

# **Financial Statement**

**For the period ended March 31, 2008**



**PAK BRUNEI INVESTMENT COPMPANY LTD.**  
**BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31, 2008**

	<i>Note</i>	<b>March 31, 2008</b>	<b>December 31, 2007</b>
<b>Rupees in '000</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		8,073	1,580
Balances with other banks		46,184	266,141
Lendings to financial institutions		994,299	1,464,299
Investments	4	2,962,854	1,956,095
Advances	5	1,096,499	254,444
Operating fixed assets		26,095	38,590
Deferred tax assets		-	-
Other assets	6	86,790	381,325
		5,220,794	4,362,474
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings		938,260	1,150,000
Deposits and other accounts		-	-
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		21,899	20,529
Deferred tax liabilities		1,163	1,163
Other liabilities	7	60,287	54,504
		1,021,609	1,226,196
<b>NET ASSETS</b>		<b>4,199,185</b>	<b>3,136,278</b>
<b>REPRESENTED BY</b>			
Share Capital	8	4,000,000	3,000,000
Reserves		41,158	28,149
Unappropriated/ Unremitted profit		164,629	112,594
		4,205,787	3,140,743
Surplus/ (Deficit) on revaluation of assets		(6,602)	(4,465)
		4,199,185	3,136,278
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

The annexed notes 1 to 15 form an integral part of these accounts.

**President/Chief Executive**

**Director**

**Director**

**Chairman**

**PAK BRUNEI INVESTMENT COMPANY LTD.  
PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2008**

	Quarter ended March 31, 2008	Year to date March 31, 2008	Quarter ended March 31, 2007	Year to date March 31, 2007
<i>Note</i>				
	( Rupees in '000 )			
Mark-up/Return/Interest Earned	113,291	113,291	-	-
Mark-up/Return/Interest Expensed	20,371	20,371	-	-
Net Mark-up/ Interest Income	92,920	92,920	-	-
Provision against non-performing loans and advances	-	-	-	-
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
Net Mark-up/ Interest Income after provisions	92,920	92,920	-	-
<b>NON MARK-UP/INTEREST INCOME</b>				
Fee, Commission and Brokerage Income	9,106	9,106	-	-
Dividend Income	3,361	3,361	-	-
Income from dealing in foreign currencies	-	-	-	-
Gain / (Loss) on sale of securities	24,520	24,520	-	-
Unrealized Gain / (Loss) on revaluation of investments classified as held for trading	248	248	-	-
Other Income	-	-	-	-
Total non-markup/interest Income	37,235	37,235	-	-
	130,155	130,155	-	-
<b>NON MARK-UP/INTEREST EXPENSES</b>				
Administrative expenses	30,338	30,338	-	-
Other provisions/write offs (to be specified)	-	-	-	-
Other charges	-	-	-	-
Total non-markup/interest expenses	30,338	30,338	-	-
Extra ordinary/unusual items (to be specified)	-	-	-	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	99,817	99,817	-	-
Taxation – Current	34,773	34,773	-	-
- Prior years	-	-	-	-
- Deferred	-	-	-	-
<b>PROFIT/(LOSS) AFTER TAXATION</b>	65,044	65,044	-	-
Unappropriated/unremitted profit/(Loss) brought forward	-	-	-	-
Profit available for appropriation/unremitted profit/ (loss)	65,044	65,044	-	-
<b>Basic Earnings/(Loss) per share</b>	0.17	0.17	-	-

The annexed notes 1 to 15 form an integral part of these accounts.

President/Chief Executive

Director

Director

Chairman

**PAK BRUNEI INVESTMENT COMPANY LTD.  
CASH FLOW STATEMENT - (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2008**

<i>Note</i>	<b>March 31, 2008</b>	<b>March 31, 2007</b>
	<b>Rupees in '000</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	99,817	-
Less: Dividend income	(3,361)	-
	96,456	-
Adjustments:		
Depreciation	1,679	-
Amortization	302	-
Unrealized (Gain) / Loss on revaluation of investments classified as held for trading	(248)	-
Loss/ (Gain) on sale of fixed assets	675	-
Finance charges on leased assets	881	-
	3,289	-
	99,745	-
(Increase)/ Decrease in operating assets		
Lendings to financial institutions	470,000	-
Held-for-trading securities	(110,768)	-
Advances	(842,055)	-
Others assets (excluding advance taxation)	294,535	-
	(188,288)	-
Increase/ (Decrease) in operating liabilities		
Bills Payable	-	-
Borrowings from financial institutions	(211,740)	-
Deposits	-	-
Other liabilities (excluding current taxation)	360	-
	(211,380)	-
	(299,923)	-
Financial charges paid	(420)	-
Income tax paid	(29,350)	-
<i>Net cash flow from operating activities</i>	(329,693)	-
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(895,111)	-
Net investments in held-to-maturity securities	-	-
Dividend income received	1,650	-
Investments in operating fixed assets	(591)	-
Sale proceeds of property and equipment disposed-off	10,787	-
<i>Net cash flow from investing activities</i>	(883,265)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Receipts/ Payments of lease obligations	(506)	-
Issue of share capital	1,000,000	-
Dividend paid	-	-
<i>Net cash flow from financing activities</i>	999,494	-
<b>Increase/(Decrease) in cash and cash equivalents</b>	(213,464)	-
Cash and cash equivalents at beginning of the year	267,721	-
Cash and cash equivalents at end of the year	54,257	-

11

The annexed notes 1 to 15 form an integral part of these accounts.

**President/Chief Executive**

**Director**

**Director**

**Chairman**

**PAK BRUNEI INVESTMENT COPMPANY LTD.  
STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2008**

	Share Capital	Capital Reserve (Statutory)	Revenue Reserve	Others	Unappropriated/ Profit/(loss)	Total
-----Rupees in '000-----						
<b>Balance as at January 01, 2006</b>						
Profit for the year	-	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-	-
Transfer to Revenue Reserve	-	-	-	-	-	-
Other appropriations	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
<b>Balance as at December 31, 2006</b>	-	-	-	-	-	-
Profit for the year	-	-	-	-	140,743	140,743
Transfer to Statutory Reserve	-	28,149	-	-	(28,149)	-
Transfer to Revenue reserve	-	-	-	-	-	-
Other appropriations	-	-	-	-	-	-
Issue of share capital	3,000,000	-	-	-	-	3,000,000
<b>Balance as at December 31, 2007</b>	<b>3,000,000</b>	<b>28,149</b>	<b>-</b>	<b>-</b>	<b>112,594</b>	<b>3,140,743</b>
Profit for the period	-	-	-	-	65,044	65,044
Transfer to Statutory Reserve	-	13,009	-	-	(13,009)	-
Transfer to Revenue reserve	-	-	-	-	-	-
Other appropriations	-	-	-	-	-	-
Issue of share capital	1,000,000	-	-	-	-	1,000,000
<b>Balance as at March 31, 2008</b>	<b>4,000,000</b>	<b>41,158</b>	<b>-</b>	<b>-</b>	<b>164,629</b>	<b>4,205,787</b>

The annexed notes 1 to 15 form an integral part of these accounts.

**President/Chief Executive**

**Director**

**Director**

**Chairman**

**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 interalia 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 1st Floor, Razi Tower, Plot No. BC-13, Block-9, Clifton, Karachi-Pakistan.

**2. STATEMENT OF COMPLIANCE**

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 (IASB) as are notified under the Companies Ordinance, 1984, directives issued by the State Bank of Pakistan and SBP's BSD Circular Letter No. 02 dates May 12, 2004, the Banking Companies Ordinance, 1962 and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the requirements of the Banking Companies Ordinance, 1962, the Companies Ordinance, 1984, and the requirements of the directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan take precedence.

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.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Same accounting policies and methods of computation are followed in these financial statements as followed in the annual financial statements for the year ended December 31, 2007.

#### 4. INVESTMENTS

	Held by Company	Given as collateral	Total
	----- Rupees in '000 -----		
Balance as at March 31, 2008	2,586,364	376,490	2,962,854
Balance as at March 31, 2007	-	-	-

##### 4.1 INVESTMENTS BY TYPES:

Held-for-trading securities	212,575	-	212,575
Available-for-sale securities	2,378,794	378,061	2,756,855
Held-to-maturity securities	-	-	-
<b>Investment at cost</b>	<b>2,591,369</b>	<b>378,061</b>	<b>2,969,430</b>
<b>Less: Provision for Diminution in value of Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments (Net of Provisions)</b>	<b>2,591,369</b>	<b>378,061</b>	<b>2,969,430</b>
Surplus/(Deficit) on revaluation of Held-for-trading securities	525	-	525
Surplus/(Deficit) on revaluation of Available-for-sale securities	(5,530)	(1,571)	(7,101)
<b>Total investments at market value</b>	<b>2,586,364</b>	<b>376,490</b>	<b>2,962,854</b>

#### 5. ADVANCES

	March 31, 2008	December 31, 2007
	----- Rupees in '000 -----	
Loans, cash credits, running finances etc		
In Pakistan	1,096,499	254,444
Outside Pakistan	-	-
	1,096,499	254,444
Net investment in finance lease		
In Pakistan	-	-
Outside Pakistan	-	-
	-	-
Bills discounted and purchase		
Payable in Pakistan	-	-
Payable outside Pakistan	-	-
	-	-
	1,096,499	254,444
Provision for non-performing advance	-	-
	1,096,499	254,444

5.1 Advances include Rs. **NIL** which have been placed under non-performing status as detailed below

Category of Classification

	Domestic	Overseas	Total	Provision Required	Provision Held
	----- Rupees in '000s -----				
OAEM	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	-	-	-	-	-

#### 6. OTHER ASSETS

Income/Mark-up accrued in local currency	68,308	17,168
Advance, deposits and other prepayment	10,517	10,318
Receivable against redemption of units of mutual fund	-	353,726
Receivable against insurance claim	7,787	-
Other receivable	178	113
	86,790	381,325

	March 31, 2008	December 31, 2007
	----- Rupees in '000 -----	
<b>7. OTHER LIABILITIES</b>		
Mark-up/ Return/ Interest payable in local currency	4,506	943
Advance against equity	20,016	25,436
Current taxation (provisions less payments)	15,960	10,537
Payable against purchase of shares	5,203	8,369
Accrued expenses	11,865	6,677
Payable to contractors	1,567	1,360
Unearned fee income	887	1,182
Unrealized loss on revaluation of securities	276	-
Others	7	-
	<u>60,287</u>	<u>54,504</u>
<b>8. SHARE CAPITAL</b>		
<b>Authorized Capital</b>		
600,000,000 Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>-</u>
<b>Issued, subscribed and paid up</b>		
400,000,000 Ordinary shares of Rs. 10 each fully paid in cash	<u>4,000,000</u>	<u>-</u>
The Ministry of Finance and Secretary Economic Affairs Division holds 199,997,333 and 2,667 shares respectively on behalf of the Government of Pakistan and remaining 200,000,000 shares are held by the Brunei Investment Agency.		
<b>9. CONTINGENCIES AND COMMITMENTS</b>		
<b>Commitments for underwriting</b>		
Ordinary shares	-	30,750
Preference shares	-	25,000
	<u>-</u>	<u>55,750</u>
Commitments in respect of forward purchase of shares	<u>287,884</u>	<u>-</u>
Commitments in respect of forward sale of shares	<u>200,053</u>	<u>-</u>
Commitments in respect of continuous funding system	<u>-</u>	<u>4,324</u>
Commitments in respect of purchase of term finance certificates	<u>305,000</u>	<u>-</u>
Commitments in respect of sale of term finance certificates	<u>120,000</u>	<u>145,437</u>
<b>10. BASIC EARNINGS/ (LOSS) PER SHARE</b>		
Profit after taxation	<u>65,044</u>	<u>140,743</u>
Weighted average number of ordinary shares (in '000s)	<u>392,308</u>	<u>186,842</u>
Basic earnings per share	<u>0.17</u>	<u>0.75</u>
<b>11. CASH AND CASH EQUIVALENTS</b>		
Cash and Balance with Treasury Banks	8,073	1,580
Balance with other banks	46,184	266,141
	<u>54,257</u>	<u>267,721</u>



**March 31,            December 31,**  
**2008                                  2007**  
**----- Rupees in '000 -----**

**12. RELATED PARTY TRANSACTIONS**

The Company has related party relationship with employee benefit plans and its key management personnel. There are no transactions with key management personnel other than under their terms of employment. Transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment.

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

**Loans to key management personnel**

Opening balance	7,024	-
Given during the period	19,493	7,095
Repaid during the period	(415)	(71)
As at March 31, 2008	26,102	7,024

**Mark-up received on loans to key management personnel**

	237	27
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**Contribution to Provident fund**

	460	314
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**Key management compensation**

Salaries and other benefits	4,744	7,973
Non executive directors' fee, allowances and other expenses	528	3,257
	5,272	11,230

**13. CORRESPONDING FIGURES**

Comparative information has been re-classified/re-arranged in these financial statements, wherever necessary to facilitate comparison.

**14. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

**15. DATE OF AUTHORIZATION**

These financial statements were authorized for the issue on April 28, 2008 by the Board of Directors of the Company.

**President/Chief Executive**

**Director**

**Director**

**Chairman**