - Government guaranteed	-----Rupees-----	
- Market Treasury Bills	44,793,925,370	9,031,786,299
Shares		
Listed companies		
- Fertilizer	14,957,241	27,333,834
- Inv. Banks / Inv. Cos. / Securities Cos.	1,122,067,240	1,122,067,239
	1,137,024,481	1,149,401,073
Unlisted Companies		
- Central Depository Company of Pakistan Limited	250,000,000	250,000,000
- Khushhali Microfinance Bank Limited	225,000,000	225,000,000
- Deli JW Glassware Company Limited	201,096,000	201,096,000
	676,096,000	676,096,000
Preference Shares		
- Agritech Limited	187,872,150	-
- Engro Polymer & Chemicals Limited	315,000,000	315,000,000
	502,872,150	315,000,000
	2,315,992,631	2,140,497,073
Non Government Debt Securities		
Categorized based on long term rating by Credit Rating Agency		
Listed		
- AAA	655,042,051	654,998,422
- AA+, AA, AA-	4,082,049,021	4,233,757,499
- A+, A, A-	260,014,016	259,893,298
	4,997,105,088	5,148,649,219
Unlisted		
- AAA	757,502,850	1,359,275,426
- AA+, AA, AA-	448,255,068	602,893,749
- A+, A, A-	1,029,203,868	799,191,172
- Unrated	350,668,000	414,051,409
	2,585,629,786	3,175,411,756
	7,582,734,874	8,324,060,975

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10 ADVANCES

	Performing		Non performing		Total	
	2024	2023	2024	2023	2024	2023
	Rupees					
Loans, cash credits, running finances, etc.	15,991,575,747	17,076,113,337	1,381,213,068	1,219,523,014	17,372,788,815	18,295,636,351
Islamic Financing and related assets	2,716,895,489	2,025,747,586	110,113,112	111,070,713	2,827,008,601	2,136,818,299
Advances - gross	18,708,471,236	19,101,860,923	1,491,326,180	1,330,593,727	20,199,797,416	20,432,454,650
Credit loss allowance against advances						
- Stage 1	215,611,318	101,059,213	-	-	215,611,318	101,059,213
- Stage 2	118,888,946	179,506,976	-	-	118,888,946	179,506,976
- Stage 3	-	-	1,404,240,125	1,297,164,432	1,404,240,125	1,297,164,432
	334,500,264	280,566,188	1,404,240,125	1,297,164,432	1,738,740,389	1,577,730,620
Advances - net of credit loss allowance	18,373,970,972	18,821,294,735	87,086,055	33,429,295	18,461,057,027	18,854,724,030

	2024	2023
	Rupees	
10.1 Particulars of advances (Gross)		
In local currency	20,199,797,416	20,432,454,650

10.2 Particulars of credit loss allowance

2024	2023
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10.3 Advances - Exposure

Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
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10.3.1 Gross carrying amount
Impact of adopting IFRS-9

	Rupees					
	16,614,136,061	2,487,724,862	1,330,593,727	13,109,527,276	2,867,369,206	1,529,136,349
	-	-	-	(992,858,308)	(17,332,730)	(149,207,172)
New advances	20,838,396,503	-	-	15,256,512,031	25,000,000	-
Advances derecognised or repaid	(19,831,513,857)	(1,101,636,878)	(137,903,002)	(10,364,308,095)	(782,048,456)	(49,335,450)
Transfer to stage 1	1,089,493,661	(1,089,493,661)	-	-	-	-
Transfer to stage 2	(668,153,334)	668,153,334	-	(394,736,843)	394,736,843	-
Transfer to stage 3	(298,635,455)	-	298,635,455	-	-	-
	1,129,587,518	(1,522,977,205)	160,732,453	4,497,467,093	(362,311,613)	(49,335,450)
Closing balance	17,743,723,579	964,747,657	1,491,326,180	16,614,136,061	2,487,724,862	1,330,593,727

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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10.3.2 Advances - Credit loss allowance

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees					
10.3.3 Opening balance	101,059,213	179,506,976	1,297,164,432	194,410,089	25,010,538	1,088,353,996
Impact of adopting IFRS-9	-	-	-	(105,189,369)	126,096,930	151,377,030
New Advances	63,275,248	-	-	26,576,043	-	-
Advances derecognised or repaid	(64,580,280)	(10,855,243)	(98,441,671)	(48,493,495)	(17,567,113)	(46,666,666)
Transfer to stage 1	115,825,464	(115,825,464)	-	-	-	-
Transfer to stage 2	(5,555,998)	5,555,998	-	(7,159,484)	7,159,484	-
Transfer to stage 3	(2,613,606)	-	2,613,606	-	-	-
	106,350,828	(121,124,709)	(95,828,065)	(29,076,936)	(10,407,629)	(46,666,666)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	8,201,277	60,506,679	202,903,758	40,915,429	38,807,137	104,100,072
Other changes (to be specific)	-	-	-	-	-	-
	8,201,277	60,506,679	202,903,758	40,915,429	38,807,137	104,100,072
Closing balance	215,611,318	118,888,946	1,404,240,125	101,059,213	179,506,976	1,297,164,432

10.3.3.1 As at year end December 31, 2024 outstanding balance from Pakistan International Airlines holding company amounting to Rs. 900 Million which is backed by government guarantee. In accordance with SBP's IFRS 9 application Instructions (Chapter 3, Sec 3.2), such exposures are exempt from ECL requirements; therefore no ECL has been recorded against such exposure.

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees					
10.3.4 Advances - Credit loss allowance details						
Internal / External rating / stage classification						
Outstanding gross exposure						
Performing - Stage 1	17,743,723,579	-	-	16,614,136,061	-	-
Under Performing - Stage 2	-	964,747,657	-	-	2,487,724,862	-
Non-performing - Stage 3						
Substandard	-	-	110,113,112	-	-	111,070,713
Doubtful	-	-	262,500,000	-	-	-
Loss	-	-	1,118,713,068	-	-	1,219,523,014
	-	-	1,491,326,180	-	-	1,330,593,727
Total	17,743,723,579	964,747,657	1,491,326,180	16,614,136,061	2,487,724,862	1,330,593,727
Corresponding ECL						
Stage 1 and stage 2	215,611,318	118,888,946	-	101,059,213	179,506,976	-
Stage 3	-	-	1,404,240,125	-	-	1,297,164,432
Total	17,528,112,261	845,858,711	87,086,055	16,513,076,848	2,308,217,886	33,429,295

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10.3.5 Advances include Rs.1,491 million (2023: Rs.1,330 million) which have been placed under non-performing / Stage 3 status as detailed below:-

		2024		2023	
		Non Performing Loans	Provision / Credit loss allowance	Non Performing Loans	Provision / Credit loss allowance
Category of Classification in stage 3		Rupees			
Domestic					
Other Assets Especially Mentioned (OAEM)	Stage 3	110,113,112	84,377,795	111,070,713	77,641,418
Substandard	Stage 3	-	-	-	-
Doubtful	Stage 3	262,500,000	201,149,262	-	-
Loss	Stage 3	1,118,713,068	1,116,713,068	1,219,523,014	1,219,523,014
		1,491,326,180	1,404,240,125	1,330,593,727	1,297,164,432

		2024			2023		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		Rupees					
Opening balance		101,059,213	179,506,976	1,297,164,432	194,410,089	25,010,538	1,088,353,996
Impact of adopting IFRS-9		-	-	-	(105,189,369)	126,096,930	151,377,030
Charge for the year		126,519,440	63,625,655	205,272,033	40,915,429	38,807,137	104,100,072
Reversals		(11,967,335)	(124,243,685)	(98,196,340)	(29,076,936)	(10,407,629)	(46,666,866)
		114,552,105	(60,618,030)	107,075,693	11,838,493	28,399,508	57,433,406
Closing balance		215,611,318	118,888,946	1,404,240,125	101,058,213	179,506,876	1,297,164,432

		2024			2023		
		Stage 3	Stage 1 & 2	Total	Stage 3	Stage 1 & 2	Total
		Rupees					
In local currency		1,404,240,125	334,500,264	1,738,740,389	1,297,164,432	280,566,189	1,577,730,622

10.3.6 Details and Impact of Forced Sale Value (FSV) benefit

The net Forced Sale Value (FSV) benefit availed during the year amounted to Rs. 262.5 million (2023: Nil), resulting in a corresponding reduction in the charge for the period. Had this benefit not been availed, the profit before tax and profit after tax for the year would have been lower by Rs. 262.5 million (2023: Nil) and Rs. 160.1 million (2023: Nil) respectively. As at December 31, 2024, the accumulated FSV benefit availed stands at Rs. 262.5 million (2023: Nil), which, is not available for distribution in the form of cash or stock dividends.

10.4 Particulars of loans and advances to staff included in advances

		2024	2023
		Rupees	
Opening balance		121,505,899	149,518,053
IFRS - 9 adjustment		(26,080,091)	(44,751,482)
Amount disbursed during the year		65,102,989	37,131,318
Amount received during the year		(32,695,039)	(20,392,010)
Amount written off		-	-
Closing balance		127,833,758	121,505,899
Advances to Women, Women-owned and Managed Enterprises			
Women		26,540,829	4,319,668
Women Owned and Managed Enterprises		-	-
		26,540,829	4,319,668

10.5.1 Gross loans disbursed to women, women-owned and managed enterprises during the current and previous financial years.

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	Note	2024	2023
		-----Rupees-----	
11 PRPOERTY AND EQUIPMENT			
Capital work-in-progress	11.1	768,400	768,400
Property and equipment	11.2	197,763,528	186,397,873
		<u>198,531,928</u>	<u>187,166,273</u>
11.1 Capital work-in-progress			
Advances to suppliers		<u>768,400</u>	<u>768,400</u>

11.2	Property and Equipment	2024							
		Freehold land (Note 11.2.1)	Building on Freehold land	Furniture and fixture	Electrical Fittings	Computer and Office equipment	Vehicles	Lease Hold Improvement	Total
		Rupees							
At 01 January 2024									
Cost		136,000,000	36,751,307	16,867,907	1,358,635	68,870,539	55,769,036	25,224,441	340,841,865
Accumulated depreciation		-	(23,726,689)	(15,505,299)	(184,378)	(50,731,400)	(55,369,288)	(8,926,938)	(154,443,992)
Net book value		136,000,000	13,024,618	1,362,608	1,174,257	18,139,139	399,748	16,297,503	186,397,873
Opening net book value as at 01 January 2024		136,000,000	13,024,618	1,362,608	1,174,257	18,139,139	399,748	16,297,503	186,397,873
Additions- Cost		-	-	391,920	-	2,074,102	29,233,860	342,470	32,042,352
Disposals- Cost		-	-	-	-	(1,752,342)	-	-	(1,752,342)
Depreciation charge		-	(1,470,048)	(527,554)	(238,836)	(10,491,676)	(4,297,598)	(3,385,449)	(20,411,161)
Accumulated depreciation on disposals		-	-	-	-	1,486,806	-	-	1,486,806
Closing net book value		136,000,000	11,554,570	1,226,974	935,421	9,456,029	25,336,010	13,254,524	197,763,528
At 31 December 2024									
Cost		136,000,000	36,751,307	17,259,827	1,358,635	69,192,299	85,002,896	25,566,911	371,131,875
Accumulated depreciation		-	(25,196,737)	(16,032,853)	(423,214)	(59,736,270)	(59,666,886)	(12,312,387)	(173,368,347)
Net book value		136,000,000	11,554,570	1,226,974	935,421	9,456,029	25,336,010	13,254,524	197,763,528
Rate of depreciation (percentage)		-	4%	20%	20%	33%	20%	20%	

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	2023							
	Free hold land	Building on Free hold land	Furniture and fixture	Electrical Fittings	Computer and Office equipment	Vehicles	Leasehold Improvements	Total
	Rupees							
At 01 January 2023								
Cost	136,000,000	36,751,307	16,581,308	741,775	62,131,205	55,769,036	9,883,890	317,858,521
Accumulated depreciation	-	(22,256,641)	(15,199,247)	(741,775)	(44,698,873)	(52,785,753)	(9,883,890)	(145,566,179)
Net book value	136,000,000	14,494,666	1,382,061	-	17,432,332	2,983,283	-	172,292,342
Opening net book value as at 01 January 2023	136,000,000	14,494,666	1,382,061	-	17,432,332	2,983,283	-	172,292,342
Additions- Cost	-	-	788,643	1,194,160	10,205,541	-	16,841,646	29,029,990
Disposals- Cost	-	-	(502,044)	(577,300)	(3,466,207)	-	(1,501,095)	(6,046,646)
Depreciation charge	-	(1,470,048)	(808,095)	(19,903)	(9,401,709)	(2,583,535)	(544,143)	(14,827,433)
Accumulated depreciation on disposals	-	-	502,043	577,300	3,369,182	-	1,501,095	5,949,620
Closing net book value as at 31 December 2023	136,000,000	13,024,618	1,362,608	1,174,257	18,139,139	399,748	16,297,503	186,397,873
At 31 December 2023								
Cost	136,000,000	36,751,307	16,867,907	1,358,635	68,870,539	55,769,036	25,224,441	340,841,865
Accumulated depreciation	-	(23,726,689)	(15,505,299)	(184,378)	(50,731,400)	(55,369,288)	(8,926,938)	(154,443,992)
Net book value	136,000,000	13,024,618	1,362,608	1,174,257	18,139,139	399,748	16,297,503	186,397,873
Rate of depreciation (percentage)	-	4%	20%	20%	33%	20%	20%	

11.2.1 The Company's freehold land and building is situated in Karachi, Pakistan and the related rental income is included in note 29 of these financial statements.

11.2.2 Costs of fully depreciated property & equipment still in use are:

	2024	2023
	Rupees	
Vehicles	55,769,037	51,771,537
Computers and office equipment	38,342,324	37,425,542
Furniture and fixtures	15,184,622	12,542,078
Leasehold improvements	8,382,795	8,382,795
Electrical fittings	164,475	164,475
	<u>117,843,253</u>	<u>110,286,427</u>

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11.2.3 Following disposals were made to Key management personnel.

Particulars of the asset	2024			Mode of Disposal	Particulars of purchaser
	Cost	Book Value	Sale Price		
	Rupees				
Laptops	294,000	138,701	138,834	Sold as per Company approved policy	Ms. Shazia Khan - Company Secretary
Laptops	187,920	1	18,792		Mr. Abbas Athar Hamadani - Group Head Corporate & SME
Laptops	153,900	1	15,390		Mr. Shehroze Lodhi - Relationship Manager
Laptops	194,198	48,550	48,550		Mr. Muhammad Ali Raza - Credit Analyst
Laptops	145,534	1	14,553		Mr. Nabil Naeem Butt - Divisional Head CBG
Laptops	194,198	32,367	32,367		Mr. Syed Mehar Ali - Financial Controller
Laptops	194,198	21,579	21,579		Mr. Suleman Ayub Raja - Manager
Laptops	194,198	37,762	37,762		Mr. Wu Chen - Assistant Manager Administration
Laptops	194,198	16,733	19,420		Mr. Zhou Ke - Assistant Group Head
Particulars of the asset	2023			Mode of Disposal	Particulars of purchaser
	Cost	Book Value	Sale Price		
	Rupees				
Laptops	113,850	1	11,385	Sold as per Company approved policy	Mr. Sohail Khan - Group Head Information Technology
Laptops	113,850	1	11,385		Ms. Shazia Khan - Company Secretary
Laptops	113,850	1	11,385		Mr. Khuram Shahzad - Group Head Compliance & HR
Laptops	96,500	1	9,650		Mr. Armughan Ahmad Daud - Chief Financial Officer
Laptops	96,500	1	9,650		Mr. Umer Farooq - Group Head Risk Management Group
Laptops	214,500	23,834	29,793		Mr. Tariq Mahmood - Group Head Investment Banking

12 RIGHT-OF-USE ASSETS

At January 1

Cost

Accumulated Depreciation

Net Carrying amount at January 1

Year ended December 31

Opening net book value

Additions during the year

Depreciation charge

Net Carrying amount at December 31

At December 31

Cost

Accumulated Depreciation

Net Carrying amount at December 31

2024	2023
Building	Building
Rupees	
317,481,395	288,804,003
(177,573,741)	(131,308,377)
139,907,654	157,495,626
139,907,654	157,495,626
-	28,677,392
(47,793,469)	(48,265,364)
92,114,185	139,907,654
317,481,395	317,481,395
(225,367,210)	(177,573,741)
92,114,185	139,907,654

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	Note	2024
		Computer Software
		----- Rupees -----
13 INTANGIBLE ASSETS		
At 01 January 2024		
Cost		12,298,203
Accumulated amortization		(7,646,563)
Net book value		<u>4,651,640</u>
Year ended December 2024		
Opening net book value 01 January 2024		4,651,640
Additions - Cost		-
Disposals - Cost		-
Amortization charge	30	(2,116,439)
Closing net book value		<u>2,535,201</u>
At 31 December 2024		
Cost		12,298,203
Accumulated amortization		(9,763,002)
Net book value		<u>2,535,201</u>
Rate of amortization (percentage)		<u>33%</u>
Useful life (Years)		<u>3</u>
		2023
		Computer Software
		----- Rupees -----
At 01 January 2023		
Cost		5,948,867
Accumulated amortization		(5,948,867)
Net book value		<u>-</u>
Year ended 31 December 2023		
Opening net book value 01 January 2023		-
Additions - Cost (Directly Purchased)		6,349,336
Disposals - Cost		-
Amortization charge	30	(1,697,696)
Closing net book value		<u>4,651,640</u>
At 31 December 2023		
Cost		12,298,203
Accumulated amortization		(7,646,563)
Net book value		<u>4,651,640</u>
Rate of amortization (percentage)		<u>33%</u>
Useful life (Years)		<u>3</u>

13.1 Cost of fully amortized intangible assets still in use amounts to Rs. 5.9 million (2023: Rs. 5.9 million).

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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		2024	2023
	Note	-----Rupees-----	
14 OTHER ASSETS			
Income / mark-up accrued in local currency		727,587,932	773,434,836
Income / mark-up accrued in foreign currency		229,145,879	274,722,335
Advances, deposits, advance rent and other prepayments		97,169,512	87,165,794
Receivable against fee, commission and advisory services		29,730,014	28,769,995
Advance taxation (payments less provisions)		229,134,976	112,705,946
Receivable against rent		7,648,565	1,836,073
Receivable from provident fund		5,238,843	-
Receivable from Gratuity fund		16,256,005	-
Deferred fair value loss on derecognition of financial asset	14.1	176,754,191	-
Others		841,318	1,613,710
		<u>1,519,507,235</u>	<u>1,280,248,689</u>
Less: Credit loss allowance held against other assets	14.2	27,720,001	27,720,001
Other assets (Net of credit loss allowance)		<u>1,491,787,234</u>	<u>1,252,528,688</u>
14.1	As per the privatization Initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, the Company recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by the SBP vide letter NO. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024. The impact of deferred loss recognition during the period is disclosed in note 28.1 to these financial statements.		
14.2	Credit loss allowance held against other assets	2024	2023
		-----Rupees-----	
	Advances, deposits, advance rent & other prepayments	<u>27,720,001</u>	<u>27,720,001</u>
15	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	Renewable Energy Power Projects (REPP)	-	20,573,361
	Long Term Finance Facility (LTFF)	1,403,760,645	1,576,239,004
	Temporary Economic Relief Facility (TERF)	830,864,889	920,775,386
		<u>2,234,625,534</u>	<u>2,517,587,751</u>
	Borrowing from financial institution	39,999,993,915	-
	Other borrowings	9,416,083,333	10,903,062,500
		<u>49,416,077,248</u>	<u>10,903,062,500</u>
	Total secured	<u>51,650,702,782</u>	<u>13,420,650,251</u>
	Unsecured		
	Borrowing from banks	1,029,766,425	8,545,069,054
	Total unsecured	<u>1,029,766,425</u>	<u>8,545,069,054</u>
		<u>52,680,469,207</u>	<u>21,965,719,305</u>

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- 15.1** This represents an SBP Long Term Finance Facility (LTFF) for imported and locally manufactured plant and machinery. The loan availed under this scheme is payable over maximum of 10 years with an inclusive grace period of maximum of 2 years at a concessional SBP mark-up rate of 2.00% to 4.50% (2023: 2.00% to 4.50%) per annum.
- 15.2** This represents an SBP Refinance Facility under Temporary Economic Refinance Facility (TERF) for imported and local manufactured plant & machinery, during COVID-19 pandemic. The loan availed under this scheme is payable in a maximum of 10 years with an inclusive grace period of maximum of 2 years, at a concessional SBP mark-up rate of 1.00% per annum (2023: 1.00%).
- 15.3** This represent secured borrowings from schedule banks carrying mark-up rate of 11.00% to 12.90% (2023: Nil) per annum having maturity from 86 to 90 days (2023: nil) and matured between 16 January 2025 to 28 January 2025.
- 15.4** This represents secured long term & short term finance facilities from commercial banks. The principal term and conditions of each facility are given below.
- 15.4.1** The long-term loan facility of Rs. 2 billion having outstanding principal balance of Rs. 750 million (2023: Rs. 1,750 million) availed from a commercial bank, payable in a maximum of 4 years, with an inclusive grace period of maximum of 2 years. The mark-up is payable on quarterly basis at the rate of 3MK + 0.15% per annum. The bank has first pari passu charge over all present and future loans, advances (including leases), investments and book debts / receivables of the Company, for Rs. 2,667 million inclusive of 25% margin.
- 15.4.2** This represents drawdown from long-term loan facility of Rs. 2 billion having outstanding principal balance of Rs. 364 million (2023: Rs. nil) from a commercial bank and is payable in a maximum of 4 years, including grace period of 2 years. Mark-up is payable on quarterly basis at the rate of 3MK + 0.15% per annum. The bank has first pari passu charge over all present and future loans, advances (including leases), investments and book debts / receivables of the Company, amounting to Rs. 2,667 million inclusive of 25% margin.
- 15.4.3** The long-term loan facility, with an outstanding principal balance amounting to Rs.333.33 million (2023: Rs. 1,000 million) is availed from a commercial bank, payable in a maximum of 5 years, including grace period of 2 years. Mark-up is payable on quarterly basis at the rate of 3MK + 0.20% per annum. The bank has first pari passu charge over all present and future loans, advances (including leases), investments and book debts / receivables of the Company, amounting to Rs. 2,667 million inclusive of 25% margin.
- 15.4.4** The long-term loan facility of Rs. 5 billion having an outstanding balance of Rs.2,968.75 million (2023: Rs. 2,906 million) from a commercial bank and is payable in maximum of 5 years, with an inclusive grace period of 1 year. The mark-up is payable on quarterly basis at the rate of 3MK + 0.15% per annum. The bank hold first pari passu charge over all present and future assets of the company (excluding land & building) for Rs. 6,667 million, inclusive of 25% margin.
- 15.4.5** This represent secured borrowing from schedule bank having an outstanding balance of Rs. 5,000 million (2023: Rs. nil) carrying mark-up rate of 10.24 % to 11.75 % (2023: Nil) per annum having maturity of 63 days (2023: nil) and maturing on 13 January 2025.
- 15.5** This represent un-secured borrowings from financial institutions carrying mark-up rate of 12.00% (2023: 22.29%) per annum having maturity of 31 days (2023: 182 days) and maturing on 30 January 2025.

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		2024	2023
15.7	Particulars of borrowings with respect to Currencies		
	In local currency	<u>52,680,469,207</u>	<u>21,965,719,305</u>

16 DEPOSITS AND OTHER ACCOUNTS

		2024			2023		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		<u>Rupees</u>					
Customers							
Term deposits	16.1	2,174,951,256	-	2,174,951,256	345,560,678	-	345,560,678
Others	16.2	-	-	-	25,000,000	-	25,000,000
		<u>2,174,951,256</u>	<u>-</u>	<u>2,174,951,256</u>	<u>370,560,678</u>	<u>-</u>	<u>370,560,678</u>

		2024	2023
16.1	Composition of deposit		
	Private sector entities	<u>2,174,951,256</u>	<u>370,560,678</u>

16.1.1 These Certificate of Investments (COIs) carry mark up at the rates ranging from 10.25% to 20.35% (2023: 20.00% to 21.00%) per annum with maturity during 27 January 2025 to 10 July 2025 (2023: January 2024 to February 2024).

16.2 This represent cash margin held against performance guarantee provided to corporate sector client.

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17 DEFERRED TAX (LIABILITY) / ASSET

Deductible Temporary Differences on

- Provision for diminution in the value of financial asset
- Liabilities against assets subject to lease
- Provision / Expected Credit losses against investment, advances, off balance sheet etc
- Effective interest rate and modification gain/loss
- Capital Loss on Shares

Taxable Temporary Differences on

- Accelerated tax depreciation
- Revaluation of investments - FVOCI
- Post retirement employee benefits
- Revaluation of investments - FVTPL
- Unrealized exchange gain

DEFERRED TAX ASSET

Deductible Temporary Differences on

- Post retirement employee benefits
- Provision for diminution in the value of FVOCI
- Liabilities against assets subject to lease
- Provision / Expected Credit losses against investment, advances, off balance sheet etc
- Revaluation of investments - FVOCI
- Effective interest rate and modification gain/loss
- Capital Loss on Shares

Taxable Temporary Differences on

- Accelerated tax depreciation
- Revaluation of investments - FVTPL
- Unrealized exchange gain

2024			
01 January 2024	Recognised in profit and loss account	Recognised in OCI	31 December 2024
Rupees			
199,123,813	8,570,876	-	207,694,689
47,611,347	(17,749,453)	-	29,861,894
701,082,990	93,139,668	-	794,222,658
91,725,789	(22,110,959)	-	69,614,830
12,263,527	(2,385,809)	-	9,877,717
1,051,807,466	59,464,323	-	1,111,271,789
(47,550,477)	20,134,643	-	(27,415,834)
101,525,204	-	(275,196,355)	(173,671,151)
2,342,248	(2,405,439)	(3,106,730)	(3,169,921)
(13,466,250)	4,252,500	-	(9,213,750)
(988,807,376)	18,967,999	-	(969,839,377)
(945,956,650)	40,949,703	(278,303,085)	(1,183,310,032)
105,850,816	100,414,026	(278,303,085)	(72,038,243)
2023			
01 January 2023 (Adjusted)	Recognised in profit and loss account	Recognised in OCI	31 December 2023
Rupees			
3,172,456	(867,497)	37,289	2,342,248
42,997,863	156,125,950	-	199,123,813
44,368,635	3,242,712	-	47,611,347
547,302,532	153,780,458	-	701,082,990
24,603,589	-	76,921,616	101,525,204
77,508,254	14,217,535	-	91,725,789
50,065	12,213,462	-	12,263,527
740,003,394	338,712,620	76,958,905	1,155,674,919
(45,926,006)	(1,624,471)	-	(47,550,477)
509,932	(13,976,182)	-	(13,466,250)
(568,392,154)	(420,415,222)	-	(988,807,376)
(613,808,228)	(436,015,875)	-	(1,049,824,103)
126,195,166	(97,303,255)	76,958,905	105,850,816

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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18 LEASE LIABILITIES

		2024	2023
	Note	Rupees	
Outstanding amount at the start of the year		122,080,378	134,450,409
Additions during the year		-	28,677,392
Lease payments including interest		(62,418,876)	(61,971,374)
Interest expense		16,907,458	20,923,951
Outstanding amount at the end of the year		76,568,960	122,080,378
18.1 Contractual maturity of lease liabilities			
Short-term lease liabilities - within one year		33,481,711	45,511,536
Long-term lease liabilities			
- 1 to 5 years		43,087,249	76,568,842
- 5 to 10 years		-	-
- More than 10 years		-	-
		43,087,249	76,568,842
Total lease liabilities		76,568,960	122,080,378

19 OTHER LIABILITIES

Mark-up / Return / Interest payable in local currency		1,126,704,269	562,290,223
Accrued expenses		119,790,812	106,667,533
Unearned fee / commission		906,552	1,727,467
Withholding tax / sales tax payable		2,034,716	4,040,574
Payable to contribution benefit plan		-	1,163,611
Payable to defined benefit plan		-	6,005,764
Credit loss allowance against off-balance sheet obligations	19.1	147,380,517	48,341,383
Others		70,769,284	16,034,017
		1,467,586,150	746,270,572
19.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		48,341,383	-
Impact of adopting IFRS 9		-	40,144,133
Charge for the year		99,039,134	8,197,250
Reversals		-	-
		147,380,517	48,341,383
Amount written off		-	-
Closing balance		147,380,517	48,341,383

20 SHARE CAPITAL

20.1 Authorized Capital

2024 2023
Number of shares

1,214,000,000 1,214,000,000 Ordinary shares of Rs. 10 each 12,140,000,000 12,140,000,000

20.2 Issued, subscribed and paid up capital

2024 2023
Number of shares

990,597,528 990,597,528 Ordinary shares of Rs. 10 each, issued for cash 9,905,975,280 9,905,975,280

20.3 The Ministry of Finance (MOF), Government of Pakistan, and the China Development Bank (CDB) on behalf of the Government of China, each hold 495,298,764 (2023: 495,298,764) ordinary shares of the Company.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21 ADVANCE AGAINST ISSUE OF SHARES

This represents advances of Rs. 115.212 million (2023: Rs. 15.212 million) received from the Ministry of Finance (MOF) and Rs. 115.440 million (2023: Rs. nil) received from the China Development Bank (CDB) against the proposed issuance of shares. The shares will be issued to both the sponsors in the ratio of 50:50.

		2024	2023
	Note	Rupees	
22 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
Surplus / (Deficit) on revaluation of			
- Securities measured at FVOCI - Debt	9.1	331,410,493	34,069,490
- Securities measured at FVOCI - Equity	9.1	109,661,571	(598,042,267)
		441,072,064	(563,972,777)
Deferred tax on Surplus / (Deficit) on revaluation of:			
- Securities measured at FVOCI - Debt		(129,250,090)	(13,287,099)
- Securities measured at FVOCI - Equity		(44,421,058)	114,812,303
		(173,671,148)	101,525,204
		267,400,916	(462,447,573)

23 CONTINGENCIES AND COMMITMENTS

Guarantees	23.1	5,001,740,674	4,557,311,625
Commitments	23.2	44,193,666,229	3,598,478,300
Other contingent liability	23.3	168,100,000	168,100,000
		49,363,506,903	8,323,889,925
23.1 Guarantees			
Financial guarantees		5,001,740,674	4,057,311,625
Performance guarantees		-	500,000,000
		5,001,740,674	4,557,311,625
23.2 Commitments			
Documentary credits and short term trade related transactions			
Letters of credit		23,571,702	-
Commitments in respect of:			
Forward government securities transactions - Purchase		41,295,743,142	-
Forward government securities transactions - Sale	8.3	924,895,000	1,892,655,100
Non government debt securities transactions - Sale	8.3	1,085,826,384	-
Commitments to extend credits	23.2.1	862,610,001	1,704,803,200
Commitment for acquisition of fixed assets		1,020,000	1,020,000
		44,193,666,229	3,598,478,300

23.2.1 Commitments to extend credits

The Company makes commitments to extend credit in the normal course of its business, but these being revocable commitments, normally do not attract any significant penalty or expense if the facility is unilaterally withdrawn. As at reporting date, however, the Company's outstanding irrevocable commitments amounts to Rs. 862.6 million (2023: Rs. 1,704.8 million).

23.3 Other contingent liability

23.3.1 An ex-employee of the company has lodged a claim of Rs.168.1 million against the Company. The case has been decided in favor of the Company and the complainant has filed an appeal before the High Court against decision of the Civil Judge. Based on internal assessment and legal advice, management is confident that the case will be decided in the favor of the Company and possibility of any adverse outcome is remote. Accordingly, no provision has been made in these financial statements.

23.3.2 For tax related contingencies, please refer note 33.2 of these financial statements. 9

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

			2024	2023
			----- Rupees -----	
24	MARK-UP / RETURN / INTEREST EARNED	Note		
	Loans and advances		3,720,683,558	3,420,589,323
	Investments		7,443,098,454	8,665,292,426
	Lendings to financial institutions		438,939,534	72,701,765
	Balances with banks		486,550,733	470,067,299
			12,089,272,279	12,628,650,813
24.1	Interest income (calculated using effective interest rate method) recognised on:			
	Financial assets measured at amortised cost		4,646,173,825	3,963,358,387
	Financial assets measured at fair value through OCI		7,443,098,454	8,665,292,426
			12,089,272,279	12,628,650,813
25	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits		87,968,573	176,449,811
	Borrowings		7,435,930,007	7,388,872,933
	Securities sold under repurchase agreements		58,506,673	940,001,275
	Lease liability		16,907,458	20,923,951
			7,599,312,711	8,526,247,970
25.1	Interest expense calculated using effective interest rate method		7,599,312,711	8,526,247,970
26	FEE AND COMMISSION INCOME			
	Credit related fee		8,849,708	5,434,906
	Investment banking fees		26,998,141	4,391,304
	Commission on trade		533,588	687,166
	Commission on guarantees		44,452,515	36,133,037
			80,833,952	46,646,413
27	GAIN ON SECURITIES			
	Realized	27.1	78,593,818	30,068,622
	Unrealised - Measured at FVTPL	9.1	138,831,400	91,577,076
			217,425,218	121,645,698
27.1	Realized gain / (loss) on:			
	Federal Government Securities		11,345,070	(1,262,675)
	Shares		67,248,748	31,331,297
			78,593,818	30,068,622
28	NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST			
	Loss on derecognition of financial assets measured at amortised cost		(9,302,852)	-
28.1	This represents fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). The SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06. Accordingly, the Company has recognised proportionate amount of 1st year's 5% of loss in these financial statements.			
			2024	2023
			----- Rupees -----	
29	OTHER INCOME			
	Rent on property		16,894,106	15,642,695
	Gain on sale of fixed assets		57,362	302,615
	Other income		4,700	-
			16,956,168	15,945,310

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	Rupees	
30 OPERATING EXPENSES			
Total Compensation expense	30.1	574,773,835	545,100,012
Property expense			
Rent and taxes		2,017,061	1,729,789
Insurance		67,749	69,151
Utilities cost		14,350,470	11,035,465
Security	30.2	7,148,996	6,025,304
Repair and maintenance	30.2	6,274,833	3,804,648
Depreciation		49,263,517	47,735,412
		79,122,626	70,399,769
Information technology expenses			
Software maintenance		2,462,831	2,183,638
Hardware maintenance		1,063,258	181,430
Amortization		2,116,439	1,697,696
Depreciation		5,344,661	4,972,311
Network charges		1,046,820	1,046,820
		12,034,009	10,081,895
Other operating expenses			
Directors' fees and allowances		1,500,000	1,500,000
Legal and professional charges		21,962,299	6,766,019
Outsourced services costs	30.2	11,453,924	7,863,290
Travelling and conveyance		59,210,812	55,352,983
Insurance		5,913,822	5,106,971
Repair and maintenance		2,312,763	3,506,045
Depreciation		13,596,452	8,385,074
Training and development		644,599	5,730,100
Utilities		-	-
Communication		4,128,583	4,121,657
Stationery and printing		10,568,686	5,242,586
Marketing, advertisement and publicity		7,039,859	5,270,181
Auditors remuneration	30.3	4,598,288	4,210,649
Bank charges		625,571	341,642
Entertainment		10,155,980	8,432,140
Donations		-	-
Loss on sale of fixed assets		-	-
Others		9,988,054	7,011,663
		163,699,692	128,841,000
		829,630,162	754,422,676
30.1 Total Compensation expense			
Managerial Remuneration			
i) Fixed		388,647,114	372,027,655
ii) Variable			
- Cash Bonus		40,000,044	35,048,620
		428,647,158	407,076,275
Charge for defined benefit plan		25,225,373	19,070,087
Contribution to defined contribution plan		15,176,525	14,259,716
EOBI		893,700	778,920
Medical		34,074,398	35,548,044
Leave fair assistance		22,738,411	19,904,681
Leave encashment		5,753,366	6,191,940
Allowances	30.1.1	33,085,738	33,968,132
Amortization - Interest impact on employees loan IFRS-9		8,917,780	6,544,748
Others		261,386	1,757,469
		574,773,835	545,100,012

30.1.1 This mainly includes overseas and vehicle allowance of Rs. 12.3 million (2023: Rs. 12.3 million) and Rs. 15.1 million (2023: 14.4 million), respectively.

30.2 Total cost for the year relating to outsourced activities is Rs. 20.8 million (2023: Rs. 16.2 million) entirely relating to companies incorporated in Pakistan and on account of security guards, supporting and janitorial staff. This cost includes outsourced service cost, which is disclosed specifically in note 30.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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		2024	2023
		Rupees	
30.3 Auditors' remuneration	Note		
Annual audit fee		1,518,000	1,380,000
Half year review		822,250	747,500
Fee for other statutory certifications		316,250	287,500
Fee for special certifications and other services		865,500	805,000
Out-of-pocket expenses		308,000	280,000
Tax services		748,288	710,649
		<u>4,598,288</u>	<u>4,210,649</u>
31 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		110,000	-
Penalties imposed by Securities and exchange commission of Pakistan		-	250,000
		<u>110,000</u>	<u>250,000</u>
32 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Impairment loss on investments	9.2	21,976,583	380,277,350
Credit loss allowance for diminution in value of investments - net	9.3	(21,228,970)	5,634,733
Credit loss allowance against loans & advances - net	10.2	161,008,769	97,671,405
Other credit loss allowance	7 & 19.1	98,982,043	35,952,383
		<u>260,719,425</u>	<u>519,535,871</u>
33 TAXATION			
Current		1,383,869,511	1,372,069,537
Prior years		-	(1,379,901)
Deferred		(100,414,026)	97,303,255
		<u>1,293,455,485</u>	<u>1,467,992,891</u>
33.1 Relationship between current tax expense and accounting profit			
Accounting Profit before taxation		3,734,300,402	3,846,254,843
Applicable tax rate		29%	29%
Tax on accounting profit at applicable rate		1,082,947,117	1,115,413,904
Super tax on current year income		359,749,577	388,406,957
Rate change impact		-	(13,643,881)
Impact of lower rate & permanent difference		(149,241,209)	(20,804,188)
Prior year current tax charge		-	(1,379,901)
		<u>1,293,455,485</u>	<u>1,467,992,891</u>

33.2 Tax status

33.2.1 For the Tax Year 2011, a tax demand of Rs. 109.22 million was raised by Assistant Commissioner Inland Revenue (the "ACIR") by disallowing provision for bad debts, provision against non-performing loan and advances, credit for an instalment of advance tax and Worker's Welfare Fund. Subsequently, the assessment was rectified. The Company had paid Rs. 15.11 million in protest on the issue of disallowing "provision against non-performing loan and advances" and submitted appeal before CIR(A). The appeal was decided in favor of the Company and the tax of Rs 15.11 million deposited under protest became refundable. However, the department has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against appellate order of CIR(A). The final hearing in this case was held on 07 March 2022, wherein ATIR has disposed of the appeal and the case has been remanded back. The Company then filed tax reference before the High Court against the ATIR order which is yet to be fixed for hearing.

33.2.2 For the Tax Year 2013, a tax demand of Rs. 95.01 million was raised by the Taxation Officer by disallowing provision for non performing loans, profit on debt, other provisions and charging Workers Welfare Fund. The CIR(A) upheld the orders of the assessing officer. The Company filed appeal before ATIR against the order of CIR(A) and ATIR upheld the contentions of the appellate orders of the CIR(A). Returned refund of Rs. 15 million pertaining to tax year 2011 was adjusted against the instant demand and the Company paid balance amount of Rs. 49 million under protest. The Company filed writ petition before High Court, which is yet to be fixed for hearing.

33.2.3 For the Tax Year 2014 & 2015, assessment was amended by the ACIR in terms of Section 122 of the Income tax ordinance, creating an aggregate tax demand amounting to Rs. 128 million on provisions, apportionment, super tax and default surcharge. The Company submitted appeal before the CIR(A) on the amended assessment order which has been disposed of in favor of tax department. Later the Company attained stay from ATIR for 40 days or till the disposal of main appeal subject to deposit of 30% of the total amount. As per directions of the ATIR, payment of Rs. 38.5 million was made to tax department as a cumulative payment for all the pending issues pertaining to tax year 2014 and 2015. The Company filed writ petition for interim relief before Islamabad High Court. The High Court has granted stay for recovery of outstanding demand and also restrained the tax department to take extreme measures until decision of the appeal. The final hearing in this case was held on 07 March 2022, wherein ATIR has disposed of the appeal and the case has been remanded back. Both The Company and tax department filed cross tax references before the High Court against the ATIR order which is yet to be fixed for hearing.

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33.2.4 For the Tax Year 2016, a tax demand of Rs. 82.54 million has been raised by the Taxation Officer mainly by disallowing provision against non-performing loans, suspended mark-up, disallowance of expenses attributable to capital gain, contending short payment of super tax and claim of tax credit. The CIR(A) has disposed of the appeal and major portion of the demand has been confirmed while disallowance of the tax credits was remanded back. ACIR after scrutiny of the documents provided created a demand of 171.58 million on account of disallowance of tax credits and enhancement of super tax liability. The Company filed appeal before CIR(A) against appeal effect which is yet to be fixed for hearing.

33.2.5 For the Tax Year 2017, show cause notices were issued to the Company by the ACIR. The ACIR through the notices proposed to amend the deemed assessment under Section 122(9) read with section 122(5A) of the Ordinance. These notices were duly replied. The assessment order was issued by the ACIR by creating demand amounting to Rs. 331.21 million. The company has filed appeal before CIR(A) against assessment order which was partially deleted in favour of company and partially remanded back. Assessment order was further amended by the ACIR in terms of section 122(4) by creating an aggregate tax demand amounting to rupees 1,573 million in relation to "unexplained bank credits". PCICL filed appeal before CIR(A) against the assessment order which is yet to be fixed for hearing.

33.2.6 For the Tax Year 2018, a show cause notice was issued to the Company by the ACIR. The said notice proposed to amend the deemed assessment under Section 122(9) read with Section 122(5A) of the Ordinance. The notice was duly replied and ACIR created a demand of 1,910 million. PCICL filed appeal before CIR(A) against the assessment order which is yet to be fixed for hearing.

33.2.7 For the Tax Years 2019, 2020 and 2021, show cause notices were issued to the Company by the ACIR. The said notice proposed to amend the assessment under Section 122(5) of the Ordinance. The assessment orders were passed by the ACIR by creating demand amounting Rs. 241.8 million, Rs. 384.5 million and Rs. 652.9 million for tax years 2019, 2020 & 2021 respectively. Company has filed appeal before CIR(A) against the assessment order which is yet to be fixed for hearing.

33.2.8 On the basis of opinion of its tax expert and appellate history, the Company's management is confident of a favorable resolution of these matters and hence no provision has been made in these financial statements.

	Note	2024	2023
34 BASIC EARNINGS PER SHARE			
Profit for the period - Rupees		<u>2,440,844,917</u>	<u>2,378,261,952</u>
Weighted average number of ordinary shares - Number		<u>990,597,528</u>	<u>990,597,528</u>
Basic earnings per share - Rupees		<u>2.46</u>	<u>2.40</u>
35 CASH AND CASH EQUIVALENTS			
Cash and balance with treasury banks	6	153,936,033	58,211,053
Balance with other banks		<u>133,572,378</u>	<u>53,695,495</u>
		<u>287,508,411</u>	<u>111,906,548</u>
		2024	2023
36 STAFF STRENGTH		-----Number-----	
Permanent		46	52
Contractual		1	1
The Company's own staff strength at the end of the year		<u>47</u>	<u>53</u>
Outsourced	36.1	<u>12</u>	<u>13</u>
Total staff strength - Pakistan		<u>59</u>	<u>66</u>

36.1 This excludes outsourced security guards and janitorial staff.

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37 DEFINED BENEFIT PLAN

37.1 General description

The Company operates an approved funded gratuity scheme for all its regular employees. Contributions are made in accordance with actuarial valuation. The latest actuarial valuation was carried out as at 31 December 2024.

The benefits under the gratuity scheme are payable on retirement, at the age of 60 years, or on earlier cessation of service, in lump sum. The benefit is equal to one month's last drawn gross salary for each year of eligible service or part thereof, subject to a minimum of one year of service.

37.2 Number of Employees under the scheme

The number of employees covered under the defined benefit scheme are 46 as of 31 December 2024 (2023: 52).

37.3 Principal actuarial assumptions

	2024	2023
Discount rate	12.00%	15.50%
Expected rate of return on plan assets	12.00%	15.50%
Expected rate of Salary increase	12.00%	15.50%
Average remaining working lives of employees	6.4 years	6.3 years
Normal retirement age	60 years	60 years

Note

37.4 Reconciliation of amount payable to defined benefit

		2024	2023
		-----Rupees-----	
Present value of defined benefit obligation	37.5	108,281,894	111,056,852
Fair value of plan assets	37.7	(124,537,899)	(105,051,088)
		(16,256,005)	6,005,764

37.5 Movement in defined benefit obligation

Opening balance	111,056,852	96,516,903
Current service cost	27,004,369	19,219,320
Interest cost	14,584,325	12,451,760
Benefits payable	(3,411,114)	(1,037,448)
Benefits paid	(30,517,745)	(20,247,943)
Changes in demographic assumptions	-	-
Changes in financial assumptions	(732,914)	229,497
Remeasurement (gain) / loss	(9,701,879)	3,924,763
Closing balance	108,281,894	111,056,852

PAK CHINA INVESTMENT COMPANY LIMITED
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	Note	2024	2023
		-----Rupees-----	
37.6 Movement in payable to defined benefit plan			
Opening balance		6,005,764	9,613,504
Charge for the year	37.8	25,225,373	19,070,087
Remeasurement loss chargeable to the other comprehensive income		(15,931,949)	(2,429,884)
Company's contributions for the year		(31,555,193)	(20,247,943)
Closing balance		(16,256,005)	6,005,764
37.7 Movement in the fair value of plan assets			
Opening balance		105,051,088	86,903,399
Contributions		31,555,193	20,247,943
Interest income on plan assets		16,363,321	12,600,993
Benefits paid		(30,517,745)	(20,247,943)
Benefits payable		(3,411,114)	(1,037,448)
Return on plan assets excluding interest income		5,497,156	6,584,144
Closing balance		124,537,899	105,051,088
Actual return on plan assets		21,860,477	19,185,137
37.8 The amounts recognized in profit and loss are as follows:			
Current service cost		27,004,369	19,219,320
Interest cost		14,584,325	12,451,760
Interest income on plan assets		(16,363,321)	(12,600,993)
		25,225,373	19,070,087
37.9 The amounts recognized in the other comprehensive income are as follows:			
Remeasurement loss / (gain):			
Actuarial (gain) / loss - demographic assumptions		-	-
Actuarial (gain) / loss - experience adjustment		(9,701,879)	3,924,763
Actuarial (gain) / loss - Changes in financial assumptions		(732,914)	229,497
Return on plan assets, excluding interest income		(5,497,156)	(6,584,144)
		(15,931,949)	(2,429,884)
37.10 Components of plan assets			
	2024	2023	
	-----%		
Certificate of Investments (COIs)	99.85	99.79	127,762,835
Bank balances	0.15	0.21	186,178
Less: Payable			(3,411,114)
	100.00	100.00	124,537,899
			105,051,088

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PAK CHINA INVESTMENT COMPANY LIMITED
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37.11 Year end sensitivity analysis (+/- 100 bps) on the defined benefit obligation

	2024	2023
	-----Rupees-----	
Current liability	108,281,894	111,056,852
Discount rate +100 bps	99,557,224	103,056,775
Discount rate -100 bps	118,168,063	120,145,688
Average salary increase +100 bps	118,295,975	120,301,862
Average salary increase -100 bps	99,281,663	102,771,803

37.12 Based on actuarial advice, the management estimates that P&L charge for the next year would be Rs. 17.6 million.

37.13 Expected contributions to be paid to the funds in the next year would be Rs. 6 million.

37.14 Maturity profile

	2024	2023
	-----Rupees-----	
Particulars	Undiscounted payments	
Year 1	9,060,686	15,742,180
Year 2	9,500,964	12,521,221
Year 3	9,949,527	13,327,276
Year 4	10,327,941	14,356,942
Year 5	10,883,746	25,544,601
Year 6 to Year 10	121,740,762	182,194,494
Year 11 and above	1,184,223,939	2,440,747,881

At 31 December 2024, the weighted-average duration of the defined benefit obligation was 9 years (2023: 8 years).

37.15 Funding Policy

The Company carries out the actuarial valuation of the defined benefit plan on a periodic basis. Contributions are made annually in accordance with the actuarial recommendations.

37.16 Risk associated with defined benefit plan

The defined benefit plan exposes the Company to the following risks:

Investment risk

The risk arises when the actual performance of the investments is lower than expectation, which may result in shortfall in funds needed to meet the related liabilities.

Mortality risks

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Salary increase risk

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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38 DEFINED CONTRIBUTION PLAN

The Company also operates a recognized contributory provident fund scheme for all its regular employees, where contributions are made by the Company and employees at 10% per annum (2023: 10% per annum) of the employees' basic salary. During the year the Company contributed Rs. 15.2 million (2023: Rs. 14.3 million) in respect of this fund.

38.1 Funding Policy

Contributions made to the provident fund, during the year, are as follows:

	2024	2023
	-----Rupees-----	
Contribution from the Company	15,176,525	14,259,716
Contribution from the employees	15,176,525	14,259,716
	<u>30,353,050</u>	<u>28,519,432</u>

38.2 Provident fund trust

Size of the trust (Rupees)	161,083,359	137,699,965
Cost of investments made (Rupees)	154,910,958	132,559,029
Percentage of investment made (%)	96.17%	96.27%
Fair value of investment made (Rupees)	160,900,283	137,457,500

	2024	2023	2024	2023
	-----%-----		-----Rupees-----	
Break-up of investments				
Term deposit receipts	100.00	100.00	154,910,958	132,559,029
	<u>100.00</u>	<u>100.00</u>	<u>154,910,958</u>	<u>132,559,029</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total Compensation Expense

2024					
Items	Directors			Managing Director / CEO	Key Management Personnel
	Chairman	Executive (other than CEO)	Non-Executives		

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Items	2023			Managing Director / CEO	Key Management Personnel
	Chairman	Executive (other than CEO)	Non-Executives		
	-----Rupees-----				
Fees and Allowances etc.	-	-	1,500,000	-	-
Managerial Remuneration					
i Fixed *		88,408,079	-	13,644,456	118,616,557
ii Total Variable	-	-	-	-	16,021,373
of which					
- Cash Bonus / Awards	-	-	-	-	16,021,373
Leave fare assistance	-	3,198,230	-	1,140,153	6,192,999
Charge for defined benefit plan	-	1,344,367	-	254,218	6,408,434
Contribution to defined contribution plan	-	2,286,173	-	828,906	4,447,341
Utilities	-	364,287	-	98,672	308,344
Medical	-	8,591,385	-	-	8,559,932
Conveyance	-	5,036,189	-	2,167,374	11,165,475
Entertainment	-	-	-	-	1,222,023
Boarding and lodging	-	-	-	436,466	867,832
Daily allowance	-	223,440	-	518,920	570,600
Repair & Maintenance	-	266,247	-	-	-
Insurance	-	354,229	-	115,146	978,523
Others	-	773,221	-	1,012,736	2,554,376
Total	-	110,845,847	1,500,000	20,217,047	177,913,810
Number of Persons	1	1	2	1	12

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

2024

Sr. No.	Name of Director	Meeting fees and allowances paid				
		For Board Meetings	For Board Committees			Total Amount Paid
			Audit Committee	HR Committee	Risk Committee	
-----Rupees-----						
1	Mr. Shahnawaz Mahmood	500,000	250,000	-	-	750,000
2	Mr. Amjad Mahmood	500,000	250,000	-	-	750,000
	Total Amount Paid	1,000,000	500,000	-	-	1,500,000

2023

Sr. No.	Name of Director	Meeting fees and allowances paid				
		For Board Meetings	For Board Committees			
			Audit Committee	HR Committee	Risk Committee	Total Amount Paid
-----Rupees-----						
1	Mr. Shahnawaz Mahmood	500,000	250,000	-	-	750,000
2	Mr. Amjad Mahmood	500,000	250,000	-	-	750,000
	Total Amount Paid	1,000,000	500,000	-	-	1,500,000

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

40 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under held to collect model, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortized cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits, cash & bank balances and borrowings can not be calculated with sufficient reliability due to the absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

40.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

40.2 The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
		Rupees			
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	45,003,950,601	-	45,003,950,601	-	45,003,950,601
Shares	1,357,969,267	1,357,969,267	-	-	1,357,969,267
Preference Shares	355,950,000	355,950,000	-	-	355,950,000
Non-Government Debt Securities	7,265,885,864	-	7,265,885,864	-	7,265,885,864
	53,983,755,732	1,713,919,267	52,269,836,465	-	53,983,755,732
Financial assets - disclosed but not measured at fair value					
Shares	451,096,000	-	-	-	-
Preference Shares	-	-	-	-	-
	451,096,000	-	-	-	-
	54,434,851,732	1,713,919,267	52,269,836,465	-	53,983,755,732
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	41,295,743,142	-	41,295,743,142	-	41,295,743,142
Forward government securities transactions - sale	-	-	-	1,085,826,384	1,085,826,384

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2023					
On balance sheet financial instruments	Carrying value	Level 1	Level 2	Level 3	Total
-----Rupees-----					
Financial assets - measured at fair value					
Investments					
Federal Government Securities	9,034,492,103	-	9,034,492,103	-	9,034,492,103
Shares	565,508,154	565,508,154	-	-	565,508,154
Preference Shares	374,850,000	374,850,000	-	-	374,850,000
Non-Government Debt Securities	4,649,907,905	-	4,649,907,905	-	4,649,907,905
	14,624,758,162	940,358,154	13,684,400,008	-	14,624,758,162
Financial assets - disclosed but not measured at fair value					
Shares	285,202,125	-	-	-	-
Non-Government Debt Securities	3,705,516,757	-	-	-	-
	3,990,718,882	-	-	-	-
	18,615,477,044	940,358,154	13,684,400,008	-	14,624,758,162
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	-	-	-	-	-
Forward government securities transactions - sale	-	-	-	1,892,655,100	1,892,655,100

40.3 Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms length transaction. Fair value of the financial instrument is based on:

Federal Government Securities
Listed Securities
Non-Government Debt Securities

PKRV rates (Reuters page)
Market Prices
MUFAP

40.4 The Company's policy is to recognise transfer into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occur.

40.5 There were no transfers between Level 1 and Level 2.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

41 SEGMENT INFORMATION

41.1 Segment Details with respect to Business Activities

	2024				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	-----Rupees-----				
Net mark-up / return / profit	3,200,411,671	330,160,006	428,604,333	530,783,558	4,489,959,568
Inter segment revenue - net	(3,297,671,000)	(281,845,000)	(130,709,000)	3,710,225,000	-
Non mark-up income	53,835,812	310,603,811	11,345,070	(40,984,272)	334,800,421
Total Income	(43,423,517)	358,918,817	309,240,403	4,200,024,286	4,824,759,989
Segment direct expenses	(75,075,080)	(39,160,873)	(39,290,056)	(676,214,353)	(829,740,162)
Provisions / Impairment	(352,106,838)	165,893,875	-	(74,506,482)	(260,719,425)
Profit before tax	(470,605,435)	485,652,019	269,950,347	3,449,303,471	3,734,300,402
	2024				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet	-----Rupees-----				
Cash & Bank balances	-	-	924,199,000	8,045,248,903	6,969,447,903
Investments	6,931,017,638	2,529,737,681	45,003,950,601	(29,854,188)	54,434,851,732
Advances					
Performing	18,581,301,041	-	-	127,170,195	18,708,471,236
Credit loss allowance	(333,819,533)	-	-	(880,731)	(334,500,264)
	18,247,481,508	-	-	126,489,464	18,373,970,972
Non-performing	1,490,882,616	-	-	663,564	1,491,326,180
Credit loss allowance	(1,403,576,561)	-	-	(663,564)	(1,404,240,125)
	87,086,055	-	-	-	87,086,055
Others	798,832,369	180,915,773	15,274,900	789,945,506	1,784,968,548
Total Assets	26,064,417,570	2,710,653,454	45,943,424,501	8,931,829,685	81,650,325,210
Borrowings	6,398,052,175	864,000,000	45,241,349,768	177,067,264	52,680,469,207
Deposits	1,900,000,000	-	274,951,256	-	2,174,951,256
Others	179,321,809	15,234,031	997,281,853	424,375,661	1,816,193,354
Total liabilities	8,477,373,984	879,234,031	46,513,562,877	601,442,925	56,471,613,817
Equity	-	-	-	25,178,711,394	25,178,711,394
Total Equity & liabilities	8,477,373,984	879,234,031	46,513,562,877	25,780,154,319	81,650,325,211
Contingencies & Commitments	5,887,922,377	-	43,306,484,526	169,120,000	49,363,506,903
	2023				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	-----Rupees-----				
Net mark-up / return / profit	3,237,485,116	159,115,000	393,269,000	312,533,726	4,102,402,842
Inter segment revenue - net	(3,123,217,116)	(198,210,000)	(189,690,000)	3,511,117,116	-
Non mark-up income	151,472,185	18,083,947	(1,262,675)	853,376,676	1,021,670,133
Total Income	265,740,185	(21,011,053)	202,316,325	4,677,027,518	5,124,072,975
Segment direct expenses	(63,323,876)	(35,666,000)	(32,881,065)	(626,411,309)	(758,282,250)
Provisions	(277,433,308)	(27,720,001)	-	(214,382,565)	(519,535,874)
Profit before tax	(75,016,999)	(84,397,054)	169,435,260	3,836,233,644	3,846,254,851

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PAK CHINA INVESTMENT COMPANY LIMITED
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	2023				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet	-----Rupees-----				
Cash & Bank balances	-	-	1,886,342,400	4,397,198,086	6,283,540,486
Investments	7,876,301,792	1,245,219,908	9,034,492,103	-	18,156,013,803
Advances					
Performing	18,381,018,588	600,000,000	-	120,842,335	19,101,860,923
General provision	(274,872,367)	(5,676,140)	-	(17,682)	(280,566,189)
	18,106,146,221	594,323,860	-	120,824,653	18,821,294,734
Non-Performing	1,329,930,163	-	-	663,564	1,330,593,727
Specific provision	(1,296,500,868)	-	-	(663,564)	(1,297,164,432)
	33,429,295	-	-	-	33,429,295
Others	718,632,834	121,601,411	18,914,840	830,955,986	1,690,105,071
Total Assets	26,734,510,142	1,961,145,179	10,939,749,343	5,348,978,725	44,984,383,389
Borrowings	13,083,777,701	133,810,503	8,748,131,101	-	21,965,719,305
Deposits	25,000,000	-	345,560,878	-	370,560,678
Others	171,202,378	9,983,472	394,900,039	292,265,061	868,350,950
Total liabilities	13,279,980,079	143,793,975	9,488,591,818	292,265,061	23,204,630,933
Equity	-	-	-	21,779,752,456	21,779,752,456
Total Equity & liabilities	13,279,980,079	143,793,975	9,488,591,818	22,072,017,517	44,984,383,389
Contingencies & Commitments	6,762,114,824	-	1,892,655,100	169,120,000	8,823,889,924

41.2 Segment details with respect to geographical locations

GEOGRAPHICAL SEGMENT ANALYSIS

	2024		
	In Pakistan	Outside Pakistan	Total
Profit & Loss	-----Rupees-----		
Net mark-up/return/profit	4,489,959,568	-	4,489,959,568
Non mark-up / return / interest income	334,800,421	-	334,800,421
Total income	4,824,759,989	-	4,824,759,989
Total expenses	(829,740,162)	-	(829,740,162)
Provisions/impairment	(428,613,300)	-	(428,613,300)
Profit before tax	3,566,406,527	-	3,566,406,527
	In Pakistan	Outside Pakistan	Total
Balance Sheet	-----Rupees-----		
Cash & Bank balances	6,969,447,903	-	6,969,447,903
Investments	54,434,851,732	-	54,434,851,732
Advances			
Performing	18,373,970,972	-	18,373,970,972
Non-performing	87,088,055	-	87,088,055
Others	1,784,988,548	-	1,784,988,548
Total Assets	81,650,325,210	-	81,650,325,210
Borrowings	52,680,469,207	-	52,680,469,207
Deposits	2,174,951,256	-	2,174,951,256
Others	1,616,193,354	-	1,616,193,354
Total liabilities	56,471,613,817	-	56,471,613,817
Equity	25,178,711,394	-	25,178,711,394
Total Equity & liabilities	81,650,325,211	-	81,650,325,211
Contingencies & Commitments	49,363,506,903	-	49,363,506,903

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Profit & Loss

Net mark-up/return/profit
Non mark-up / return / Interest income
Total Income
Segment direct expenses
Provisions/Impairment
Profit before tax

2023		
In Pakistan	Outside Pakistan	Total
-----Rupees-----		
4,102,402,842	-	4,102,402,842
1,021,670,133	-	1,021,670,133
5,124,072,975	-	5,124,072,975
(758,282,250)	-	(758,282,250)
(491,815,873)	-	(491,815,873)
3,873,974,852	-	3,873,974,852

Balance Sheet

Cash & Bank balances
Investments
Advances
 Performing
 Non-performing
Others
Total Assets

-----Rupees-----		
In Pakistan	Outside Pakistan	Total
6,283,540,486	-	6,283,540,486
18,156,013,803	-	18,156,013,803
18,821,294,734	-	18,821,294,734
33,429,295	-	33,429,295
1,690,105,071	-	1,690,105,071
44,984,383,389	-	44,984,383,389

Borrowings
Deposits & other accounts
Others
Total Liabilities
Equity
Total Equity & Liabilities

21,965,719,305	-	21,965,719,305
370,560,678	-	370,560,678
868,350,950	-	868,350,950
23,204,630,933	-	23,204,630,933
21,779,752,456	-	21,779,752,456
44,984,383,389	-	44,984,383,389

Contingencies & Commitments

8,823,889,924	-	8,823,889,924
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TRUST ACTIVITIES

The Company is not engaged in any trust activity.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

43 RELATED PARTY TRANSACTIONS

The Company has related party relationships with shareholders and entities in which its shareholders have any interest, key management personnel, directors and employees' funds. The Government of Pakistan (Ministry of Finance) is a related party of the Company; therefore all government authorities, agencies, affiliates and other organizations ("state-controlled entities") are related parties of the Company. Significant transactions with these state-controlled entities have been separately disclosed, in aggregate. Other entities which for its business acquisition or provision of services relies / depends to a greater extent on the Company / DFI i.e. major portion (50% or more) of its business (upstream or downstream) is also a related party.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than normal risk (i.e. under the comparable uncontrolled price method) other than those under terms of employment.

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	2024			2023		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	Rupees					
Lendings to financial institutions						
Opening balance	-	-	953,802,000	-	-	-
Addition during the year	-	-	66,875,387,061	-	-	13,619,549,090
Repaid during the year	-	-	(67,829,189,061)	-	-	(12,665,747,090)
Closing balance	-	-	-	-	-	953,802,000
Investments						
Opening balance	-	-	439,547,070	-	-	822,705,214
Investment made during the year	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	(323,271,765)
Revaluation / impairment impact	-	-	873,597,714	-	-	(59,886,379)
Closing balance	43.1	-	1,313,144,784	-	-	439,547,070
Advances						
Opening balance	-	60,009,813	289,473,686	-	76,461,653	394,736,843
Addition during the year	-	21,260,004	-	-	19,971,683	-
Transferred to other assets	-	-	-	-	(22,489,933)	-
Repaid during the year	-	(6,162,645)	(105,263,161)	-	(13,933,590)	(105,263,157)
Closing balance	-	75,107,172	184,210,525	-	60,009,813	289,473,686
Credit loss allowance held against advances	-	4,203	22,336,760	-	6,390	1,292,941

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024			2023		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	Rupees					
Other Assets						
Deferred Employees Benefits						
Opening balance	-	34,820,000	-	-	-	-
Transferred from advances	-	-	-	-	22,489,933	-
Addition during the year	-	12,012,996	-	-	20,252,381	-
Repaid during the year	-	(178,442)	-	-	-	-
Amortized during the year	-	(4,777,792)	-	-	(7,922,314)	-
Closing balance	-	41,876,762	-	-	34,820,000	-
Interest / mark-up accrued	-	-	1,825,748	-	-	4,708,904
Receivable from staff contributed fund	-	-	5,238,843	-	-	-
Receivable from staff retirement fund	-	-	16,256,005	-	-	-
Other receivable	-	1,679	2,988,372	-	8,000	4,824,445
	-	1,679	26,308,968	-	8,000	9,533,349
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the year	-	-	9,244,287,035	-	-	37,443,072,237
Settled during the year	-	-	(9,244,287,035)	-	-	(37,443,072,237)
Closing balance	-	-	-	-	-	-
Deposits						
Opening balance	-	-	236,340,203	-	-	203,420,313
Received during the year	-	-	1,412,936,435	-	-	1,365,260,431
Withdrawn during the year	-	-	(1,374,325,382)	-	-	(1,332,340,541)
Closing balance	-	-	274,951,256	-	-	236,340,203
Other Liabilities						
Interest / mark-up payable	-	-	13,711,862	-	-	7,101,927
Payable to staff contribution fund	-	-	-	-	-	2,334,705
Payable to staff retirement fund	-	-	-	-	-	6,005,764
Other liabilities	21,555,941	9,412,497	79,273,172	-	27,504,004	108,192,209
	21,555,941	9,412,497	92,985,034	-	27,504,004	123,634,605

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024			2023		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	Rupees					
Income						
Mark-up / return / interest earned	-	8,964,823	913,247,765	-	6,539,167	11,685,855
Fee Received	-	-	6,996,327	-	-	-
Dividend Received	-	-	40,073,830	-	-	-
Expense						
Mark-up / return / interest paid	55,037	55,037	73,569,781	372,534	372,534	103,405,140
Operating expenses						
Charge for defined benefit plan	5,877,044	9,549,273	9,799,056	1,598,585	6,408,434	11,063,068
Charge for contribution plan	4,301,834	3,888,410	6,986,281	3,115,079	4,447,341	7,868,390
Salaries	71,012,729	74,553,367	-	51,366,302	78,366,939	-
Bonus expense	12,922,018	26,609,974	-	6,485,147	29,645,205	-
Overseas allowances	12,253,228	-	-	12,267,591	-	-
Leave fair assistance & Encashment	6,895,420	8,943,502	-	5,390,332	8,372,651	-
Tax borne by employer	33,627,063	15,378,142	-	30,881,546	14,146,276	-
Others	26,622,270	36,779,262	7,738,961	19,958,312	36,526,964	5,609,918
Depreciation expense on lease hold building	4,170,095	4,170,095	31,113,091	2,780,064	2,780,064	29,584,983

The Federal Government through Ministry of Finance holds controlling interest (50% shareholding) in the Company and therefore entities which are owned and / or controlled by the Federal Government, or where the Federal Government may exercise significant influence, are related parties of the Company. The Company in the ordinary course of business enters into transaction with Government related entities. Such transactions include deposits to, investments, lendings, loan and advances and provision of other banking services. As at reporting date the deposits, loans and advances, investments, lendings and borrowings relating to Government related entities amounted to Rs. 1.3 million (2023: 1.0 million), Rs. 901.7 million (2023: 900 million), Rs. 332.5 million (2023: 437.5 million), Rs. nil (Rs. nil million) respectively, and income earned on deposits, advances, investment and lendings and interest expense on borrowings amounted to Rs. nil (2023: nil million) Rs. 118.2 million (2023: 236.2 million), Rs. 95 million (2023: 114 million), Rs. 207.9 million (2023: 3.1 million) and Rs. 10 million (2023: 59.6 million) respectively.

- 43.1 This includes an equity investment of Rs. 1,112.049 million (2023: Rs. 404.345 million) representing 5% (2023: 5%) interest in Pakistan Stock Exchange (PSX) acquired through participation in the consortium under the Consortium Agreement (CA) dated March 02, 2017. Pursuant to CA the director of the Company is serving on the board of PSX as a nominee of the consortium. This also includes an equity investment of Rs. 201.096 million (2023: Rs. 35.202 million) representing a 9.5% (2023: 9.5%) interest in Dell-JW Glassware Company Limited, which is related to the Company by virtue of common directorship.

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44	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	2024	2023
44.1	Minimum Capital Requirement (MCR):	-----Rupees-----	
	Paid-up capital (net of losses)	9,905,975,280	9,905,975,280
44.2	Capital Adequacy Ratio (CAR):		
	Eligible Common Equity Tier 1 (CET 1) Capital	22,590,813,546	17,921,664,535
	Eligible Tier 2 Capital	-	-
	Total Eligible Capital (Tier 1 + Tier 2)	22,590,813,546	17,921,664,535
	Risk Weighted Assets (RWAs):		
	Credit Risk	25,185,650,555	24,330,515,094
	Market Risk	11,829,250,720	7,108,868,449
	Operational Risk	6,312,915,751	4,267,725,030
	Total	43,327,817,026	35,707,108,573
	Common Equity Tier 1 Capital Adequacy ratio	52.14%	50.19%
	Tier 1 Capital Adequacy Ratio	52.14%	50.19%
	Total Capital Adequacy Ratio	52.14%	50.19%
44.3	Other information:		
	Minimum capital requirements prescribed by the SBP		
	CET1 minimum ratio (%)	6.00%	6.00%
	Tier 1 minimum ratio (%)	7.50%	7.50%
	Total capital minimum ratio (%)	10.00%	10.00%
	Capital Conservation Buffer (CCB)	1.50%	1.50%
	Total capital plus CCB minimum ratio (%)	11.50%	11.50%
44.4	Leverage Ratio (LR):		
	Eligible Tier-1 Capital	22,590,813,546	17,921,664,535
	Total Exposures	91,084,911,582	65,221,374,611
	Leverage Ratio	24.80%	27.48%
	Minimum Requirement	3.00%	3.00%
44.5	Liquidity Coverage Ratio (LCR):		
	Total High Quality Liquid Assets	14,238,708,090	12,520,563,063
	Total Net Cash Outflow	1,947,512,190	883,392,376
	Liquidity Coverage Ratio	731.12%	1417.33%
44.6	Net Stable Funding Ratio (NSFR):		
	Total Available Stable Funding	31,425,243,876	29,149,810,210
	Total Required Stable Funding	22,356,537,922	23,371,955,616
	Net Stable Funding Ratio	140.56%	124.72%
	Minimum Requirement	100.00%	100.00%

The SBP, vide BPRD Circular No.08 dated 23 June 2016 has set the minimum Net Stable Funding Ratio Requirement (NSFR) for Banks / DFIs at 100%.

The link to the full disclosure is available at <https://pakchinainvest.com/uploads/files/car2024/car-december-24.pdf>

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45 RISK MANAGEMENT

The Company manages all of its risk proactively through a well-established enterprise risk management practice. The Company is exposed to the following risks in the course of its regular business:

Credit Risk
Market Risk
Operational Risk
Liquidity Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

a) Risk management philosophy and framework

The Company's is exposed to a variety of financial risks requiring analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Company's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance.

The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions, emerging best practices and products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Board of Directors has the overall responsibility for setting the risk appetite and ensuring risk is effectively managed through a robust Enterprise Risk Management (ERM) framework. Board and Management level committees have been established, as part of the corporate governance structure, to oversee the performance and operations of the Company. Some of these committees are responsible specifically for overseeing execution of the ERM strategy and monitoring performance against the Company's risk management framework.

b) Board Level Committees

Board Risk Management Committee ("BRMC")

The BRMC is responsible for overseeing and regularly monitoring the Company's risk governance framework, enterprise risk management, capital, liquidity and fund planning ensuring an effective system of risk management and controls are implemented. The BRMC is also responsible for overseeing compliance within approved risk policies and tolerance levels and works with management to refine risk strategy that is aligned to the Company's long term strategy.

c) Senior Management Level Committees

Management Committee ("Mancom")

The Management Committee is responsible for conduct of performance review of overall Company's operation; functions as a forum for communication and exchange of ideas for continuous improvement of Company's performance. Mancom is also responsible for review and deliberate upon Company's strategy policy which need to be submitted to BOD meeting, review and deliberate the compliance of internal and external audit reports and review the performance of ICFR budgetary process.

Risk Review Committee ("RRC")

The RRC is responsible for building a risk intelligent enterprise, ensuring a suitable and an effective risk management approach is incorporated into the day-to-day operations and recommending new credit policies and changes to existing ones, and the future direction of the credit activities in the Company. The RRC interacts with other management level committees to ensure risks are consolidated and incorporated within the business plan (strategy and financials) and business operations. In fulfilling its purpose, the RRC is responsible to translate the decisions of the Board regarding enterprise risk management ("ERM"), support the Senior Management and the GH-Risk Management in decision-making related to ERM, and report regularly through its Chairperson to the BRMC regarding matters related to its primary purpose and operational risks.

Credit Management Committee ("CMC")

CMC is responsible for taking credit and investment decisions within the authority levels established by the Board of Directors and approved threshold, with adherence to the credit policies.

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Asset Liability Committee ("ALCO")

The ALCO is responsible to actively monitor and manage committed and outstanding assets and liabilities, and to recommend appropriate funding, investment, and hedging strategies. In addition, the ALCO is responsible for ensuring continuous liquidity required for growth while complying with the regulatory requirements. ALCO ensures the operational performance of the Company in meeting or exceeding set performance targets and authorizes actions to maintain, enhance or correct service delivery issues. The ALCO is also responsible for guiding, shaping, approving and monitoring a coherent set of projects in line with the Company's long term strategy that will maintain and enhance the Company's progress towards its future vision, recommending investment and expenditure in line with that goal.

45.1 Credit Risk

Credit risk is the risk emanating when a counter party of the Company does not fulfil its contractual obligation or the quality of an issuer deteriorates. It arises principally from financing, investment and treasury activities. The credit process is consistent for all forms of credit risk to a single obligor. Overall exposure is evaluated on an ongoing basis to ensure a broad diversification of credit risk. Potential concentrations by industry and risk grade are regularly reviewed to avoid excessive exposure and ensure a broad diversification. The Company's total credit portfolio and therefore the maximum exposure to credit risk before collateral held or other credit enhancements is reported under note 40.

Following are the risk management policies adopted by the Company to ensure credit quality and minimize the risk of concentration:

(a) Credit rating and measurement

The risk rating system is the basis for determining the credit risk of the financial assets portfolio, pricing, portfolio management, loss provisions and reserves and credit approval authority delegation. The company has started to revamp the credit risk grading framework: Obligor Risk Rating and Facility Risk Rating; these would provide the user with Probability of Default and Loss Given Default. Currently, the system produces alphabetical ratings from AAA to C as performing, and D, DD and DDDD, as Substandard, Doubtful and Loss.

(b) Credit approval

All credit and investment exposures are reviewed and approved by the Credit Management Committee ('CMC') within the authority delegated by the Board of Directors.

(c) Credit monitoring

The Company regularly monitors credit exposures and external trends which may impact risk management outcomes. Internal risk management reports are presented to the Risk Review Committee and Board Risk Management Committee, containing information on key variables; portfolio delinquency and financing impairment performance. All Corporate exposures accounts are monitored carefully for performance and reviewed formally on an annual basis or earlier. The Company has policies in place for client visits and monitoring of accounts to make sure that any concerns on the quality of the accounts are addressed well in time. An exposure is categorized as watch list or non-performing as per SBP guidelines.

Based on Business Unit feedback on collection of overdue amounts, CMC decides on whether to retain the relationship under existing Business Group or transfer to Legal Department. All non-performing accounts under litigation for recovery are monitored closely by the Legal Department of the Company which directly report to the Managing Director. Such accounts are re-evaluated and remedial actions are agreed and monitored.

(d) Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools. Additional support in the form of collateral and guarantee is obtained where required. The reliance that can be placed on these credit mitigation resources is carefully assessed in light of issues such as legal enforceability, market value and counterparty risk of the guarantor.

Collateral types which are eligible for risk mitigation include: cash under lien; mortgage / charge over residential/commercial/industrial property; charge over assets such as plant and machinery; marketable securities; commodities; bank guarantees; and letters of credit etc. CMC controls the approval of collateral types. Collateral is valued in accordance with the SBP guidelines, which prescribe the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired financings is maintained at fair value.

(e) Offsetting financial instruments

The Company has not entered in significant master netting arrangement with counterparties which enable them to settle transactions on net basis. In absence of such agreements the financial asset and liabilities are settled on gross basis.

Particulars of the Company's significant on-balance sheet and off-balance sheet credit risk in various sectors are analyzed as follows:

45.1.1 Lending's to Financial Institutions.

Credit risk by public / private sector

	Gross lending's		Non-performing lending's		Expected credit loss allowance / Provisioning held	
	2024	2023	2024	2023	2024	2023
Public / Government	2,009,199,000	1,886,342,400	-	-	-	-
Private	-	-	-	-	-	-
	<u>2,009,199,000</u>	<u>1,886,342,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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45.1.2 Investment in debt securities (including preference shares)

Credit risk by industry sector

	Gross Investments		Non-performing Investments		Expected credit loss allowance / Provisioning held	
	2024	2023	2024	2023	2024	2023
	Rupees					
Textile	836,097,718	480,877,890	214,668,000	231,766,275	233,543,244	232,933,100
Chemical and Pharmaceuticals	511,622,149	508,458,104	187,870,185	187,870,185	187,999,308	187,870,185
Power (electricity), Gas, Water, Sanitary	898,759,544	1,165,431,250	-	-	60,470,019	17,951,606
Wholesale and Retail Trade	648,348,976	398,786,518	-	-	8,016,293	2,200,053
Financial Services	4,954,778,637	5,545,356,530	-	-	77,559	101,800
Manufacture of Basic Metals	-	404,547,231	-	-	-	1,908,682
Others	136,000,000	135,603,452	136,000,000	-	136,000,000	16,391,885
	-	-	-	-	-	-
	<u>8,085,607,024</u>	<u>8,639,060,975</u>	<u>538,538,185</u>	<u>419,636,460</u>	<u>626,106,422</u>	<u>459,358,310</u>

Credit risk by public / private sector

	Gross Investments		Non-performing Investments		Expected credit loss allowance / Provisioning held	
	2024	2023	2024	2023	2024	2023
	Rupees					
Public/ Government	356,980,000	461,321,134	-	-	3,430	-
Private	<u>7,728,627,024</u>	<u>8,177,739,842</u>	<u>538,538,185</u>	<u>419,636,460</u>	<u>626,102,992</u>	<u>459,358,310</u>
	<u>8,085,607,024</u>	<u>8,639,060,975</u>	<u>538,538,185</u>	<u>419,636,460</u>	<u>626,106,422</u>	<u>459,358,310</u>

45.1.3 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Expected credit loss allowance / Provisioning held	
	2024	2023	2024	2023	2024	2023
	Rupees					
Textile	4,022,360,127	3,012,332,695	24,559,463	25,233,027	77,626,715	41,145,216
Chemical and Pharmaceuticals	786,907,190	1,041,755,039	-	-	8,414,485	4,704,114
Cement	468,750,000	636,414,613	-	-	6,239,046	3,798,505
Sugar	333,000,000	1,024,061,311	-	-	959,018	7,144,330
Electronics and electrical appliances	239,730,511	371,994,823	-	-	46,024,316	2,585,911
Power (electricity), Gas, Water, Sanitary	4,259,102,062	4,116,051,831	536,702,623	560,660,170	615,003,190	590,386,535
Transport, Storage and Communication	2,200,349,575	1,413,207,702	51,000,000	80,000,000	64,906,171	82,228,092
Financial Services	-	88,020,241	-	-	-	251,523
Mining and quarrying	1,043,876,192	1,089,493,661	-	-	22,229,895	115,825,464
Manufacture of basic metals	2,692,468,188	3,027,975,647	-	-	18,005,833	1,660,223
Manufacture of rubber & plastic products	1,425,000,000	967,268,196	262,500,000	-	212,185,506	3,294,577
Manufacture of rubber tyres and tubes	186,200,000	190,000,000	186,200,000	190,000,000	186,200,000	190,000,000
Manufacture of food products	798,353,649	800,000,000	-	-	12,798,847	5,201,769
Soap Industry	1,138,248,030	1,508,912,052	429,700,530	474,700,530	437,366,338	476,033,290
Individuals	297,705,996	452,509,112	-	-	10,661,715	9,279,146
Manufacture of glass and glass products	127,833,778	121,505,899	663,564	-	680,732	681,248
Manufacture of porcelain and ceramic products	179,912,117	270,951,828	-	-	19,438,582	40,077,185
	-	300,000,000	-	-	-	3,433,495
	<u>20,199,797,416</u>	<u>20,432,454,650</u>	<u>1,491,326,180</u>	<u>1,330,593,727</u>	<u>1,738,740,389</u>	<u>1,577,730,621</u>

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Credit risk by public / private sector

	Gross advances		Non-performing advances		Expected credit loss allowance / Provisioning held	
	2024	2023	2024	2023	2024	2023
	Rupees					
Public/ Government	1,080,703,450	1,500,000,000	-	-	-	-
Private	19,119,093,966	18,932,454,650	1,491,326,180	1,330,593,727	1,738,740,389	1,577,730,621
	<u>20,199,797,416</u>	<u>20,432,454,650</u>	<u>1,491,326,180</u>	<u>1,330,593,727</u>	<u>1,738,740,389</u>	<u>1,577,730,621</u>

45.1.4 Contingencies and Commitments

Credit risk by Industry sector

Chemical and Pharmaceuticals
Power (electricity), Gas, Water, Sanitary
Electronics and electrical appliances
Transport, Storage and Communication
Financial
Manufacture of basic metals
Textile
Manufacture of food products
Soap Industry
Others

	2024	2023
	Rupees	
	-	4,803,200
	5,460,122,377	5,880,423,224
	-	-
	138,800,000	500,000,000
	91,000,000	114,000,000
	-	-
	-	-
	-	-
	-	-
	200,000,000	200,000,000
	<u>5,887,922,377</u>	<u>6,699,226,424</u>

Credit risk by public / private sector

Public/ Government
Private

	2024	2023
	-	-
	<u>5,887,922,377</u>	<u>6,699,226,424</u>
	<u>5,887,922,377</u>	<u>6,699,226,424</u>

45.1.5 Concentration of Advances

The Company's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs 15.5 billion (2023: 13.3 billion) are as following:

Funded
Non Funded
Total Exposure

	2024	2023
	Rupees	
	10,635,208,367	9,676,439,868
	<u>4,910,740,675</u>	<u>3,680,423,224</u>
	<u>15,545,950,042</u>	<u>13,356,863,092</u>

The sanctioned limits against these top 10 exposures aggregated to Rs 17.5 billion (2023: 16.8 billion)

Total funded classified therein

OAEM
Substandard
Doubtful
Loss
Total

2024		2023	
Amount	Expected credit loss allowance / Provisioning	Amount	Expected credit loss allowance / Provisioning held
Rupees			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

45.1.6 Advances - Province/Region-wise Disbursement & Utilization

45.2 Market Risk

Market risk is the potential impact of adverse price movements such as benchmark rates, foreign exchange prices, equity prices and market conditions on the earnings/economic value of an asset held by the Company. The exposure to market risk occurs throughout the contract which may negatively affect the earnings and capital of the Company. The Company is exposed to market risk through investments / structural positions parked in the Banking Book. The Company's market risk is managed by the Risk Management under the supervision of ALCO and supported by the Treasury Middle Office (TMO).The Company has adopted Standardized Measurement Method to assess and report the market risk.

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45.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	-----Rupees-----					
Cash and balances with treasury banks	153,936,033	-	153,936,033	58,211,053	-	58,211,053
Balances with other banks	4,806,312,870	-	4,806,312,870	4,338,987,039	-	4,338,987,039
Lendings to financial institutions	2,009,199,000	-	2,009,199,000	1,886,342,400	-	1,886,342,400
Investments	54,434,851,732	-	54,434,851,732	18,156,013,803	-	18,156,013,803
Advances	18,461,057,027	-	18,461,057,027	18,854,724,030	-	18,854,724,030
Property and equipment	198,531,928	-	198,531,928	187,166,273	-	187,166,273
Right-of-use assets	92,114,185	-	92,114,185	139,907,654	-	139,907,654
Intangible assets	2,535,201	-	2,535,201	4,651,640	-	4,651,640
Deferred tax assets	-	-	-	105,850,816	-	105,850,816
Other assets	1,491,787,234	-	1,491,787,234	1,252,528,688	-	1,252,528,688
	<u>81,650,325,210</u>	<u>-</u>	<u>81,650,325,210</u>	<u>44,984,383,390</u>	<u>-</u>	<u>44,984,383,390</u>

45.2.2 Foreign Exchange Risk

Currency risk represents the risk of change in the fair value of financial assets and financial liabilities due to changes in foreign exchange rates. The Company manages exposure to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows through allowing exposures in local currency only. However, where foreign currency exposures are allowed due to compelling reasons, foreign exchange positions are reviewed frequently.

	2024				2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	-----Rupees-----							
United States Dollar	4,672,737,996	-	1,257,750,000	-	4,286,177,874	-	1,205,484,750	5,491,662,624
Euro	-	-	-	-	-	-	-	-
CNY	-	-	-	-	-	-	-	-
	<u>4,672,737,996</u>	<u>-</u>	<u>1,257,750,000</u>	<u>-</u>	<u>4,286,177,874</u>	<u>-</u>	<u>1,205,484,750</u>	<u>5,491,662,624</u>

Impact of 1% change in foreign exchange rates on

- Profit and loss account
- Other comprehensive Income

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	-----Rupees-----			
	31,307,345	-	28,717,392	-
	<u>31,307,345</u>	<u>-</u>	<u>28,717,392</u>	<u>-</u>

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45.2.3 Equity position Risk

Equity position risk is the risk that the fair value will fluctuate as a result of changes in the prices of equities and all instruments that exhibit market behavior similar to equities. The company's such instruments are classified as fair value through other comprehensive income (FVOCI) investments and are kept as such with the intent of earning profit due to underlying fundamental strength of each security.

Impact of 5% change in equity prices on:
 - Profit and loss account
 - Other comprehensive income

2024		2023	
Banking book	Trading book	Banking book	Trading book
Rupees			
-	-	-	-
64,224,847	-	34,089,778	-
64,224,847	-	34,089,778	-

45.2.4 Yield Interest Rate Risk in the Banking Book

Interest/Yield Risk is the risk that value of financial instruments will change due to change in the market interest rates or due to change in shape of yield curve. The Company manages its interest rate risk by entering into floating rate agreements with its customers. All of the credit portfolio is linked to the floating rate. To further keep the Company abreast of the interest rate risk, an Asset and Liability Committee (ALCO) meets regularly to discuss the interest rate risk strategy. Interest rate risk profile is also prepared on monthly basis to ascertain the interest rates movement with regard to the portfolio while also anticipating policy rate movements.

Impact of 1% change in interest rates on:
 - Profit and loss account
 - Other comprehensive income

2024		2023	
Banking book	Trading book	Banking book	Trading book
Rupees			
247,804,781	-	213,193,121	-
247,804,781	-	213,193,121	-

45.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

The following table summarizes the mismatch of financial assets and liabilities of the Company, which are subject to interest rate risk, at carrying amounts categorized the earlier of contractual re-pricing or maturity dates. The Company is exposed to interest rate risk as a result of mismatches or gaps in the amount of assets and liabilities that mature or re-price in a given period.

		2024										Non-interest bearing financial instruments
Effective Yield/ Interest Rate	Total	Exposed to Yield/ Interest risk										
		Up to 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 Years		
Rupees												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		153,938,033	-	-	-	-	-	-	-	-	153,938,033	
Balances with other banks	12.1%	4,806,312,870	133,218,048	-	4,672,712,465	-	-	-	-	-	384,357	
Lending to financial institutions	22.4%	2,009,199,000	2,009,199,000	-	-	-	-	-	-	-	-	
Investments	22.8%	94,434,861,732	42,399,958,098	6,964,026,891	3,246,782,059	-	-	-	-	-	1,804,086,686	
Right-of-use assets	16.3%	92,114,185	4,048,061	6,489,018	7,620,777	16,847,144	31,288,698	26,840,467	-	-	-	
Advances	20.3%	18,461,057,027	3,304,874,854	11,446,696,826	290,245,767	244,465,699	451,439,228	431,888,199	803,863,450	691,335,185	875,520,342	
Other assets		1,202,582,632	-	-	-	-	-	-	-	-	1,202,582,632	
		81,160,053,679	47,841,294,078	18,447,192,734	8,127,561,098	260,112,843	482,727,928	468,726,866	803,863,460	691,335,185	875,520,342	
											3,171,919,406	
Liabilities												
Borrowings	19.3%	52,680,469,207	40,640,462,721	9,415,276,915	91,882,138	228,723,355	434,029,089	411,335,500	806,803,814	645,755,674	-	
Deposits and other accounts	26.6%	2,174,951,256	1,900,000,000	-	32,770,521	242,180,735	-	-	-	-	-	
Liabilities against right-of-use assets	16.3%	76,568,960	2,258,588	4,440,382	6,699,870	13,388,742	26,792,663	22,863,595	-	-	-	
Other liabilities		1,467,586,150	-	-	-	-	-	-	-	-	1,467,586,150	
		56,399,575,573	42,551,719,309	9,419,717,298	130,649,629	482,302,833	460,821,772	434,319,065	806,803,814	646,755,674	-	
											1,467,586,150	
On-balance sheet gap		24,760,478,106	5,289,574,771	9,027,475,437	7,997,011,439	(222,189,989)	21,806,164	24,407,571	(3,140,364)	45,579,480	875,520,342	
											1,704,333,256	
Off-balance sheet financial instruments												
Commitments in respect of Government securities		-	-	-	-	-	-	-	-	-	-	
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	
Total Yield/Interest Risk Sensitivity Gap												
			5,289,574,771	9,027,475,437	7,997,011,439	(222,189,989)	21,806,164	24,407,571	(3,140,364)	45,579,480	875,520,342	
											1,704,333,256	
Cumulative Yield/Interest Risk Sensitivity Gap												
			5,289,574,771	14,317,050,208	22,314,061,646	22,091,871,657	22,113,777,811	22,136,185,381	22,135,045,017	22,180,624,506	23,056,144,850	
											24,760,478,105	

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2023											
Effective Yield/ Interest Rate	Total	Exposed to Yield/ Interest risk								Non-Interest bearing financial instruments	
		Up to 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 years	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years		Above 10 Years
On-balance sheet financial instruments											
Rupees											
Assets											
Cash and balances with treasury banks		56,211,053									56,211,053
Balances with other banks	12.1%	4,338,987,039	53,251,229		4,285,291,538						444,266
Lending to financial institutions	22.4%	1,886,342,400	1,886,342,400								
Investments	22.6%	18,158,013,803	1,258,681,952	3,430,733,846	12,820,605,988						845,991,917
Right-of-use assets	16.3%	139,907,654	4,059,171	7,987,401	12,090,674	23,789,496	33,942,982	31,246,662	26,780,666		
Advances	20.3%	18,854,724,030	5,451,166,279	9,183,225,760	590,890,358	265,974,917	541,610,882	530,228,889	975,474,382	1,318,211,650	8,041,016
Other assets		1,089,757,030									1,089,757,030
		44,523,943,003	8,653,501,028	12,621,947,107	17,498,678,258	288,664,313	575,553,884	561,475,551	1,002,265,350	1,318,211,650	2,002,445,282
Liabilities											
Borrowings	19.3%	21,965,719,305	588,709,859	10,281,238,611	8,335,956,001	146,656,357	374,446,170	403,254,376	787,679,165	1,027,778,728	
Deposits and other accounts	20.9%	370,560,678	254,306,948	91,253,728							25,000,000
Liabilities against right-of-use assets	16.3%	122,060,376	4,059,171	7,987,401	12,090,674	23,789,496	34,564,080	31,246,662	4,957,006	3,365,608	
Other liabilities		748,276,572									748,276,572
		23,204,630,933	857,075,019	10,380,479,741	8,348,048,975	170,445,853	409,010,230	434,501,036	802,836,171	1,031,164,334	771,270,572
On-balance sheet gap		21,319,312,070	7,796,425,009	2,241,467,366	9,150,631,883	119,218,460	166,543,634	126,974,513	189,629,179	267,047,316	1,231,174,710
Off-balance sheet financial instruments											
Commitments in respect of Government securities											
Off-balance sheet gap											
Total Yield/Interest Risk Sensitivity Gap			7,796,425,008	2,241,467,366	9,150,631,883	119,218,460	166,543,634	126,974,513	189,629,179	267,047,316	1,231,174,710
Cumulative Yield/Interest Risk Sensitivity Gap			7,796,425,009	10,037,892,376	19,188,724,258	19,307,942,718	19,474,486,352	19,601,460,865	19,801,090,044	20,088,137,361	21,319,312,070

45.2.6 Reconciliation of financial assets with total assets and liabilities.

	2024	2023
	Rupees	
Total assets as per statement of financial position	81,650,325,210	44,984,383,390
Property and equipment	198,531,828	187,168,273
Intangible assets	2,535,291	4,651,640
Deferred tax assets	-	105,850,816
Other Assets	289,204,402	162,771,658
	490,271,531	460,440,387
Total Assets as per mismatch report	81,160,053,679	44,523,943,003

45.2.7 For details of off balance sheet items included in the commitments. Please refer to note number 23 of the financial statements

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45.3 Operational Risk

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, people, technology and infrastructure within the Company, and from external factors other than credit, market and liquidity risks such as those arising from disruptive business events, natural disasters, non-compliance with regulations and generally accepted standards of corporate behavior.

The Company has established Operational Risk Management Framework, which outlines approaches to identifying, measuring, reporting and mitigating operational, information security and business continuity risks with forward looking management discipline. The management of operational risk is the primary responsibility of each business or support function and implementation of the framework is coordinated by Operational Risk Department under supervision of GH-Risk Management, who maintains supervisory oversight and drives improvement.

Information Security

Information Security risk is increasingly assuming prominent threat potential in digital age. The Company recognizes its key dependencies on systems, people and service processes and the risks, to which they are exposed to both from internal and external factors. To mitigate these threats, the Company has implemented robust information security framework based on industry best practices.

Business Continuity Management

The Company is committed to ensure continuity and resilience of its key business processes and service deliveries against internal and external disruptive events, natural calamities, etc. To achieve these objectives, the Company has designed and implemented Business Continuity Plan (BCP) by identifying disruptive scenarios, developing continuity plans and periodically testing the same for their continued viability.

45.3.1 Operational Risk-Disclosures Basel II Specific

The Company has adopted the Basic Indicator Approach (BIA) for ascertaining capital requirements for its operational risk. Up to the year end, the Company has not incurred any significant loss owing to the operational risk.

45.4 Liquidity Risk

Liquidity risk is the risk that the Company is not in a position to fund growth in assets or meet obligations as they become due. Liquidity risk arises in the normal course of business by taking shorter term liquidity sources, often repayable on demand or at short notice, and using these short term sources to fund credit facilities over medium to longer periods. The Company has defined the liquidity risk appetite at a level so as to ensure that the Company has a controlled liquidity risk position with adequate cash or cash equivalents to be able to meet its financial obligations, in all foreseeable circumstances and without incurring substantial additional costs.

Asset Liability Committee (ALCO)

The ALCO develops and implements the policy and procedures that translate the Company's goals, objectives, and risk tolerances into operating standards that are well understood by the Company's staff. ALCO oversees the implementation and maintenance of management information and other systems that identify, measure, monitor and control the bank's liquidity risk.

Liquidity management and monitoring

The Company's daily liquidity management activity is performed by the Treasury Department. Treasury's activity is overseen by the Market Risk team which measures, monitors and reports on liquidity management activity, covering the following activities:

- Monitoring of the maturity profile of assets and liabilities on a continuous basis;
- Stress testing based on the sensitivity analysis of key factors and combined events;
- Measuring Key regulatory liquidity indicators e.g. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR);
- Monitoring of concentration risks in liquidity sources; and
- Monitoring of early warning indicators to assess the potential impact arising from a series of defined idiosyncratic and systemic stress scenarios.

Liquidity Contingency plan

The Company has an established liquidity position available all the times to meet the contingencies. In addition, Company has also entered into financing agreements with different Commercial Banks to meet its funding requirements.

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45.4.1 Maturities of Assets and Liabilities - based on contractual maturity

	Total	2024												
		Up to 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Rupees														
Assets														
Treasury bank balances	153,936,033	3,869	153,932,164	-	-	-	-	-	-	-	-	-	-	-
Other bank balances	4,808,212,670	-	123,600,404	-	-	-	-	4,572,712,445	-	-	-	-	-	-
Lending to financial institutions	2,009,195,000	-	2,009,199,000	-	-	-	-	-	-	-	-	-	-	-
Investments	84,434,881,732	-	-	-	41,280,657,464	64,084,967	3,440,035,034	390,049,368	169,816,089	248,932,896	813,027,723	827,521,744	2,776,781,287	4,433,155,236
Advances	16,481,097,027	989,439,934	25,072,638	5,577,421	481,840,747	2,035,692,019	2,048,169,181	515,236,456	2,387,326,787	1,333,974,289	2,814,841,827	1,518,618,231	1,649,305,021	2,915,187,429
Property and equipment	186,531,928	-	-	-	1,907,125	1,807,152	2,575,562	8,421,488	5,421,488	4,547,988	11,355,964	11,358,964	10,616,227	143,523,216
Intangible assets	8,838,201	-	-	-	179,281	179,281	173,479	834,001	532,001	532,001	487,197	-	-	-
Right-of-use assets	82,114,198	-	-	-	4,048,891	3,916,765	2,556,253	7,526,777	7,526,367	7,526,777	31,288,898	26,848,487	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,491,787,234	355,639,308	80,438,444	287,723	384,715,523	117,544,183	18,400,294	288,058,187	6,204,604	31,510,987	35,595,716	44,819,085	106,343,574	38,851,238
	81,860,326,210	1,348,063,111	2,402,242,549	6,946,144	42,152,959,321	2,223,526,777	5,072,062,713	3,859,838,630	2,847,121,354	1,527,418,596	3,507,318,845	2,425,156,912	4,644,826,418	7,520,797,211
Liabilities														
Borrowings	52,660,459,267	49,123,496	7,089,644	7,078,858	40,586,150,223	5,597,503,411	421,006,838	507,748,884	947,154,291	717,059,065	1,621,529,089	775,335,501	806,803,614	645,755,674
Deposits and other accounts	2,174,951,256	-	-	-	1,000,000,000	-	-	32,770,521	242,106,735	-	-	-	-	-
Liabilities against right-of-use assets	76,558,960	-	-	-	2,958,888	2,256,588	2,183,791	6,896,970	5,701,772	6,896,970	26,792,663	22,983,595	-	-
Deferred tax liabilities	72,032,243	-	-	-	72,032,243	-	-	-	-	-	-	-	-	-
Other liabilities	1,467,816,150	14,793,615	2,318,877	147,079,701	1,970,445,784	48,473,911	28,858,815	88,392,515	21,077,815	5,951,438	23,056,143	16,136,224	-	-
	56,471,813,816	63,817,111	9,410,421	194,158,260	43,630,901,448	5,808,553,819	462,849,247	635,908,810	1,217,114,413	733,717,479	1,671,377,915	814,497,319	606,803,614	645,755,674
Net assets	25,178,711,394	1,282,186,000	2,392,824,128	1147,213,110	11,477,843,127	10,359,007,159	4,989,153,465	5,324,219,819	1,330,006,988	893,701,113	1,835,638,928	1,814,698,193	5,738,122,604	6,889,841,637
Share capital	9,905,875,260	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance against issue of shares	230,852,672	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	2,981,996,046	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	11,823,086,478	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation	267,400,816	-	-	-	-	-	-	-	-	-	-	-	-	-
	25,178,711,394	-	-	-	-	-	-	-	-	-	-	-	-	-
Total														
2023														
		Up to 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Rupees														
Assets														
Treasury bank balances	58,211,033	14,189	58,196,844	-	-	-	-	-	-	-	-	-	-	-
Other bank balances	4,398,097,035	-	89,223,018	470,478	-	-	-	4,285,291,538	-	-	-	-	-	-
Lending to financial institutions	1,886,342,400	-	1,886,342,400	-	-	-	-	-	-	-	-	-	-	-
Investments	15,166,013,803	28,723,803	-	-	83,473,867	105,885,813	50,060,730	8,976,201,106	115,540,082	172,126,902	701,848,205	495,178,903	3,676,589,477	3,754,253,195
Advances	18,834,724,030	(25,998,069)	975,176,398	1,810,501	122,645,419	2,118,758,733	781,754,751	906,515,535	2,098,000,033	2,180,901,062	2,785,892,017	2,803,350,271	2,261,830,547	2,085,628,832
Property and equipment	157,168,279	-	-	-	1,438,369	1,438,369	2,204,759	4,308,112	4,109,232	4,109,232	12,218,245	8,077,212	5,077,212	148,107,521
Intangible assets	4,851,840	-	-	-	179,752	179,752	179,752	539,256	539,256	539,256	2,157,024	337,592	-	-
Right-of-use assets	139,807,854	-	-	-	4,058,171	3,928,230	4,058,171	12,090,974	11,895,822	11,953,874	33,042,982	31,246,662	26,790,968	-
Deferred tax assets	105,850,816	-	-	-	105,850,816	-	-	-	-	-	-	-	-	-
Other assets	1,252,528,688	368,802,782	144,073,417	2,147,457	177,990,843	90,724,315	43,584,369	309,041,844	30,141,018	10,584,492	7,113,965	2,954,208	5,908,416	69,483,341
	44,984,383,390	370,544,085	3,117,014,086	4,428,434	475,838,157	2,321,011,012	867,543,582	14,493,989,485	2,269,225,243	2,380,196,818	3,544,173,958	3,138,144,848	5,976,196,020	6,934,960,889
Liabilities														
Borrowings	21,965,719,305	28,755,563	993,599,654	1,496,975	222,808,543	2,308,915,214	457,756,310	9,188,883,428	1,518,596,049	879,857,086	2,486,608,942	1,412,125,050	1,177,095,187	1,278,584,886
Deposits and other accounts	370,560,878	-	159,306,643	-	115,000,306	81,253,729	-	-	-	-	-	-	-	25,900,000
Liabilities against right-of-use assets	122,880,378	-	-	-	4,058,171	3,928,230	4,058,171	12,090,974	11,895,822	11,953,874	34,564,080	31,246,662	4,937,006	3,365,688
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	746,270,572	-	21,895,822	10,344,418	68,383,936	62,710,781	37,241,400	453,586,512	10,969,876	16,182,516	64,168,331	-	-	-
	23,204,830,933	28,755,563	1,154,802,418	11,841,383	411,229,590	2,487,813,934	499,056,681	8,654,260,912	1,541,491,547	807,833,486	2,565,340,233	1,443,371,712	1,182,038,183	1,306,970,603
Net assets	21,779,752,457	341,787,162	1,982,411,679	(7,412,659)	64,406,201	(178,802,022)	388,796,681	4,839,638,633	719,823,686	1,472,383,532	978,839,825	1,884,773,136	4,794,144,427	4,728,010,285
Share capital	9,905,875,260	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance against issue of shares	15,212,360	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	2,483,427,065	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profit	9,857,585,325	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation	(462,447,573)	-	-	-	-	-	-	-	-	-	-	-	-	-
	21,779,752,457	-	-	-	-	-	-	-	-	-	-	-	-	-

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45.4.2 Maturities of assets and liabilities - based on expected maturities

2024											
	Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
Rupees											
Assets											
Treasury banks balance	153,936,033	153,936,033	-	-	-	-	-	-	-	-	-
Other banks balance	4,806,312,870	133,600,404	-	4,672,712,466	-	-	-	-	-	-	-
Lending to financial institutions	2,009,199,000	2,009,199,000	-	-	-	-	-	-	-	-	-
Investments	54,434,851,732	41,280,667,464	3,504,119,931	390,048,368	408,748,975	613,827,723	827,521,746	2,776,761,297	3,764,278,051	688,977,177	-
Advances	18,461,057,027	1,502,730,838	4,043,861,680	515,238,456	3,701,285,048	2,614,841,527	1,518,619,231	1,649,305,021	1,975,419,208	938,748,221	-
Property and equipment	198,531,928	1,807,135	4,382,704	5,421,456	9,889,122	11,355,984	11,355,984	10,616,227	10,187,521	133,435,795	-
Intangible assets	2,835,201	179,261	352,740	532,001	1,064,002	407,197	-	-	-	-	-
Right-of-use assets	92,114,165	4,048,081	6,469,018	7,820,777	15,647,144	31,288,698	26,840,467	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,491,787,234	822,062,108	136,343,417	268,056,107	37,815,690	35,595,716	44,819,085	108,243,874	14,771,200	24,080,038	-
	81,850,325,210	45,908,230,125	7,695,529,489	5,859,828,630	4,174,539,979	3,507,316,845	2,429,156,512	4,544,926,416	5,764,655,980	1,766,141,231	-
Liabilities											
Borrowings	52,680,469,207	40,849,462,721	6,008,610,248	507,748,604	1,664,223,355	1,621,529,089	775,335,501	806,803,814	645,755,674	-	-
Deposits and other accounts	2,174,961,258	1,900,000,000	-	32,770,521	242,180,735	-	-	-	-	-	-
Liabilities against right-of-use assets	76,568,960	2,256,588	4,440,382	6,696,970	13,388,742	26,782,693	22,983,595	-	-	-	-
Deferred tax liabilities	72,038,243	72,038,243	-	-	-	-	-	-	-	-	-
Other liabilities	1,467,566,150	1,234,637,688	74,332,526	88,392,515	31,029,054	23,056,143	16,138,224	-	-	-	-
	56,471,613,816	43,858,395,240	6,068,383,158	635,608,610	1,950,831,886	1,671,377,915	814,467,319	806,803,814	645,755,674	-	-
Net assets	25,178,711,394	2,049,634,884	1,607,146,332	5,224,219,820	2,223,708,093	1,835,938,929	1,614,699,193	3,738,122,604	5,118,900,306	1,766,141,231	-
Share capital											
Advance against issue of shares	9,905,975,280										
Reserves	230,692,672										
Unappropriated profit	2,951,896,048										
Surplus on revaluation	11,623,066,478										
	267,408,916										
	25,178,711,394										

2023											
	Total	Up to 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
Rupees											
Assets											
Treasury banks balance	58,211,053	93,364,567	-	-	-	-	-	-	-	-	(35,153,514)
Other banks balance	4,338,987,033	126,884,268	-	3,186,504,980	-	-	-	-	-	-	1,025,697,785
Lending to financial institutions	1,886,342,400	99,825,849	-	-	-	-	-	-	-	-	1,786,516,551
Investments	18,156,013,803	1,165,190,500	57,619,501,577	1,013,886,083	4,465,465,089	562,102,452	638,438,709	2,823,534,231	3,677,469,866	(53,809,665,725)	-
Advances	18,854,724,030	520,801,993	466,858,635	1,205,111,044	3,104,421,400	2,723,130,400	2,259,996,301	3,267,578,659	2,399,682,257	2,807,143,341	-
Property and equipment	187,166,273	760,703	7,486,556	2,275,143	1,558,076	17,025,670	(1,474,770)	24,442,285	7,650,087	127,231,523	-
Intangible assets	4,651,640	-	-	-	-	-	-	-	-	4,651,640	-
Right-of-use assets	139,907,654	4,059,171	7,967,401	12,099,874	23,789,488	33,942,982	31,246,662	26,780,998	-	-	-
Deferred tax assets	105,850,818	-	-	-	-	-	-	-	-	-	105,850,816
Other assets	1,252,528,688	274,148,332	110,906,813	208,338,428	36,433,949	3,497,191	3,125,292	63,702,125	-	-	-
	44,984,383,390	2,285,035,384	58,212,751,089	5,628,204,652	7,631,659,010	3,339,698,695	2,931,333,194	6,206,048,268	6,085,002,230	(47,335,349,125)	-
Liabilities											
Borrowings	21,985,716,305	2,315,322,845	55,204,075,583	1,333,203,963	5,244,593,024	3,583,364,071	2,106,388,534	884,198,208	1,507,684,138	(50,212,111,041)	-
Deposits and other accounts	370,560,678	1,191,244,891	312,175,422	-	-	-	-	-	-	(1,132,859,635)	-
Liabilities against right-of-use assets	122,080,378	4,059,171	7,967,401	12,099,874	23,789,496	34,584,080	31,246,662	4,957,006	3,385,698	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	746,270,572	115,773,200	294,792,746	85,154,471	137,614,766	13,385,963	(3,852,684)	-	106,990,927	(3,598,717)	-
	23,204,630,933	3,626,400,107	55,819,031,132	1,430,449,468	5,405,997,286	3,631,313,994	2,132,782,512	889,155,214	1,618,060,673	(51,348,559,393)	-
Net assets	21,779,752,457	(1,341,364,723)	2,393,719,951	4,197,755,244	2,225,661,724	(291,615,298)	798,550,682	5,316,893,054	4,466,941,557	4,013,210,288	-
Share capital											
Reserves	9,905,975,280										
Reserves	15,212,360										
Reserves	2,483,427,065										
Unappropriated profit	8,857,585,325										
Surplus on revaluation	(462,447,573)										
	21,779,752,457										

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

46 GENERAL

46.1 Events after the reporting date

There are no adjusting events after the date of statement of financial position that may have an impact on the financial statements.

46.2 Captions, as prescribed by BPRD Circular No. 2, issued by the SBP, for which there are no amounts, have not been reproduced in these financial statements except for the statement of financial position and profit and loss account.


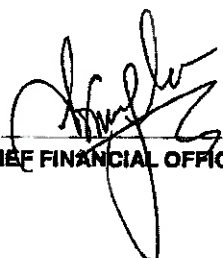

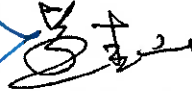

46.3 Figures have been rounded off to the nearest Rupee, unless otherwise stated.

46.4 The credit rating company limited has issued a long term credit rating of AAA, and the short term rating of A1+, for the Company.

47 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on

04 DEC 2025

				
MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	CHAIRMAN	DIRECTOR	DIRECTOR