

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
JUNE 30, 2024



DIRECTORS' REVIEW ON CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

We are pleased to present on behalf of the Board of Directors, the unaudited condensed interim financial statements of Pak China Investment Company Limited (PCICL) for the half year ended 30 June 2024 together with the Directors' Review thereon.

Profit after tax of PCICL came to Rs. 1.23 billion for the half year ended 30 June 2024 as compared to Rs. 1.49 billion in the first half of prior year, showing a decrease of 17.70%. Resultantly, earning per share has decreased from Re. 1.50 during last year's first half to Re. 1.24 in current year's first half. Operating profit (profit before provisions and tax) during the current half year has touched Rs. 1.87 billion as compared to Rs. 2.41 billion during the first half of last year.

During the first half year of 2024, in the month of June, SBP reduced the policy rate by 1.5%, the impact of which will come in later quarters upon repricing of assets and liabilities. Last year, SBP gradually started increasing the policy rate from 16% and culminated at 22% as of 30 June 2023 in line with the macroeconomic indicators. Upward repricing of majority of the portfolio in coupled with the increased volume of portfolio resulted in increase of Net Interest Income by Rs. 380.46 million i.e. 21%. First half year has witnessed a modest appreciation of PKR against USD which resulted in foreign exchange revaluation loss of Rs. 49.66 million, while in comparable half year last year, depreciation of PKR against USD was profound which resulted in foreign exchange revaluation gain of Rs. 881.91 million.

Operating expenses increased by Rs. 66.47 million majorly due to increased travel cost, regular annual increments in salaries of employees and inflationary impact. Provisions and write-offs – net reversal amounted to Rs. 84.08 million, as compared to charge of Rs. 72.58 million in last year's first half.

Total assets have increased by Rs. 27.66 billion as of 30 June 2024 as compared to the balance as at 31 December 2023, majorly due to investment in market treasury bills which were being funded by short term borrowings, thus earning spread.

During the period ended 30 June 2024, VIS Credit Rating Company has reaffirmed the entity ratings of the Company as long term AAA and short term A-1+, highest in both categories. The medium to long term rating of AAA denotes highest credit quality, with negligible risk factors, being only slightly more than risk-free debt of Government of Pakistan. The outlook on the assigned rating is Stable.

Finally, on behalf of the Board, I would like to express our gratitude to our shareholders, Ministry of Finance, Government of Pakistan and China Development Bank for their support and State Bank of Pakistan for professional guidance. The Board also wishes to place on record its appreciation of the hard work and dedication of the Management and staff of the Company.

On behalf of the Board of Directors


Song Zhenwen
Managing Director
Pak China Investment Co. Ltd.


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

04 December 2025
Islamabad

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**Grant Thornton Anjum
Rahman**

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INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of
Pak China Investment Company Limited**

Report on Review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak China Investment Company Limited** (the Company), as at June 30, 2024, and the related condensed interim statement of profit and loss account, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity, and the condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2024, have not been reviewed by us.

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

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman

Chartered Accountants

Islamabad

Date: December 05, 2025

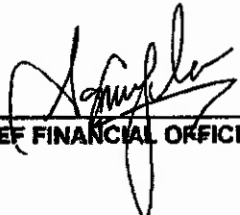
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PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2024

		(Unaudited)	(Audited)
		30 June 2024	31 December 2023
		Rupees	
ASSETS	Note		
Cash and balances with treasury banks	6	349,545,301	58,211,053
Balances with other banks	7	4,809,724,209	4,338,987,033
Lendings to financial institutions	8	546,668,968	1,886,342,400
Investments	9	43,393,216,554	18,156,013,803
Advances	10	20,949,607,672	18,854,724,030
Property and equipment	11	207,700,182	187,166,273
Right-of-use assets	12	116,141,503	139,907,654
Intangible assets	13	3,599,203	4,651,640
Deferred tax assets	14	79,906,413	105,850,816
Other assets	15	2,184,488,615	1,252,528,688
Total Assets		72,640,597,620	44,984,383,390
LIABILITIES			
Bills payable		-	-
Borrowings	16	47,311,299,160	21,965,719,305
Deposits and other accounts	17	390,645,683	370,560,678
Lease liabilities	18	110,325,925	122,080,378
Subordinated debt		-	-
Other liabilities	19	1,651,553,730	746,270,572
Total Liabilities		49,463,824,498	23,204,630,933
NET ASSETS		23,176,773,122	21,779,752,457
REPRESENTED BY			
Share capital		9,905,975,280	9,905,975,280
Advance against issue of shares	20	115,212,360	15,212,360
Reserves		2,708,780,893	2,463,427,065
Deficit on revaluation of assets	21	(392,196,050)	(462,447,573)
Unappropriated / Unremitted profit		10,839,000,639	9,857,585,325
		23,176,773,122	21,779,752,457
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 40 form an integral part of these financial statements. ¶


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


CHAIRMAN


DIRECTOR


DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	Note	For the quarter ended		For the half year ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
		Rupees		Rupees	
Mark-up / Return / Interest earned	23	3,247,215,167	2,626,603,778	5,565,261,680	5,718,800,903
Mark-up / Return / Interest expensed	24	(2,142,152,229)	(1,646,473,040)	(3,342,974,515)	(3,876,975,149)
Net mark-up / Interest income		1,105,062,938	980,130,738	2,222,287,165	1,841,825,754

NON MARK-UP / INTEREST INCOME

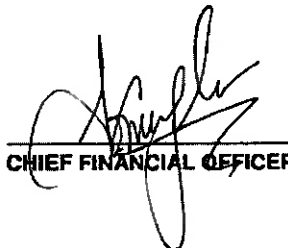
Fee and commission income	25	13,057,031	10,664,863	27,646,597	23,352,838
Dividend income		-	129,346	19,775,000	14,208,096
Foreign exchange income / (loss)		5,129,541	33,697,928	(49,656,586)	881,913,990
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities	26	(61,193,806)	18,397,710	76,571,316	(178,832)
Net loss on derecognition of financial assets measured at amortised cost	27	(2,325,713)	-	(4,651,426)	-
Other income	28	4,087,284	3,784,524	8,194,657	7,569,047
Total non-markup / Interest income		(41,245,663)	66,674,371	77,879,558	926,865,139
Total income		1,063,817,275	1,046,805,109	2,300,166,723	2,768,690,893

NON MARK-UP/INTEREST EXPENSES

Operating expenses	29	209,489,997	200,279,692	428,193,229	361,725,423
Workers welfare fund		-	-	-	-
Other charges	30	-	250,000	-	250,000
Total non-markup / Interest expenses		209,489,997	200,529,692	428,193,229	361,975,423
Profit before credit loss allowance		854,327,278	846,275,417	1,871,973,494	2,406,715,470
Credit loss allowance and write offs - net	31	(30,312,081)	(59,364,222)	(84,078,104)	72,579,795
PROFIT BEFORE TAXATION		884,639,359	905,639,639	1,956,051,598	2,334,135,675
Taxation	32	339,031,458	330,652,750	729,282,456	843,532,059
PROFIT AFTER TAXATION		545,607,901	574,986,889	1,226,769,142	1,490,603,616
Basic and diluted earnings per share	33	0.55	0.58	1.24	1.50

The annexed notes 1 to 40 form an integral part of these financial statements. 46

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 MANAGING DIRECTOR


 CHIEF FINANCIAL OFFICER


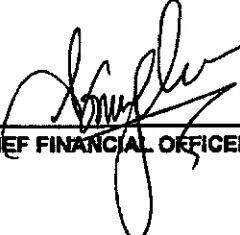

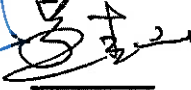

 
 CHAIRMAN DIRECTOR


 DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	For the quarter ended		For the half year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Rupees		Rupees	
Profit after taxation for the period	545,607,901	574,986,889	1,226,769,142	1,490,803,816
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	14,322,307	31,461,622	(14,224,113)	(53,551,718)
	14,322,307	31,461,622	(14,224,113)	(53,551,718)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of Shares through FVOCI - net of tax	126,407,078	17,563,082	84,475,636	14,290,355
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	984,943
	126,407,078	17,563,082	84,475,636	15,275,298
Total comprehensive income	686,337,286	624,011,593	1,297,020,665	1,452,327,196

The annexed notes 1 to 40 form an integral part of these financial statements. *K*

 MANAGING DIRECTOR	 CHIEF FINANCIAL OFFICER	 CHAIRMAN	 DIRECTOR	 DIRECTOR
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PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	Share Capital	Advance against issue of shares	Statutory reserve *	Surplus / (deficit) on revaluation of investments	Unappropriated profit	Total
Balance as at 01 January 2023	9,905,975,280	5,212,360	1,887,774,675	(546,098,070)	7,952,608,591	19,305,372,836
Profit after taxation for the period ended 30 June 2023	-	-	-	-	1,490,603,616	1,490,603,616
Movement in deficit on revaluation of investments in debt instruments - net of tax	-	-	-	(53,551,718)	-	(53,551,718)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	14,290,355	-	14,290,355
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	984,943	984,943
Total comprehensive income / (loss) - net of tax	-	-	-	(39,261,363)	984,943	(38,276,420)
Transfer to statutory reserve	-	-	298,120,723	-	(298,120,723)	-
Transaction with owners recognized directly in equity						
Advance against issue of shares	-	10,000,000	-	-	-	10,000,000
Balance as at 30 June 2023	9,905,975,280	15,212,360	2,285,895,398	(585,359,433)	9,145,976,427	20,767,700,032
Profit after taxation for the period ended 31 December 2023	-	-	-	-	887,658,336	887,658,336
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	41,196,032	-	41,196,032
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	81,715,828	-	81,715,828
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	1,482,229	1,482,229
Total comprehensive income - net of tax	-	-	-	122,911,860	1,482,229	124,394,089
Transfer to statutory reserve	-	-	177,531,667	-	(177,531,667)	-
Transaction with owners recognized directly in equity						
Advance against issue of shares	-	-	-	-	-	-
Balance as at 31 December 2023	9,905,975,280	15,212,360	2,463,427,065	(462,447,573)	9,857,585,325	21,778,762,457
Profit after taxation for the period ended 30 June 2024	-	-	-	-	1,226,769,142	1,226,769,142
Movement in surplus on revaluation of investments in debt instruments - net of tax	-	-	-	(14,224,113)	-	(14,224,113)
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	-	84,475,636	-	84,475,636
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Total comprehensive income - net of tax	-	-	-	70,251,523	-	70,251,523
Transfer to statutory reserve	-	-	245,353,828	-	(245,353,828)	-
Transaction with owners recorded directly in equity						
Advance against issue of shares	-	100,000,000	-	-	-	100,000,000
Balance as at 30 June 2024	9,905,975,280	115,212,360	2,708,780,893	(392,196,050)	10,838,000,639	23,176,773,122

* 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 40 form an integral part of these financial statements.


MANAGING DIRECTOR


CHIEF FINANCIAL OFFICER


CHAIRMAN


DIRECTOR


DIRECTOR

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		For the half year ended	
		30 June 2024	30 June 2023
		Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,956,051,598	2,334,135,875
Less: Dividend income		(19,775,000)	(14,208,096)
		<u>1,936,276,598</u>	<u>2,319,927,779</u>
Adjustments:			
Depreciation	29	9,485,567	7,531,827
Depreciation on right-of-use assets	29	23,766,151	22,172,220
Amortization	29	1,052,437	799,869
Credit loss allowance and write-offs	31	(84,078,104)	72,579,795
Loss on disposal of property and equipment		(15,389)	-
Finance charges on leased assets	24	8,573,547	9,758,671
Provision for gratuity		13,183,021	9,942,546
Unrealized loss on revaluation of 'FVTPL' securities	26	(32,715,000)	3,840,311
Exchange gain		49,656,586	(881,913,990)
		<u>(11,091,184)</u>	<u>(755,288,751)</u>
		<u>1,925,185,414</u>	<u>1,564,638,828</u>
(Increase) / Decrease in operating assets			
Lendings to financial institutions		1,339,673,432	99,825,849
Advances		(2,207,418,314)	(2,006,307,719)
Others assets (excluding advance taxation)		(847,553,585)	(137,980,055)
		<u>(1,715,298,467)</u>	<u>(2,044,461,925)</u>
Increase/ (Decrease) in operating liabilities			
Borrowings from financial institutions		26,910,538,188	(18,598,019,287)
Deposits		20,085,005	155,912,460
Others liabilities (excluding current taxation)		896,361,550	361,519,234
		<u>26,826,984,743</u>	<u>(18,080,587,593)</u>
Payments against off-balance sheet obligations			
Income tax paid		(803,174,475)	(656,388,546)
Contribution to plan assets		(14,828,893)	(768,400)
		<u>(818,003,368)</u>	<u>(657,156,946)</u>
Net cash flow (used in) / from operating activities		<u>26,218,868,322</u>	<u>(19,217,567,636)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in securities classified as FVOCI		(25,298,242,102)	18,135,954,022
Dividends received		19,775,000	14,208,096
Investments in property and equipment		(30,193,301)	(4,220,962)
Disposal of property and equipment		202,774	-
Net cash flow from / (used in) investing activities		<u>(25,308,457,629)</u>	<u>18,145,941,156</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		(20,328,000)	(23,120,258)
Receipts/ Payments of long term liabilities		(564,958,333)	221,208,334
Issue of share capital		-	-
Advance for issue of share		100,000,000	10,000,000
Net cash flow from / (used in) financing activities		<u>(485,286,333)</u>	<u>208,088,076</u>
Effects of exchange rate changes on cash and cash equivalents		<u>(49,656,586)</u>	<u>881,913,990</u>
Increase in cash and cash equivalents		<u>375,467,774</u>	<u>18,375,586</u>
Cash and cash equivalents at beginning of the year		<u>111,908,548</u>	<u>220,240,475</u>
Cash and cash equivalents at end of the year		<u>487,374,322</u>	<u>238,616,061</u>

The annexed notes 1 to 40 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 (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 02 dated February 09, 2023 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited financial statements for the year ended December 31, 2023.

2.1 STATEMENT OF COMPLIANCE

These condensed interim 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) & the Securities and Exchange Commission of Pakistan (SECP).

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.

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 this standard have not been considered in the preparation of these condensed interim 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 condensed interim financial statements continue to be prepared on the going concern basis.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2023.

3.1 Standards, interpretations of and amendments to published approved accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

There are various other standards, interpretations and amendments to accounting standards as applicable in Pakistan that are not yet effective in the current period. These are not likely to have material effect on the Company's financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements for the year ended December 31, 2023.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements for the year ended December 31, 2023. These risk management policies continue to remain robust and the Company is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with the emerging risks.

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
6 CASH AND BALANCES WITH TREASURY BANKS	Note	-----Rupees-----	
In hand			
Local currency		50,000	14,189
With State Bank of Pakistan in			
Local currency current account	6.1	343,378,733	57,172,179
With National Bank of Pakistan in			
Local currency current account		5,806,737	711,447
Foreign currency current account		309,831	313,238
		<u>349,545,301</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>349,545,301</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.

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
7 BALANCES WITH OTHER BANKS		-----Rupees-----	
In Pakistan			
In current account		386,225	444,266
In deposit account	7.1	4,809,367,853	4,338,645,389
		<u>4,809,754,078</u>	<u>4,339,089,655</u>
Less: Credit loss allowance held against balances with other banks		(29,869)	(102,622)
Balances with other banks - net of credit loss allowance		<u>4,809,724,209</u>	<u>4,338,987,033</u>

7.1 This balance includes Term Deposit Receipt (TDR) amounting to Rs. 4,671,898,633 (2023: Rs. 4,285,394,160), carrying an interest rate of 9.1% (2023: 12.02%) with a maturity of 12 months. The related accrued interest on this TDR is also presented in Note 15.

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
8 LENDINGS TO FINANCIAL INSTITUTIONS		-----Rupees-----	
Reverse repo agreements		546,668,968	1,886,342,400
Less: Credit loss allowance held against lending to financial institutions		-	-
Lendings to financial institutions - net of credit loss allowance		<u>546,668,968</u>	<u>1,886,342,400</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

9 INVESTMENTS

9.1 Investments by type

INVESTMENTS		(Unaudited) 30 June 2024				(Audited) 31 December 2023			
Investments by type	Note	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortized cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
		-----Rupees-----				-----Rupees-----			
FVTPL									
Shares		332,324,989	-	177,389,994	509,714,983	342,333,834	-	193,679,375	536,013,209
		332,324,989	-	177,389,994	509,714,983	342,333,834	-	193,679,375	536,013,209
FVOCI									
Federal Government securities		34,904,987,872	-	(25,835,575)	34,879,152,297	9,031,786,299	-	2,705,804	9,034,492,103
Shares		1,798,163,240	(344,680,027)	(489,041,450)	964,441,763	1,798,163,239	(510,573,902)	(598,042,267)	689,547,070
Non Government debt securities	9.3	7,570,791,004	(567,470,340)	36,586,847	7,039,907,511	8,324,060,975	(459,463,240)	31,363,686	7,895,961,421
		44,273,942,116	(912,150,367)	(478,290,178)	42,883,601,571	19,154,010,513	(970,037,142)	(563,972,777)	17,620,000,594
Amortized cost									
Non Government debt securities		-	-	-	-	-	-	-	-
Total Investments		44,606,267,105	(912,150,367)	(300,900,184)	43,393,216,554	19,496,344,347	(970,037,142)	(370,293,402)	18,156,013,803

9.1.1 Investments given as collateral

Pakistan Investment Bonds

	(Unaudited) 30 June 2024	(Audited) 31 December 2023
	----- Rupees -----	
	19,560,316,950	-

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

9.2 Credit Loss Allowance / provision for diminution in value of investments

Opening Balance

Impact of reclassification due to adoption of IFRS - 9

Impact of remeasurement due to adoption of IFRS - 9

Charge / Reversal

Charge for the period

Reversals for the period

Closing Balance

	(Unaudited) 30 June 2024	(Audited) 31 December 2023
	Rupees	
Opening Balance	970,037,142	1,257,326,164
Impact of reclassification due to adoption of IFRS - 9	-	(798,270,694)
Impact of remeasurement due to adoption of IFRS - 9	-	125,069,589
Charge / Reversal		
Charge for the period	119,531,683	425,243,030
Reversals for the period	(177,418,469)	(39,330,947)
	(57,886,776)	385,912,083
Closing Balance	912,150,367	970,037,142

9.3 Particulars of credit loss allowance against debt securities

Domestic

Performing Stage 1

Underperforming Stage 2

Non-performing Stage 3

Substandard

Doubtful

Loss

Total

	(Unaudited) 30 June 2024	(Audited) 31 December 2023		
	Rupees			
	Outstanding amount	Credit loss allowance held	Outstanding amount	Credit loss allowance held
Performing Stage 1	6,836,704,862	19,295,964	7,655,312,625	38,659,955
Underperforming Stage 2	186,988,694	1,086,918	249,111,890	1,167,100
Non-performing Stage 3	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	547,087,458	547,087,458	419,636,460	419,636,185
Total	7,570,791,004	567,470,340	8,324,060,975	459,463,240

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

10 ADVANCES

	(Unaudited) Performing 30 June 2024	(Audited) 31 December 2023	(Unaudited) Non performing 30 June 2024	(Audited) 31 December 2023	(Unaudited) Total 30 June 2024	(Audited) 31 December 2023
	----- Rupees -----					
Loans, cash credits, running finances, etc.	18,844,556,916	17,076,113,337	1,156,523,014	1,219,523,014	20,001,079,930	18,295,636,351
Islamic Financing and related assets	2,378,793,308	2,025,747,586	110,792,554	111,070,713	2,489,585,862	2,136,818,299
Advances - gross	<u>21,223,350,224</u>	<u>19,101,860,923</u>	<u>1,267,315,568</u>	<u>1,330,593,727</u>	<u>22,490,665,792</u>	<u>20,432,454,650</u>
Credit loss allowance against advances						
- Stage 1	68,683,220	101,059,213	-	-	68,683,220	101,059,213
- Stage 2	237,544,064	179,506,976	-	-	237,544,064	179,506,976
- Stage 3	-	-	1,234,830,836	1,297,164,432	1,234,830,836	1,297,164,432
	<u>306,227,284</u>	<u>280,566,189</u>	<u>1,234,830,836</u>	<u>1,297,164,432</u>	<u>1,541,058,120</u>	<u>1,577,730,621</u>
Advances - net of credit loss allowance	<u>20,917,122,940</u>	<u>18,821,294,734</u>	<u>32,484,732</u>	<u>33,429,295</u>	<u>20,949,607,672</u>	<u>18,854,724,030</u>

10.1 Particulars of advances (Gross)

In local currency

(Unaudited) 30 June 2024	(Audited) 31 December 2023
----- Rupees -----	
<u>22,490,665,792</u>	<u>20,432,454,650</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

10.2 Advances include Rs.1,267.3 million (2023: Rs.1,330.5 million) which have been placed under non-performing / Stage 3 status as detailed below:-

		(Unaudited)		(Audited)	
		30 June 2024		31 December 2023	
		Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
Category of Classification in stage 3		Rupees			
Domestic					
Other Assets Especially Mentioned (OAEM)	Stage 3	110,792,654	78,307,822	111,070,713	77,641,418
Substandard	Stage 3	-	-	-	-
Doubtful	Stage 3	-	-	-	-
Loss	Stage 3	1,156,523,014	1,156,523,014	1,219,523,014	1,219,523,014
		<u>1,267,315,568</u>	<u>1,234,830,836</u>	<u>1,330,593,727</u>	<u>1,297,164,432</u>

10.3 Particulars of credit loss allowance against advances

		(Unaudited)				(Audited)			
		30 June 2024				31 December 2023			
		Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
		Rupees							
Opening balance		101,059,213	179,506,976	1,297,164,432	1,577,730,622	194,410,089	25,010,538	1,088,353,996	1,307,774,623
Impact of IFRS 9		-	-	-	-	(105,189,369)	126,096,930	151,377,030	172,284,592
Charge for the period		15,199,896	58,037,088	-	73,236,984	40,915,429	38,807,137	104,100,072	183,822,638
Reversals		(47,575,889)	-	(62,333,597)	(109,909,486)	(29,076,936)	(10,407,629)	(46,666,666)	(86,151,231)
		(32,375,993)	58,037,088	(62,333,597)	(36,672,502)	11,838,493	28,399,508	57,433,406	97,671,407
Amounts written off		-	-	-	-	-	-	-	-
Closing balance		<u>68,683,220</u>	<u>237,544,064</u>	<u>1,234,830,836</u>	<u>1,541,058,120</u>	<u>101,059,213</u>	<u>179,506,976</u>	<u>1,297,164,432</u>	<u>1,577,730,621</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024

10.4 Advances - Particulars of credit loss allowance

	(Unaudited) 30 June 2024				(Audited) 31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rupees							
10.4.1 Opening Balance	101,059,213	179,506,976	1,297,164,432	1,577,730,622	194,410,089	25,010,538	1,088,353,996	1,307,774,623
Impact of IFRS 9	-	-	-	-	(105,189,369)	126,096,930	151,377,030	172,284,592
New Advances	13,392,793	32,860,105	-	46,252,898	26,576,043	-	-	26,576,043
Advances derecognised or repaid	(33,034,455)	-	(62,333,596)	(95,368,051)	(48,493,495)	(17,567,113)	(46,666,666)	(112,727,274)
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	(8,169,604)	8,169,604	-	-	(7,159,484)	7,159,484	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
	(27,811,266)	41,029,709	(62,333,596)	(49,115,153)	(29,076,936)	(10,407,629)	(46,666,666)	(86,151,231)
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	(4,564,728)	17,007,379	-	12,442,651	40,915,429	38,807,137	104,100,072	183,822,638
Charge for the period	-	-	-	-	-	-	-	-
Closing Balance	68,683,220	237,544,084	1,234,830,836	1,541,058,120	101,059,213	179,506,976	1,297,164,432	1,577,730,621

10.4.2 Advances - Category of Classification

Domestic	
Performing	Stage 1
Underperforming	Stage 2
Non-performing	Stage 3
Other Assets especially mentioned	
Substandard	
Doubtful	
Loss	

(Unaudited) 30 June 2024		(Audited) 31 December 2023	
Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
Rupees			
17,988,641,397	68,683,220	16,614,136,061	101,059,213
3,234,708,827	237,544,064	2,487,724,862	179,506,976
110,792,554	78,307,822	111,070,713	77,641,418
-	-	-	-
-	-	-	-
1,156,523,014	1,156,523,014	1,219,523,014	1,219,523,014
22,490,665,792	1,541,058,120	20,432,454,650	1,577,730,621

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2024

	Note	(Unaudited) 30 June 2024	(Audited) 31 December 2023
		-----Rupees-----	
11 PRPOERTY AND EQUIPMENT			
Capital work-in-progress	11.1	768,400	768,400
Property and equipment	11.2	206,931,782	186,397,873
		<u>207,700,182</u>	<u>187,166,273</u>
11.1 Capital work-in-progress			
Advances to suppliers		<u>768,400</u>	<u>768,400</u>
		(Unaudited) 30 June 2024	(Unaudited) 30 June 2023
		-----Rupees-----	
11.2 Additions to property and equipment			
The following additions have been made to Property and Equipment during the period:			
Capital work-in-progress			
-			
Property and equipment			
Furniture and fixture		391,920	788,643
Vehicles		29,233,860	-
Electrical office and computer equipment		567,521	3,209,194
		<u>30,193,301</u>	<u>3,997,837</u>
		<u>30,193,301</u>	<u>3,997,837</u>
11.3 Disposal of property and equipment			
The net book value of Property and Equipment disposed off during the period is as follows:			
Property and equipmnet			
Electrical office and computer equipment		<u>187,385</u>	-
		(Unaudited) 30 June 2024	(Audited) 31 December 2023
12 RIGHT-OF-USE ASSETS		Building	Building
		-----Rupees-----	
At 01 January			
Cost		317,481,395	288,804,003
Accumulated Depreciation		(177,573,741)	(131,308,377)
Net Carrying amount at 01 January		<u>139,907,654</u>	<u>157,495,626</u>
Additions during the year		-	28,677,392
Deletions during the period		-	-
Depreciation charge for the period		(23,766,151)	(46,265,364)
Net Carrying amount at 30 June / 31 December		<u>116,141,503</u>	<u>139,907,654</u>
13 INTANGIBLE ASSETS			
Computer Software		<u>3,599,203</u>	<u>4,651,640</u>
		(Unaudited) 30 June 2024	(Unaudited) 30 June 2023
		-----Rupees-----	
13.1 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Directly purchased		-	4,839,000

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		(Unaudited)	(Audited)
		30 June 2024	31 December 2023
		-----Rupees-----	
14 DEFERRED TAX ASSETS / (LIABILITIES)	Note		
Deductible Temporary Differences on			
- Post retirement employee benefits		2,342,248	2,342,248
- Provision for diminution in the value of FVOCI		134,425,211	199,123,813
- Liabilities against assets subject to lease		43,027,111	47,611,347
- Credit loss allowance / provision against advances, off balance sheet etc.		733,031,057	701,082,990
- Revaluation of Investments - FVOCI		86,094,126	101,525,204
- Effective interest rate and modification loss		85,330,582	91,725,789
- Capital Losses		12,430,358	12,263,527
		1,096,680,693	1,155,674,919
Taxable Temporary Differences			
- Accelerated tax depreciation		(38,049,348)	(47,550,477)
- Revaluation of investments - FVPL		(9,284,625)	(13,466,250)
- Unrealized exchange gain		(969,441,307)	(988,807,376)
		(1,016,775,280)	(1,049,824,103)
		79,905,413	105,850,816
15 OTHER ASSETS			
Income / mark-up accrued in local currency		1,694,561,921	773,434,836
Income / mark-up accrued in foreign currency		11,809,522	274,722,335
Advances, deposits, advance rent and other prepayments		97,078,635	87,165,794
Receivable against fee, commission and advisory services		28,798,456	28,769,995
Advance taxation (payments less provisions)		197,112,288	112,705,946
Receivable against rent		-	1,836,073
Deferred fair value loss on derecognition of financial asset	15.1	181,405,617	-
Others		1,442,177	1,613,710
		2,212,208,616	1,280,248,689
Less: Credit loss allowance held against other assets		27,720,001	27,720,001
Other assets (Net of credit loss allowance)		2,184,488,615	1,252,528,688
<p>15.1 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 27.1 to these unconsolidated financial statements.</p>			
		(Unaudited)	(Audited)
		30 June 2024	31 December 2023
		-----Rupees-----	
16 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Renewable Energy Power Projects (REPP)		10,736,991	20,573,361
Long Term Finance Facility (LTFF)		1,507,179,953	1,576,239,004
Temporary Economic Relief Facility (TERF)		881,735,336	920,775,386
		2,399,652,280	2,517,587,751
Borrowing from financial institution		-	-
Other borrowings		30,608,153,820	10,903,062,500
Total secured		33,007,806,100	13,420,650,251
Unsecured			
Borrowing from banks		14,303,493,060	8,545,069,054
		47,311,299,160	21,965,719,305
17 DEPOSITS AND OTHER ACCOUNTS			
Customers			
- Term deposits	17.1	390,645,683	370,560,678
<p>17.1 All the deposits are in local currency.</p>			

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

18 LEASE LIABILITIES

	(Unaudited) 30 June 2024	(Audited) 31 December 2023
	-----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	(20,328,000)	(61,971,374)
Interest expense	8,573,547	20,923,951
Outstanding amount at the end of the year	<u>110,325,925</u>	<u>122,080,378</u>

18.1 Contractual maturity of lease liabilities

Not later than one year	42,090,994	45,511,536
Later than one year and upto five years	68,234,931	76,568,842
Over five years	-	-
Total at the year end	<u>110,325,925</u>	<u>122,080,378</u>

This Represents space obtained for Office in Islamabad and a house for chinese staff. These are discounted using incremental borrowing rate ranging from 10.77% to 22.13% (2023: 10.77% to 22.13%). Lease rentals are subject to annual escalation of 10% and 8.34% for chinese staff house and office space respectively.

19 OTHER LIABILITIES

	(Unaudited) 30 June 2024	(Audited) 31 December 2023
	-----Rupees-----	
Mark-up / Return / Interest payable in local currency	1,456,917,817	562,290,223
Accrued expenses	93,783,388	106,667,533
Unearned fee / commission	2,103,417	1,727,467
Withholding tax / sales tax payable	12,045,734	4,040,574
Payable to contribution benefit plan	2,679,643	1,163,611
Payable to defined benefit plan	4,359,893	6,005,764
Credit loss allowance against off-balance sheet obligations	19.1 58,895,308	48,341,383
Others	20,768,530	16,034,017
	<u>1,651,553,730</u>	<u>746,270,572</u>

19.1 Credit loss allowance against off-balance sheet obligations

Opening balance	48,341,383	-
Impact of IFRS 09	-	40,144,133
	<u>48,341,383</u>	<u>40,144,133</u>
Charge for the period	20,883,443	8,197,250
Reversals	(10,329,518)	-
	<u>10,553,925</u>	<u>8,197,250</u>
Amount written off	-	-
Closing balance	<u>58,895,308</u>	<u>48,341,383</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

20 ADVANCE AGAINST ISSUE OF SHARES

This represents difference between amount received and shares issued to Ministry of Finance (MOF). The shares were issued in the ratio of 50:50 to both the sponsors. This amount will be adjusted against next tranche of equity injection.

		(Unaudited)	(Audited)
		30 June 2024	31 December 2023
Note		Rupees	

21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

(Deficit) / surplus on revaluation of

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity

9.1	10,751,272	34,069,490
9.1	(489,041,450)	(598,042,267)
	(478,290,178)	(563,972,777)

Deferred tax on (Deficit) / surplus on revaluation of:

- Securities measured at FVOCI - Debt
- Securities measured at FVOCI - Equity

	(4,192,994)	(13,287,099)
	90,287,122	114,812,303
	86,094,128	101,525,204
	(392,196,050)	(462,447,573)

22 CONTINGENCIES AND COMMITMENTS

Guarantees	22.1	4,777,849,915	4,557,311,625
Commitments	22.2	21,387,066,642	3,598,478,300
Other contingent liability	22.3	168,100,000	168,100,000
		<u>26,333,016,557</u>	<u>8,323,889,925</u>

22.1 Guarantees

Financial guarantees	4,527,849,915	4,057,311,625
Performance guarantees	250,000,000	500,000,000
	<u>4,777,849,915</u>	<u>4,557,311,625</u>

22.2 Commitments

Documentary credits and short term trade related transactions

Letters of credit - -

Commitments in respect of:

Forward government securities transactions - Purchase 19,560,316,950 -

Forward government securities transactions - Sale 8 547,873,311 1,892,655,100

Commitments to extend credits 22.2.1 1,277,856,381 1,704,803,200

Commitment for acquisition of fixed assets 1,020,000 1,020,000

	<u>21,387,066,642</u>	<u>3,598,478,300</u>
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22.2.1 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. 1,277.8 million (2023: Rs. 1,704.8 million).

22.3 Other contingent liability

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.

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		(Unaudited)	
		For the half year ended	
		30 June 2024	30 June 2023
23	MARK-UP / RETURN / INTEREST EARNED	Note ----- Rupees -----	
	Loans and advances	1,962,984,226	1,550,645,215
	Investments	3,144,283,537	3,915,908,791
	Lendings to financial institutions	199,203,337	58,260,583
	Balances with banks	258,790,580	193,986,314
		<u>5,565,261,680</u>	<u>5,718,800,903</u>
23.1	Interest income (calculated using effective interest rate method) recognised on:		
	Financial assets measured at amortised cost	2,420,978,143	1,802,892,112
	Financial assets measured at fair value through OCI	3,144,283,537	3,915,908,791
		<u>5,565,261,680</u>	<u>5,718,800,903</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	36,525,258	71,661,457
	Borrowings	3,297,875,710	3,795,555,021
	Lease liability	8,573,547	9,758,671
		<u>3,342,974,515</u>	<u>3,876,975,149</u>
24.1	Interest expense calculated using effective interest rate method	<u>3,342,974,515</u>	<u>3,876,975,149</u>
25	FEE AND COMMISSION INCOME		
	Credit related fee	3,893,642	1,621,615
	Investment banking fees	1,000,000	4,391,304
	Commission on trade	525,773	398,171
	Commission on guarantees	22,227,182	16,941,748
		<u>27,646,597</u>	<u>23,352,838</u>
26	GAIN / (LOSS) ON SECURITIES		
	Realized	26.1 43,856,316	3,661,479
	Unrealised - Measured at FVPL	9.1 32,715,000	(3,840,311)
		<u>76,571,316</u>	<u>(178,832)</u>
26.1	Realized gain / (loss) on:		
	Federal Government Securities	-	(566,925)
	Shares	43,856,316	4,228,404
		<u>43,856,316</u>	<u>3,661,479</u>
27	NET LOSS ON DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTISED COST		
	Loss on derecognition of financial assets measured at amortised cost	27.1 (4,651,426)	-
		<u>(4,651,426)</u>	<u>-</u>
27.1	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 unconsolidated financial statements.		

		(Unaudited)	
		For the half year ended	
		30 June 2024	30 June 2023
28	OTHER INCOME	----- Rupees -----	
	Rent on property	8,174,568	7,569,047
	Gain on sale of property and equipment - net	15,389	-
	Other income	4,700	-
		<u>8,194,657</u>	<u>7,569,047</u>

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		(Unaudited)	
		For the half year ended	
		30 June 2024	30 June 2023
		----- Rupees -----	
29 OPERATING EXPENSES			
Total Compensation expense		315,949,997	266,184,806
Property expense			
Rent and taxes		876,991	829,961
Insurance		33,876	34,578
Utilities cost		7,504,540	3,883,157
Security		3,691,998	3,165,402
Repair and maintenance		1,972,176	3,384,471
Depreciation		24,501,175	22,907,244
		38,580,756	34,204,813
Information technology expenses			
Software maintenance		1,205,779	1,091,756
Hardware maintenance		165,240	135,530
Amortization		1,052,437	2,248,374
Depreciation		2,738,283	799,869
Network charges		523,410	523,410
		5,685,149	4,798,939
Other operating expenses			
Directors' fees and allowances		-	-
Legal and professional charges		2,072,972	2,065,973
Outsourced services costs		6,668,258	3,607,600
Travelling and conveyance		26,061,625	21,305,948
Insurance		3,022,894	2,428,262
Repair and maintenance		2,723,632	1,263,955
Depreciation		5,998,699	4,548,429
Training and development		27,600	5,719,600
Communication		2,013,294	2,417,267
Stationery and printing		3,210,653	2,331,211
Marketing, advertisement and publicity		2,897,306	2,352,493
Auditors remuneration		2,918,522	2,059,430
Bank charges		210,769	171,442
Entertainment		4,682,254	3,447,890
Others		5,468,849	2,817,365
		67,977,327	56,536,865
		<u>428,193,229</u>	<u>361,725,423</u>
30 OTHER CHARGES			
Penalties imposed by Securities and exchange commission of Pakistan		-	250,000
		-	<u>250,000</u>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

		(Unaudited)	
		For the half year ended	
		30 June 2024	30 June 2023
		----- Rupees -----	
31 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET	Note		
Impairment loss on investments	9.2	(165,893,875)	155,277,350
Credit loss allowance for diminution in value of investments - net	9.2	108,007,099	59,430,933
Credit loss allowance against loans & advances - net	10.3	(36,672,500)	(139,261,012)
Other credit loss allowance - net	7, 15 & 19.1	10,481,172	(2,867,476)
		(84,078,104)	72,579,795
32 TAXATION			
Current		718,768,133	606,691,175
Prior period		-	-
Deferred		10,514,323	236,840,884
		729,282,456	843,532,059
33 BASIC EARNINGS PER SHARE			
Profit for the period		1,226,769,142	1,490,603,616
Weighted average number of ordinary shares		990,597,528	990,597,528
Basic earnings per share - Rupees		1.24	1.50
34 DILUTED EARNINGS PER SHARE			
Diluted earning per share has not been separately presented as the Company does not have convertible instruments in issue.			

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

35 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.

35.1 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).

35.2 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:

	(Unaudited)				
	30 June 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	34,879,152,297	-	34,879,152,297	-	34,879,152,297
Shares	666,795,746	666,795,746	-	-	666,795,746
Preference Shares	356,265,000	356,265,000	-	-	356,265,000
Non-Government Debt Securities	7,039,907,511	-	-	-	-
	42,942,120,554	1,023,060,746	34,879,152,297	-	35,902,213,043
Financial assets - disclosed but not measured at fair value					
Shares	451,096,000	-	-	-	-
Non-Government Debt Securities	-	-	-	-	-
	451,096,000	-	-	-	-
	43,393,216,554	1,023,060,746	34,879,152,297	-	35,902,213,043
Off-balance sheet financial instruments - measured at fair value					
Forward government securities transactions - purchase	19,560,316,950	-	19,560,316,950	-	19,560,316,950
Forward government securities transactions - sale	547,873,311	-	547,873,311	-	547,873,311

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	(Audited)				
	31 December 2023				
	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	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	-	1,892,655,100

35.3 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

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

36 SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities

	Unaudited 30 June 2024				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss					
	-----Rupees-----				
Net mark-up / return / profit	1,713,274,964	122,812,135	98,070,106	288,129,960	2,222,287,165
Inter segment revenue - net	(647,657,000)	(38,198,000)	(45,508,000)	731,363,000	-
Non mark-up income	26,646,597	97,346,317	-	(46,113,356)	77,879,558
Total Income	1,092,264,561	181,960,452	52,562,106	973,379,604	2,300,166,723
Segment direct expenses	(37,900,134)	(12,845,553)	(21,045,280)	(356,402,262)	(428,193,229)
Provisions / Impairment	(87,163,416)	171,241,520	-	-	84,078,104
Profit before tax	967,201,011	340,356,419	31,516,826	616,977,343	1,956,051,599
	Unaudited 30 June 2024				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Balance Sheet					
	-----Rupees-----				
Cash & Bank balances	-	-	546,668,968	5,159,269,510	5,705,938,478
Investments	7,028,951,122	1,485,113,135	34,879,152,297	-	43,393,216,554
Advances					
Performing	21,089,571,772	-	-	133,778,452	21,223,350,224
Credit loss allowance	(306,209,205)	-	-	(18,079)	(306,227,284)
	20,783,362,567	-	-	133,760,373	20,917,122,940
Non-performing	1,266,652,004	-	-	663,564	1,267,315,568
Credit loss allowance	(1,234,167,272)	-	-	(663,564)	(1,234,830,836)
	32,484,732	-	-	-	32,484,732
Others	720,600,801	182,422,667	876,241,107	812,570,341	2,591,834,916
Total Assets	28,565,399,222	1,667,535,802	36,302,062,372	6,105,600,224	72,640,597,620
Borrowings	12,085,965,897	794,603,501	34,430,729,762	-	47,311,299,160
Deposits	126,804,796	-	263,840,887	-	390,645,683
Others	243,765,765	25,742,448	1,204,501,302	287,870,140	1,761,879,655
Total liabilities	12,456,536,458	820,345,949	35,899,071,951	287,870,140	49,463,824,498
Equity	-	-	-	23,176,773,122	23,176,773,122
Total Equity & liabilities	12,456,536,458	820,345,949	35,899,071,951	23,464,643,262	72,640,597,620
Contingencies & Commitments	6,055,706,296	-	20,108,190,261	169,120,000	26,333,016,557

PAK CHINA INVESTMENT COMPANY LIMITED
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	30 June 2023				
	Corporate banking & SME group	Investment Banking group	Treasury	Head Office	Total
Profit & Loss	-----Rupees-----				
Net mark-up / return / profit	1,373,855,246	44,380,816	223,392,004	200,197,688	1,841,825,754
Inter segment revenue - net	(1,290,800,246)	(85,456,000)	(96,991,000)	1,473,247,246	-
Non mark-up income	21,369,892	16,579,135	(566,925)	889,483,037	926,865,139
Total Income	104,424,892	(24,496,049)	125,834,079	2,562,927,971	2,768,690,893
Segment direct expenses	(38,687,000)	(20,361,753)	(16,899,296)	(286,027,375)	(361,975,424)
Provisions	(47,917,287)	(24,662,507)	-	-	(72,579,794)
Profit before tax	17,820,605	(69,520,309)	108,934,783	2,276,900,596	2,334,135,675

	31 December 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	-	345,560,678	-	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

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

37 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:

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	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 period	-	-	30,492,900,392	-	-	13,619,549,090
Repaid during the period	-	-	(31,446,702,392)	-	-	(12,665,747,090)
Closing balance	-	-	-	-	-	953,802,000
Investments						
Opening balance	-	-	439,547,070	-	-	822,705,214
Investment made during the period	-	-	-	-	-	-
Investment redeemed / disposed off during the period	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	(323,271,765)
Revaluation / impairment impact	-	-	274,894,693	-	-	(59,886,379)
Closing balance	-	-	714,441,763	-	-	439,547,070
Advances						
Opening balance	-	60,009,813	289,473,686	-	76,461,653	394,736,843
Addition during the period / year	-	16,974,042	-	-	19,971,683	-
Transferred to other assets	-	-	-	-	(22,489,933)	-
Repaid during the period / year	-	(2,218,736)	(52,631,582)	-	(13,933,590)	(105,263,157)
Closing balance	-	74,765,119	236,842,104	-	60,009,813	289,473,686
Credit loss allowance held against advances	-	4,203	43,567,008	-	6,390	1,292,941

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	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 period / year	-	11,225,958	-	-	20,252,381	-
Repaid during the period / year	-	(178,442)	-	-	-	-
Amortized during the period / year	-	(1,799,308)	-	-	(7,922,314)	-
Closing balance	-	44,068,208	-	-	34,820,000	-
Interest / mark-up accrued	-	-	-	-	-	4,708,904
Receivable from staff contributed fund	-	-	5,238,843	-	-	-
Receivable from staff retirement fund	-	-	16,256,005	-	-	-
Other receivable	-	1,399,656	2,988,372	-	8,000	4,824,445
	-	1,399,656	24,483,220	-	8,000	9,533,349
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	4,467,819,921	-	-	37,443,072,237
Settled during the period	-	-	(4,467,819,921)	-	-	(37,443,072,237)
Closing balance	-	-	-	-	-	-
Deposits						
Opening balance	-	-	236,340,203	-	-	203,420,313
Received during the period / year	-	-	1,420,854,136	-	-	1,365,260,431
Withdrawn during the period / year	-	-	(1,393,353,452)	-	-	(1,332,340,541)
Closing balance	-	-	263,840,887	-	-	236,340,203
Other Liabilities						
Interest / mark-up payable	-	-	10,120,778	-	-	7,101,927
Payable to staff contribution fund	-	-	1,439,237	-	-	2,334,705
Payable to staff retirement fund	-	-	4,359,893	-	-	6,005,764
Other liabilities	33,184,609	6,802,782	114,951,740	-	27,504,004	108,192,209
	33,184,609	6,802,782	130,871,648	-	27,504,004	123,634,605

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

	30 June 2024 (Unaudited)			30 June 2023 (Unaudited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	-----Rupees-----					
Income						
Mark-up / return / interest earned	-	3,879,012	74,086,824	-	2,875,760	48,663,801
Expense						
Mark-up / return / interest paid	55,037	55,037	38,696,084	184,736	184,736	8,650,250
Operating expenses						
Charge for defined benefit plan	1,105,092	3,785,466	20,334,815	385,902	4,178,322	5,378,322
Charge for contribution plan	2,351,028	1,816,494	11,009,003	1,134,120	2,452,704	3,286,022
Salaries	38,791,953	36,023,859	-	18,712,980	40,469,582	-
Bonus expense	12,922,018	18,653,058	-	6,485,147	22,711,816	-
Overseas allowances	5,853,891	-	-	5,844,358	-	-
Leave fair assistance & Encashment	3,035,768	3,217,659	-	-	4,703,137	-
Tax borne by employer	18,817,818	7,576,917	-	17,883,085	7,185,807	-
Others	8,933,699	15,698,237	3,628,850	7,858,652	19,736,595	1,871,663
Depreciation expense on lease hold building	4,170,095	4,170,095	31,113,091	1,378,607	1,378,607	13,900,579

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. 6.1 million (2023: 1.03 million), Rs. 901.8 million (2023: 900 million), Rs. 409.5 million (2023: 462.1 million) Rs. Nil (2023: nil) respectively, and income earned on deposits, advances, investment and lendings and interest expense on borrowings amounted to Rs. 118.2 million (2023: 236.9 million), Rs. 95 million (2023: 114.1 million), Rs. 37.6 million (2023: 3.1 million) and Rs. 10 million (2023: 159.6 million) respectively.

- 37.1 This includes an equity investment of Rs. 513.345 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 Deli-JW Glassware Company Limited, which is related to the Company by virtue of common directorship.

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PAK CHINA INVESTMENT COMPANY LIMITED
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FOR THE PERIOD ENDED 30 JUNE 2024

	Unaudited 30 June 2024	Audited 31 December 2023
38 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
38.1 Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	9,905,975,280	9,905,975,280
38.2 Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	20,504,444,405	17,921,664,535
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	20,504,444,405	17,921,664,535
Risk Weighted Assets (RWAs):		
Credit Risk	22,553,232,786	24,330,515,084
Market Risk	14,516,070,519	7,108,868,449
Operational Risk	6,318,958,033	4,267,725,030
Total	43,388,261,338	35,707,108,573
Common Equity Tier 1 Capital Adequacy ratio	47.26%	50.19%
Tier 1 Capital Adequacy Ratio	47.26%	50.19%
Total Capital Adequacy Ratio	47.26%	50.19%
38.3 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%
38.4 Leverage Ratio (LR):		
Eligible Tier-1 Capital	20,504,444,405	17,921,664,535
Total Exposures	86,653,630,520	65,221,374,611
Leverage Ratio	23.66%	27.48%
Minimum Requirement	3.00%	3.00%
38.5 Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	15,586,041,548	12,520,563,063
Total Net Cash Outflow	7,186,491,472	883,392,376
Liquidity Coverage Ratio	216.60%	1417.33%
38.6 Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	30,063,084,537	29,149,810,210
Total Required Stable Funding	23,971,771,654	23,371,955,616
Net Stable Funding Ratio	125.41%	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-june-24.pdf>

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PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 JUNE 2024

39 GENERAL

39.1 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.

39.2 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.

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

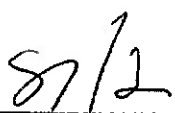
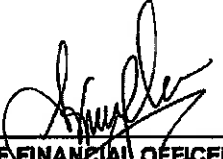

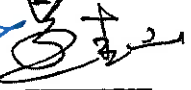

39.4 The credit rating company limited has issued a long term credit rating of AAA, and the short term rating of A1+, for the Company.

40 DATE OF AUTHORIZATION

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

04 DEC 2025

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 _____ MANAGING DIRECTOR	 _____ CHIEF FINANCIAL OFFICER	 _____ CHAIRMAN	 _____ DIRECTOR	 _____ DIRECTOR
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