



Condensed Interim Financial Statements

For the quarter ended 31 March 2015

Pak China Investment Company Limited
Condensed Interim Statement of Financial Position
As at March 31, 2015

	Note	(Un-audited) March 31, 2015	Audited December 31, 2014
ASSETS			
Cash and balances with treasury banks	8	35,856,797	51,866,670
Balances with other banks	9	1,866,621,885	1,882,251,126
Lending's to financial institutions		-	-
Investments	10	10,390,746,939	11,288,944,291
Advances	11	6,437,094,986	5,956,904,391
Operating fixed assets	12	194,969,855	199,423,479
Deferred tax assets		29,361,387	42,618,010
Other assets		466,500,795	585,565,449
		19,421,152,644	20,007,573,416
LIABILITIES			
Bills payable		-	-
Borrowings	13	5,900,839,749	6,741,689,007
Deposits and other accounts		250,000,000	250,000,000
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		78,129,681	68,022,634
		6,228,969,430	7,059,711,641
NET ASSETS		13,192,183,214	12,947,861,775
REPRESENTED BY			
Share capital		9,116,400,000	9,116,400,000
Reserve		766,390,399	729,567,931
Unappropriated profit		3,063,270,726	2,915,980,853
		12,946,061,125	12,761,948,784
Surplus on revaluation of available for sale securities - net of tax		246,122,089	185,912,991
		13,192,183,214	12,947,861,775

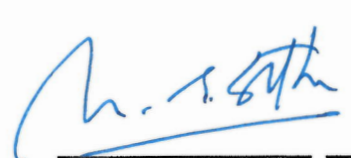

CONTINGENCIES AND COMMITMENTS

14

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.


Chairman



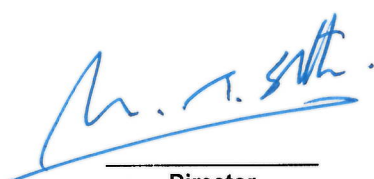


Managing Director

 
Director Director

Pak China Investment Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the quarter ended March 31, 2015

	March 31, 2015	March 31, 2014
	For the quarter ended	For the quarter ended
Mark-up / return / interest earned	439,718,121	301,394,669
Mark-up / return / interest expensed	(136,735,279)	(5,948,060)
Net mark-up / interest income	302,982,842	295,446,609
Provision against non-performing loans and advances	31,383,292	25,111,273
Provision for diminution in the value of investments	9,710,000	19,139,000
	41,093,292	44,250,273
Net mark-up / interest income after provisions	261,889,550	251,196,336
NON MARK-UP/INTEREST INCOME		
Fee, commission and brokerage income	675,000	1,700,000
Dividend income	-	-
Exchange gain / (Loss)	20,136,794	(127,578,290)
Gain on sale of available for sale securities	49,181,451	-
Other income	2,106,000	1,950,000
Total non mark-up / interest income	72,099,245	(123,928,290)
NON MARK-UP/INTEREST EXPENSES		
Administrative expenses	71,742,313	80,637,672
impairment loss	2,500,000	-
Other provisions / write offs	-	-
Other charges	-	-
Total non mark-up / interest expenses	74,242,313	80,637,672
PROFIT BEFORE TAXATION	259,746,482	46,630,374
Taxation		
- Current	73,402,778	67,419,553
- Prior years	-	-
- Deferred	2,231,363	(51,565,226)
	75,634,141	15,854,327
PROFIT AFTER TAXATION	184,112,341	30,776,047
Earning per share (Rupees)	0.20	0.03

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.

 Chairman	 Managing Director	 Director	 Director
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Pak China Investment Company Limited

Condensed Interim Statement of Comprehensive Income (Unaudited)

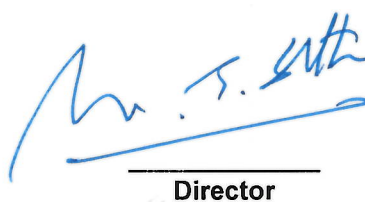
For the quarter ended March 31, 2015

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
	<u>For the</u>	<u>For the</u>
	<u>quarter</u>	<u>quarter</u>
	<u>ended</u>	<u>ended</u>
	<hr/> <div>----- (Rupees) -----</div> <hr/>	
Profit after tax for the period	184,112,341	30,776,047
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>184,112,341</u></u>	<u><u>30,776,047</u></u>

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.


Chairman


Managing Director


Director


Director

Pak China Investment Company Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the quarter ended March 31, 2015

	March 31, 2015	March 31, 2014
	For the quarter ended	For the quarter ended
	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	259,746,482	46,630,374
Adjustments for :		
Depreciation	4,590,415	5,610,508
Amortization	-	-
Provision for diminution in value of investments	9,710,000	19,139,000
Provision against non-performing loans and advances	31,383,292	25,111,273
Impairment loss on available for sale investments	2,500,000	-
Provision for gratuity	2,173,941	2,481,408
	310,104,130	98,972,563
(Increase) / decrease in operating assets		
Lending's to financial institutions	-	322,224,225
Advances	(511,573,887)	(70,006,605)
Other assets	132,702,925	(24,215,578)
	(378,870,962)	228,002,042
Increase / (decrease) in operating liabilities		
Borrowings	(840,849,258)	(25,028,058)
Other liabilities	3,973,912	4,794,253
	(836,875,346)	(20,233,805)
	(905,642,178)	306,740,800
Gratuity paid	(3,175,500)	-
Income tax paid	(79,906,356)	(77,348,037)
	(83,081,856)	(77,348,037)
<i>Net cash generated from / (used in) operating activities</i>	(988,724,034)	229,392,763
CASH FLOW FROM INVESTING ACTIVITIES		
Investment realized / (made) during the period - net	957,221,711	(383,303,550)
Capital expenditure	(136,791)	(110,745)
<i>Net cash used in investing activities</i>	957,084,920	(383,414,295)
CASH FLOW FROM FINANCING ACTIVITIES		
Deposit for issue of share capital	-	-
<i>Net cash flow from financing activities</i>	-	-
Increase/(decrease) in cash and cash equivalents	(31,639,114)	(154,021,532)
Cash and cash equivalents at beginning of the period	1,934,117,796	1,925,065,052
Cash and cash equivalents at end of the period	1,902,478,682	1,771,043,520

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.


Chairman


Managing Director


Director


Director

Pak China Investment Company Limited

Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2015

	Issued, subscribed and paid up capital	Statutory reserve	Unappropriated profit	Total
	(Rupees)			
Balance as at January 01, 2014	9,116,400,000	635,212,571	2,538,559,412	12,290,171,983
Profit for the quarter	-	-	30,776,047	30,776,047
Transfer to statutory reserve	-	6,155,209	(6,155,209)	-
Balance as at March 31, 2014	9,116,400,000	641,367,780	2,563,180,250	12,320,948,030
Profit for the period	-	-	438,633,345	438,633,345
Other comprehensive income	-	-	2,367,409	2,367,409
Total comprehensive income for the period	-	-	441,000,754	441,000,754
Transfer to statutory reserve	-	88,200,151	(88,200,151)	-
Balance as at December 31, 2014	9,116,400,000	729,567,931	2,915,980,853	12,761,948,784
Profit for the period ended March 31, 2015	-	-	184,112,341	184,112,341
Transfer to statutory reserve	-	36,822,468	(36,822,468)	-
Balance as at March 31, 2015	9,116,400,000	766,390,399	3,063,270,726	12,946,061,125

The annexed notes 1 to 16 form an integral part of this condensed interim financial statements.


Chairman


Managing Director


Director


Director

Pak China Investment Company Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended March 31, 2015

1 LEGAL STATUS AND OPERATIONS

Pak China Investment Company Limited ("the Company") was incorporated in Pakistan as a limited company on July 27, 2007. 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 China' and 'Government of Pakistan' through China Development Bank and Ministry of Finance respectively. The objective of the Company is to invest in infrastructure projects, both directly and through establishment of various subsidiary companies.

The Company has commenced business after obtaining Certificate of Commencement of Business from Securities and Exchange Commission of Pakistan on 02 November 2007 and permission to commence business from State Bank of Pakistan on 10 January 2008. The Federal Government of Pakistan specified the name of the Company for the purposes of section 3(A) of the Banking Companies Ordinance, 1962 on 15 December 2007.

2 BASIS OF PREPARATION

The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and this condensed interim financial information should be read in conjunction with the financial statements of the Company for the period ended December 31, 2014.

This condensed interim financial information is unaudited and is being submitted to shareholders as required by the State Bank of Pakistan. Comparative statement of financial position is extracted from audited financial statements for the period ended December 31, 2014, whereas comparative profit and loss account, comparative statement of comprehensive income, comparative cash flow statement and statement of changes in equity are extracted from the books of accounts of the Company for the period ended March 31, 2014.

3 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the State Bank of Pakistan (SBP). In case requirements differ, the provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984 and the directives issued by the SBP shall prevail.

The State Bank of Pakistan (SBP) vide its BSD Circular Letter No. 11 dated September 11, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Non-Banking Financial Institutions (NBFIs) till further instructions. Further, according to the notification of SECP, SRO 411(I)/2008 dated April 28, 2008, the IFRS 7, Financial Instruments: Disclosures has not been made applicable for DFIs. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

Pak China Investment Company Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended March 31, 2015

4 ESTIMATES

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to financial statements for the year ended December 31, 2014.

5 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention, except that certain investments and balances with treasury banks in foreign currency current account have been carried at revalued amounts.

6 SUMMARY OF SIGNIFICANT POLICIES

The accounting policies and method of computation followed for in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the period ended December 31, 2014.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the period ended December 31, 2014.

Pak China Investment Company Limited

Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended March 31, 2015

8	CASH AND BALANCES WITH TREASURY BANKS	Note	(Un-audited) March 31, 2015	(Audited) December 31, 2014
			------(Rupees)-----	
	Cash in hand in local currency		25,000	22,735
	With State Bank of Pakistan in local currency current account		32,160,121	50,524,073
	With National Bank of Pakistan in local currency current account		3,671,676	1,319,862
			<u>35,856,797</u>	<u>51,866,670</u>

9 BALANCES WITH OTHER BANKS

In Pakistan		
- Local currency current accounts	1,156,429	16,949,201
- Local currency deposit accounts	7,388,549	27,361,812
- Foreign currency deposit accounts	1,858,076,907	1,837,940,113
	<u>1,866,621,885</u>	<u>1,882,251,126</u>

10 INVESTMENTS

	Held by the Company Rupees	Given as collateral Rupees	Total Rupees
As at March 31, 2015 (Un-audited)	7,195,651,339	3,195,095,600	10,390,746,939
As at December 31, 2014 (Audited)	<u>7,248,914,291</u>	<u>4,040,030,000</u>	<u>11,288,944,291</u>

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	------(Rupees)-----	

10.1 INVESTMENTS BY TYPE

Available-for-sale securities		
- Market treasury bills	4,323,310,000	4,223,232,000
- Pakistan Investment Bonds	3,685,110,000	4,722,718,700
- Term Finance Certificates	1,236,952,113	1,246,541,063
- Ordinary shares of listed companies	95,747,704	98,247,704
- Mutual funds	650,000,000	650,000,000
- Sukuk certificates - secured	423,330,550	433,432,610
	<u>10,414,450,367</u>	<u>11,374,172,077</u>
Investment at cost	10,414,450,367	11,374,172,077
Less: Provision for diminution in value of investments	306,163,305	296,453,305
	<u>10,108,287,062</u>	<u>11,077,718,772</u>
Surplus on revaluation of available for sale securities	282,459,877	211,225,519
	<u>10,390,746,939</u>	<u>11,288,944,291</u>

11 ADVANCES

Loans, cash, credits, running finances, etc.		
Inside Pakistan	7,040,735,631	6,521,770,747
Staff loans	24,932,259	32,323,256
Advance- gross	<u>7,065,667,890</u>	<u>6,554,094,003</u>
Provision for non-performing advances		
-Specific provision	503,004,185	482,004,185
-General provision	125,568,719	115,185,427
	<u>628,572,904</u>	<u>597,189,612</u>
	<u>6,437,094,986</u>	<u>5,956,904,391</u>

Pak China Investment Company Limited
Notes to the Condensed Interim Financial Information (Un-audited)
For the quarter ended March 31, 2015

- 11.1 Advances include Rs. 762.3 million (December 31, 2014: Rs. 762.5 million) which have been placed under non-performing status as detailed below:

March 31, 2015 (Un-audited)				
Rupees				
Category of classification	Classified Advances			Provision held
	Domestic	Overseas	Total	
Doubtful	379,799,396	-	379,799,396	158,361,185
Loss	382,500,000	-	382,500,000	344,643,000
	<u>762,299,396</u>	<u>-</u>	<u>762,299,396</u>	<u>503,004,185</u>

December 31, 2014 (Audited)				
Rupees				
Category of classification	Classified Advances			Provision held
	Domestic	Overseas	Total	
Doubtful	379,999,396	-	379,999,396	158,361,185
Loss	382,500,000	-	382,500,000	323,643,000
	<u>762,499,396</u>	<u>-</u>	<u>762,499,396</u>	<u>482,004,185</u>

12 OPERATING FIXED ASSETS	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	------(Rupees)-----	
Opening written down value	199,423,479	218,912,459
Additions	136,791	2,311,054
Deletions	-	(1,226,111)
Depreciation - net	(4,590,415)	(20,573,923)
Closing written down value	<u>194,969,855</u>	<u>199,423,479</u>

13 BORROWINGS	(Un-audited) March 31, 2015	(Audited) December 31, 2014
In Pakistan	<u>5,900,839,749</u>	<u>6,741,689,007</u>

13.1 Details of borrowings - secured / unsecured

Secured			
Short-term			
Repurchase agreement borrowings		3,206,448,400	3,999,269,600
Long-term			
Borrowing from SBP under FFSAP	13.2	49,326,349	57,547,407
Borrowing from SBP under LTFF	13.3	168,065,000	184,872,000
		<u>3,423,839,749</u>	<u>4,241,689,007</u>
Unsecured			
Short-term			
Call money borrowing from a financial institution		2,477,000,000	2,500,000,000
		<u>5,900,839,749</u>	<u>6,741,689,007</u>

- 13.2 This represents a Financing Facility for Storage of Agricultural Produce (FFSAP) on concessional rates, to develop the agricultural produce, marketing and to enhance storage capacity. The loan availed under the facility shall be repayable within a maximum period of seven years including a maximum grace period of six months and mark-up payable at 6.5% per annum.

- 13.3 This represents a Long Term Finance Facility for Imported and Locally Manufactured Plant and Machinery on concessional rates, to promote industrial growth leading to exports. The loan availed under the facility shall be repayable within a maximum period of ten years including a maximum grace period of one and a half years and mark-up payable at 8.4% per annum.

Pak China Investment Company Limited

Notes to the Condensed Interim Financial Information (Un-audited)

For the quarter ended March 31, 2015

14 CONTINGENCIES AND COMMITMENTS	March 31, 2015	December 31, 2014
	<hr/> (Rupees) <hr/>	
Transaction related contingent liabilities	-	-
Trade related contingent liabilities	178,123,216	311,416,840

Commitments

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 the balance sheet date, however, the Company's outstanding irrevocable commitments amounts to Rs.347 million (2014: Rs.436 million).

15 RELATED PARTY TRANSACTIONS

The Company has related party relationship with the entities in which its shareholders have any interest, key management personnel, directors and employees' funds. 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. Transactions with these state-controlled entities are not very significant and impracticable to quantify for disclosure in this interim financial information.

Transactions with related parties which include entities in the which the Company's shareholders have any interest, key management personnel, directors and employees' funds are as follows:

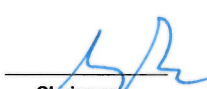
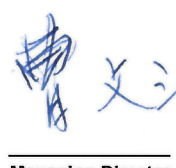
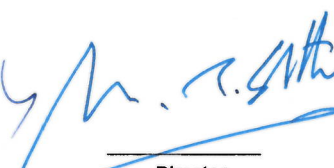
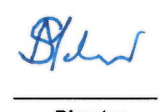
	(Un-audited) March 31, 2015	(Un-audited) March 31, 2013
	<hr/> (Rupees) <hr/>	
Remuneration of key management personal	17,348,855	14,465,255
Directors Fee	616,200	605,400
Payment to provident fund trust	1,458,076	1,203,298
Charge for the period relating to Gratuity Fund trust	2,173,941	2,481,408

16 GENERAL

16.1 This condensed interim financial information was authorized for issue by the Board of Directors of the Company in their meeting held on

24-4-15

16.2 Figures in this condensed interim financial information have been rounded off to the nearest rupee.

 Chairman
 Managing Director
 Director
 Director