cyan®



INGREDIENTS FOR SUCCESS

half yearly report june 30, 2017

CONTENTS

02 Company Information
03 Directors' Review
06 Directors' Review (Urdu)
07 Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information
08 Condensed Interim Statement of Financial Position
09 Condensed Interim Profit & Loss Account
10 Condensed Interim Statement of Comprehensive Income
11 Condensed Interim Statement of Changes in Equity
12 Condensed Interim Statement of Cash Flows
13 Notes to and forming part of the Condensed Interim Financial Information

COMPANY INFORMATION

Board of Directors
Hasan Reza-ur Rahim (Chairman)
Non-Executive Director
Kulsum Dawood Non-Executive Director
Inam Ur Rahman Non-Executive Director
Kamran Nishat Independent Director
Shafiq Ahmed Non-Executive Director
Faisal Nadeem Mangroria Executive Director
Sulaiman S. Mehdi (Chief Executive) Executive Director

Board Audit Committee
Kamran Nishat (Chairman)
Shafiq Ahmed
Inam Ur Rahman

Board HR & Remuneration Committee
Hasan Reza-ur Rahim (Chairman)
Kamran Nishat
Inam Ur Rahman

Board Investment Committee
Hasan Reza-ur Rahim (Chairman)
Inam Ur Rahman
Shafiq Ahmed

CFO & Company Secretary
Faisal Nadeem Mangroria

Head of Internal Audit
Ayman Anwer

Executives*
Sulaiman S. Mehdi (CEO)
Faisal Nadeem Mangroria (CFO & Company Secretary)
Muhammad Anas Karimi (Senior Manager Finance)
Wahaj Ghulam Hussain (Manager Compliance & Risk Management)
Ayman Anwer (Head of Internal Audit)
Narender Lakhwani (Investment Associate)
Rohit Kumar (Senior Investment Analyst)
Marvi Shaikh (Investment Analyst)

Auditors
A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-C,
I.I. Chundrigar Road, Karachi.
Website: www.pwc.com/pk

Tax Consultants
A.F. Ferguson & Co.
(Chartered Accountants)
State Life Building 1-A,
I.I. Chundrigar Road, Karachi.
Website: www.pwc.com/pk

Share Registrar/Transfer Agent
Technology Trade (Pvt.) Ltd.
Dagia House, 241-C,Block-2,
P.E.C.H.S. Off: Shahrah-e- Quaideen, Karachi.
Tel: (92-21) 34391316-7, 19 & 34387960-1
Fax: (92-21) 34391318

Legal Advisors
Mohsin Tayebally & Co.
1st Floor, Dime Centre,
BC-4, Block 9, Khekashan,
Clifton, Karachi

Rating Agency
JCR – VIS Credit Rating Agency
VIS House, 128/C,
25th Lane Off Khayaban-e-Ittehad,
Phase VII, DHA, Karachi

Bankers
Allied Bank Limited
Bank Al Habib Limited
Bank Al Falah Limited
Habib Bank Limited
Summit Bank Limited
BankIslami Pakistan Limited
National Bank of Pakistan

Registered Office
Dawood Centre, M.T. Khan Road
Karachi-75530
Website: www.cyanlimited.com

*As determined by the Board of Directors

DIRECTORS' REVIEW

The Board of Directors of Cyan Limited is pleased to present the un-audited condensed interim financial information of the company for the half year ended June 30, 2017.

Economic Review and Outlook

The overall economic indicators moved in the right direction during FY17 where decade high GDP growth of 5.3%, controlled inflation at 4.1% and robust private sector credit growth of 15% (11MFY17) were the main highlights for the period under review. Lower interest rates where the State Bank of Pakistan ("SBP"), maintained its policy rate at 5.75% and rising economic activity improved private sector credit demand in the Food, Textile and Electricity sectors.

Foreign Direct Investment depicted growth of 5% YoY to USD2.4bn in FY17. This growth has been supported by investments from China and the acquisition of Engro Foods valued at USD462m by the Netherlands-based Friesland Campina in Dec16. The fiscal deficit has been recorded at 3.9% of GDP in 9MFY17 against 3.5% during SPLY on account of less than expected tax collection along with higher development & security related expenditures. The current account deficit of USD10.6b in 11MFY17 worsened and is building up pressures on FX reserves and the currency, which could lead to a gradual depreciation of the Pakistan Rupee.

Going forward, implementation of infrastructure projects under China Pakistan Economic Corridor ("CPEC") and rising business activity in various sectors including the Construction, Automobile and Power sectors, would keep the economic growth intact. Key risks to this thesis includes reversal in commodities prices, delays in implementation of CPEC related projects and higher than expected PKR depreciation.

Stock Market Review and Outlook

Dismal interest shown by Foreign Institutional Investors ("FII") on the MSCI re-classification coupled with political concerns owing to the investigation against former PM Nawaz Sharif, led the KSE-100 index to close the quarter and half year ended June'17 negatively by -3.3% and -3.5%, respectively. Due to the upgrade from Frontier Markets to Emerging Markets by MSCI the market expected inflows of ~USD300-500m whereas shares valued at USD 170m were offloaded instead. Trading activity remained dull with average trading value reducing by 6% to PKR11.4b compared to PKR12.2b in preceding quarter.

The market continues to trade at an attractive forward P/E of 9.0x compared to MSCI emerging markets P/E of ~12.2x, indicating a 26% discount. Dividend yield also remains attractive at 4.67% which is one of the highest in the region. We expect that Index heavyweights including the Banking and Oil & Gas sectors are likely to witness investors' interest due to robust deposit growth and the possibility of reversal in the SBP's monetary stance, whereas the continued pressure on the currency and rising oil prices would keep the Oil & Gas sector in the limelight.

Company Performance

During the half year ended June 30, 2017 the company posted a loss per share of Rs.1.29 compared to earnings per share Rs.5.52 in the corresponding period in 2016.

During this half year the company adopted an aggressive stance towards public equities and increased its exposure to 98% (average), whereas 2% was vested towards mutual funds and Government Securities. The increase in equity exposure was based on an overall improvement in the key macroeconomic metrics.

The equity portfolio was realigned to have a balance between high growth and high yield investments. To this effect, sizable investments were made in the Power Generation & Distribution, Textile Composites, Investment Banks, Commercial Banks, Oil & Gas Exploration sectors and money market mutual funds. Dividend income decreased by 32% to Rs.84 million for the half year ended June 30, 2017 as opposed to Rs.123 million earned in the corresponding period last year, which was primarily due to lower than expected dividend from HUBCO.

Acknowledgement
We would like to thank all our stakeholders, especially our valued investors, who have placed their confidence in us and also appreciate the efforts put in by the management team for their unswerving commitment and hard work. The Board would also like to place its appreciation for the Securities & Exchange Commission of Pakistan, State Bank of Pakistan and the management of the Pakistan Stock Exchange for their continued support and cooperation.

On behalf of the Board

Mr. Hasan Reza Ur Rahim
Chairman

Sulaiman S. Mehdi
CEO

Karachi: August 21, 2017

بہترین شرح میں سے ایک ہے۔انڈیکس میں نمایاں کارکردگی اور مستحکم پوزیشن کے حامل شعبہ جات بشمول بینکنگ اور آئل وگیس میں سرمایہ کاروں کی دلچسپی، ایس بی پی کے مالیاتی مؤقف میں ممکنہ تبدیلی اور زبردست ڈپازٹ گروتھ کے باعث متوقع ہے جبکہ کرنسی پر بڑھتا ہوا دباؤ اور تیل کی بڑھتی ہوئی قیمتوں کے باعث تیل اور گیس کا شعبہ دلچسپی کا مرکز رہے گا۔

کمپنی کی کارکردگی

30 جون 2017 کو ختم ہونے والے نصف سال کے دوران کمپنی نے 1.29 روپے فی حصص کا خسارہ ظاہر کیا جو کہ سال 2016 کی اسی مدت میں 5.52 روپے فی حصص آمدنی تھی۔زیر جائزہ نصف سال میں کمپنی نے پبلک ایکویٹیز کے حوالے سے جرأتمندانہ مؤقف اختیار کیا اور 98 فیصد (اوسطاً) تک سرمایہ کاری کی، جبکہ 2 فیصد میوچل فنڈز اور گورنمنٹ سیکیورٹیز میں لگائے۔ بنیادی میکرو اکنامک اشاروں میں بہتری کے باعث ایکویٹی کے شعبے میں سرمایہ کاری میں اضافہ کیا گیا۔

ایکویٹی پورٹ فولیو کو دوبارہ ترتیب دیا گیا تاکہ زیادہ تیزی سے ترقی کرنے والی اور زیادہ منافع بخش سرمایہ کاریوں میں توازن برقرار رکھا جاسکے۔اس پر عمل درآمد کے لئے پاور جنریشن اور ڈسٹری بیوشن، ٹیکسٹائل کمپوزٹ، انویسٹمنٹ بینکس، کمرشل بینکس، آئل اینڈ گیس ایکسپلوریشن اور منی مارکیٹ میوچل فنڈز کے شعبوں میں نمایاں سرمایہ کاری کی گئی۔ڈیویڈنڈ کی آمدنی 32 فیصد کمی کے بعد 30 جون 2017 کو ختم ہونے والے نصف سال میں 84 ملین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 123 ملین روپے تھی، اس کی بنیادی وجہ حبکو کی جانب سے توقع سے کم ڈیویڈنڈ آمدنی تھی۔

اظہار تشکر

ہم اپنے تمام شریکان کار، بالخصوص اپنے قابل قدر سرمایہ کاران کے تہہ دل سے مشکور ہیں جنہوں نے ہم پر اعتماد کیا اور اس کے ساتھ ہی ہم اپنی انتظامیہ کی غیر متزلزل وابستگی، انتھک محنت اور کمپنی کی ترقی کے لئے کاوشوں کی بھی دل سے قدر کرتے ہیں۔کمپنی کا بورڈ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی انتظامیہ کا بھی ان کے مسلسل تعاون اور اشتراک کے لئے تہہ دل سے مشکور ہے۔

منجانب بورڈ

جناب حسن رضا الرحیم
چیئرمین

سلیمان ایس مہدی
سی ای او

کراچی: ۲۱ اگست، ۲۰۱۷

ڈائریکٹرز کی رپورٹ

سیان لمیٹڈ کے بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون، 2017، کو ختم ہونے والے نصف سال کے لئے کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہیں۔

معیشت کا تجزیہ اور آثار

مالی سال 2017 میں مجموعی معاشی اشارے درست سمت میں گامزن رہے جہاں دہائی کی سب سے بلند GDP میں 5.3 فیصد ترقی، منضبط افراطِ زر 4.1 فیصد اور نجی شعبے کے قرضہ جات میں 15 فیصد اضافہ (مالی سال 2017 کے 11 ماہ) زیرِ جائزہ مدت کے اہم پہلو رہے۔ کم شرح سود جہاں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے اپنی پالیسی شرح 5.75 فیصد پر برقرار رکھی وہیں بڑھتی معاشی سرگرمیوں نے نجی شعبہ کے قرضہ جات کی طلب کو فوڈ، ٹیکسٹائل اور بجلی کے شعبوں میں بہتر بنایا۔

براہِ راست غیر ملکی سرمایہ کاری (FDI) کی شرح مالی سال 2017 میں 5 فیصد سال بہ سال اضافے کے بعد 2.4 ارب امریکی ڈالر تک جا پہنچی۔ نیدرلینڈ کی کمپنی Friesland Campina کی جانب سے 462 ملین امریکی ڈالر کی لاگت پر مشتمل اینگرو فوڈز کی تحصیل جو دسمبر 2016 میں تکمیل پائی اور چائنا سے ہونے والی سرمایہ کاری اس اضافے میں معاون ثابت ہوئی۔ مالی سال 2017 کے 9 ماہ میں مالی خسارہ گزشتہ سال کی اسی مدت کے 3.5 فیصد کے مقابلے میں GDP کا 3.9 فیصد ریکارڈ کیا گیا جس کی وجہ توقع سے کم ٹیکس وصولی بمعہ ترقیاتی اور سیکیورٹی سے متعلقہ زیادہ اخراجات تھی۔ مالی سال 2017 کے 11 ماہ میں کرنٹ اکاؤنٹ خسارہ بدتر ہوتے ہوئے 10.6 ارب امریکی ڈالر پر پہنچ گیا جو زرمبادلہ کے ذخائر اور کرنسی پر دباؤ بڑھا رہا ہے اور پاکستانی روپے کی بتدریج تخفیف کا باعث بن سکتا ہے۔

آگے چل کر چین پاکستان اقتصادی راہداری کے تحت جاری انفرااسٹرکچر پروجیکٹس کی تکمیل اور تعمیرات، آٹو موبائل اور توانائی سمیت متعدد شعبہ جات میں بڑھتی ہوئی تجارتی سرگرمی معاشی ترقی کو برقرار رکھے گی۔ اس مفروضے کو درپیش بنیادی خطرات میں اشیائے صرف کی قیمتوں میں بدلاؤ، سی پیک سے متعلق منصوبوں کی تکمیل میں تاخیر اور پاکستانی روپے کی قدر میں توقع سے زیادہ کمی شامل ہیں۔

اسٹاک مارکیٹ کا تجزیہ اور آثار

MSCI کی دوبارہ درجہ بندی میں غیر ملکی سرمایہ کاروں کی انتہائی کم دلچسپی اور سابق وزیرِاعظم نواز شریف کے خلاف تحقیقات کی بنا پر سیاسی خدشات کے باعث KSE-100 انڈیکس سہ ماہی اور ششماہی جون 2017 منفی 3.3 فیصد اور منفی 3.5 فیصد بالترتیب پر اختتام پذیر ہوا۔ MSCI کی فرنٹیئر مارکیٹ سے ایمرجنگ مارکیٹ میں دی گئی ترقی کے باعث توقع تھی کہ 500-300 ملین امریکی ڈالرز کی سرمایہ کاری شامل کی جائے گی، اس کے برعکس اسٹاک مارکیٹ میں 170 ملین ڈالر کی سرمایہ کاری کا اخراج سامنے آیا۔ اسٹاک مارکیٹ کی تجارتی سرگرمیاں بدستور سست رہیں اور اوسط تجارتی قدر گزشتہ سہ ماہی کے 12.2 ارب روپے کے مقابلے میں 6 فیصد کمی کے بعد 11.4 ارب روپے ہوگئی۔

MSCI ایمرجنگ مارکیٹس کے PE x 12.2~ کے مقابلے میں اسٹاک مارکیٹ x9.0 فیصد کے پرکشش فارورڈ P/E پر ٹریڈ کر رہی ہے، جس سے 26 فیصد ڈسکاؤنٹ کی نشاندہی ہوتی ہے۔ ڈیویڈنڈ کی آمدنی بھی 4.6 فیصد کے ساتھ بدستور پرکشش ہے جو اس خطے کی

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Cyan Limited as at June 30, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2017 and June 30, 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2017.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 condensed interim financial information as of and for the half year ended June 30, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Engagement Partner: Shahbaz Akbar

Dated: August 22, 2017

Karachi

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
as at june 30, 2017

	Note	(Un-audited) June 30 2017	(Audited) December 31 2016
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property and equipment	5	15,401	13,751
Intangible assets	6	217	266
Deferred taxation		33,007	-
Long term loans	7	9,074	9,985
Long term deposits		2,500	2,500
		60,199	26,502
Current assets			
Short term investments	8	3,319,008	3,612,508
Long term loans - current portion	7	2,330	2,330
Trade and other receivables		21,948	11,619
Advances and short term prepayments		3,511	5,179
Cash and bank balances	9	8,235	906
		3,355,032	3,632,542
TOTAL ASSETS		3,415,231	3,659,044
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
100,000,000 (2016: 100,000,000) Ordinary shares of Rs 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital		586,277	586,277
Unappropriated profit		1,486,854	1,708,968
Reserves		133,088	133,088
Remeasurement on post retirement benefits obligation - net of tax		(2,611)	(2,611)
Surplus on revaluation of available-for-sale investments		642,139	746,881
		2,845,747	3,172,603
Non-current liabilities			
Deferred liability - gratuity		11,899	10,528
Deferred taxation		-	13,803
		11,899	24,331
Current liabilities			
Creditors, accrued expenses and other liabilities		50,706	89,852
Accrued mark - up		4,559	1,796
Short term running finance	9.2.1 & 9.2.2	255,780	183,265
Taxation - net		246,540	187,197
		557,585	462,110
TOTAL EQUITY AND LIABILITIES		3,415,231	3,659,044
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

Sulaiman S.Mehdi	Kamran Nishat	Faisal Nadeem Mangroria
Chief Executive Officer	Director	Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
for the half year ended june 30, 2017 - (un-audited)

	Note	Half Year Ended June 30, 2017	Half Year Ended June 30, 2016	Quarter Ended June 30, 2017	Quarter Ended June 30, 2016
		(Rupees in '000)			
REVENUES					
Return on investments	11	85,052	124,330	81,569	48,630
Gain / (loss) on sale of investments - net		197,393	59,710	(23,131)	17,457
Other income		16,282	3,206	7,975	918
		298,727	187,246	66,413	67,005
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss - net		(280,871)	161,523	(328,302)	241,885
Unrealised gain / (loss) on re-measurement of derivatives-net		70	(448)	70	(448)
		17,926	348,321	(261,819)	308,442
EXPENSES					
Operating and administrative expenses		(52,728)	(57,160)	(26,210)	(31,557)
Financial charges		(10,811)	(7,605)	(5,837)	(6,216)
		(63,539)	(64,765)	(32,047)	(37,773)
(LOSS) / PROFIT FOR THE PERIOD BEFORE TAXATION		(45,613)	283,556	(293,866)	270,669
Taxation - current year		(55,841)	(11,110)	(8,784)	(1,256)
- prior year		(20,902)	-	(20,902)	-
- deferred		46,811	51,077	30,742	39,684
		(29,932)	39,967	1,056	38,428
(LOSS) / PROFIT FOR THE PERIOD AFTER TAXATION		(75,545)	323,523	(292,810)	309,097
		(Rupees)			
BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE	12	(1.29)	5.52	(4.99)	5.27

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

Sulaiman S.Mehdi
Chief Executive Officer

Kamran Nishat
Director

Faisal Nadeem Mangroria
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the half year ended june 30, 2017 - (un-audited)

	Half Year Ended		Quarter Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
	----------(Rupees in '000)----------			
(Loss) / Profit after taxation	(75,545)	323,523	(292,810)	309,097
Items that may be reclassified subsequently to profit or loss				
(Deficit) / Surplus on revaluation of available-for-sale investments	(104,742)	114,784	2,526	158,943
Total comprehensive (loss) / income for the period	(180,287)	438,307	(290,284)	468,040

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

Sulaiman S.Mehdi
Chief Executive Officer

Kamran Nishat
Director

Faisal Nadeem Mangroria
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
for the half year ended june 30, 2017 - (un-audited)

	Share Capital	Capital reserves		Revenue reserves		Remesurement on post retirement benefits obligation-net of tax	Surplus / (deficit) on revaluation of available for sale investments	Total
	Issued, subscribed and paid-up	Reserve for exceptional losses	Capital gain reserve	General reserve	Unappropriated profit			
	(Rupees in '000)							
Balance as at January 1, 2016	586,277	10,535	2,553	120,000	1,378,815	(3,480)	420,437	2,515,137
Final dividend @ Rs.4.00 per share for the year ended December 31, 2015	-	-	-	-	(234,511)	-	-	(234,511)
Net profit for the half year ended June 30, 2016	-	-	-	-	323,523	-	-	323,523
Other comprehensive income	-	-	-	-	-	-	114,784	114,784
Total comprehensive income for half year ended June 30, 2016	-	-	-	-	323,523	-	114,784	438,307
Balance as at June 30, 2016	586,277	10,535	2,553	120,000	1,467,827	(3,480)	535,221	2,718,933
Balance as at December 31, 2016	586,277	10,535	2,553	120,000	1,708,968	(2,611)	746,881	3,172,603
Interim dividend @ Rs.2.50 per share for the year ended December 31, 2016	-	-	-	-	(146,569)	-	-	(146,569)
Net loss for the half year ended June 30, 2017	-	-	-	-	(75,545)	-	-	(75,545)
Other comprehensive income	-	-	-	-	-	-	(104,742)	(104,742)
Total comprehensive income for half year ended June 30, 2017	-	-	-	-	(75,545)	-	(104,742)	(180,287)
Balance as at June 30, 2017	586,277	10,535	2,553	120,000	1,486,854	(2,611)	642,139	2,845,747

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

Sulaiman S.Mehdi
Chief Executive Officer

Kamran Nishat
Director

Faisal Nadeem Mangroria
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS
for the half year ended june 30, 2017 - (un-audited)

	Note	Half Year Ended	
		June 30, 2017	June 30, 2016
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(45,613)	283,556
Adjustment for non cash charges and other items:			
Depreciation / Amortisation		1,171	1,309
Gain on sale of property and equipment		(891)	(1)
Capital gain on sale of investments - net		(197,393)	(59,710)
Amortisation income on government securities		(1,247)	(1,585)
Financial charges		10,811	7,605
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at fair value through profit or loss - net		280,871	(161,523)
Unrealised gain / (loss) on re-measurement of derivatives-net		(70)	448
		93,252	(213,457)
Operating profit before working capital changes		47,639	70,099
(Increase) / Decrease in operating assets			
Trade and other receivables		(10,329)	(1,484)
Long term loan		911	867
Advances and short term prepayments		1,668	197
		(7,750)	(420)
(Decrease) / Increase in operating liabilities			
Creditors, accrued expenses and other liabilities		(39,532)	(198,416)
Deferred liability		1,371	1,703
Net cash generated/ (used in) from operations		1,728	(127,034)
Taxes paid		(17,400)	(12,389)
Financial charges paid		(8,048)	(6,521)
Net cash used in operating activities		(23,720)	(145,944)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		3,799,575	3,575,887
Investment in securities		(3,692,978)	(3,353,282)
Capital expenditure incurred		(2,931)	(167)
Proceeds from sale of property and equipment		1,050	10
Net cash generated from investing activities		104,716	222,448
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(146,182)	(232,567)
Net cash (utilised in) financing activities		(146,182)	(232,567)
Net decrease in cash and cash equivalents		(65,186)	(156,063)
Cash and cash equivalents at the beginning of the year		(179,359)	162,891
Cash and cash equivalents at the end of the period	9.2	(244,545)	6,828

The annexed notes from 1 to 15 form an integral part of this condensed interim financial information.

Sulaiman S.Mehdi	Kamran Nishat	Faisal Nadeem Mangroria
Chief Executive Officer	Director	Chief Financial Officer

1. LEGAL STATUS AND NATURE OF BUSINESS

Cyan Limited, a DH Group Company ("the Company"), is a Public Limited Company incorporated in Pakistan on April 23, 1960 under the Companies Act, 1913 (now Companies Ordinance, 1984). The Company is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 4th Floor Dawood Centre, Moulvi Tamizuddin Khan Road, Karachi. Dawood Corporation (Private) Limited is the parent company of the entity.

The company is engaged in making equity investments in companies with high growth potential.

2 BASIS OF PRESENTATION

2.1 Statement of Compliance

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984 and the directives issued by the SECP prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures made in the annual published financial information and should be read in conjunction with the annual published financial statements of the Company for the year ended December 31, 2016.

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated July 20, 2017, these condensed interim financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

This condensed interim financial information is un-audited. However, a review has been performed by the statutory auditors in accordance with the requirements of the Code of Corporate Governance.

2.2 Basis of measurement

This condensed interim financial information has been prepared using the historical cost convention, except for certain investments which are measured at fair value. Further, obligations in respect of staff retirement benefits are carried at present value of defined benefit obligation less fair value of plan assets.

2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani rupee, which is also the Company's functional and presentation currency.

2.4 Rounding off

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2016.

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of this condensed interim financial information in conformity with approved accounting standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The significant judgments made by the management in applying the Company's accounting policies and the key resources of estimation and uncertainty were the same as those applied to the financial statements for the year ended December 31, 2016.

5 PROPERTY AND EQUIPMENT

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	(Rupees in '000)	
Opening book value	13,751	15,593
Additions during the period / year	2,931	897
	16,682	16,490
Less: Written down value of disposal during the period / year	(159)	(94)
Less: Depreciation for the period / year	(1,122)	(2,645)
	(1,281)	(2,739)
	15,401	13,751

The details of additions and disposals during the period / year are as follows:

Additions-Cost		
Motor vehicles	2,708	-
Office equipment	223	897
	2,931	897
Disposals-Cost		
Motor vehicles	1,466	-
Office equipment	-	633
	1,466	633

6 INTANGIBLE ASSETS

Opening book value	266	30
Additions during the period / year	-	269
Less: Amortisation for the period / year	(49)	(33)
	217	266

7 These represent loans given to executives and other employees disbursed under mark-up arrangements.

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
8 INVESTMENTS		(Rupees in '000)	
Held-to-maturity investments	8.1	43,358	44,367
Available-for-sale investments	8.2	760,080	864,822
Investments carried at fair value through profit or loss	8.3	2,512,570	2,700,319
Loans and receivables	8.4	3,000	3,000
		3,319,008	3,612,508

8.1 These are Treasury Bills placed with the State Bank of Pakistan as statutory deposit in accordance with the requirements of clause (a) of sub section 2 of section 29 of the Insurance Ordinance, 2000. The Treasury Bills have a face value of Rs. 45 million and market value of Rs. 43.319 million as at June 30, 2017 (December 31, 2016: market value of Rs. 44.361 million). These will be released once the outstanding claims and balances relating to insurance business are settled.

8.2 Available-for-sale investments

Quoted shares - related parties	8.2.1	760,080	864,822
		760,080	864,822

8.2.1 Quoted Shares - Related Parties

Name of investee company	Number of Shares 30-Jun-17	Number of Shares 31-Dec-16	Cost 30-Jun-17	Market value 30-Jun-17	Market value 31-Dec-16
			---------- Rupees '000'----------		
Fertiliser					
Dawood Hercules Corporation Limited Equity held: 0.17% (2016: 0.17%)	794,380	794,380	47,652	108,322	114,653
Textile Composite					
Dawood Lawrencepur Limited Equity held: 5.02% (2016: 5.02%)	2,965,095	2,965,095	222,110	651,758	750,169
			269,762	760,080	864,822
Less : Provision for impairment			(151,821)		
Carrying value			117,941		
Market value as at June 30, 2017			760,080		
Unrealised gain on quoted shares			642,139		

		Note	Market Value (Un-audited) June 30, 2017	Market Value (Audited) December 31, 2016
8.3	Investment carried at fair value through profit or loss		(Rupees in '000)	
	Quoted shares	8.3.1	2,444,916	2,697,752
	Mutual funds	8.3.2	67,654	2,567
			2,512,570	2,700,319

8.3.1 Quoted Shares

Name of investee company	Number of Shares 30-Jun-17	Number of Shares 31-Dec16	Carrying Value 30-Jun-17	Market value 30-Jun-17	Market value 31-Dec-16
			---------- Rupees '000'----------		
Oil & Gas					
Oil & Gas Development Company Limited	500,000	-	83,362	70,345	-
Oil and Gas Marketing Companies					
Sui Northern Gas Pipelines Limited	-	1,648,000	-	-	134,427
Engineering					
International Steel Limited	500,000	-	75,664	63,945	-
Aisha Steel Mills Limited	-	5,000,000	-	-	78,650
Chemical					
Lotte Chemical Pakistan Limited	10,000,000	-	121,049	98,500	-
Cement					
D.G Khan Cement Limited	200,000	1,000,000	45,836	42,632	221,730
Thatta Cement Limited	-	500,000	-	-	19,690
Textile Composite					
Gul Ahmad Textile Mills Limited	-	3,600,000	-	-	184,212
Nishat Chunian Limited	3,000,000	3,000,000	193,152	153,960	187,290
Nishat Mills Limited	250,000	1,000,000	39,456	39,670	152,270
Glass & Ceramics					
Tariq Glass Industries Limited	200,000	-	25,676	22,152	-
Technology and Communication				-	
Media Times Limited	5,000,000	5,000,000	24,750	15,400	24,750
TRG Pakistan Limited - Class 'A'	1,000,000	-	56,963	40,090	-
Textile Spinning					
Hira Textile Mills Limited	-	4,600,000	-	-	60,490
Power Generation & Distribution					
K-Electric Limited	5,000,000	-	49,495	34,500	-
The Hub Power Company Limited (related party) Equity held: 0.86% (2016: 0.86%)	10,000,000	10,000,000	1,234,800	1,174,300	1,234,800

Name of investee company	Number of Shares		Carrying Value	Market value	
	30-Jun-17	31-Dec16	30-Jun-17	30-Jun-17	31-Dec-16
			---------- Rupees '000' ----------		
Commercial Banks					
Askari Bank Limited	-	2,000,000	-	-	49,900
Bank of Punjab	2,490,000	2,490,000	36,001	29,332	43,949
Habib Bank Limited	250,000	-	71,663	67,285	-
JS Bank Limited	10,000,000	10,000,000	108,100	95,900	108,100
MCB Bank Limited	800,000	200,000	194,043	168,344	47,564
National Bank Limited	-	2,002,000	-	-	149,930
United Bank Limited	300,000	-	76,954	70,656	-
Cable and Electrical Goods					
Singer Pakistan Limited	500,000	-	36,951	31,120	-
Inv. Banks / Inv. Cos. / Securities Cos.					
Pakistan Stock Exchange Limited	7,929,330	-	222,021	203,625	-
Transport					
Pakistan International Bulk Terminal Limited	1,000,000	-	29,798	23,160	-
			2,725,734	2,444,916	2,697,752
Unrealised Loss on Quoted Shares			(280,818)		

8.3.1.1 2 million shares (December 31, 2016: 3 million shares) of The Hub Power Company Limited having market value of Rs. 234.86 million (December 31, 2016: Rs. 370.44 million) as at June 30, 2017 have been pledged as collateral in favour of National Clearing Company of Pakistan Limited against exposure margins and mark to market losses.

8.3.1.2 3.6 million ordinary shares of The Hub Power Company Limited having market value of Rs.422.75 million have been pledged as collateral in favour of Bank Islami Pakistan Limited against financing obtained under Share Murabaha arrangement.

8.3.1.3 3 million (market value: Rs. 352 million) ordinary shares of The Hub Power Company Limited and 0.794 million ordinary shares of Dawood Hercules Corporation Limited (Market value: Rs.108 million) have been pledged as collateral in favour of Bank Al Habib Limited against running finance facility arrangements.

8.3.2 Mutual Funds

Name of fund	Note	Number of Units 30-Jun-17	Number of Units 31-Dec-16	Cost 30-Jun-17	Market value 30-Jun-17	Market value 31-Dec-16
				---------- Rupees '000'----------		
NAFA Government Securities Liquid Fund	8.3.2.1	260,170	246,349	2,707	2,644	2,567
NAFA Money Market Fund		6,594,298	-	65,000	65,010	-
Carrying Cost as at 30 June 2017				67,707	67,654	2,567
Market Value as at 30 June 2017				67,654		
Unrealised Loss on mutual funds				(53)		

8.3.2.1 223,871 units (December 31, 2016: 223,871 units) of NAFA Government Securities Liquid Fund having a market value of Rs. 2.275 million (December 31, 2016: 2.332 million) have been kept under lien with National Bank of Pakistan pending settlement of a claim in litigation.

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
8.4 Term Deposit Receipts		(Rupees in '000)	
Deposits maturing within one month	8.4.1	3,000	3,000

8.4.1 Term Deposit Receipts carry mark-up at 5.25% (December 31, 2016: 5.5%) per annum and with maturity on July 29, 2017.

9 CASH AND BANK BALANCES

Cash in hand		2	20
Cash at bank	9.1	8,233	886
		8,235	906

9.1 These include balances amounting to Rs. 8.15 million placed under mark-up arrangements with mark-up ranging between 4.0% to 5.5% (December 31, 2016: 4.0% to 5.5%) per annum and balances amounting to Rs. 0.08 million placed under Shariah permissible modes with profit rates of 3.6% (December 31, 2016: 3.03%) per annum .

9.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow comprises of the following:

	Note	June 30, 2017	June 30, 2016
		(Un-audited)	
		(Rupees in '000)	
Cash and bank balances		8,235	60,795
Term deposit receipts		3,000	3,000
Short term running finance	9.2.1 & 9.2.2	(255,780)	(56,967)
		(244,545)	6,828

9.2.1 The Company has a facility of Rs.500 million (June 30, 2016: 500 million) under Share Murabaha arrangement with Bank Islami Pakistan Limited. The facility carries profit calculated at relevant KIBOR plus 0.8% per annum and will expire on December 31, 2017.

9.2.2 The Company has running finance facility of Rs.500 million (June 30, 2016: Rs.500 million) under mark-up arrangement with Bank Al Habib Limited. The facility carries mark-up at 3 month KIBOR plus 0.65% per annum (December 2016: 3 month KIBOR + 0.85%) and will expire on March 31, 2018.

		(Un-audited) June 30, 2017	(Audited) December 31, 2016
10	CONTINGENCIES AND COMMITMENTS	(Rupees in '000)	
	Guarantee issued on behalf of the Company by a commercial bank	2,800	2,800

		(Un-audited) June 30, 2017	June 30, 2016
11	RETURN ON INVESTMENTS	-----(Rupees in '000)------	
	Amortization on Treasury Bills	1,247	1,585
	Dividend income	83,805	122,745
		85,052	124,330

12 (LOSS)/ EARNINGS PER SHARE - BASIC AND DILUTED

(Loss) / Profit for the period after taxation	(75,545)	323,523
	(Number of shares)	
Weighted average number of ordinary shares outstanding as at the period end	58,627,722	58,627,722
	(Rupees)	
(Loss) / Earnings per share	(1.29)	5.52

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise companies with common directors, group companies, staff retirement fund, directors and key management personnel. Transactions with related parties are entered into at rates negotiated with them. Remuneration to key management personnel are in accordance with their terms of engagement. Transactions with related parties other than those which have been disclosed elsewhere in the condensed interim financial information are as follows:

	(Unaudited)							
	Dawood Corporation (Private) Limited		Group / associated companies		Other related parties		Total	
	Half year ended June30, 2017	Half year ended June 30, 2016	Half year ended June 30, 2017	Half year ended June 30, 2016	Half year ended June 30, 2017	Half year ended June 30, 2016	Half year ended June 30, 2017	Half year ended June 30, 2016
	---------- Rupees in 000 ----------							
Transactions								
Rent paid	-	-	4,135	3,689	-	-	4,135	3,689
Dividend received	-	-	53,003	99,989	-	-	53,003	99,989
Dividend paid	90,912	145,459	7,245	11,593	5,519	8,830	103,676	165,882
Corporate advisory services	-	-	15,000	-	-	-	15,000	-
Service charges	-	-	1,232	-	-	-	1,232	-
Contribution to provident fund	-	-	-	-	1,276	1,199	1,276	1,199
Charge for staff retirement gratuity scheme	-	-	-	-	1,793	1,713	1,793	1,713
Remuneration	-	-	-	-	19,091	20,541	19,091	20,541
Director meeting fee	-	-	-	-	750	950	750	950
Employee loan recovered	-	-	-	-	1,165	1,183	1,165	1,183

	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Dawood Corporation (Private) Limited		Group / associated companies		Other related parties		Total	
	As at June 30, 2017	As at December 31, 2016	As at June 30, 2017	As at December 31, 2016	As at June 30, 2017	As at December 31, 2016	As at June 30, 2017	As at December 31, 2016
	---------- Rupees in 000 ----------							
Loan to chief executive officer	-	-	-	-	3,455	3,940	3,455	3,940
Loan to other executives	-	-	-	-	7,949	8,375	7,949	8,375
Trade and other receivables	-	-	9,016	755	-	-	9,016	755
Creditors, accrued expenses and other liabilities	-	-	239	5,094	-	-	239	5,094

14 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from carrying value as the items are short-term in nature or periodically repriced.

As per the requirements of the IFRS 13, the Company shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

Investment carried at fair value are categorized as follows:

	As at June 30, 2017			
	Level 1	Level 2	Level 3	Total
ASSETS	Rupees in 000			
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	2,444,916	-	-	2,444,916
- Mutual fund units	67,654	-	-	67,654
	2,512,570	-	-	2,512,570
Investment in securities - financial assets available for sale				
- Quoted shares	760,080	-	-	760,080
	760,080	-	-	760,080

	--------- As at December 31, 2016 ---------			
	Level 1	Level 2	Level 3	Total
ASSETS	---------- Rupees in 000 ----------			
Investment in securities - financial assets at fair value through profit or loss				
- Quoted shares	2,697,752	-	-	2,697,752
- Mutual fund units	2,567	-	-	2,567
	2,700,319	-	-	2,700,319
Investment in securities - financial assets available for sale				
- Quoted shares	864,822	-	-	864,822
	864,822	-	-	864,822

15 AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on August 21, 2017 by the Board of Directors of the Company.

Sulaiman S.Mehdi
Chief Executive Officer

Kamran Nishat
Director

Faisal Nadeem Mangroria
Chief Financial Officer

www.jamapunji.pk

Jama Punji
سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered

- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

jamapunji.pk @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

SECP

This page has been left blank intentionally

Website: www.cyanlimited.com



4th Floor, Dawood Centre, M.T. Khan Road, Karachi-75530
Ph: (92-21) 35684019, 35681491 Fax: (92-21) 35680218

YCOM
35810392-6