CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2017

(REVIEWED)

SFL LIMITED

SFL LIMITED

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COMPANY PROFILE

Board Of Directors

Chairman	:	Mr. Yousuf Abdullah
Chief Executive	:	Mr. Amer Abdullah
Director	:	Mr. Nadeem Abdullah Mr. Shahid Abdullah Mrs. Ambareen Amer Mr. Mohammad Yamin
Independent Director		Mr. Mazhar Saleem

Audit Committee

Chairman	:	Mr. Mazhar Saleem
Member	:	Mr. Shahid Abdullah
Member	:	Mr. Nadeem Abdullah

Human Resourse & Remuneration Committee

Chairman	:	Mr. Mazhar Saleem
Member	:	Mr. Shahid Abdullah
Member	:	Mr. Mohammad Yamin
Chief Financial Officer	:	Mr. Jawwad Faisal
Secretary	:	Mr. Shaukat Mahmud
Auditors	:	Shinewing Hameed Chaudhri & Co Chartered Accountants
Tax Consultants	:	Mushtaq & Company Chartered Accountants
Legal Advisor	:	Mr. Saleem Ikram, Advocate
Bankers	:	Habib Bank Limited
Share Registrars	:	Thk Associates (Pvt) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
Registered Office	:	316, Cotton Exchange Building, I.I.Chundrigar Road, Karachi.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of SFL Limited have pleasure in presenting their report together with un-audited Financials Statements of SFL limited for the half year ended December 31, 2017 duly reviewed by the External auditors, who have issued a Review Report, which is annexed to the Financial Statements.

OPERATIONS

During the half year under consideration, the company earned dividend income of Rs. 1,928,932, Company incurred a loss on sale of investments of Rs. (802,558) and change in fair value of investments in funds of Rs. (3,481,165). After meeting administrative expenses of Rs. 971,551 and provision for taxation of Rs. 285,590 net loss after tax comes to Rs. (3,611,932).

EARNINGS PER SHARE

The company's loss per share for the half year ended 31st December, 2017 is Rs. (0.18) as compared to Earnings Rs. 1.81 of correspondence period of last year.

FUTURE OUTLOOK

The operating assets of the company comprises of, investments in the shares of associated companies and other listed companies. Profitability of the company depends during the next quarter on the return on investments.

On behalf of the Board

Lahore
Dated: February 22, 2018

AMER ABDULLAH
CHIEF EXECUTIVE

ڈائریکٹر رپورٹ برائے حصص یافتگان

کمپنی کے ڈائریکٹران آپ کے سامنے نہایت مسرت کے ساتھ 31 دسمبر،2017 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ مالیاتی تفصیلات پیش کررہے ہیں، جس کا جائزہ حسب دستور بیرونی آڈیٹر نے لےکر اپنی جائزہ رپورٹ مالیاتی تفصیلات کے ساتھ منسلک کردی ہے۔

کاروباری کارکردگی

کمپنی کی اس ششماہی کے دوران ڈیویڈنڈ کی مد میں آمدنی 1,928,932 روپے تھی۔ کمپنی کو انویسٹمنٹ کی فروخت میں 802,558 روپے اور فنڈز میں سرمایہ کاری کی مناسب قدر میں تبدیلی کے نتیجے میں 3,481,165 روپے کا نقصان ہوا۔ اس ششماہی کے دوران 971,551 روپے کے تمام انتظامی اخراجات اور 285,590 روپے ٹیکس کی کٹوتی کے بعد کمپنی کا بعداز ٹیکس نقصان 3,611,932 روپے تھا۔

آمدنی فی حصص

فی حصص کمپنی کا نقصان 0.18 روپے ہے، گذشتہ سال اسی مدت کیلئے آمدنی 1.81 روپے فی حصص تھی۔

مستقبل کا منظرنامہ

کمپنی کے آپریٹنگ اثاثے ،منسلک کمپنیوں کے حصص میں سرمایہ کاری، دیگر لسٹڈ کمپنیوں کے حصص میں سرمایہ کاری اور فنڈز میں سرمایہ کاری پر مشتمل ہیں۔ اگلی سہ ماہی میں کمپنی کے منافع کا دارومدار سرمایہ کاری کے منافع پر منحصر ہے۔

بورڈ کی جانب سے

لاہور

تاریخ:22 فروری 2018ء

عامر عبداللہ

چیف ایگزیکیٹو

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of SFL Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with 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 December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with 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 December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi :
Dated : February 22, 2018

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner:
Raheel Ahmed

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2017

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
ASSETS			
Non current assets			
Investment property		**73,313,292**	73,313,292
Long term investments	5	**405,816,351**	403,816,351
Long term deposit		**37,500**	37,500
		479,167,143	477,167,143
Current assets			
Prepayments		**395,773**	-
Dividend receivable		**-**	362,259
Short term investments	6	**32,463,585**	42,537,024
Taxation - net		**955**	955
Bank balances - current accounts		**1,190,634**	11,556,785
		34,050,947	54,457,023
Total assets		**513,218,090**	531,624,166
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,200,000 (June 30, 2017: 20,200,000) ordinary shares of Rs.10 each		**202,000,000**	202,000,000
Issued, subscribed and paid-up capital			
20,091,450 (June 30, 2017: 20,091,450) ordinary shares of Rs.10 each		**200,914,500**	200,914,500
Reserve arisen upon de-merger		**165,340,500**	165,340,500
Unappropriated Profit		**145,755,978**	164,436,654
Total Equity		**512,010,978**	530,691,654
Current liabilities			
Accrued and other liabilities		**1,207,112**	932,512
Contingencies and commitments	7		
Total equity and liabilities		**513,218,090**	531,624,166

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
	---------- (Rupees) ----------			
Revenue				
Dividend income	**1,806,432**	41,962,801	**1,928,932**	42,079,301
Loss on sale of investments	**(516,473)**	-	**(802,558)**	-
Change in fair values of investments at fair value through profit or loss	**(716,220)**	531,057	**(3,481,165)**	705,500
	573,739	42,493,858	**(2,354,791)**	42,784,801
Administrative expenses	**616,492**	798,655	**971,551**	1,194,645
(Loss) / profit before taxation	**(42,753)**	41,695,203	**(3,326,342)**	41,590,156
Taxation	**267,215**	5,240,851	**285,590**	5,249,589
(Loss) / profit after taxation	**(309,968)**	36,454,352	**(3,611,932)**	36,340,567
(Loss) / earnings per share - basic and diluted	**(0.02)**	1.81	**(0.18)**	1.81

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
	---------- (Rupees) ----------			
(Loss) / profit after taxation	**(309,968)**	36,454,352	**(3,611,932)**	36,340,567
Other comprehensive income	**-**	-	**-**	-
Total comprehensive (loss) / income	**(309,968)**	36,454,352	**(3,611,932)**	36,340,567

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	**(3,326,342)**	41,590,156
Adjustments for non-cash items:		
Dividend income	**(1,928,932)**	(42,079,301)
Loss on sale of investments	**802,558**	-
Change in fair values of investments at fair value through profit or loss	**3,481,165**	(705,500)
Operating loss before working capital changes	**(971,551)**	(1,194,645)
Working capital changes		
Increase in prepayments	**(395,773)**	(341,336)
Increase / (decrease) in accrued and other liabilities	**216,264**	(1,203,157)
Cash used in operations	**(1,151,060)**	(2,739,138)
Taxes paid	**(285,590)**	(5,249,889)
Net cash used in operating activities	**(1,436,650)**	(7,989,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term investment acquired	**(2,000,000)**	-
Short term investments redeemed	**5,789,716**	-
Dividend received	**2,291,191**	42,079,301
Net cash generated from investing activities	**6,080,907**	42,079,301
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	**(15,010,408)**	(19,979,392)
Net (decrease) / increase in cash and cash equivalents	**(10,366,151)**	14,110,882
Cash and cash equivalents - at beginning of the period	**11,556,785**	3,066,856
Cash and cash equivalents - at end of the period	**1,190,634**	17,177,738

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up capital	Reserve arisen upon de-merger	Unappro-priated profit	Total
	Rupees			
Balance as at July 1, 2016	200,914,500	165,340,500	151,757,230	518,012,230
Transaction with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2016 at the rate of Re. 1.00 per share	-	-	(20,091,450)	(20,091,450)
Total comprehensive income for the half year ended December 31, 2016				
Profit for the period	-	-	36,340,567	36,340,567
Other comprehensive income	-	-	-	-
	-	-	36,340,567	36,340,567
Balance as at December 31, 2016	**200,914,500**	**165,340,500**	**168,006,347**	**534,261,347**
Balance as at July 1, 2017	200,914,500	165,340,500	164,436,654	530,691,654
Transaction with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2017 at the rate of Re.0.75 per share	-	-	(15,068,744)	(15,068,744)
Total comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	-	(3,611,932)	(3,611,932)
Other comprehensive income	-	-	-	-
	-	-	(3,611,932)	(3,611,932)
Balance as at December 31, 2017	**200,914,500**	**165,340,500**	**145,755,978**	**512,010,978**

The annexed notes 1 to 10 form an integral part of this condensed interim financial information.

Chief Executive **Director** **Chief Financial Officer**

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1. THE COMPANY AND ITS OPERATIONS

SFL Limited (the Company) was incorporated as public limited company on April 26, 2010 and its shares have been listed on Pakistan Stock Exchange Limited. The registered office of the Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Company.

2. BASIS OF PREPARATION

The Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In the case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 2017 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2017.

3. ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2017.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2017.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

5. LONG TERM INVESTMENTS - at cost

	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Investments in ordinary shares of		
- Subsidiary Company	**2,100,000**	100,000
- Associated Companies	**403,716,351**	403,716,351
	405,816,351	403,816,351

6. SHORT TERM INVESTMENTS
- At fair value through profit or loss

(Un-audited) December 31, 2017	(Audited) June 30, 2017		(Un-audited) December 31, 2017	(Audited) June 30, 2017
- (Number of units / shares) -			Rupees	Rupees
		Mutual fund		
-	41,401	MCB Pakistan Stock Market Fund	**-**	4,243,674
		Listed companies		
240,000	240,000	Aisha Steel Mills Limited	**4,257,600**	4,881,600
61,500	61,500	Bankislami Pakistan Limited	**571,335**	817,950
30,000	30,000	Engro Corporation Limited	**8,242,500**	9,777,300
200,000	200,000	Engro Fertilizers Limited	**13,544,000**	11,048,000
35,000	35,000	Habib Bank Limited	**5,848,150**	9,419,900
-	20,000	The Hub Power Company Limited	**-**	2,348,600
			32,463,585	42,537,024

7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment as at December 31, 2017 and June 30, 2017.

8. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk).

This condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statement as at June 30, 2017.

There have been no changes in the risk management policies since the year end.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties during the current period except for dividend income aggregating Rs.836,432 (December 31, 2016: Rs.41,872,801) received from Associated Companies and meeting fee amounting Rs.50,000 (December 31, 2016: Rs.20,000) paid to a non-executive director.

10. GENERAL

10.1 Figures have been rounded off to the nearest rupee except stated otherwise.

10.2 This condensed interim financial information has been authorized for issue by the Board of Directors of the Company on February 22 , 2018.

Chief Executive **Director** **Chief Financial Officer**

SFL LIMITED

Consolidated Accounts

CONTENTS

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Directors of the Holding Company of SFL Corporation (Private) Limited are pleased to place before you the Director's report together with the unaudited consolidated financial statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the half year ended December 31, 2017.

SFL Corporation (Private) Limited was incorporated for purpose given in the object clause of the Memorandum of Association which includes purchase and holding shares in other company having objects altogether or in part similar to those of this company. The company has not carried out any operational activity since its incorporation.

On behalf of the Board

Lahore
Dated: February 22, 2018

AMER ABDULLAH
CHIEF EXECUTIVE

ڈائریکٹرز رپورٹ برائے حصص یافتگان

ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کی ہولڈنگ کمپنی کے ڈائریکٹران نہایت مسرت کے ساتھ ایس ایف ایل لمیٹڈ اوراس کے ماتحت ادارے ایس ایف ایل کارپوریشن (پرائیورٹ) لمیٹڈ کی 31 دسمبر 2017 کو اختتام پذیر ہونے والی ششماہی کی غیر آڈٹ شدہ یکجا مالیاتی تفصیلات آپ کے سامنے پیش کررہے ہیں۔

ایس ایف ایل کارپوریشن (پرائیویٹ) لمیٹڈ کا وجود اس مقصد کے تحت ہوا ہے جو اس کی ایسوی ایشن کی یادداشت میں دیئے گئے ہیں جن میں شامل ہے ان کمپنیوں کے حصص کا حصول اور خریداری جن کا مقصد کم وبیش اسی کمپنی جیسا ہے۔ کمپنی نے اپنے قائم ہونے کے بعد سے آج تک کوئی سرگرمی انجام نہیں دی ہے۔

بورڈ کی جانب سے

عامر عبداللہ

چیف ایگزیکیٹو

لاہور

تاریخ: 22 فروری 2018ء

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2017

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
ASSETS			
Non current assets			
Investment property		**73,313,292**	73,313,292
Long term investments	5	**2,752,817,567**	2,814,127,751
Long term deposit		**37,500**	37,500
		2,826,168,359	2,887,478,543
Current assets			
Prepayments		**395,773**	-
Dividend receivable		**-**	362,259
Short term investments	6	**34,460,785**	42,537,024
Accrued markup on treasury bill		**1,944**	-
Taxation - net		**955**	955
Cash and bank balances		**1,226,344**	11,620,215
		36,085,801	54,520,453
Total assets		**2,862,254,160**	2,941,998,996
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
20,200,000 (June 30, 2017: 20,200,000) ordinary shares of Rs.10 each		**202,000,000**	202,000,000
Issued, subscribed and paid-up capital			
20,091,450 (June 30, 2017: 20,091,450) ordinary shares of Rs.10 each		**200,914,500**	200,914,500
Reserves		**21,807,089**	231,258,780
Unappropriated Profit		**2,625,958,084**	2,498,866,918
Total equity		**2,848,679,673**	2,931,040,198
Liabilities			
Non current liabilities			
Deferred taxation		**12,243,235**	9,901,286
Current liabilities			
Accrued and other liabilities		**1,331,252**	1,057,512
Total liabilities		**13,574,487**	10,958,798
Contingencies and commitments	7		
Total equity and liabilities		**2,862,254,160**	2,941,998,996

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
	(Rupees)			
Revenue				
Dividend income	**970,000**	90,000	**1,092,500**	206,500
Markup on treasury bill	-	-	**1,944**	-
Loss on sale of investments	**(516,473)**	-	**(802,558)**	-
Change in fair values of investments at fair value through profit or loss	**(716,220)**	531,057	**(3,481,165)**	705,500
	(262,693)	621,057	**(3,189,279)**	912,000
Administrative expenses	**628,612**	803,455	**1,001,211**	1,213,195
Loss from operations	**(891,305)**	(182,398)	**(4,190,490)**	(301,195)
Share of profit of Associated Companies	**116,790,684**	31,462,509	**145,958,913**	30,036,997
Profit before taxation	**115,899,379**	31,280,111	**141,768,423**	29,735,802
Taxation	**566,989**	5,300,806	**2,627,539**	5,723,559
Profit after taxation	**115,332,390**	25,979,305	**139,140,884**	24,012,243
Earnings per share - basic and diluted	**5.74**	1.29	**6.93**	1.20

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	**December 31, 2017**	December 31, 2016
	(Rupees)			
Profit after taxation	**115,332,390**	25,979,305	**139,140,884**	24,012,243
Other comprehensive (loss) / income				
Share of fair value (loss) / gain on re-measurement of available-for-sale investments of Associated Companies	**(36,259,933)**	45,235,440	**(209,519,458)**	27,701,506
Share of unrealised gain on re-measurement of hedging instruments of Associated Companies	**66,925**	262,991	**67,767**	308,926
	(36,193,008)	45,498,431	**(209,451,691)**	28,010,432
Total comprehensive (loss) / income for the period	**79,139,382**	71,477,736	**(70,310,807)**	52,022,675

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**141,768,423**	29,735,802
Adjustments for non-cash items:		
Dividend income	**(1,092,500)**	(206,500)
Loss on sale of investments	**802,558**	-
Change in fair value of investments at fair value through profit or loss	**3,481,165**	(705,500)
Share of profit of Associated Companies	**(145,958,913)**	(30,036,997)
Operating loss before working capital changes	**(999,267)**	(1,213,195)
Working capital changes		
Increase in prepayments	**(395,773)**	(341,336)
Increase in accrued markup	**(1,944)**	-
Decrease in dividend receivable	**362,259**	-
Increase / (decrease) in accrued and other liabilities	**273,740**	(1,195,657)
Cash used in operations	**(760,985)**	(2,750,188)
Taxes paid	**(285,590)**	(5,249,889)
Net cash used in operating activities	**(1,046,575)**	(8,000,077)
CASH FLOWS FROM INVESTING ACTIVITIES		
T-bill acquired during the period	**(1,997,200)**	-
Short term investments redeemed	**5,789,716**	-
Dividend received	**1,928,932**	42,079,301
Net cash generated from investing activities	**5,721,448**	42,079,301
CASH USED IN FINANCING ACTIVITIES		
Dividend paid	**(15,068,744)**	(19,979,392)
Net (decrease) / increase in cash and cash equivalents	**(10,393,871)**	14,099,832
Cash and cash equivalents - at beginning of the half year	**11,620,215**	3,141,336
Cash and cash equivalents - at end of the half year	**1,226,344**	17,241,168

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Chief Executive **Director** **Chief Financial Officer**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up capital	Reserves				Unappro-priated profit	Total
		Reserve arisen upon de-merger	Share of unrealised gain / (loss) on available for sale investments of Associated Companies	Share of unrealised gain on hedging instruments of Associated Companies	Sub-total		
	Rupees						
Balance as at July 1, 2016	200,914,500	165,340,500	33,091,982	1,502,539	199,935,021	2,566,684,682	2,967,534,203
Transaction with owners, recognized directly in equity							
Cash dividend for the year ended June 30, 2016 at the rate of Rs.1.00 per share	-	-	-	-	-	(20,091,450)	(20,091,450)
Total comprehensive income for the half year ended December 31, 2016							
Profit for the period	-	-	-	-	-	24,012,243	24,012,243
Other comprehensive income	-	-	27,701,506	308,926	28,010,432	-	28,010,432
	-	-	27,701,506	308,926	28,010,432	24,012,243	52,022,675
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	(36,552,779)	(36,552,779)
Balance as at December 31, 2016	**200,914,500**	**165,340,500**	**60,793,488**	**1,811,465**	**227,945,453**	**2,534,052,696**	**2,962,912,649**
Balance as at July 1, 2017	200,914,500	165,340,500	64,894,461	1,023,819	231,258,780	2,498,866,918	2,931,040,198
Transaction with owners, recognised directly in equity							
Cash dividend for the year ended June 30, 2017 at the rate of Re.0.75 per share	-	-	-	-	-	(15,068,744)	(15,068,744)
Total comprehensive income for the half year ended December 31, 2017							
Profit for the period	-	-	-	-	-	139,140,884	139,140,884
Other comprehensive (loss) / income	-	-	(209,519,458)	67,767	(209,451,691)	-	(209,451,691)
	-	-	(209,519,458)	67,767	(209,451,691)	139,140,884	(70,310,807)
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	-	3,019,026	3,019,026
Balance as at December 31, 2017	**200,914,500**	**165,340,500**	**(144,624,997)**	**1,091,586**	**21,807,089**	**2,625,958,084**	**2,848,679,673**

The annexed notes 1 to 10 form an integral part of this condensed interim consolidated financial information.

Chief Executive **Director** **Chief Financial Officer**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1. THE GROUP AND ITS OPERATIONS

The Group comprises of SFL Limited (the Holding Company) and its wholly owned Subsidiary Company - SFL Corporation (Private) Limited.

SFL Limited (the Holding Company) was incorporated as public limited company on April 26, 2010 and its shares have been listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is located at 316 - Cotton Exchange Building, I.I. Chundrigar Road, Karachi. The main business of the Holding Company is to invest in the shares of Associated Companies and other business as per the Memorandum of Association of the Holding Company.

SFL Corporation (Private) Limited (the Subsidiary Company) was incorporated as private limited company in Pakistan on October 4, 2011 under the Companies Ordinance, 1984. The address of it's registered office is 307, Cotton Exchange Building, I. I. Chundrigar Road, Karachi. The main business of the Subsidiary Company is to invest in the shares and other business activities as per Memorandum of Association.

2. BASIS OF PREPARATION

The Companies Act, 2017 has been promulgated with the effect from May 30, 2017, however, as per the requirement of the Circular # 23 of 2017 dated October 4, 2017 issued by the securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountant of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period , closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance , 1984 (the Ordinance).

This condensed interim consolidated financial information of the company for the half year ended December 31, 2017 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In the case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figure for the half ended December 31, 2017 have, however, been subjected to limited scope review by the auditor as required by the Code of Corporate Governance. This condensed interim consolidated financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual consolidated financial statements of the Group for the year ended June 30, 2017.

3. ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of audited annual consolidated financial statements of the group for the year ended June 30, 2017.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are, therefore, not disclosed in this condensed interim consolidated financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim consolidated financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2017.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

5. LONG TERM INVESTMENTS

	Un-audited December 31, 2017 Rupees	Audited June 30, 2017 Rupees
Associated Companies- Equity method		
Unquoted		
Sapphire Finishing Mills Limited (SFML)		
25,809,000 (June 30, 2017: 25,809,000) ordinary shares of Rs.10 each - **cost**	**258,090,000**	258,090,000
Equity held: 28.05% (June 30, 2017: 28.05%)		
Share of post acquisition profit	**936,366,093**	985,526,785
Dividend received during the period / year	**-**	(33,551,700)
	1,194,456,093	1,210,065,085
Sapphire Dairies (Private) Limited (SDL)		
7,000,000 (June 30, 2017: 7,000,000) ordinary shares of Rs.10 each - **cost**	**70,000,000**	70,000,000
Equity held: 6.67% (June 30, 2017: 6.67%)		
Share of post acquisition losses	**(5,959,599)**	(2,031,594)
	64,040,401	67,968,406
Diamond Fabrics Limited (DFL)		
4,569,000 (June 30, 2017:4,569,000) ordinary shares of Rs.10 each - **cost**	**33,368,238**	33,368,238
Equity held: 30.69% (June 30, 2017: 30.69%)		
Share of post acquisition profit	**1,097,048,168**	1,155,768,918
	1,130,416,406	1,189,137,156
Amer Cotton Mills (Private) Limited (ACML)		
336,000 (June 30, 2017: 336,000) ordinary shares of Rs.10 each - **cost**	**549,305**	549,305
Equity held: 8.40% (June 30, 2017: 8.40%)		
Share of post acquisition profit	**106,204,201**	107,058,586
	106,753,506	107,607,891
Amer Tex (Private) Limited (ATL)		
790,428 (June 30, 2017: 790,428) ordinary shares of Rs.10 each - **cost**	**63,774,203**	63,774,203
Equity held: 14.41% (June 30, 2017: 14.41%)		
Share of post acquisition profit	**74,194,042**	67,498,078
Dividend received during the period / year	**-**	(8,694,708)
	137,968,245	122,577,573
Quoted		
Reliance Cotton Spinning Mills Limited (RCSML)		
557,621(June 30, 2017: 557,621l) ordinary shares of Rs.10 each - **cost**	**37,561,351**	37,561,351
Equity held: 5.42% (June 30, 2017: 5.42%)		
Share of post acquisition profit	**82,457,997**	81,998,394
Dividend received during the period / year	**(836,432)**	(2,788,105)
	119,182,916	116,771,640
	2,752,817,567	2,814,127,751

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Un-audited December 31, 2017 Rupees	Audited June 30, 2017 Rupees
6. SHORT TERM INVESTMENTS			
Investment at fair value through profit or loss	**6.1**	**32,463,585**	42,537,024
Investment in Treasury Bill (T-bill)	**6.2**	**1,997,200**	-
		34,460,785	42,537,024

6.1 Investment at fair value through profit or loss

Un-audited December 31, 2017	Audited June 30, 2017		Un-audited December 31, 2017	Audited June 30, 2017
- (Number of units / shares) -			Rupees	Rupees
		Mutual fund		
-	41,401	MCB Pakistan Stock Market Fund	**-**	4,243,674
		Listed companies		
240,000	240,000	Aisha Steel Mills Limited	**4,257,600**	4,881,600
61,500	61,500	BankIslami Pakistan Limited	**571,335**	817,950
30,000	30,000	Engro Corporation Limited	**8,242,500**	9,777,300
200,000	200,000	Engro Fertilizers Limited	**13,544,000**	11,048,000
35,000	35,000	Habib Bank Limited	**5,848,150**	9,419,900
-	20,000	The Hub Power Company Limited	**-**	2,348,600
			32,463,585	42,537,024

6.2 This T-bill have maturity 182 days from date of acquisition and carries effective markup rate of 5.96% per annum.

7. CONTINGENCIES AND COMMITMENTS

There was no known contingency and commitment as at December 31, 2017 and June 30, 2017.

8. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk).

This condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statement as at June 30, 2017.

There have been no changes in the risk management policies since the year end.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties during the current period except for dividend aggregating Rs.836,432 (December 31, 2016: Rs.41,872,801) received from Associated Companies and meeting fee amounting Rs.50,000 (December 31, 2016: Rs. 20,000) paid to a non-executive director.

10. GENERAL

10.1 Figures have been rounded off to the nearest rupee except stated otherwise.

10.2 This condensed interim consolidated financial information has been authorized for issue by the Board of Directors of the Holding Company on February 22, 2018.

Chief Executive **Director** **Chief Financial Officer**

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