
JS Investments Limited

Half Yearly Report for the period
ended December 31, 2009





CONTENTS

| | |
|--|----|
| Vision and Mission Statement..... | 02 |
| Company Information..... | 03 |
| Directors' Report to the Shareholders..... | 04 |
| Auditors' Report to the Members..... | 06 |
| Condensed Interim Balance Sheet..... | 07 |
| Condensed Interim Profit and Loss Account..... | 08 |
| Condensed Interim Statement of Comprehensive Income..... | 09 |
| Condensed Interim Cash Flow Statement..... | 10 |
| Condensed Interim Statement of Changes in Equity..... | 11 |
| Notes to the Condensed Interim Financial Statements..... | 12 |
| Condensed Interim Consolidated Financial Statements..... | 21 |

Vision

To be Industry Leaders in Financial Services

Mission

Pursuit of Professional Excellence

Core Values

●Shareholder Value ●Integrity ●Commitment



Company Information

| | | |
|--|---|---|
| Board of Directors | Mr. Munawar Alam Siddiqui Mr. Muhammad Najam Ali Mr. Ali Raza Siddiqui Mr. Nazar Mohammad Shaikh Mr. Siraj Ahmed Dadabhoy Lt. General (R) Masood Parwaiz Mr. Sadeq Sayeed | Chairman Chief Executive Officer Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director |
| Audit Committee | Mr. Nazar Mohammad Shaikh Mr. Munawar Alam Siddiqui Lt. General (R) Masood Parwaiz | Chairman Member Member |
| Chief Financial Officer & Company Secretary | Mr. Suleman Lalani | |
| Auditors | Anjum Asim Shahid Rahman | |
| Legal Adviser | Bawaney & Partners | |
| Share Registrar | Technology Trade (Private) Limited 241-C, Block-2, P.E.C.H.S., Karachi | |
| Registered Office | 7th Floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21) 35361724 E-mail: info@jsil.com Website: www.jsil.com | |

JS Investments Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of JS Investments Limited is pleased to present the half-yearly report together with un-audited financial statements for the period ended December 31, 2009.

Equity Market Outlook

During the first half of FY 10, the equity market of Pakistan exhibited a stellar performance as the KSE 30 Index advanced by 30%, from 7,571 points as at June 30, 2009 to close at 9,849 points on December 31 2009 where as the KSE 100 Index increased by 31% from 7,162 points as at June 30, 2009 to close at 9,387 points on December 31, 2009. The strong recovery of the stock market is the outcome of a restoration of investors' confidence and improved liquidity. This has been, due to an improvement in Pakistan's macro-economic situation as well as an improvement in the global economic outlook.

The maintenance of high interest rates coupled with the fall in international commodity prices from 2008 highs resulted in a sharp reduction in inflationary pressures; CPI inflation fell to an average of 10.3% in 1HFY10 as compared to an average of 17.2% in the preceding 6 months. The country's trade and current account deficit for the period July-Nov 09 have also declined significantly by 33% and 81% respectively on a YoY basis. Furthermore, the additional influx of foreign currency in the form of higher remittances, foreign loans and aid provided the government with a strong build-up in FX reserves to USD 14bn as of December 31, 2009 as compared to FX reserves of USD 12.43 bn as on June 30, 2009. In addition, the steady elimination of subsidies under the IMF's instructions, have also reduced the burden on the government and is projected to bring the Fiscal Deficit in line with the target of below than 5% of the GDP.

The inclusion of Pakistan in the MSCI Frontier Market Index, coupled with an improved sovereign credit rating of B- by S&P and the declining spread on Pakistan's Credit Default Swaps, were the key factors in attracting foreign portfolio flows worth USD 285 mn from foreign investors in 1HFY10. Pakistan's equity market has been attracting foreign investors due to its attractive valuation and large discount to regional markets.

Results of Operations

The Company earned profit after tax of Rs. 62.834 million during the six months period under review – an EPS of Re. 0.63. This includes profit of Rs. 40.829 million for the period from discontinued operations classified as held for sale. The Company earned management remuneration from funds under management of Rs. 192.208 million compared to Rs. 259.740 million in the corresponding period last year. The assets under management as on December 31, 2009 were Rs. 21.338 billion compared to Rs. 21.247 billion as on June 30, 2009. Administrative expenses for the period were Rs. 148.436 million compared to Rs. 185.276 million for the same period last year – a reduction of 19.8%. Financial charges during the period were Rs. 60.033 million compared to Rs. 117.360 million during the corresponding period last year.

The Company has launched JS Principal Secure Fund II during the period under review.



Asset Manager Rating and Entity Rating

The review for updated asset manager rating of the Company is in progress and has not yet been announced by the Pakistan Credit Rating Agency (PACRA). The asset manager rating last announced by PACRA is “AM2+”

PACRA has assigned the long-term and short-term entity rating to the Company of “A+ ” (Single A plus) and “A1” (A one) respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its support, assistance and guidance. The Board also thank the employees of the Company for their dedication and hard work and the shareholders for their confidence in the Management.

On behalf of the Board

Karachi: February 26, 2010

Muhammad Najam Ali
Chief Executive Officer

JS Investments Limited

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of JS Investments Limited (the company) as at December 31, 2009, 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 selected explanatory notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management of the company is responsible for the preparation and fair presentation of this 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 interim financial information based on our review. The interim financial information of the company for the half year ended December 31, 2008 and financial statements of the company for the year ended June 30, 2009 were reviewed and audited by another firm of chartered accountants who through their reports dated February 26, 2009 and August 21, 2009 expressed an unqualified conclusion and opinion thereon. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and 2008 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2009.

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 interim financial information as of and for half year ended December 31, 2009 is not prepared, in all material respects, in accordance with approved International Financial Reporting Standards, as applicable in Pakistan for interim financial reporting.

Karachi: February 26, 2010

Anjum Asim Shahid Rahman
Muhammad Shaukat Naseeb
Chartered Accountants



JS Investments Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2009

| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|---|------|--------------------------------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible property and equipment | 5 | 358,392,687 | 380,721,825 |
| Intangible assets | | 112,615,856 | 114,926,195 |
| Long-term receivable from related parties - unsecured, considered good | | 2,135,967 | 3,863,798 |
| Long-term loans and advances - considered good | | 15,914,346 | 16,942,570 |
| Investment in subsidiary | | 37,500,000 | 37,500,000 |
| | | 526,558,856 | 553,954,388 |
| Current assets | | | |
| Investments - available for sale | 6 | 1,138,679,608 | 956,684,403 |
| Loans and advances - considered good | | 2,686,932 | 2,005,902 |
| Deposits, prepayments and other receivables | | 23,129,201 | 21,362,685 |
| Balances due from funds under management | | 4,241,377 | 29,687,592 |
| Taxation recoverable | | 100,025,721 | 91,238,444 |
| Cash and bank balances | 7 | 4,181,576 | 3,072,326 |
| | | 1,272,944,415 | 1,104,051,352 |
| Non-current assets and current assets classified as held for sale | 12.1 | 295,693,823 | 356,801,576 |
| | | 1,568,638,238 | 1,460,852,928 |
| Total assets | | 2,095,197,094 | 2,014,807,316 |
| EQUITY AND LIABILITIES | | | |
| Share capital | 8 | 1,000,000,000 | 1,000,000,000 |
| Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net | 6 | 218,044,028 | (8,770,960) |
| Statutory reserve | | 109,873,728 | 109,873,728 |
| Accumulated loss | | (733,203,266) | (800,127,824) |
| | | 594,714,490 | 300,974,944 |
| Surplus on revaluation of fixed assets - net of tax | | 146,067,270 | 150,157,687 |
| LIABILITIES | | | |
| Non current liabilities | | | |
| Securitisation of management fee receivables - debt | | 467,177,210 | 511,522,640 |
| Deferred tax liability-net | | 45,244,365 | 50,261,567 |
| | | 512,421,575 | 561,784,207 |
| Current liabilities | | | |
| Current maturity of securitisation of management fee receivables - debt | | 50,371,159 | 64,539,121 |
| Short term borrowing-secured | | 121,557,178 | 317,691,909 |
| Accrued and other liabilities | | 50,037,867 | 53,740,150 |
| Accrued mark-up | | 9,098,048 | 14,004,949 |
| | | 231,064,252 | 449,976,129 |
| Liabilities associated with non-current and current assets classified as held for sale | 12.2 | 610,929,507 | 551,914,349 |
| | | 841,993,759 | 1,001,890,478 |
| Total liabilities | | 1,354,415,334 | 1,563,674,685 |
| Total equity and liabilities | | 2,095,197,094 | 2,014,807,316 |
| Contingency and commitments | 9 | | |
| Breakup value | | 5.95 | 3.01 |
| Breakup value (including surplus on revaluation of fixed assets) | | 7.41 | 4.51 |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | Half year ended | | Quarter ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | -----Rupees----- | | | |
| CONTINUING OPERATIONS | | | | |
| INCOME | | | | |
| Remuneration from funds under management | 192,208,512 | 259,740,263 | 95,738,441 | 119,588,128 |
| Commission from open end funds under management | 2,885,650 | 2,008,896 | 2,239,389 | 939,905 |
| Dividend | 21,498,992 | 21,498,992 | 21,498,992 | 21,498,992 |
| Gain on sale of investments - net | 6,739,562 | 269,839 | 1,668,736 | 156,267 |
| Return on bank deposits | 144,877 | 1,127,232 | 58,273 | 570,072 |
| | <u>223,477,593</u> | <u>284,645,222</u> | <u>121,203,831</u> | <u>142,753,364</u> |
| OPERATING EXPENSES | | | | |
| Administrative and marketing | 148,435,546 | 185,275,653 | 68,917,045 | 90,230,613 |
| OPERATING PROFIT | <u>75,042,047</u> | <u>99,369,569</u> | <u>52,286,786</u> | <u>52,522,751</u> |
| Other operating expenses | 2,190,686 | 620,469 | 1,841,662 | 320,169 |
| Financial charges | 60,033,054 | 117,360,117 | 25,560,074 | 65,526,978 |
| Other operating income | 12,818,307 | (18,611,017) | 24,885,050 | (13,324,396) |
| | 6,153,415 | 7,125,405 | 1,157,077 | 3,392,660 |
| Profit/(loss) before tax for the period from continuing operations | <u>18,971,722</u> | <u>(11,485,612)</u> | <u>26,042,127</u> | <u>(9,931,736)</u> |
| Income tax expense | | | | |
| - Current | 1,984,292 | 2,667,236 | 82,657 | 2,126,664 |
| - Deferred | (5,017,202) | (2,979,853) | (2,476,468) | (1,404,082) |
| Profit/(loss) after tax for the period from continuing operations | <u>(3,032,910)</u> | <u>(312,617)</u> | <u>(2,393,811)</u> | <u>722,582</u> |
| OPERATIONS RELATING TO THE DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES | | | | |
| Profit/(loss) after tax for the period from the discontinued operation | 12.3 40,829,509 | (14,309,748) | 46,409,643 | (3,845,498) |
| Profit/(loss) for the period | <u>62,834,141</u> | <u>(25,482,743)</u> | <u>74,845,581</u> | <u>(14,499,816)</u> |
| Earnings/(loss) per share | 13 0.63 | (0.25) | 0.75 | (0.14) |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director



JS Investments Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | December 31, 2009 | December 31, 2008 |
|--|---------------------------|-------------------------------|
| | -----Rupees----- | |
| Profit/(loss) for the period - Continuing operations | 22,004,632 | (11,172,995) |
| Profit/(loss) for the period - Discontinued operations | <u>40,829,509</u> | <u>(14,309,748)</u> |
| Profit/(loss) for the period | <u>62,834,141</u> | <u>(25,482,743)</u> |
| Other comprehensive income: | | |
| Unrealised gain/(loss) on remeasurement of available for sale investments to fair value - net | <u>231,281,025</u> | <u>(1,262,494,456)</u> |
| Gain realised on disposal of investments | <u>(4,466,037)</u> | <u>(2,504,451)</u> |
| | <u>226,814,988</u> | <u>(1,264,998,907)</u> |
| Transferred from surplus on revaluation of fixed assets to accumulated profit | <u>6,292,949</u> | <u>2,024,451</u> |
| | <u>233,107,937</u> | <u>(1,262,974,456)</u> |
| Taxation relating to components of other comprehensive income | <u>(2,202,532)</u> | <u>(708,558)</u> |
| Other comprehensive income/(loss) after income tax | <u>230,905,405</u> | <u>(1,263,683,014)</u> |
| Total comprehensive income/(loss) | <u><u>293,739,546</u></u> | <u><u>(1,289,165,757)</u></u> |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | December 31, 2009 | December 31, 2008 |
|--|-------------------------|----------------------|
| Note | -----Rupees----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) for the period before taxation | 59,802,094 | (24,559,996) |
| Adjustment for non-cash and other items: | | |
| Remuneration from funds under management | (192,208,512) | (259,740,263) |
| Commission from open end funds under management | (2,885,650) | (2,008,896) |
| Dividend | (22,912,442) | (33,759,392) |
| Depreciation | 18,875,588 | 17,100,285 |
| Amortisation of intangible assets | 2,610,340 | 3,997,786 |
| Financial charges | 104,863,517 | 170,540,180 |
| Interest / mark-up income | (149,295) | (1,225,318) |
| Liabilities no longer required written back | - | (1,858,845) |
| Loss on disposal of fixed assets | 3,411,012 | 2,872,897 |
| | <u>(28,593,348)</u> | <u>(128,641,562)</u> |
| Increase / decrease in assets / liabilities | | |
| Loans and advances | 347,194 | 2,849,794 |
| Long-term receivable from related parties | (353,072) | (2,423,300) |
| Deposits, prepayments and other receivables | (9,361,895) | (6,058,630) |
| Accrued and other liabilities | (3,734,090) | (12,575,221) |
| | <u>(13,101,863)</u> | <u>(18,207,357)</u> |
| | <u>(41,695,211)</u> | <u>(146,848,919)</u> |
| Taxes paid | (10,771,569) | (21,956,854) |
| Bonus paid | - | (35,841,155) |
| Financial charges paid | (104,526,877) | (174,296,899) |
| Remuneration and commission received from funds under management | 220,540,378 | 287,114,741 |
| Net cash inflow / (outflow) on operating activities | <u>63,546,721</u> | <u>(91,829,086)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments - net | 99,895,502 | 171,391,674 |
| Fixed capital expenditure incurred | (583,929) | (3,775,355) |
| Dividend received | 22,924,372 | 33,759,392 |
| Return on bank deposits | 149,295 | 1,225,318 |
| Proceeds from disposal of property and equipment | 626,385 | 409,190 |
| Net cash inflow from investing activities | <u>123,011,625</u> | <u>203,010,219</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of principal amount relating to the securitised management fee | (45,845,000) | (45,845,000) |
| Dividend paid | (11,746) | (107,475,571) |
| Short term borrowing | 56,000,000 | 482,000,000 |
| Net cash inflow on financing activities | <u>10,143,254</u> | <u>328,679,429</u> |
| Net increase in cash and cash equivalents | <u>196,701,600</u> | <u>439,860,562</u> |
| Cash and cash equivalents at beginning of the period | (313,603,047) | (931,277,404) |
| Cash and cash equivalents at end of the period | 14 <u>(116,901,447)</u> | <u>(491,416,842)</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director



JS Investments Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | Share capital | Unappropriated profit / Accumulated (loss) | Statutory reserve | Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net | Total Equity |
|---|----------------------|---|----------------------|--|--------------------|
| | -----Rupees----- | | | | |
| Balance as at June 30, 2008 | 1,000,000,000 | 1,017,952,970 | 109,873,728 | (204,057,068) | 1,923,769,630 |
| Total Comprehensive loss | | (24,166,850) | | (1,264,998,907) | (1,289,165,757) |
| Final dividend for the year ended June 30, 2008 | - | (100,000,000) | - | - | (100,000,000) |
| Balance as at December 31, 2008 | <u>1,000,000,000</u> | <u>893,786,120</u> | <u>109,873,728</u> | <u>(1,469,055,975)</u> | <u>534,603,873</u> |
| Balance as at June 30, 2009 | 1,000,000,000 | (800,127,824) | 109,873,728 | (8,770,960) | 300,974,944 |
| Total Comprehensive income | - | 66,924,558 | - | 226,814,988 | 293,739,546 |
| Balance as at December 31, 2009 | <u>1,000,000,000</u> | <u>(733,203,266)</u> | <u>109,873,728</u> | <u>218,044,028</u> | <u>594,714,490</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim financial information.

Chief Executive Officer

Director

JS Investments Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

1 STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

As per the NBFC Regulations, all Asset Management Companies were required to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

1.2 The company is an asset management company and pension fund manager for the following:

Asset management company of the following funds:

- Closed-End
- JS Large Cap Fund (formerly UTP Large Cap Fund)
 - JS Growth Fund
 - JS Value Fund Limited

- Open-End
- Unit Trust of Pakistan
 - JS Income Fund
 - UTP - Islamic Fund
 - JS Aggressive Asset Allocation Fund
 - JS Fund of Funds
 - UTP - A30+ Fund
 - JS Capital Protected Fund
 - JS Capital Protected Fund II
 - JS Capital Protected Fund III
 - JS Capital Protected Fund IV
 - JS Aggressive Income Fund
 - JS Principal Secure Fund I
 - JS Principal Secure Fund II

During the period, the company has floated a new open end fund. The units of this fund were offered to the public on the following dates:

| Name of open-end fund | From | To |
|-----------------------------|-------------------|-------------------|
| JS Principal Secure Fund II | December 14 ,2009 | December 15 ,2009 |

Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund



JS Investments Limited

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The following amendments to standards are mandatory for the first time for the financial year beginning July 01, 2009:

During the current period, International Accounting Standard 1 (Revised), 'Presentation of Financial Statements' (Revised IAS 1) became effective from the annual period beginning on or after January 1, 2009. The application of this standard has resulted in certain increased disclosures.

The Revised IAS 1 prohibits the presentation of items of income and expenses in the Statement of change in equity and requires non owners changes in equity to be shown in performance statement.

The Company has a choice of presenting one statement (The Statement of Comprehensive Income) or two separate statements (Profit and Loss account and Statement of Comprehensive Income). The company has preferred to present two statements through Profit and Loss account and a Statement of Comprehensive Income.

In addition, IFRS 8 "Operating Segments" has been effective from the annual period beginning on or after January 01, 2009. The standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purpose.

Other new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2009 and are not considered to be relevant or have any significant effect on the company's operations.

3 BASIS OF PREPARATION

3.1 The condensed interim financial information are unaudited but have been reviewed by the external auditor of the company and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations to the Karachi stock exchange.

3.2 The condensed interim financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2009.

3.3 The condensed interim financial information have been prepared under the accrual basis of accounting except for cash flow information.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2009.

| | Note | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|-----------------------------------|------|--------------------------------------|-------------------------------|
| -----Rupees----- | | | |
| 5 TANGIBLE PROPERTY AND EQUIPMENT | | | |
| Opening WDV | | 380,021,825 | 417,149,426 |
| Addition during the period | 5.1 | 1,179,760 | 4,816,090 |
| Disposal during the period | 5.1 | (4,037,397) | (6,944,593) |
| Depreciation for the period | | (18,875,670) | (34,999,098) |
| Closing WDV | | <u>358,288,518</u> | <u>380,021,825</u> |
| Capital work in progress | | <u>104,169</u> | <u>700,000</u> |
| | | <u>358,392,687</u> | <u>380,721,825</u> |

JS Investments Limited

| | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|---|--|--|
| 5.1 Tangible Property and equipment | | |
| The following additions were made to tangible property and equipment during the period / year: | -----Rupees----- | |
| Office set-up | 748,400 | - |
| Furniture and fixtures | - | 325,900 |
| Office equipment | 431,360 | 4,490,190 |
| | <u>1,179,760</u> | <u>4,816,090</u> |
| The following disposals (net book value) of tangible property and equipment were made during the period / year: | | |
| Office set-up | 3,303,912 | 5,031,435 |
| Furniture and fixtures | 706,317 | 1,466,007 |
| Office equipment | 1,543 | 447,151 |
| Vehicle | 25,625 | - |
| | <u>4,037,397</u> | <u>6,944,593</u> |
| 5.2 Intangible assets | | |
| The following additions were made to intangible assets during the period / year: | | |
| Computer software | - | 77,000 |
| 5.3 Capital work-in-progress - at cost | | |
| Advance to suppliers against | | |
| Acquisition of furniture & fixtures | - | 700,000 |
| Acquisition of office & computer equipment | 104,169 | - |
| | <u>104,169</u> | <u>700,000</u> |
| 6 INVESTMENTS - available for sale | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
| Investments in certificates/units/shares-at fair value | | |
| | Number of certificates / units / shares | Number of certificates / units / shares |
| In funds under management: | Rupees | Rupees |
| JS Value Fund Limited | 21,498,992 | 21,498,992 |
| JS Large Cap Fund (formerly UTP Large Cap Fund) | 65,810,000 | 65,810,000 |
| JS Growth Fund | 36,086,812 | 36,086,812 |
| JS Pension Savings Fund - Equity | 300,000 | 300,000 |
| JS Pension Savings Fund - Debt | 300,000 | 300,000 |
| JS Pension Savings Fund - Money Market | 300,000 | 300,000 |
| JS Fund of Funds | 1,691,646 | 1,885,257 |
| JS Capital Protected Fund | 133,830 | 130,000 |
| JS Capital Protected Fund II | - | 266,000 |
| JS Capital Protected Fund IV | 1,022,447 | 1,017,422 |
| JS Islamic Pension Savings Fund - Equity | 300,000 | 300,000 |
| JS Islamic Pension Savings Fund - Debt | 300,000 | 300,000 |
| JS Islamic Pension Savings Fund - Money Market | 300,000 | 300,000 |
| JS Aggressive Income Fund | 501,736 | 501,736 |
| | 1,138,679,608 | 956,684,403 |
| Less: Cost of investments | (920,635,580) | (2,168,935,800) |
| Impairment on investments | - | 1,203,480,437 |
| | (920,635,580) | (965,455,363) |
| Unrealised gain / (loss) on re-measurement of investments | 218,044,028 | (8,770,960) |



JS Investments Limited

| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|--------------------------|------|--------------------------------------|-------------------------------|
| 7 CASH AND BANK BALANCES | Note | -----Rupees----- | |
| Cash in hand | | 75,535 | 75,191 |
| Balance with banks: | | | |
| In current account | | 1,277,189 | 954,310 |
| In savings accounts | 7.1 | 2,828,852 | 2,042,825 |
| | | <u>4,106,041</u> | <u>2,997,135</u> |
| | | <u>4,181,576</u> | <u>3,072,326</u> |

7.1 This includes Rs 0.787 million (June 30, 2009: Rs 0.055 million) held with JS Bank Limited - related party.

8 SHARE CAPITAL

| | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | | | | |
|------------------|--------------------------------------|-------------------------------|---|----------------------|----------------------|--|
| Number of shares | | | Authorised | | | |
| | 200,000,000 | 200,000,000 | Ordinary shares of Rs. 10 each | 2,000,000,000 | 2,000,000,000 | |
| | <u>50,000,000</u> | <u>50,000,000</u> | Convertible preference shares of Rs. 10 each | <u>500,000,000</u> | <u>500,000,000</u> | |
| | <u>250,000,000</u> | <u>250,000,000</u> | | <u>2,500,000,000</u> | <u>2,500,000,000</u> | |
| | | | Issued, subscribed and paid-up | | | |
| | 21,250,000 | 21,250,000 | Ordinary shares of Rs. 10 each issued as fully paid in cash | 212,500,000 | 212,500,000 | |
| | 700,000 | 700,000 | Fully paid ordinary shares of Rs. 10 each issued on amalgamation with Crosby Financial Services Limited | 7,000,000 | 7,000,000 | |
| | 78,050,000 | 78,050,000 | Ordinary shares of Rs. 10 each issued as fully paid bonus shares | 780,500,000 | 780,500,000 | |
| | <u>100,000,000</u> | <u>100,000,000</u> | | <u>1,000,000,000</u> | <u>1,000,000,000</u> | |

At December 31, 2009 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2009: 52.024 million) ordinary shares of Rs. 10 each of the company.

9 CONTINGENCY AND COMMITMENTS

Contingency

During the year 2009 an amended assessment order was passed against the Company for the tax year 2006, raising a further tax demand of Rs. 134 million on account of taxability of a portion of capital gain in dividend received from mutual funds, allocation of expenses and disallowance of certain expenses. However the said amended assessment order passed was annulled by the Commissioner Appeals during the period ended December 31, 2009. Subsequent to the period ended December 31, 2009, the department has preferred an appeal before the Appellate Tribunal against the order passed by the Commissioner of Appeals.

No provision has been made against this tax demand in the condensed interim financial information as the company is confident about a favourable outcome of the case.

Commitments in respect of:

| | | |
|---|-------------------|-------------------|
| Capital expenditure contracted but not incurred | 104,169 | 350,000 |
| Royalty and advisory payments | <u>10,000,000</u> | <u>10,000,000</u> |
| Asset acquired under operating lease | <u>-</u> | <u>1,920,000</u> |

JS Investments Limited

10 SEGMENT INFORMATION

The Company determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The operating segment comprises of:

- (i) Asset management & investment advisory services
- (ii) Investment finance services

As mention in note 1.1 and 12 to the condensed interim financial information, the segment "Investment Finance Service" will be wound up upto February 28, 2010

| | | -----Un-audited----- | | | | | |
|--|------|---|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | | Continued operation | | Discontinued operation | | Total | |
| | | Asset management & investment advisory services | | Investment finance services | | | |
| | | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| | | -----Rupees----- | | | | | |
| INCOME | | | | | | | |
| | Note | | | | | | |
| Remuneration from the funds under management | | 192,208,512 | 259,740,263 | - | - | 192,208,512 | 259,740,263 |
| Commission from open end funds under management | | 2,885,650 | 2,008,896 | - | - | 2,885,650 | 2,008,896 |
| Dividend | | 21,498,992 | 21,498,992 | 1,413,450 | 12,260,400 | 22,912,442 | 33,759,392 |
| Gain on sale of investments - net | | 6,739,562 | 269,839 | 60,801,005 | 4,046,916 | 67,540,567 | 4,316,755 |
| Mark-up on term finance certificates | | - | - | 21,208,288 | 21,458,977 | 21,208,288 | 21,458,977 |
| Mark up on letter of placement | | - | - | - | 742,482 | - | 742,482 |
| Markup on commercial papers | | - | - | - | 3,901,186 | - | 3,901,186 |
| Return on bank deposits | | 144,877 | 1,127,232 | 4,418 | 98,086 | 149,295 | 1,225,318 |
| Amortisation of discount | | - | - | 2,270,651 | - | 2,270,651 | - |
| Commission income and share of profit from management of discretionary client portfolios | 11 | - | - | 1,632,027 | 129,794 | 1,632,027 | 129,794 |
| | | 223,477,593 | 284,645,222 | 87,329,839 | 42,637,841 | 310,807,432 | 327,283,063 |
| OPERATING EXPENSES | | | | | | | |
| Administrative expenses | | 148,435,546 | 185,275,653 | 1,669,004 | 2,532,162 | 150,104,550 | 187,807,815 |
| Other operating expenses | | 2,190,686 | 620,469 | - | - | 2,190,686 | 620,469 |
| Financial charges | | 60,033,054 | 117,360,117 | 44,830,463 | 53,180,063 | 104,863,517 | 170,540,180 |
| Other operating income | | 6,153,415 | 7,125,405 | - | - | 6,153,415 | 7,125,405 |
| Segment results | | 18,971,722 | (11,485,612) | 40,830,372 | (13,074,384) | 59,802,094 | (24,559,996) |

| | | Continued operation | | Discontinued operation | | Total | |
|-----------------------------|--|---|-------------------------|--------------------------------|-------------------------|--------------------------------|-------------------------|
| | | Asset management & investment advisory services | | Investment finance services | | | |
| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
| | | -----Rupees----- | | | | | |
| Segment assets | | 1,799,503,271 | 1,658,005,740 | 295,693,823 | 356,801,576 | 2,095,197,094 | 2,014,807,316 |
| Segment liabilities | | 743,485,827 | 1,011,760,336 | 610,929,507 | 551,914,349 | 1,354,415,334 | 1,563,674,685 |
| -----Un-audited----- | | | | | | | |
| Fixed capital expenditure | | 1,179,760 | 4,106,630 | - | 22,500 | 1,179,760 | 4,129,130 |
| Depreciation / amortisation | | 21,185,928 | 20,798,071 | 300,000 | 300,000 | 21,485,928 | 21,098,071 |

11 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing two (December 31, 2008: 4) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2009 was Rs. 30.522 million (December 31, 2008: 664.522 million) and Rs. 34.775 million (December 31, 2008: 580.432 million) respectively.



JS Investments Limited

12 DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES

As mentioned in note 1.1 to these interim financial information, SECP has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

Consequent to the above, the existing operations, assets, liabilities and other balances of the Investment Finance Services have been separately classified as "discontinued operations as held for sale" in accordance with the requirements of International Financial Reporting Standard (IFRS)-5 "Non-current assets held for sale and Discontinued Operations"

The analysis of the results of the discontinued operations are as follows:

| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|--|--------|--------------------------------------|-------------------------------|
| | Note | -----Rupees----- | |
| 12.1 Non-current assets and current assets classified as held for sale | | | |
| Intangible assets | | 1,800,000 | 2,100,000 |
| Investments - available for sale | 12.5 | 280,327,307 | 336,088,574 |
| Deposits, prepayments and other receivables | | 13,092,361 | 17,595,892 |
| Deferred tax asset | | - | 574 |
| Cash and bank balances | 12.1.1 | 474,155 | 1,016,536 |
| | | <u>295,693,823</u> | <u>356,801,576</u> |
| 12.1.1 This includes Rs 0.066 million (June 30, 2009: Rs 0.059) held with JS Bank Limited (a related party). | | | |
| 12.2 Liabilities associated with non-current assets and current asset classified as available for sale | | | |
| Short term borrowing | 12.4 | 620,000,000 | 564,000,000 |
| Accrued markup | | 6,263,854 | 2,519,883 |
| Deferred tax liability | | 289 | - |
| Other liabilities | | - | 43,556 |
| | | <u>626,264,143</u> | <u>566,563,439</u> |
| Unrealised gain / (loss) on investments classified as available for sale - net | 12.5 | (15,334,636) | (14,649,090) |
| | | <u>610,929,507</u> | <u>551,914,349</u> |
| | | ----- (Un-audited) ----- | |
| | | December 31, 2009 | December 31, 2008 |
| | | -----Rupees----- | |
| 12.3 Analysis of the profit / (loss) after tax | | | |
| Income | | 87,329,839 | 42,637,841 |
| Expenses | | 46,499,467 | 55,712,225 |
| Profit / (loss) before tax | | <u>40,830,372</u> | <u>(13,074,384)</u> |
| Taxation | | | |
| Current | | - | 1,234,501 |
| Deferred | | 863 | 863 |
| | | <u>863</u> | <u>1,235,364</u> |
| Profit / (loss) after taxation from discontinued operations | | <u>40,829,509</u> | <u>(14,309,748)</u> |

JS Investments Limited

12.4 These represent borrowings from commercial banks and financial institutions. These are repayable over various dates by January 2010. Mark-up rate on these borrowings ranges between 13.65% per annum to 13.96% per annum (June 30, 2009: 15% per annum to 15.90% per annum). This includes Rs. 420 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited (a related party).

| | (Un-audited) December 31, 2009 | | (Audited) June 30, 2009 | |
|--|---------------------------------------|---------------|---------------------------------------|---------------|
| | Number of certificates / shares | Rupees | Number of certificates / shares | Rupees |
| EFU General Insurance Limited | - | - | 3,900 | 343,551 |
| Pakistan International Container Terminal Limited | - | - | 942,300 | 50,347,089 |
| Escort Investment Bank Limited | 3,274,000 | 12,932,300 | 3,274,000 | 13,063,260 |
| Nishat Mills Limited | - | - | 25,000 | 945,500 |
| | | 12,932,300 | | 64,699,400 |
| Term finance certificates | | | | |
| Optimus Limited - unlisted | 25,000 | 119,310,350 | 25,000 | 119,346,975 |
| Agritech Limited (formerly Pak American Fertilizer Limited)-unlisted | 10,000 | 48,974,298 | 10,000 | 43,426,373 |
| United Bank Limited - listed | 22,494 | 99,110,359 | 23,625 | 108,615,826 |
| | | 267,395,007 | | 271,389,174 |
| Investments at market value | | 280,327,307 | | 336,088,574 |
| Less: cost of investments | | (295,661,943) | | (461,351,203) |
| Impairment on investments | | - | | 110,613,539 |
| | | (295,661,943) | | (350,737,664) |
| Unrealised (loss) on re-measurement of investments | | (15,334,636) | | (14,649,090) |

| | EARNING / (LOSS) PER SHARE | | | | | |
|---|-------------------------------------|----------------------------|-------------|-------------------------------------|----------------------------|--------------|
| | -----Un-audited----- | | | | | |
| | Half yearly ended December 31, 2009 | | | Half yearly ended December 31, 2008 | | |
| | Continuing Operations | Discontinued Operations | Total | Continuing Operations | Discontinued Operations | Total |
| | -----Rupees----- | | | | | |
| Profit/(loss) for the period | 22,004,632 | 40,829,509 | 62,834,141 | (11,172,995) | (14,309,748) | (25,482,743) |
| Weighted average number of ordinary shares outstanding during the period | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| Earning / (loss) per share | 0.22 | 0.41 | 0.63 | (0.11) | (0.14) | (0.25) |

13.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2009 which would have any effect on the earnings per share if the option to convert is exercised.

| | Note | ----- Un-audited ----- | |
|---|------|------------------------|----------------------|
| | | December 31, 2009 | December 31, 2008 |
| -----Rupees----- | | | |
| 14 CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 4,181,576 | 11,013,604 |
| Cash and bank balances - discontinued operation | 12.1 | 474,155 | 1,304,243 |
| Short term borrowing-secured | | (121,557,178) | (503,734,689) |
| | | (116,901,447) | (491,416,842) |



JS Investments Limited

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 The details of significant transactions with related parties during the period are as follows:

| | -----Un-audited----- | |
|---|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 |
| | -----Rupees----- | |
| Remuneration from funds under management | 192,208,512 | 259,740,263 |
| Commission from funds under management | 2,885,650 | 2,008,896 |
| Rental income | 8,182,042 | 6,342,058 |
| Rent expense | 2,121,000 | 1,350,565 |
| Investments disposed off in funds under management - at cost | 44,819,783 | 234,266,811 |
| | 2,090,465 | 3,554,363 |
| Contribution to staff provident fund | 22,912,442 | 24,325,892 |
| Dividend income | 21,086,547 | 18,702,226 |
| Markup expense on borrowing | | |
| Bonus shares / units (in numbers) | 237,983 | 1,031,342 |
| Transactions with key management personnel | | |
| Remuneration to key management personnel | 31,365,590 | 79,596,413 |
| Consultancy fee to Chairman | 1,740,000 | 1,740,000 |
| Chief Executive Officer - markup income on long term loan | 1,267,263 | 1,029,373 |
| | (Un-audited) | (Audited) |
| | December 31, 2009 | June 30, 2009 |
| | -----Rupees----- | |
| 15.2 Balances: | | |
| Investments in funds under management and other related parties | 1,187,653,907 | 1,050,801,416 |
| Investments in subsidiary | 37,500,000 | 37,500,000 |
| Balances due from funds under management | 4,241,377 | 29,687,592 |
| Long-term receivable from funds under management | 2,135,967 | 3,863,798 |
| Loan to Chief executive officer | 15,000,000 | 15,000,000 |
| Short term borrowing | 420,000,000 | 428,000,000 |
| Interest payable on short term borrowing | 4,660,594 | 2,016,870 |

16 CORRESPONDING FIGURES

Corresponding figures relating to the investment finance services business of the Company which were merged with the assets, liabilities, income and expenses of the asset management company at year ended June 30, 2009 have been reclassified as discontinued operations for better presentation in view of the reasons explained in note 1.1 and 12.

17 GENERAL

These condensed interim financial statements were authorised for issue on February 26, 2010 by the Board of Directors of the Company.

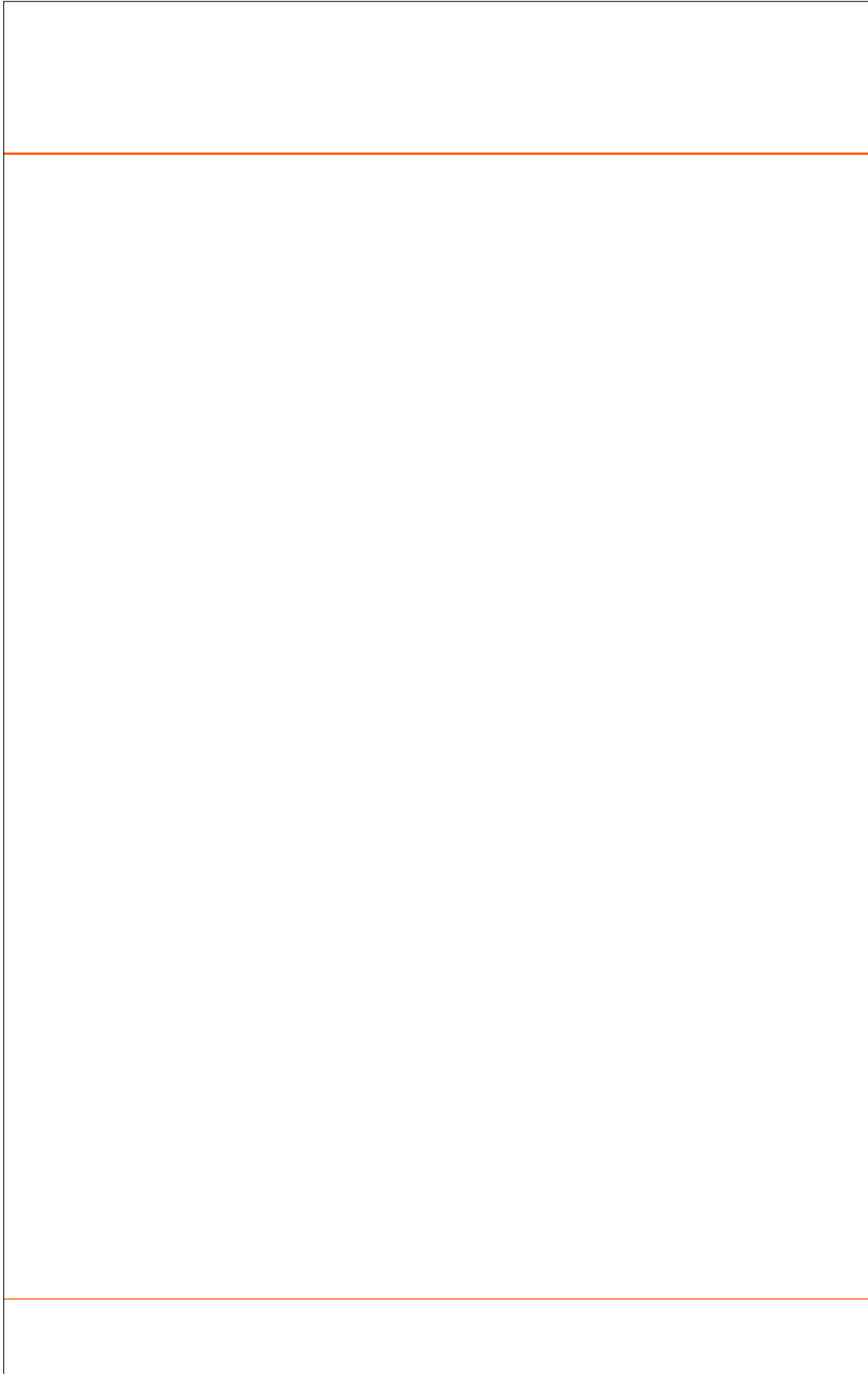
Chief Executive Officer

Director





**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**





JS Investments Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2009

| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|---|-------------|--------------------------------------|-------------------------------|
| | | -----Rupees----- | |
| ASSETS | Note | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible property and equipment | 5 | 360,892,687 | 383,221,825 |
| Intangible assets | | 113,615,856 | 115,926,195 |
| Long-term receivable from related parties - unsecured, considered good | | 2,135,967 | 3,863,798 |
| Long-term loans and advances - considered good | | 15,914,346 | 16,942,570 |
| | | 492,558,856 | 519,954,388 |
| Current assets | | | |
| Investments | 6 | 1,177,612,708 | 993,688,006 |
| Loans and advances - considered good | | 2,686,932 | 2,005,902 |
| Deposits, prepayments and other receivables | | 23,133,701 | 21,373,185 |
| Balances due from funds under management | | 4,241,377 | 29,687,592 |
| Taxation recoverable | | 100,045,078 | 91,257,345 |
| Cash and bank balances | 7 | 4,326,586 | 3,159,542 |
| Non-current assets and current assets classified as held for sale | 12.1 | 1,312,046,382 | 1,141,171,572 |
| | | 295,693,823 | 356,801,576 |
| | | 1,607,740,205 | 1,497,973,148 |
| Total assets | | 2,100,299,061 | 2,017,927,536 |
| EQUITY AND LIABILITIES | | | |
| Share capital | 8 | 1,000,000,000 | 1,000,000,000 |
| Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net | 6.1 | 218,044,028 | (8,770,960) |
| Statutory reserve | | 109,873,728 | 109,873,728 |
| Accumulated loss | | (728,176,599) | (797,082,904) |
| | | 599,741,157 | 304,019,864 |
| Surplus on revaluation of fixed assets - net of tax | | 146,067,270 | 150,157,687 |
| LIABILITIES | | | |
| Non current liabilities | | | |
| Securitisation of management fee receivables - debt | | 467,177,210 | 511,522,640 |
| Deferred tax liability-net | | 45,244,365 | 50,261,567 |
| | | 512,421,575 | 561,784,207 |
| Current liabilities | | | |
| Current maturity of securitisation of management fee receivables - debt | | 50,371,159 | 64,539,121 |
| Short term borrowing-secured | | 121,557,178 | 317,691,909 |
| Accrued and other liabilities | | 50,113,167 | 53,815,450 |
| Accrued mark-up | | 9,098,048 | 14,004,949 |
| | | 231,139,552 | 450,051,429 |
| Liabilities associated with non-current and current assets classified as held for sale | 12.2 | 610,929,507 | 551,914,349 |
| | | 842,069,059 | 1,001,965,778 |
| Total liabilities | | 1,354,490,634 | 1,563,749,985 |
| Total equity and liabilities | | 2,100,299,061 | 2,017,927,536 |
| Contingency and commitments | 9 | | |
| Breakup value | | 6.00 | 3.04 |
| Breakup value (including surplus on revaluation of fixed assets) | | 7.46 | 4.54 |

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial information.

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| Note | Half year ended | | Quarter ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | December 31 2009 | December 31 2008 | December 31 2009 | December 31 2008 |
| -----Rupees----- | | | | |
| CONTINUING OPERATIONS | | | | |
| INCOME | | | | |
| Remuneration from funds under management | 192,208,512 | 259,740,263 | 95,738,441 | 119,588,128 |
| Commission from open end funds under management | 2,885,650 | 2,008,896 | 2,239,389 | 939,905 |
| Dividend | 21,498,992 | 21,498,992 | 21,498,992 | 21,498,992 |
| Gain on sale of investments - net | 6,747,694 | 269,839 | 1,676,868 | 156,267 |
| Return on bank deposits | 149,446 | 1,153,885 | 60,566 | 586,337 |
| Unrealised gain on remeasurement of investments at through fair value profit or loss | 2,071,365 | 1,265,914 | 1,079,701 | 915,353 |
| | <u>225,561,659</u> | <u>285,937,789</u> | <u>122,293,957</u> | <u>143,684,982</u> |
| OPERATING EXPENSES | | | | |
| Administrative and marketing expenses | 148,537,865 | 185,300,648 | 69,007,824 | 90,241,858 |
| OPERATING PROFIT | <u>77,023,794</u> | <u>100,637,141</u> | <u>53,286,133</u> | <u>53,443,124</u> |
| Other operating expenses | 2,190,686 | 620,469 | 1,841,662 | 320,169 |
| Financial charges | 60,033,054 | 117,360,117 | 25,560,074 | 65,526,978 |
| | <u>14,800,054</u> | <u>(17,343,445)</u> | <u>25,884,397</u> | <u>(12,404,023)</u> |
| Other operating income | 6,153,415 | 7,125,405 | 1,157,077 | 3,392,660 |
| Profit/(loss) before tax for the period from continuing operations | <u>20,953,469</u> | <u>(10,218,040)</u> | <u>27,041,474</u> | <u>(9,011,363)</u> |
| Income Tax Expense | | | | |
| - Current | 1,984,292 | 2,667,236 | 82,657 | 2,126,664 |
| - Deferred | (5,017,202) | (2,979,853) | (2,476,468) | (1,404,082) |
| | <u>(3,032,910)</u> | <u>(312,617)</u> | <u>(2,393,811)</u> | <u>722,582</u> |
| Profit/(loss) after tax for the period from continuing operations | <u>23,986,379</u> | <u>(9,905,423)</u> | <u>29,435,285</u> | <u>(9,733,945)</u> |
| OPERATIONS RELATING TO THE DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES | | | | |
| Profit/(loss) after tax for the period from the discontinued operation | 12.3 | 40,829,509 | (14,309,748) | 46,409,643 |
| | | <u>64,815,888</u> | <u>(24,215,171)</u> | <u>75,844,928</u> |
| Profit/(loss) for the period | | <u>64,815,888</u> | <u>(24,215,171)</u> | <u>75,844,928</u> |
| Earning/(loss) per share | 13 | 0.65 | (0.24) | 0.76 |
| | | <u>0.65</u> | <u>(0.24)</u> | <u>0.76</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial information.

Chief Executive Officer

Director



JS Investments Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | December 31, 2009 | December 31, 2008 |
|--|----------------------|------------------------|
| | -----Rupees----- | |
| Profit / (loss) for the period - Continuing operations | 23,986,379 | (9,905,423) |
| Profit / (loss) for the period - Discontinued operations | 40,829,509 | (14,309,748) |
| Profit / (loss) for the period | <u>64,815,888</u> | <u>(24,215,171)</u> |
| Other comprehensive income: | | |
| Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net | 231,281,025 | (1,262,494,456) |
| Gain realised on disposal of investments | (4,466,037) | (2,504,451) |
| | <u>226,814,988</u> | <u>(1,264,998,907)</u> |
| | 6,292,949 | 2,024,451 |
| | <u>233,107,937</u> | <u>(1,262,974,456)</u> |
| Taxation relating to components of other comprehensive income | (2,202,532) | (708,558) |
| Other comprehensive income / (loss) after income tax | <u>230,905,405</u> | <u>(1,263,683,014)</u> |
| Total comprehensive Income / (loss) | <u>295,721,293</u> | <u>(1,287,898,185)</u> |
| Total comprehensive income / (loss) attributable to: | | |
| Owners of the parent | 295,721,293 | (1,287,898,185) |
| Non - Controlling interests | - | - |
| | <u>295,721,293</u> | <u>(1,287,898,185)</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial information.

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | December 31, 2009 | December 31, 2008 |
|--|-------------------------|----------------------|
| Note | -----Rupees----- | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit / (loss) for the period before taxation | 61,783,841 | (23,292,424) |
| Adjustment for non-cash and other items: | | |
| Remuneration from funds under management | (192,208,512) | (259,740,263) |
| Commission from open end funds under management | (2,885,650) | (2,008,896) |
| Dividend | (22,912,442) | (33,759,392) |
| Depreciation | 18,875,588 | 17,100,285 |
| Amortisation of intangible assets | 2,610,340 | 3,997,786 |
| Financial charges | 104,863,517 | 170,540,180 |
| Interest / mark-up income | (149,295) | (1,225,318) |
| Liabilities no longer required written back | - | (1,858,845) |
| Loss on disposal of fixed assets | 3,411,012 | 2,872,897 |
| Gain on redemption of securities | (8,132) | - |
| Unrealised gain on remeasurement of investment at fair value through profit / loss | (2,071,365) | (1,265,915) |
| | <u>(28,691,097)</u> | <u>(128,639,905)</u> |
| Increase / decrease in assets / liabilities | | |
| Loans and advances | 347,194 | 2,849,794 |
| Long-term receivable from related parties | (353,072) | (2,423,300) |
| Deposits, prepayments and other receivables | (9,350,895) | (6,044,122) |
| Accrued and other liabilities | (3,739,090) | (12,615,221) |
| | <u>(13,095,863)</u> | <u>(18,232,849)</u> |
| Taxes paid | (41,786,960) | (146,872,754) |
| Bonus paid | (10,772,026) | (21,959,719) |
| Financial charges paid | - | (35,841,155) |
| Remuneration and commission received from funds under management | (104,526,877) | (174,296,899) |
| Net cash inflow / (outflow) on operating activities | <u>220,540,378</u> | <u>287,114,741</u> |
| | 63,454,515 | (91,855,786) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments - net | 100,045,502 | 171,391,674 |
| Fixed capital expenditure incurred | (583,929) | (3,775,355) |
| Dividend received | 22,924,372 | 33,759,392 |
| Return on bank deposits | 149,295 | 1,225,318 |
| Proceeds from disposal of property and equipment | 626,385 | 409,190 |
| Net cash inflow from investing activities | <u>123,161,625</u> | <u>203,010,219</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of principal amount relating to the securitised management fee | (45,845,000) | (45,845,000) |
| Dividend paid | (11,746) | (107,475,571) |
| Short term borrowing | 56,000,000 | 482,000,000 |
| Net cash inflow on financing activities | <u>10,143,254</u> | <u>328,679,429</u> |
| Net increase in cash and cash equivalents | <u>196,759,394</u> | <u>439,833,862</u> |
| Cash and cash equivalents at beginning of the period | (313,515,831) | (930,789,736) |
| Cash and cash equivalents at end of the period | 14 <u>(116,756,437)</u> | <u>(490,955,874)</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial information.

Chief Executive Officer

Director



JS Investments Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

| | Share capital | Unappropriated profit / Accumulated (loss) | Statutory reserve | Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net | Total Equity |
|---|----------------------|---|----------------------|--|--------------------|
| | -----Rupees----- | | | | |
| Balance as at June 30, 2008 | 1,000,000,000 | 1,017,296,464 | 109,873,728 | (204,057,068) | 1,923,113,124 |
| Total Comprehensive loss | | (22,899,278) | | (1,264,998,907) | (1,287,898,185) |
| Final dividend for the year ended June 30, 2008 | - | (100,000,000) | - | - | (100,000,000) |
| Balance as at December 31, 2008 | <u>1,000,000,000</u> | <u>894,397,186</u> | <u>109,873,728</u> | <u>(1,469,055,975)</u> | <u>535,214,939</u> |
| Balance as at June 30, 2009 | 1,000,000,000 | (797,082,904) | 109,873,728 | (8,770,960) | 304,019,864 |
| Total Comprehensive income | - | 68,906,305 | - | 226,814,988 | 295,721,293 |
| Balance as at December 31, 2009 | <u>1,000,000,000</u> | <u>(728,176,599)</u> | <u>109,873,728</u> | <u>218,044,028</u> | <u>599,741,157</u> |

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial information.

Chief Executive Officer

Director

JS Investments Limited

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2009

1 THE GROUP AND ITS OPERATIONS

| | |
|---------------------------------|--|
| The group consists of: | |
| Holding company | |
| - JS Investments Limited | "Percentage holding of JS Investments Limited" |
| Subsidiary company | |
| - JS ABAMCO Commodities limited | *99.99% |

* The remaining shares of the subsidiary company are held by the directors of the subsidiary company.

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

JS ABAMCO Commodities Limited (JSACL) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984. The registered office of the company is situated at 7th floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The company would be engaged in commodity market brokerage, advisory and consultancy services. The company has not commenced its commercial operations as at the balance sheet date. JS Investments Limited holds 99.99% share capital of JSACL.

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

As per the NBFC Regulations, all Asset Management Companies were required to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

1.2 The company is an asset management company and pension fund manager for the following:

Asset management company of the following funds:

Closed-End

- JS Large Cap Fund (formerly UTP Large Cap Fund)
- JS Growth Fund
- JS Value Fund Limited

Open-End

- Unit Trust of Pakistan
- JS Income Fund
- UTP - Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- UTP - A30+ Fund
- JS Capital Protected Fund
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I
- JS Principal Secure Fund II

During the period, the company has floated a new open end fund. The units of this fund were offered to the public on the following dates:

| Name of open-end fund | From | To |
|-----------------------------|-------------------|-------------------|
| JS Principal Secure Fund II | December 14 ,2009 | December 15 ,2009 |



JS Investments Limited

Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The following amendments to standards are mandatory for the first time for the financial year beginning July 01, 2009

During the current period, International Accounting Standard 1 (Revised), 'Presentation of Financial Statements' (Revised IAS 1) became effective from the annual period beginning on or after January 1, 2009. The application of this standard has resulted in certain increased disclosures.

The Revised IAS 1 prohibits the presentation of items of income and expenses in the Statement of change in equity and requires non owners changes in equity to be shown in performance statement.

The Company has a choice of presenting one statement (The Statement of Comprehensive Income) or two separate statements (Profit and Loss account and Statement of Comprehensive Income). The company has preferred to present two statements through Profit and Loss account and a Statement of Comprehensive Income.

In addition, IFRS 8 'Operating Segments' has been effective from the annual period beginning on or after January 01, 2009. The standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purpose.

Other new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2009 and are not considered to be relevant or have any significant effect on the company's operations.

3 BASIS OF PREPARATION

- 3.1 The condensed interim consolidated financial information are unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations to the Karachi stock exchange.
- 3.2 The condensed interim consolidated financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and should be read in conjunction with annual audited consolidated financial statements of the company for the year ended June 30, 2009.
- 3.3 The condensed interim consolidated financial information have been prepared under the accrual basis of accounting except for cash flow information.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual consolidated financial statements of the company for the year ended June 30, 2009.

| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|--|------|--------------------------------------|-------------------------------|
| | Note | -----Rupees----- | |
| 5 TANGIBLE PROPERTY AND EQUIPMENT | | | |
| Opening WDV | | 380,021,825 | 417,149,426 |
| Addition during the period | 5.1 | 1,179,760 | 4,816,090 |
| Disposal during the period | 5.1 | (4,037,397) | (6,944,593) |
| Depreciation for the period | | (18,875,670) | (34,999,098) |
| Closing WDV | | <u>358,288,518</u> | <u>380,021,825</u> |
| Capital work in progress | 5.3 | 2,604,169 | 3,200,000 |
| | | <u>360,892,687</u> | <u>383,221,825</u> |
| 5.1 Tangible Property and equipment | | | |
| The following additions were made to tangible fixed assets during the period / year: | | | |
| Office set-up | | 748,400 | - |
| Furniture and fixtures | | - | 325,900 |
| Office equipment | | 431,360 | 4,490,190 |
| | | <u>1,179,760</u> | <u>4,816,090</u> |

JS Investments Limited

| | Note | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|---|------|--|--|
| -----Rupees----- | | | |
| The following disposals (net book value) of tangible fixed assets were made during the period / year: | | | |
| Office set-up | | 3,303,912 | 5,031,435 |
| Furniture and fixtures | | 706,317 | 1,466,007 |
| Office equipment | | 1,543 | 447,151 |
| Vehicle | | 25,625 | - |
| | | <u>4,037,397</u> | <u>6,944,593</u> |
| 5.2 Intangible assets | | | |
| The following additions were made to intangible assets during the period / year: | | | |
| Computer software | | - | 77,000 |
| 5.3 Capital work-in-progress - at cost | | | |
| Advance to suppliers against | | | |
| Acquisition of furniture & fixtures | | - | 700,000 |
| Acquisition of office & computer equipment | | 104,169 | - |
| Advance for Office Premises | | 2,500,000 | 2,500,000 |
| | | <u>2,604,169</u> | <u>3,200,000</u> |
| 6 INVESTMENTS | | | |
| Available for sale | 6.1 | 1,138,679,608 | 956,684,403 |
| At fair value through profit or loss account | 6.2 | 38,933,100 | 37,003,603 |
| | | <u>1,177,612,708</u> | <u>993,688,006</u> |
| 6.1 INVESTMENTS - available for sale | | | |
| | | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
| Investments in certificates / units / shares - at fair value | | | |
| | | Number of certificates / units / shares | Number of certificates / units / shares |
| | | Rupees | Rupees |
| In funds under management: | | | |
| JS Value Fund Limited | | 21,498,992 | 21,498,992 |
| JS Large Cap Fund (formerly UTP Large Cap Fund) | | 65,810,000 | 65,810,000 |
| JS Growth Fund | | 36,086,812 | 36,086,812 |
| JS Pension Savings Fund - Equity | | 300,000 | 300,000 |
| JS Pension Savings Fund - Debt | | 300,000 | 300,000 |
| JS Pension Savings Fund - Money Market | | 300,000 | 300,000 |
| JS Fund of Funds | | 1,691,646 | 1,885,257 |
| JS Capital Protected Fund | | 133,830 | 130,000 |
| JS Capital Protected Fund II | | - | 266,000 |
| JS Capital Protected Fund IV | | 1,022,447 | 1,017,422 |
| JS Islamic Pension Savings Fund - Equity | | 300,000 | 300,000 |
| JS Islamic Pension Savings Fund - Debt | | 300,000 | 300,000 |
| JS Islamic Pension Savings Fund - Money Market | | 300,000 | 300,000 |
| JS Aggressive Income Fund | | 501,736 | 501,736 |
| | | 1,138,679,608 | 956,684,403 |
| Less: Cost of investments | | (920,635,580) | (2,168,935,800) |
| Impairment on investments | | - | 1,203,480,437 |
| | | (920,635,580) | (965,455,363) |
| Unrealised gain / (loss) on re-measurement of investments | | <u>218,044,028</u> | <u>(8,770,960)</u> |



JS Investments Limited

| 6.2 At fair value through profit or loss account | (Un-audited) December 31, 2009 | | (Audited) June 30, 2009 | |
|--|-----------------------------------|--------------------------------------|-------------------------------|------------------|
| | Number of units | Rupees | Number of units | Rupees |
| JS Income Fund - fund under management | | | | |
| Investment at market value | 377,332 | 38,933,100 | 352,886 | 37,003,603 |
| Less: Carrying value of investments | | (36,861,734) | | (33,653,102) |
| Unrealised gain on re-measurement of investments | | <u>2,071,365</u> | | <u>3,350,501</u> |
| | Note | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | |
| 7 CASH AND BANK BALANCES | | -----Rupees----- | | |
| Cash in hand | | 75,535 | 75,191 | |
| Balance with banks: | | | | |
| In current account | | 1,297,189 | 974,310 | |
| In savings accounts | 7.1 | <u>2,953,862</u> | <u>2,110,041</u> | |
| | | <u>4,251,051</u> | <u>3,084,351</u> | |
| | | <u>4,326,586</u> | <u>3,159,542</u> | |

7.1 This includes Rs 0.787 million (June 30, 2009: Rs 0.055 million) held with JS Bank Limited - related party.

8 SHARE CAPITAL

| (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | | | |
|--------------------------------------|-------------------------------|---|----------------------|----------------------|
| Number of shares | | Authorised | | |
| 200,000,000 | 200,000,000 | Ordinary shares of Rs. 10 each | 2,000,000,000 | 2,000,000,000 |
| 50,000,000 | 50,000,000 | Convertible preference shares of Rs. 10 each | <u>500,000,000</u> | <u>500,000,000</u> |
| <u>250,000,000</u> | <u>250,000,000</u> | | <u>2,500,000,000</u> | <u>2,500,000,000</u> |
| | | Issued, subscribed and paid-up | | |
| 21,250,000 | 21,250,000 | Ordinary shares of Rs. 10 each issued as fully paid in cash | 212,500,000 | 212,500,000 |
| 700,000 | 700,000 | Fully paid ordinary shares of Rs. 10 each issued on amalgamation with Crosby Financial Services Limited | 7,000,000 | 7,000,000 |
| 78,050,000 | 78,050,000 | Ordinary shares of Rs. 10 each issued as fully paid bonus shares | 780,500,000 | 780,500,000 |
| <u>100,000,000</u> | <u>100,000,000</u> | | <u>1,000,000,000</u> | <u>1,000,000,000</u> |

At December 31, 2009 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2009: 52.024 million) ordinary shares of Rs. 10 each of the company.

9. CONTINGENCY AND COMMITMENTS

Contingency

During the year 2009 an amended assessment order was passed against the Company for the tax year 2006, raising a further tax demand of Rs. 134 million on account of taxability of a portion of capital gain in dividend received from mutual funds, allocation of expenses and disallowance of certain expenses. However the said amended assessment order passed was annulled by the Commissioner Appeals during the period ended December 31, 2009. Subsequent to the period ended December 31, 2009, the department has preferred an appeal before the Appellate Tribunal against the order passed by the Commissioner of Appeals.

No provision has been made against this tax demand in the condensed interim financial information as the company is confident about a favourable outcome of the case.

JS Investments Limited

| | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
|---|--------------------------------------|-------------------------------|
| -----Rupees----- | | |
| Commitments in respect of: | | |
| Capital expenditure contracted but not incurred | 104,169 | 350,000 |
| Royalty and advisory payments | 10,000,000 | 10,000,000 |
| Asset acquired under operating lease | - | 1,920,000 |

10 SEGMENT INFORMATION

The Company determines the operating segments based on the services provided by it, further their segment analysis are used internally by the management to make strategic decision.

The operating segment comprises of:

- (i) Asset management & investment advisory services
- (ii) Investment finance services
- (iii) Commodity operations

As mention in note 1.1 and 12 to the condensed interim consolidated financial information, the segment "Investment Finance Service" will be wound up upto February 28, 2010.

| | ----- Un-audited ----- | | | | | | | |
|--|--|-------------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| | Asset management & investment advisory services | | Investment finance services | | Commodity operations | | Total | |
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| ----- Rupees ----- | | | | | | | | |
| INCOME | | | | | | | | |
| Remuneration from the funds under management | 192,208,512 | 259,740,263 | - | - | - | - | 192,208,512 | 259,740,263 |
| Commission from open end funds under management | 2,885,650 | 2,008,896 | - | - | - | - | 2,885,650 | 2,008,896 |
| Dividend | 21,498,992 | 21,498,992 | 1,413,450 | 12,260,400 | - | - | 22,912,442 | 33,759,392 |
| Gain on sale of investments - net | 6,739,562 | 269,839 | 60,801,005 | 4,046,916 | 8,132 | - | 67,548,699 | 4,316,755 |
| Mark-up on term finance certificates | - | - | 21,208,288 | 21,458,977 | - | - | 21,208,288 | 21,458,977 |
| Mark up on letter of placement | - | - | - | 742,482 | - | - | - | 742,482 |
| Markup on commercial papers | - | - | - | 3,901,186 | - | - | - | 3,901,186 |
| Return on bank deposits | 144,877 | 1,127,232 | 4,418 | 98,086 | 4,569 | 26,653 | 153,864 | 1,251,971 |
| Amortisation of discount | - | - | 2,270,651 | - | - | - | 2,270,651 | - |
| Commission income and share of profit from management of discretionary client portfolios | - | - | 1,632,027 | 129,794 | - | - | 1,632,027 | 129,794 |
| Unrealized gain on remeasurement of investments | - | - | - | - | 2,071,365 | 1,265,914 | 2,071,365 | 1,265,914 |
| | 223,477,593 | 284,645,222 | 87,329,839 | 42,637,841 | 2,084,066 | 1,292,567 | 312,891,498 | 328,575,630 |
| OPERATING EXPENSES | | | | | | | | |
| Administrative expenses | 148,435,546 | 185,275,653 | 1,669,004 | 2,532,162 | 102,319 | 24,995 | 150,206,869 | 187,832,810 |
| Other operating expenses | 2,190,686 | 620,469 | - | - | - | - | 2,190,686 | 620,469 |
| Financial charges | 60,033,054 | 117,360,117 | 44,830,463 | 53,180,063 | - | - | 104,863,517 | 170,540,180 |
| Other operating income | 6,153,415 | 7,125,405 | - | - | - | - | 6,153,415 | 7,125,405 |
| Segment results | 18,971,722 | (11,485,612) | 40,830,372 | (13,074,384) | 1,981,747 | 1,267,572 | 61,783,841 | (23,292,424) |
| | Asset management & investment advisory services | | Investment finance services | | Commodity operations | | Total | |
| | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 | (Un-audited) December 31, 2009 | (Audited) June 30, 2009 |
| ----- Rupees ----- | | | | | | | | |
| Segment assets | 1,762,003,271 | 1,620,500,740 | 295,693,823 | 356,801,576 | 42,601,967 | 40,625,220 | 2,100,299,061 | 2,017,927,536 |
| Segment liabilities | 743,486,127 | 1,011,755,636 | 610,929,507 | 551,914,349 | 75,000 | 80,000 | 1,354,490,634 | 1,563,749,985 |
| | ----- Un-audited ----- | | | | | | | |
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| Fixed capital expenditure | 1,179,760 | 4,106,630 | - | 22,500 | - | - | 1,179,760 | 4,129,130 |
| Depreciation / amortisation | 21,185,928 | 20,798,071 | 300,000 | 300,000 | - | - | 21,485,928 | 21,098,071 |



JS Investments Limited

11 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing two (December 31, 2008: 4) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2009 was Rs. 31.589 million (December 31, 2008: 664.522 million) and Rs. 35.841 million (December 31, 2008: 580.432 million) respectively.

12 DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES

As mentioned in note 1.1 to these interim consolidated financial information, SECP has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

Consequent to the above, the existing operations, assets, liabilities and other balances of the Investment Finance Services have been separately classified as "discontinued operations as held for sale" in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 "Non-current assets held for sale and Discontinued Operations".

The analysis of the results of the discontinued operations are as follows:

| | Note | (Un-audited) December 31 2009 | (Audited) June 30 2009 |
|--|--------|-------------------------------------|------------------------------|
| 12.1 Non-current assets and current assets classified as held for sale | | -----Rupees----- | |
| Intangible assets | | 1,800,000 | 2,100,000 |
| Investments - available for sale | 12.5 | 280,327,307 | 336,088,574 |
| Deposits, prepayments and other receivables | | 13,092,361 | 17,595,892 |
| Deferred tax asset | | - | 574 |
| Cash and bank balances | 12.1.1 | 474,155 | 1,016,536 |
| | | <u>295,693,823</u> | <u>356,801,576</u> |
| 12.1.1 This includes Rs 0.066 million (June 30, 2009: Rs 0.059) held with JS Bank Limited - related party. | | | |
| 12.2 Liabilities associated with non-current assets and current asset classified as available for sale | | | |
| Short term borrowing | 12.4 | 620,000,000 | 564,000,000 |
| Accrued markup | | 6,263,854 | 2,519,883 |
| Deferred tax liability | | 289 | - |
| Other liabilities | | - | 43,556 |
| | | <u>626,264,143</u> | <u>566,563,439</u> |
| Unrealised loss on investments classified as available for sale - net | 12.5 | <u>(15,334,636)</u> | <u>(14,649,090)</u> |
| | | <u>610,929,507</u> | <u>551,914,349</u> |
| | | ------(Un-audited)----- | |
| | | December 31, 2009 | December 31, 2008 |
| 12.3 Analysis of the profit / (loss) after tax | | -----Rupees----- | |
| Income | | 87,329,839 | 42,637,841 |
| Expenses | | 46,499,467 | 55,712,225 |
| Profit / (loss) before tax | | <u>40,830,372</u> | <u>(13,074,384)</u> |
| Taxation | | | |
| Current | | - | 1,234,501 |
| Deferred | | 863 | 863 |
| | | <u>863</u> | <u>1,235,364</u> |
| Profit / (loss) after taxation from discontinued operations | | <u>40,829,509</u> | <u>(14,309,748)</u> |

12.4 These represent borrowings from commercial banks and financial institutions. These are repayable over various dates by January 2010. Mark-up rate on these borrowings ranges between 13.65% per annum to 13.96% per annum (June 30, 2009: 15% per annum to 15.90% per annum). This includes Rs. 420 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited - related party.

JS Investments Limited

12.5 Investments - available for sale

| | (Un-audited) December 31, 2009 | | (Audited) June 30, 2009 | |
|--|---------------------------------------|---------------|---------------------------------------|---------------|
| | Number of certificates / shares | Rupees | Number of certificates / shares | Rupees |
| EFU General Insurance Limited | - | - | 3,900 | 343,551 |
| Pakistan International Container Terminal Limited | - | - | 942,300 | 50,347,089 |
| Escort Investment Bank Limited | 3,274,000 | 12,932,300 | 3,274,000 | 13,063,260 |
| Nishat Mills Limited | - | - | 25,000 | 945,500 |
| | | 12,932,300 | | 64,699,400 |
| Term finance certificates | | | | |
| Optimus Limited - unlisted | 25,000 | 119,310,350 | 25,000 | 119,346,975 |
| Agritech Limited (formerly Pak American Fertilizer Limited)-unlisted | 10,000 | 48,974,298 | 10,000 | 43,426,373 |
| United Bank Limited - listed | 22,494 | 99,110,359 | 23,625 | 108,615,826 |
| | | 267,395,007 | | 271,389,174 |
| Investments at market value | | 280,327,307 | | 336,088,574 |
| Less: cost of investments | | (295,661,943) | | (461,351,203) |
| Impairment on investments | | - | | 110,613,539 |
| | | (295,661,943) | | (350,737,664) |
| Unrealised loss on re-measurement of investments | | (15,334,636) | | (14,649,090) |

13 EARNING / (LOSS) PER SHARE

| | -----Un-audited----- | | | | | |
|--|-------------------------------------|-------------------------|-------------|-------------------------------------|-------------------------|--------------|
| | Half yearly ended December 31, 2009 | | | Half yearly ended December 31, 2008 | | |
| | Continuing Operations | Discontinued Operations | Total | Continuing Operations | Discontinued Operations | Total |
| | -----Rupees----- | | | | | |
| Profit / (loss) for the period | 23,986,379 | 40,829,509 | 64,815,888 | (9,905,423) | (14,309,748) | (24,215,171) |
| Weighted average number of ordinary shares outstanding during the period | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 | 100,000,000 |
| Earning / (loss) per share | 0.24 | 0.41 | 0.65 | (0.10) | (0.14) | (0.24) |

13.1 Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2009 which would have any effect on the earnings per share if the option to convert is exercised.

| | Note | -----Un-audited----- | |
|---|------|----------------------|-------------------|
| | | December 31, 2009 | December 31, 2008 |
| | | -----Rupees----- | |
| 14 CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 4,326,586 | 11,474,572 |
| Cash and bank balances - discontinued operation | 12.1 | 474,155 | 1,304,243 |
| Short term borrowing-secured | | (121,557,178) | (503,734,689) |
| | | (116,756,437) | (490,955,874) |



JS Investments Limited

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 The details of significant transactions with related parties during the period are as follows:

| | -----Un-audited----- | |
|---|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 |
| | -----Rupees----- | |
| Remuneration from funds under management | 192,208,512 | 259,740,263 |
| Commission from funds under management | 2,885,650 | 2,008,896 |
| Rental income | 8,182,042 | 6,342,058 |
| Rent expense | 2,121,000 | 1,350,565 |
| Investments disposed off in funds under management - at cost | 44,819,783 | 234,266,811 |
| Contribution to staff provident fund | 2,090,465 | 3,554,363 |
| Dividend income | 22,912,442 | 24,325,892 |
| Markup expense on borrowing | 21,086,547 | 18,702,226 |
| Bonus shares / units (in numbers) | 237,983 | 1,031,342 |
| Transactions with key management personnel | | |
| Remuneration to key management personnel | 31,365,590 | 79,596,413 |
| Consultancy fee to Chairman | 1,740,000 | 1,740,000 |
| Chief Executive Officer - markup income on long term loan | 1,267,263 | 1,029,373 |
| | (Un-audited) | (Audited) |
| | December 31, | June 30, |
| | 2009 | 2009 |
| | -----Rupees----- | |
| 15.2 Balances: | | |
| Investments in funds under management and other related parties | 1,226,587,007 | 1,087,805,019 |
| Balances due from funds under management | 4,241,377 | 29,687,592 |
| Long-term receivable from funds under management | 2,135,967 | 3,863,798 |
| Loan to Chief Executive Officer | 15,000,000 | 15,000,000 |
| Short term borrowing | 420,000,000 | 428,000,000 |
| Interest payable on short term borrowing | 4,660,594 | 2,016,870 |

16 CORRESPONDING FIGURES

Corresponding figures relating to the investment finance services business of the Company which were merged with the assets, liabilities, income and expenses of the asset management company at year ended June 30, 2009 have been reclassified as discontinued operations for better presentation in view of the reasons explained in note 1.1 and 12.

17 GENERAL

These condensed interim consolidated financial statements were authorised for issue on February 26, 2010 by the Board of Directors of the Company.

Chief Executive Officer

Director

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