



AGENDA BY CIRCULATION

Approval of Quarterly un-Audited Accounts of the Company as of 30th September, 2017

In terms of Banking Supervision Department (BSD) Circular No. 1 dated 7th January, 2004 & BSD Circular Letter No. 7 dated 1st September, 2005, un-audited accounts as of 30th September, 2017.

As per SBP's instructions, these quarterly accounts are to be submitted to SBP within 30 days of close of the quarter, to which it relates i.e. on or before 30th October, 2017.

Since board meeting will not be held before 30th October, 2017 and we have to submit these un-audited quarterly accounts on or before 30th October, 2017, it is requested to accord your approval through agenda by circulation for onward submission to SBP.


SHAZIA KHAN
Company Secretary

Resolution

“Resolved that quarterly un-audited accounts for the quarter ended as of 30th September, 2017 is hereby reviewed and approved by the Board of Directors for timely submission to SBP.”

19-10-2017

1. Mr. Shahid Mahmood
2. Mr. Li Peng
3. Mr. Shahnawaz Mahmood
4. Ms. Liu Hui
5. Ms. Deng Shuang





Chairman

MD/Director

DMD/Director

Director

Director



**Condensed Interim Financial
Statements**


For the Nine Months ended 30 September 2017

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

		30 September 2017 (Un-audited)	31 December 2016 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
Cash and balances with treasury banks		16,932,764	2,080,940,035
Balances with other banks		1,112,292,012	3,086,523,031
Lending's to financial institutions		1,379,239,379	2,647,918,347
Investments	7	4,023,058,767	7,734,253,189
Advances	8	7,801,199,975	6,039,819,501
Operating fixed assets	9	174,083,340	177,302,573
Deferred tax assets	10	95,264,717	131,269,202
Other assets		283,268,229	620,213,706
		14,885,339,183	22,518,239,584
LIABILITIES			
Bills payable		-	-
Borrowings	11	163,907,280	8,196,454,866
Deposits and other accounts		-	-
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		134,828,299	195,701,401
		298,735,579	8,392,156,267
NET ASSETS		14,586,603,604	14,126,083,317
REPRESENTED BY			
Share capital		9,116,400,000	9,116,400,000
Reserve	12	1,085,043,886	977,364,488
Unappropriated profit		4,337,884,670	3,907,167,079
		14,539,328,556	14,000,931,567
Surplus on revaluation of assets - net of tax	13	47,275,048	125,151,750
		14,586,603,604	14,126,083,317
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes, from 1 to 20, form an integral part of these condensed interim financial statements.

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Chairman


Managing Director



Director


Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2017

	Note	30 September, 2017		30 September, 2016	
		For the quarter ended	For the Nine Months ended	For the quarter ended	For the Nine Months ended
		(Rupees)			
Mark-up / return / interest earned	15	59,764,616	947,059,100	318,413,155	857,045,241
Mark-up / return / interest expensed	16	(101,849,338)	(562,945,291)	(107,754,808)	(234,888,102)
Net mark-up / interest income		(42,084,722)	384,113,809	210,658,347	622,157,139
Provision against non-performing loans and advances		2,690,343	(34,088,706)	(7,263,232)	15,826,755
Provision for diminution in the value of investments		-	(71,805,000)	-	-
Bad debts written-off directly		-	-	-	-
		2,690,343	(105,893,706)	(7,263,232)	15,826,755
Net mark-up / interest income after provisions		(44,775,065)	490,007,515	217,921,579	606,330,384
NON MARK-UP/INTEREST INCOME					
Fee, commission and brokerage income		21,627,254	152,405,631	2,192,386	20,588,979
Dividend income		-	-	-	-
Exchange gain / (loss)		4,650,682	6,694,642	505,955	2,210,907
Gain / (Loss) on sale of securities		274,500,910	337,988,904	832,090	186,674,415
Share in profit of associated companies		-	36,375,113	-	-
Other income		2,456,439	7,369,317	821,146	5,415,873
Total non mark-up / interest income		303,235,285	540,833,607	4,351,577	214,890,174
NON MARK-UP/INTEREST EXPENSES					
Administrative expenses		78,043,581	235,474,135	88,570,069	230,407,450
Impairment loss on available for sale investments		-	-	-	1,392,956
Non-Markup Expenses		-	51,352,478	-	-
Total non mark-up/interest expenses		78,043,581	286,826,613	88,570,069	231,800,406
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		180,416,639	744,014,509	133,703,087	589,420,152
TAXATION					
- Current		11,113,383	136,337,203	91,247,130	228,666,322
- Prior		-	33,353,378	-	28,733,177
- Deferred		(2,108,714)	35,527,493	(75,749,416)	(74,971,977)
		9,004,669	205,218,074	15,497,714	182,427,522
PROFIT AFTER TAXATION		171,411,970	538,796,435	118,205,373	406,992,630
Basic and diluted earnings per share		0.19	0.59	0.13	0.45

The annexed notes, from 1 to 20, form an integral part of these condensed interim financial statements.


Chairman


Managing Director


Director



Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2017

	30 September 2017		30 September 2016	
	For the quarter ended	For the Nine Months ended	For the quarter ended	For the Nine Months ended
	(Rupees)			
Net profit after taxation	278,426,273	538,796,435	253,762,910	406,992,630
Items that will never be reclassified subsequently to profit and loss account				
Share of other comprehensive income from Associate Deferred Tax	-	(431,896)	-	-
	-	32,450	-	-
	-	(399,446)	-	-
Comprehensive income transferred to equity	278,426,273	538,396,989	253,762,910	406,992,630
Components of comprehensive income not reflected in equity				
Net change on remeasurement of available for sale investment to fair value	(117,355,791)	(77,367,260)	47,552,421	(61,932,645)
Deferred tax	1,288,717	(509,442)	19,027,156	41,009,977
Net change in fair value of Available-For-Sale securities - net of tax	(116,067,074)	(77,876,702)	66,579,577	(20,922,668)
Total Comprehensive Income	162,359,199	460,520,287	320,342,487	386,069,962

The annexed notes, from 1 to 20, form an integral part of these condensed interim financial statements.

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 Chairman


 Managing Director


 Director






 Director

PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2017

	30 September 2017	30 September 2016
	For the Nine Months ended	For the Nine Months ended
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	744,014,509	589,420,152
Adjustments for :		
Depreciation	7,695,809	12,319,469
Amortization	226,437	116,996
Provision for gratuity	7,259,040	5,737,968
Provision against non-performing loans and advances	(34,088,706)	15,826,755
Provision for diminution in the value of available-for-sale investments	(71,805,000)	-
Impairment loss on available-for-sale investments	-	1,392,956
Share of profit in associated companies	(36,375,113)	-
(Gain) / loss on sale of fixed assets	85,801	(45,772)
Exchange Loss / (gain)	(6,694,642)	(2,210,907)
	<u>610,318,135</u>	<u>622,557,617</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	1,268,678,968	-
Advances	(1,727,291,768)	55,035,217
Other assets (excluding current taxation)	400,152,517	202,292,035
	<u>(58,460,283)</u>	<u>257,327,252</u>
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(8,032,547,586)	(2,972,982,105)
Other liabilities (excluding current taxation)	(61,869,032)	(977,855)
	<u>(8,094,416,618)</u>	<u>(2,973,959,960)</u>
	<u>(7,542,558,766)</u>	<u>(2,094,075,091)</u>
Gratuity paid	(11,626,856)	(3,826,882)
Income tax paid	(245,758,250)	(176,845,915)
Net cash inflows / (outflows) from operating activities	<u>(7,799,943,872)</u>	<u>(2,274,747,888)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment realized / (made) during the period - net	3,755,792,370	1,244,680,192
Investments in operating fixed assets	(4,788,813)	(7,501,497)
Dividend income received	4,007,383	-
Sale proceed of property & equipment	-	45,772
Net cash outflows from investing activities	<u>3,755,010,940</u>	<u>1,237,224,467</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Effect of exchange rate changes on cash and cash equivalents	6,694,642	2,210,907
Decrease in cash and cash equivalents	<u>(4,038,238,290)</u>	<u>(1,035,312,514)</u>
Cash and cash equivalents at the beginning of the period	<u>5,167,463,066</u>	<u>2,150,336,833</u>
Cash and cash equivalents at the end of the period	<u>1,129,224,776</u>	<u>1,115,024,319</u>

The annexed notes, from 1 to 20, form an integral part of these condensed interim financial statements.

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 <hr style="width: 100%;"/> <p>Chairman</p>	 <hr style="width: 100%;"/> <p>Managing Director</p>	 <hr style="width: 100%;"/> <p>Director</p>	 <hr style="width: 100%;"/> <p>Director</p>
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PAK CHINA INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER, 2017

	Share capital	Statutory reserve	Unappropriated profit	Total
	(Rupees)			
Balance as at 01 January 2016	9,116,400,000	854,266,780	3,414,776,247	13,385,443,027
Total comprehensive income for the period	-	-	406,992,630	406,992,630
Transfer to statutory reserve	-	81,398,526	(81,398,526)	-
Balance as at 30 September 2016	9,116,400,000	935,665,306	3,740,370,351	13,792,435,657
Profit for the period	-	-	208,136,761	208,136,761
Re-measurement gains on defined benefits plans	-	-	359,149	359,149
Total comprehensive income for the period	-	-	208,495,910	208,495,910
Transfer to statutory reserve	-	41,699,182	(41,699,182)	-
Balance as at 31 December 2016	9,116,400,000	977,364,488	3,907,167,079	14,000,931,567
Total comprehensive income for the period	-	-	538,396,989	538,396,989
Transfer to statutory reserve	-	107,679,398	(107,679,398)	-
Balance as at 30 September 2017	9,116,400,000	1,085,043,886	4,337,884,670	14,539,328,556

According to BPD Circular No. 15 dated 31 May 2004 issued by 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 paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to statutory reserve. Accordingly, the Company has transferred 20% of its after tax profit for the year to statutory reserve.

The annexed notes, from 1 to 20, form an integral part of these condensed interim financial statements.

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 Chairman


 Managing Director


 Director


 Director

PAK CHINA INVESTMENT COMPANY LIMITED
Notes to the Condensed Interim Financial Information (Un-audited)
FOR THE NINE MONTHS 30 SEPTEMBER 2017

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

2 BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under historical cost convention except that certain investments are stated at fair values. Certain staff retirement benefits are carried at present value. This condensed interim financial information is presented in Pak Rupee which is the Bank's functional and presentation currency.

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information of the Company has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', requirements of the Companies Ordinance, 1984 and directives issued by the SECP and SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed.

3.2 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May, 2004 and IAS 34 - "Interim Financial Reporting", and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company, for the year ended 31 December, 2016. Comparative balance sheet is extracted from annual financial statements as of 31 December, 2016 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information of the Company for the nine months period ended 30 September 2016.

3.3 The SBP, vide BSD Circular letter no. 11, dated 11 September, 2002 has deferred the applicability of IAS-39, "Financial Instruments: Recognition and Measurement" and IAS 40 - "Investment Property" for banks/DFIs till further instructions. Further, the SECP has deferred the applicability of IFRS - 7 "Financial Instruments: Disclosures". Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirements of various circulars issued by the SBP.

3.4 This condensed interim financial information is unaudited and is being submitted to the members of the Company as required under Section 237 of the Companies Act 2017, and the listing regulations of the Pakistan Stock Exchange.

The Companies Act, 2017 was enacted on May 30, 2017 and SECP vide its circular 23 of 2017 dated October 04, 2017 has clarified that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 owing to the difficulties faced by them as well as their auditors to comply with the provisions of the Companies Act, 2017 (Act). However, the companies whose financial year closes after December 31, 2017 shall prepare financial statements in accordance with the provisions of the Act.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2016.

5 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2016.

6 FINANCIAL RISK MANAGEMENT

The financial risk management policies and objectives adopted by the Company are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2016.

7 INVESTMENTS

Note	30 September 2017 (Un-audited)			31 December 2016 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
	(Rupees)					
Available-for-sale securities						
Market Treasury Bills	499,017,000	-	499,017,000	4,469,297,000	-	4,469,297,000
Pakistan Investment Bonds	513,000,000	-	513,000,000	1,224,500,000	-	1,224,500,000
Ordinary shares of listed companies	90,744,062	-	90,744,062	90,744,062	-	90,744,062
Ordinary shares of unlisted company	-	-	-	250,000,000	-	250,000,000
Term Finance Certificates	903,937,987	-	903,937,987	935,653,513	-	935,653,513
Mutual Funds	-	-	-	100,000,000	-	100,000,000
Sukuks	928,614,672	-	928,614,672	974,754,382	-	974,754,382
Total Investments at cost	2,935,313,721	-	2,935,313,721	8,044,948,957	-	8,044,948,957
Less : Provision for diminution in the value of investments	369,434,062	-	369,434,062	441,239,062	-	441,239,062
Total Investments (net of provisions)	2,565,879,659	-	2,565,879,659	7,603,709,895	-	7,603,709,895
Surplus on revaluation of available for sale investments	53,176,034	-	53,176,034	130,543,294	-	130,543,294
Total investments after revaluation	2,619,055,693	-	2,619,055,693	7,734,253,189	-	7,734,253,189
Associated Companies	1,404,003,074	-	1,404,003,074	-	-	-
	4,023,058,767	-	4,023,058,767	7,734,253,189	-	7,734,253,189

7.1 This represents an investment in 11,832,836 ordinary shares of Rs. 10 each of Agritech Limited costing to Rs. 364.149 million. The market value of these shares as at September 30, 2017 was Rs.104.484 million (31 December 2016: 150.040 million). The Company has recognized an cumulative impairment loss of Rs. 273.405 million against these shares, being the difference between the cost and market value of these shares.

7.2 Particulars of provision for diminution in the value of investments	30 September 2017	31 December 2016
	(Un-audited)	(Audited)
	(Rupees)	
Opening balance		
Charge for the period / year	441,239,062	369,434,062
Reversal during the period / year	-	71,805,000
	(71,805,000)	-
	369,434,062	441,239,062

7.3 With effect from 1 January 2017 and 8 March 2017, investment in Central Depository Company of Pakistan and Pakistan Stock Exchange Limited has been classified as an associated entities due to common directorship respectively. Therefore the investments in CDC and PSX have been recorded on the basis of equity method in accordance with the treatment specified under International Accounting Standard (IAS) 28 "Accounting for Investments in Associates".

**30 September
2017
(Un-audited)
Rupees**

7.3.1 Investments in Associates

Pakistan Stock Exchange Limited (PSX)	
40,073,830 shares of Rs. 28/- each (equity held: 5%)	1,122,067,240
Share of profit of current period	6,317,550
Share of other comprehensive income/(loss) of current period	(185,650)
Dividend income	(4,007,383)
	<u>1,124,191,757</u>
Central Depository Company of Pakistan Limited	
5,000,000 shares of Rs. 50/- each (equity held:5%)	250,000,000
Share of profit of current period	30,057,563
Share of other comprehensive income/(loss) of current period	(246,246)
	<u>279,811,317</u>

Pakistan Stock Exchange Limited and Central Depository Company of Pakistan Limited are associated with the Company due to common directorship. The Company has acquired ordinary shares of PSX and CDC on 6 March 2017 and 24 June 2016 respectively. Concurrently, company's directors were appointed on the Boards of PSX and CDC through directives of Securities and Exchange Commission of Pakistan and CDC dated 10 March 2017 and 27 December 2016 respectively.

Pakistan Stock Exchange is engaged in conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scripts, participation term certificates, mudarba certificates, stocks, bonds, debenturs stock, government papers, loans and any other instruments and securities of like nature including but not limited to, special national fund bonds, bearer national fund bonds, foreign exchange bearer certificates and documents of similar nature, issued by the Government of Pakistan or any other agency authorized by the Government of Pakistan. Central depository Company of Pakistan Limited is principally engaged in to act as a depository of securities, open securities accounts and act as a registrar to issues of securities.



8	ADVANCES	Note	30 September 2017	31 December 2016
			(Un-audited)	(Audited)
			(Rupees)	
Loans, cash, credits, running finances, etc.				
	In Pakistan	8.1	8,235,223,983	6,509,659,327
	Staff loans		37,594,036	35,866,924
			8,272,818,019	6,545,526,251
Less: Provision against non-performing loans and advances				
	Specific provision	8.2	313,163,564	383,163,564
	General provision	8.2	158,454,480	122,543,186
			471,618,044	505,706,750
Advances (net of provisions)			7,801,199,975	6,039,819,501

8.1 Advances include Rs.313.164 million (31 December 2016: Rs.383.164 million), placed under non-performing status as detailed below:

	Rupees				
	Domestic	Overseas	Total	Specific provision required	Specific provision held
(Rupees)					
30 September 2017 (Un-audited)					
Category of classification					
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	313,163,564	-	313,163,564	313,163,564	313,163,564
	313,163,564	-	313,163,564	313,163,564	313,163,564
31 December 2016 (Audited)					
Category of classification					
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	383,163,564	-	383,163,564	383,163,564	383,163,564
	383,163,564	-	383,163,564	383,163,564	383,163,564

8.2 Movement in provision against non-performing advances is as follows:

	30 September 2017 (Un-audited)			31 December 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees)						
Opening balance	383,163,564	122,543,186	505,706,750	532,500,000	113,499,426	645,999,426
Charge for the period / year	-	35,911,294	35,911,294	663,564	9,043,760	9,707,324
Reversed for the period / year	(70,000,000)	-	(70,000,000)	(150,000,000)	-	(150,000,000)
	313,163,564	158,454,480	471,618,044	383,163,564	122,543,186	505,706,750

9 OPERATING FIXED ASSETS

	Note	30 September 2017	31 December 2016
		(Un-audited)	(Audited)
(Rupees)			
Opening written down value		177,302,573	183,466,497
Additions during the period		4,788,813	10,058,338
Write-off / Disposed items		(1,238,492)	(540,374)
Depreciation / amortization		(7,922,246)	(16,222,262)
Depreciation on Write-off / Disposed items		1,152,692	540,374
		174,083,340	177,302,573

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10 MOVEMENT IN DEFERRED TAX ASSET / (LIABILITIES)	30 September 2017 (Un-audited)			
	1 January 2017	Recognized in profit and loss account	Recognized in equity	30 September 2017
	(Rupees)			
Difference between accounting book value and tax base of operating fixed assets	6,128,938	(4,478,583)	-	1,650,355
Unrealized exchange gain	(57,204,105)	(3,650,176)	-	(60,854,281)
Provision for staff retirements gratuity	2,461,709	(1,310,345)	-	1,151,364
Provision against non-performing advances	15,000,000	-	-	15,000,000
Provision for diminution in the value of investments	125,191,219	(14,361,000)	-	110,830,219
Impairment loss on investments	45,282,054	(7,180,500)	-	38,101,554
Surplus on revaluation of securities	(5,391,544)	-	(509,442)	(5,900,986)
Others	(199,069)	(4,546,889)	32,450	(4,713,508)
	<u>131,269,202</u>	<u>(35,527,493)</u>	<u>(476,992)</u>	<u>95,264,717</u>

	31 December 2016 (Audited)			
	1 January 2016	Recognized in profit and loss account	Recognized in equity	31 December 2016
	(Rupees)			
Difference between accounting book value and tax base of operating fixed assets	4,754,905	1,374,033	-	6,128,938
Unrealized exchange gain	(110,005,931)	52,801,826	-	(57,204,105)
Provision for staff retirements gratuity	1,148,065	1,313,644	-	2,461,709
Provision against non-performing advances	15,000,000	-	-	15,000,000
Provision for diminution in the value of investments	110,830,219	14,361,000	-	125,191,219
Impairment loss on investments	37,683,668	7,598,386	-	45,282,054
Surplus on revaluation of securities	(53,805,899)	-	48,414,355	(5,391,544)
Others	-	(199,069)	-	(199,069)
	<u>5,605,027</u>	<u>77,249,820</u>	<u>48,414,355</u>	<u>131,269,202</u>

11 BORROWINGS In Pakistan	30 September 2017	31 December 2016
	(Un-audited)	(Audited)
	(Rupees)	
Secured		
Short-term		
Repurchase agreement borrowings	-	-
Other borrowings	-	-
Long-term		
Borrowing from SBP under financing facility for storage of agriculture products	8,221,059	24,663,175
Borrowing from SBP under renewable energy power projects	155,686,221	171,791,691
	<u>163,907,280</u>	<u>196,454,866</u>
Unsecured		
Short-term		
Call money borrowings from financial institutions	-	8,000,000,000
	<u>163,907,280</u>	<u>8,196,454,866</u>

12 RESERVES	30 September 2017	31 December 2016
	(Un-audited)	(Audited)
	(Rupees)	
Statutory Reserves	1,085,043,886	977,364,488
At the beginning of the year	977,364,488	854,266,780
Add: Transfer during the year	107,679,398	123,097,708
	<u>1,085,043,886</u>	<u>977,364,488</u>
13 SURPLUS ON REVALUATION OF ASSETS - NET		
Federal Government Securities	37,853,297	66,868,192
Shares of listed companies	13,739,880	59,296,298
Term Finance Certificates	1,582,857	3,931,804
Mutual Funds	-	447,000
	<u>53,176,034</u>	<u>130,543,294</u>
Deferred tax	(5,900,986)	(5,391,544)
Surplus on revaluation of assets - Net	<u>47,275,048</u>	<u>125,151,750</u>

	30 September 2017	31 December 2016
	(Un-audited)	(Audited)
	----- (Rupees) -----	
14 CONTINGENCIES AND COMMITMENTS		
Transaction related contingent liabilities		
Letters of guarantees	645,000,000	613,500,000
Underwriting	330,000,000	-
	<u>975,000,000</u>	<u>613,500,000</u>
Trade related contingent liabilities		
Letters of credit	174,318,731	36,900,798

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. 613,710 million (2016: Rs. 1,235,852 million).

	Nine months ended 30 September 2017	Nine months ended 30 September 2016
	(Un-audited)	(Un-audited)
	----- (Rupees) -----	
15 MARK-UP / RETURN / INTEREST EARNED		
On loans and advances	428,739,548	345,238,113
On investments; - Available-for-sale	362,070,402	476,429,089
On deposits with banks	107,839,079	35,299,539
On Securities purchased under resale agreements	48,410,071	78,500
	<u>947,059,100</u>	<u>857,045,241</u>
16 MARK-UP / RETURN / INTEREST EXPENSED		
Interest expense on SBP Refinance	3,886,017	3,958,994
Interest expense on COI's	1,356,164	-
Interest expense on Clean Borrowings	492,080,462	80,197,389
Interest expense on Repo Borrowings	65,622,648	150,731,719
	<u>562,945,291</u>	<u>234,888,102</u>

17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Nine months ended 30 September 2017 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Total income - gross	698,179,787	782,348,833	7,364,087	1,487,892,707
Total expenses	50,655,211	(559,059,274)	(235,474,135)	(743,878,198)
Net income / (loss)	<u>748,834,998</u>	<u>223,289,559</u>	<u>(228,110,048)</u>	<u>744,014,509</u>

	Nine months ended 30 September 2016 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Total income - gross	438,845,283	605,555,390	27,534,742	1,071,935,415
Total expenses	(20,515,142)	(230,929,108)	(231,071,013)	(482,515,263)
Net income / (loss)	<u>418,330,141</u>	<u>374,626,282</u>	<u>(203,536,271)</u>	<u>589,420,152</u>

	Nine months ended 30 September 2017 (Un-audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Segment Assets - Gross	11,813,120,202	3,570,654,509	342,616,578	15,726,391,289
Segment Non-Performing loans	682,597,626	-	-	682,597,626
Segment provision held including General provision	(841,052,106)	-	-	(841,052,106)
Segment Liabilities	<u>(287,281,126)</u>	<u>-</u>	<u>(11,454,453)</u>	<u>(298,735,579)</u>

	As at 31 December 2016 (Audited)			
	Corporate finance	Trading and sales	Others	Total
	----- (Rupees) -----			
Segment Assets - Gross	9,401,482,168	13,730,955,694	332,747,534	23,465,185,396
Segment Non-Performing loans	752,597,626	-	-	752,597,626
Segment provision held including General provision	(946,945,812)	-	-	(946,945,812)
Segment Liabilities	<u>(284,463,447)</u>	<u>(8,034,323,288)</u>	<u>(73,369,532)</u>	<u>(8,392,156,267)</u>

PAK CHINA INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

18 RELATED PARTY TRANSACTIONS

The Company has related party relationships with 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,

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

Details of balances outstanding at period end and transactions with related parties are as follows:

	September 30, 2017					December 31, 2016						
	Key Management Personnel	Directors	Companies with having equity 50% and above	Associated companies	Employees benefit plans	Employees Provident Trust	Key Management Personnel	Directors	Companies with having equity 50% and above	Associated companies	Employees benefit plans	Employees Provident Trust
	Rupees											
Balances outstanding as at												
- Advances	-	-	50,000,000	2,186,228	-	-	-	-	264,631,510	15,601,718	-	-
- Investments	-	-	-	2,196,882,274	-	-	-	-	-	250,000,000	-	-
- Receivables/markup	-	-	1,816,437	251,733	-	220,158	-	-	2,996,309	-	-	-
- Payables/markup	-	-	164,400	-	3,837,880	-	-	-	164,400	-	8,205,695	-
Transactions during the year ended												
- Net mark-up / interest earned	-	-	3,812,666	19,705,865	-	-	-	-	-	6,588,864	-	-
- Net mark-up / interest received	-	-	3,057,391	19,705,865	-	-	-	-	26,572,056	6,588,864	-	-
- Dividend received	-	-	-	-	-	-	-	-	-	1,000,000	-	-
- Net mark-up / interest expensed	-	-	-	2,373,267	-	-	-	-	-	1,206,109	-	-
- Investments made	-	-	-	1,065,963,878	-	-	-	-	-	33,625,394,523	-	-
- Payments made on behalf of	-	-	-	41,900,695,268	-	-	-	-	-	33,625,394,523	-	-
- Payments received from	-	-	30,000,000	41,107,816,068	-	-	-	-	-	29,428,844,523	-	-
- Payment of rent expense to Saudi Pak	-	-	-	-	-	-	567,545	-	5,368,490	35,774,640	-	-
- Remuneration and allowances	54,186,322	344,583	-	-	-	-	80,014,491	3,830,790	-	-	-	-
- Payments to employees benefit plans	-	-	-	-	11,626,855	5,475,107	-	-	-	-	3,826,882	6,344,140
- Charge for the year relating to employees benefit plans	-	-	-	-	7,259,040	5,254,949	-	-	-	-	8,564,844	6,344,140
- Fee and commission income	-	-	1,500,000	-	-	-	-	-	6,500,000	-	-	-
- Fee and commission expensed	-	-	44,268,181	433,601	-	-	-	-	4,606,895	532,134	-	-
- Rent expensed	-	-	-	13,415,490	-	-	-	-	-	17,887,320	-	-
- Provision	-	-	-	(71,805,000)	-	-	-	-	-	71,805,000	-	-
- Share of profit in associated companies	-	-	-	36,375,113	-	-	-	-	-	-	-	-


19 GENERAL

Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income, for the nine months ended 30 September 2017 and 30 September 2016 have not been subjected to limited scope review by the auditors.

20 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on _____

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Chairman


Managing Director


Director


Director