

PAK BRUNEI INVESTMENT COMPANY LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2009

PAK BRUNEI INVESTMENT COMPANY LIMITED
BALANCE SHEET - (UN-AUDITED)
AS AT MARCH 31, 2009

		March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
	Note	----- (Rupees in '000') -----	
ASSETS			
Cash and balances with treasury banks		3,029	4,267
Balances with other banks		192,310	14,870
Lendings to financial institutions	6	937,797	1,519,299
Investments	7	3,085,268	2,687,585
Advances	8	1,072,332	1,062,744
Operating fixed assets		42,546	44,334
Deferred tax assets-net		21,385	27,236
Other assets		153,711	168,558
		5,508,378	5,528,893
LIABILITIES			
Bills payable		-	-
Borrowings		-	186,154
Deposits and other accounts		-	-
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		19,911	20,710
Deferred tax liabilities-net		-	-
Other liabilities		57,597	40,869
		77,508	247,733
NET ASSETS		5,430,870	5,281,160
REPRESENTED BY			
Share capital	9	5,000,000	5,000,000
Reserves		97,845	72,602
Unappropriated profit		391,379	290,407
		5,489,224	5,363,009
Deficit on revaluation of securities-net of tax		(58,354)	(81,849)
		5,430,870	5,281,160
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER / PERIOD ENDED MARCH 31, 2009

	Quarter Ended March 31, 2009	Period Ended March 31, 2009	Quarter Ended March 31, 2008	Period Ended March 31, 2008
Note	----- (Rupees in '000') -----			
Mark-up / Return / Interest earned	201,576	201,576	113,291	113,291
Mark-up / Return / Interest expensed	3,800	3,800	20,371	20,371
Net mark-up / Interest income	<u>197,776</u>	<u>197,776</u>	92,920	92,920
Provision against non-performing loans and advances	-	-	-	-
Provision for diminution in the value of investments	29,315	29,315	-	-
Bad debts written off directly	-	-	-	-
	<u>29,315</u>	<u>29,315</u>	-	-
Net mark-up / interest income after provisions	<u>168,461</u>	<u>168,461</u>	92,920	92,920
NON MARK-UP/ INTEREST INCOME				
Fee, commission and brokerage income	2,263	2,263	9,106	9,106
Dividend income	945	945	3,361	3,361
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities	52,103	52,103	24,520	24,520
Unrealized gain / (loss) on revaluation of investments classified as held for trading	677	677	248	248
Other income	-	-	-	-
Total non-mark-up / interest income	<u>55,988</u>	<u>55,988</u>	37,235	37,235
	<u>224,449</u>	<u>224,449</u>	130,155	130,155
NON MARK-UP/ INTEREST EXPENSES				
Administrative expenses	32,185	32,185	30,338	30,338
Other provisions / write offs	-	-	-	-
Other charges	-	-	-	-
Total non-mark-up / interest expenses	<u>32,185</u>	<u>32,185</u>	30,338	30,338
	<u>192,264</u>	<u>192,264</u>	99,817	99,817
Extra ordinary items	-	-	-	-
PROFIT BEFORE TAXATION	<u>192,264</u>	<u>192,264</u>	99,817	99,817
Taxation - Current	66,314	66,314	34,773	34,773
- Prior years	-	-	-	-
- Deferred	(265)	(265)	-	-
	<u>66,049</u>	<u>66,049</u>	34,773	34,773
PROFIT AFTER TAXATION	<u>126,215</u>	<u>126,215</u>	65,044	65,044
Unappropriated profit brought forward	290,407	290,407	112,594	112,594
Profit available for appropriation	<u>416,622</u>	<u>416,622</u>	177,638	177,638
Earnings per share - Basic and diluted (in Rupees)	<u>0.25</u>	<u>0.25</u>	0.17	0.17

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The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

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Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

	Note	Period Ended March 31, 2009	Period Ended March 31, 2008
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		192,264	99,817
Less: Dividend Income		945	3,361
		<u>191,319</u>	<u>96,456</u>
Adjustments for non-cash charges			
Depreciation		2,352	1,679
Amortization		504	302
Provision for diminution in value of investments		23,065	-
Provision against other assets		6,250	-
Unrealized loss/(Gain) on revaluation of HFT		(677)	(248)
Loss/(Gain) on sale of fixed assets		-	675
Finance charges on leased assets		673	881
		<u>32,167</u>	<u>3,289</u>
		<u>223,486</u>	<u>99,745</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		581,502	470,000
Held -for-trading securities		(55,138)	(110,768)
Advances		(9,587)	(842,055)
Other assets		8,892	294,535
		<u>525,669</u>	<u>(188,288)</u>
Increase in operating liabilities			
Borrowings		(186,154)	(211,740)
Deposits and other accounts		-	-
Other liabilities (excluding current taxation)		(995)	360
		<u>(187,149)</u>	<u>(211,380)</u>
		<u>562,006</u>	<u>(299,923)</u>
Financial charges paid		(703)	(420)
Income tax paid		(48,592)	(29,350)
Net cash used in operating activities		<u>512,711</u>	<u>(329,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(334,644)	(895,111)
Dividend income received		-	1,650
Investments in operating fixed assets		(1,066)	(591)
Proceeds from disposal of fixed assets		-	10,787
Net cash used in investing activities		<u>(335,710)</u>	<u>(883,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease obligations		(799)	(506)
Proceeds from issue of share capital		-	1,000,000
Net cash flows from financing activities		<u>(799)</u>	<u>999,494</u>
Increase in cash and cash equivalents		<u>176,202</u>	<u>(213,464)</u>
Cash and cash equivalents at beginning of the period		19,137	267,721
Cash and cash equivalents at end of the period		<u><u>195,339</u></u>	<u><u>54,257</u></u>

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2008	3,000,000	28,149	112,594	3,140,743
Issue of Share Capital	1,000,000	-	-	1,000,000
Transfer to statutory reserve		13,009	(13,009)	-
Profit after taxation for the period ended March 31, 2008	-	-	65,044	65,044
Total recognised income and expense for the period	-	-	65,044	65,044
Balance as at March 31, 2008	4,000,000	28,149	177,638	4,205,787
Balance as at April 01, 2008	4,000,000	28,149	177,638	4,205,787
Issue of share capital	1,000,000	-	-	1,000,000
Profit after taxation for the quarter ended December 31, 2008	-	-	157,222	157,222
Total recognised income and expense for the period		-	334,860	4,363,009
Transfer to statutory reserve	-	44,453	(44,453)	-
Balance as at December 31, 2008	5,000,000	72,602	290,407	5,363,009
Balance as at January 01, 2009	5,000,000	72,602	290,407	5,363,009
Issue of Share Capital	-	-	-	-
Profit after taxation for the period ended March 31, 2009	-	-	126,215	126,215
Total recognised income and expense for the period	-	-	126,215	126,215
Transfer to statutory reserve	-	25,243	(25,243)	-
Balance as at March 31, 2009	5,000,000	97,845	391,379	5,489,224

The annexed notes 1 to 14 form an integral part of these financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is incorporated as an un-listed public limited company under the Companies Ordinance 1984. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan and the Brunei Investment Agency. The Company's objective interlia includes making investments in the industrial and agri based industrial fields in Pakistan on commercial basis through carrying out of industrial and agri based industrial projects and making of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Khadija Towers, Plot No. 11/5, Block-2, Scheme-5, Clifton, Karachi-Pakistan.

2. STATEMENT OF COMPLIANCE

- 2.1** These financial statements have 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 as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.
- 2.2** The SECP has approved the adoption of International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard 40, "Investment Property". The requirements of these standards have not been taken into account for the purpose of these financial statements as the implementation of the said standards has been deferred by SBP, vide BSD circular letter number 11 dated September 11, 2002, for Non Banking Financial Institutions in Pakistan till further instructions. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 2.3** The disclosures made in these financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparation of these financial statements are same as those applied in preparing the most recent annual financial statements of the Company.

4. ESTIMATES

The preparation of financial statements requires management to make judgement, 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 judgements made by the management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to financial statements for the year ended December 31, 2008.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2008.

	March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
Note	----- (Rupees in '000) -----	-----

6. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings	6.2	290,998	-
Placements	6.3	-	100,000
Certificate of Investments (COIs)/Term deposit receipts (TDRs)	6.4	609,299	1,344,299
Certificate of Musharika	6.5	37,500	75,000
		<u>937,797</u>	<u>1,519,299</u>

6.1 All lendings of the Company are in local currency.

6.2 These are short-term lendings to various financial institutions against government securities. These carry mark-up of 14.90% (December 31, 2008: NIL) per annum and maturing April 01, 2009.

6.3 The profit rate on placement is NIL (December 31, 2008: 18% to 13.00%) .

6.4 The profit rate on these COIs and TDRs ranges between from 14.50% and 16.10% (December 31, 2008: 10.15% to 19%) per annum and maturing on various dates, latest by October 08, 2012.

6.5 The profit rate on certificate of musharaka is 15.52% (December 31, 2008: 11.11%) per annum and maturing on May 07, 2009.

7. INVESTMENTS

		Held by Bank	Given as collateral	Total
	Rupees in '000'		
Current period (March 31, 2009) - Un-audited	7.1	<u>3,085,268</u>	<u>-</u>	<u>3,085,268</u>
Prior year - Audited (December 31, 2008)	7.1	<u>2,440,389</u>	<u>247,196</u>	<u>2,687,585</u>
Prior year corresponding period - Un-Audited (March 31, 2008)		<u>2,586,364</u>	<u>376,490</u>	<u>2,962,854</u>

March 31, 2009 (Un-audited)			December 31, 2008 (Audited)		
Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
----- (Rupees in '000) -----			----- (Rupees in '000) -----		

7.1 Investments by type:

Held-for-trading securities

Ordinary shares of listed companies	55,815	-	55,815	-	-	-
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Available- for- sale securities

Market Treasury Bills	564,229	-	564,229	196,974	247,196	444,170
Pakistan Investment Bonds	46,787	-	46,787	46,696	-	46,696
Ordinary shares of listed companies	270,308	-	270,308	281,592	-	281,592
Term Finance Certificates and SUKUK	2,309,040	-	2,309,040	2,083,262	-	2,083,262
Mutual funds	28,840	-	28,840	28,840	-	28,840
	3,219,204	-	3,219,204	2,637,364	247,196	2,884,560
Investment at cost	3,275,019	-	3,275,019	2,637,364	247,196	2,884,560
Less: Provision for diminution in value of Investments	(131,986)	-	(131,986)	(108,921)	-	(108,921)
Investments (net of provisions)	3,143,033	-	3,143,033	2,528,443	247,196	2,775,639
Deficit on revaluation of held-for-trading securities	677	-	677	-	-	-
Deficit on revaluation of available-for-sale securities	(58,442)	-	(58,442)	(88,054)	-	(88,054)
Total investments (Net of Provision)	3,085,268	-	3,085,268	2,440,389	247,196	2,687,585

7.2 Particulars of Provision

Opening balance	-	-	108,921	-	-	-
Charge for the year	-	-	23,065	-	-	-
Reversals	-	-	-	-	-	-
Closing Balance	-	-	131,986	-	-	-

March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
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----- (Rupees in '000) -----

8. ADVANCES

Loans, cash credits, running finances, etc. in Pakistan	1,072,332	1,062,744
Financing in respect of Continuous Funding System (CFS)	-	-
	<hr/>	<hr/>
Advances - gross	1,072,332	1,062,744
Less: Provision for non-performing advances	-	-
	<hr/>	<hr/>
Advances - net of provision	<u>1,072,332</u>	<u>1,062,744</u>

March 31, 2009 (Un-audited)	December 31, 2008 (Audited)
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----- (Rupees in '000) -----

9. SHARE CAPITAL

Authorized Capital

600,000,000 (2008: 600,000,000) Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>
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Issued, subscribed and paid up

500,000,000 (2008: 500,000,000) Ordinary shares of Rs. 10 each fully paid in cash	<u>5,000,000</u>	<u>5,000,000</u>
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March 31, 2009 (Un-audited)	December 31, 2007 (Audited)
----- (Rupees in '000) -----	

10. CONTINGENCIES AND COMMITMENTS

10.1 Transaction-related Contingent liability

Standby letter of credit

<u><u>621,574</u></u>	<u><u>447,707</u></u>
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10.2 Commitments for the acquisition of Software

<u><u>973</u></u>	<u><u>1,187</u></u>
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10.3 Commitments to extend credit

<u><u>146,500</u></u>	<u><u>150,000</u></u>
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11. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter Ended March 31, 2009 (Un-audited)	Period Ended March 31, 2009 (Un-audited)	Quarter Ended March 31, 2008 (Un-audited)	Period Ended March 31, 2008 (Un-audited)
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	<u><u>126,215</u></u>	<u><u>126,215</u></u>	<u><u>65,044</u></u>	<u><u>65,044</u></u>
Weighted average number of ordinary shares outstanding during the period (in '000)	<u><u>500,000</u></u>	<u><u>500,000</u></u>	<u><u>392,308</u></u>	<u><u>392,308</u></u>
Basic and diluted earnings per share (Rupees)	<u><u>0.25</u></u>	<u><u>0.25</u></u>	<u><u>0.17</u></u>	<u><u>0.17</u></u>

12. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its employee defined contribution plans and its key management personnel. Transactions between the Company and its related parties are carried out as per terms of employment.

Details of transactions with related parties during the period, are as follows:

	For the period ended March 31, 2009 (Un-Audited)		For the year ended December 31, 2008 (Audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
Rupees in '000'.....			
Advances				
Opening balance	25,465	-	7,024	-
Given during the period	-	-	20,453	-
Repaid during the period	(786)	-	(2,012)	-
As at September 30, 2008	<u>24,679</u>	<u>-</u>	<u>25,465</u>	<u>-</u>

13. DATE OF AUTHORIZATION FOR ISSUE

The interim condensed financial statements were authorized for issue on April 16, 2009 by the Board of Directors of the Company.

14. GENERAL

Figures have been rounded-off to the nearest thousand rupees.

Chief Executive

Director

Director

Chairman