

**CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2015  
(REVIEWED)**

**SFL LIMITED**



# SFL LIMITED

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**COMPANY PROFILE****Board Of Directors**

<b>Chairman</b>	:	Mr. Mohammad Abdullah
<b>Chief Executive</b>	:	Mr. Shahid Abdullah
<b>Director</b>	:	Mr. Nadeem Abdullah Mr. Amer Abdullah Mr. Yousuf Abdullah Mr. Mohammad Yamin Mr. Mazhar Saleem, Independent Director

**Audit Committee**

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

**Human Resource & Remuneration Committee**

	:	
Chairman	:	Mr. Yousuf Abdullah
Member	:	Mr. Mazhar Saleem
Member	:	Mr. Mohammad Yamin

**Chief Financial Officer** : Mr. Mujahid Akber Bozdar

**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

**Registered Office** : 316, Cotton Exchange Building,  
I. I. Chundrigar Road, Karachi.

**Share Registrars** : THK Associates (Pvt.) Ltd.  
Second Floor, State Life Building-3,  
Dr. Ziauddin Ahmed Road, Karachi.

## DIRECTOR'S REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors of SFL Limited, it is my pleasure to present Director's report together with un-audited Financials Statements of SFL limited for the half year ended December 31, 2015 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. 39,291,901, Gain on sale of investment of Rs. 379,884 and change in fair value of investments in funds of Rs.607,227. After meeting administrative expenses of Rs.2,330,347 and provision for taxation of Rs. 5,009,466 net profit after tax comes to Rs. 32,939,199.

### FUTURE OUTLOOK

The assets of the company are investments in the shares of associated companies and investment in funds. Profitability of the company depends during the next quarter on the return on investments.

On behalf of the Board

Karachi  
Dated: February 23, 2016

**SHAHID ABDULLAH**  
CHIEF EXECUTIVE

## 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, 2015 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, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

### 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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi :  
Dated : February 23, 2016

**SHINEWING HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS  
Engagement Partner:  
Muhammad Ali

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM BALANCE SHEET (UN-AUDITED) AS AT DECEMBER 31, 2015

	Note	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Investment property		88,103,000	88,103,000
Long term investments	5	403,816,351	403,816,351
Long term deposit		37,500	37,500
		491,956,851	491,956,851
<b>Current assets</b>			
Prepayments		281,127	-
Short term investments	6	24,361,115	39,839,866
Taxation - net		486	-
Bank balances		3,224,554	8,160,639
		27,867,282	48,000,505
<b>Total assets</b>		519,824,133	539,957,356
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
20,200,000 (June 30, 2015: 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, 2015: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserves		318,246,943	335,536,369
		519,161,443	536,450,869
<b>Current liabilities</b>			
Accrued and other liabilities		662,690	407,475
Taxation - net		-	3,099,012
<b>Total liabilities</b>		662,690	3,506,487
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		519,824,133	539,957,356

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

Chief Executive

Director

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----			
<b>Revenue</b>				
Dividend income	<b>39,291,901</b>	109,010,639	<b>39,291,901</b>	109,010,639
Gain on sale of investments	<b>379,884</b>	-	<b>379,884</b>	-
Change in fair values of investments at fair value through profit or loss	<b>(370,121)</b>	1,447,577	<b>607,227</b>	2,829,769
	<b>39,301,664</b>	110,458,216	<b>40,279,012</b>	111,840,408
Administrative expenses	<b>1,689,040</b>	377,976	<b>2,330,347</b>	939,931
<b>Profit before taxation</b>	<b>37,612,624</b>	110,080,240	<b>37,948,665</b>	110,900,477
Taxation	<b>5,009,466</b>	10,901,064	<b>5,009,466</b>	10,901,064
<b>Profit after taxation</b>	<b>32,603,158</b>	99,179,176	<b>32,939,199</b>	99,999,413
<b>Earnings per share</b> - basic and diluted	<b>1.62</b>	4.94	<b>1.64</b>	4.98

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

Chief Executive

Director



## HALF YEARLY ACCOUNTS DECEMBER 31, 2015

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----			
<b>Profit after taxation</b>	<b>32,603,158</b>	99,179,176	<b>32,939,199</b>	99,999,413
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>32,603,158</b>	99,179,176	<b>32,939,199</b>	99,999,413

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

Chief Executive

Director

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half year ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	37,948,665	110,900,477
<b>Adjustments for non-cash items:</b>		
Dividend income	(39,291,901)	(109,010,639)
Gain on sale of investments	(379,884)	-
Change in fair values of investments at fair value through profit or loss	(607,227)	(2,829,769)
<b>Operating loss before working capital changes</b>	<b>(2,330,347)</b>	<b>(939,931)</b>
<b>Working capital changes</b>		
Increase in prepayments	(281,127)	-
Increase in accrued and other liabilities	255,215	206,330
<b>Cash used in operations</b>	<b>(2,356,259)</b>	<b>(733,601)</b>
Taxes paid	(8,108,964)	(7,153,293)
<b>Net cash used in operating activities</b>	<b>(10,465,223)</b>	<b>(7,886,894)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long term investments acquired	-	(83,644)
Short term investments acquired	(2,153,888)	(1,556,000)
Short term investments redeemed	18,619,750	-
Dividend received	39,291,901	71,532,932
<b>Net cash generated from investing activities</b>	<b>55,757,763</b>	<b>69,893,288</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Dividend paid	(50,228,625)	-
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(4,936,085)</b>	<b>62,006,394</b>
<b>Cash and cash equivalents</b> - at beginning of the half year	<b>8,160,639</b>	<b>3,274,301</b>
<b>Cash and cash equivalents</b> - at end of the half year	<b>3,224,554</b>	<b>65,280,695</b>

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

Chief Executive

Director

## HALF YEARLY ACCOUNTS DECEMBER 31, 2015

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Issued, subscribed and paid-up capital	Reserves		Sub- total	Total
		Reserve arisen upon de-merger	Unappro- priated profit		
----- Rupees -----					
Balance as at July 1, 2014	200,914,500	165,340,500	69,027,285	234,367,785	435,282,285
<b>Total comprehensive income for the half year ended December 31, 2014</b>					
Profit for the period	-	-	99,999,413	99,999,413	99,999,413
Other comprehensive income	-	-	-	-	-
	-	-	99,999,413	99,999,413	99,999,413
<b>Balance as at December 31, 2014</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>169,026,698</b>	<b>334,367,198</b>	<b>535,281,698</b>
Balance as at July 1, 2015	200,914,500	165,340,500	170,195,869	335,536,369	536,450,869
<b>Transaction with owners, recognised directly in equity</b>					
Cash dividend for the year ended June 30, 2015 at the rate of Rs.2.5 per share	-	-	(50,228,625)	(50,228,625)	(50,228,625)
<b>Total comprehensive income for the half year ended December 31, 2015</b>					
Profit for the period	-	-	32,939,199	32,939,199	32,939,199
Other comprehensive income	-	-	-	-	-
	-	-	32,939,199	32,939,199	32,939,199
<b>Balance as at December 31, 2015</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>152,906,443</b>	<b>318,246,943</b>	<b>519,161,443</b>

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

Chief Executive

Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

### 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 Karachi Stock Exchange Limited (Pakistan Stock Exchange Limited with effect from January 11, 2016). 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

This condensed interim financial information of the Company for the half year ended December 31, 2015 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 Companies Ordinance, 1984 (the Ordinance). In 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, 2015 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, 2015.

### 3. ACCOUNTING POLICIES

The 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, 2015.

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, 2015. These 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 condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing 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 for the year ended June 30, 2015.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

5. LONG TERM INVESTMENTS - at cost	<b>Un-audited December 31, 2015 Rupees</b>	<b>Audited June 30, 2015 Rupees</b>
Investments in ordinary shares of		
- Subsidiary Company	100,000	100,000
- Associated Companies	403,716,351	403,716,351
	<b>403,816,351</b>	<b>403,816,351</b>
6. SHORT TERM INVESTMENTS		
- At fair value through profit or loss		
<b>Un-audited</b>	<b>Audited</b>	
<b>December 31,</b>	<b>June 30,</b>	
<b>2015</b>	<b>2015</b>	
<b>(Number of units / shares)</b>	<b>Mutual funds</b>	
-	181,666.9075	UBL Money Market Fund
<b>190,646.1379</b>	190,646.1379	HBL Income Fund
		<b>Listed companies</b>
<b>50,000</b>	50,000	Altern Energy Limited
<b>20,000</b>	-	Hub Power Company Limited
		<b>2,052,000</b>
	<b>24,361,115</b>	<b>39,839,866</b>
	<b>24,361,115</b>	<b>39,839,866</b>

### 7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in note 9 to the preceding audited annual financial statements of the Company for the year ended June 30, 2015.

There was no capital commitment as at December 31, 2015 and June 30, 2015.

### 8. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity 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, 2015.

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, 2015**

**9. TRANSACTIONS WITH RELATED PARTIES**

There are no transactions with related parties during the current period except for dividend income aggregating Rs.39,291,901 (December 31, 2014: Rs.109,010,639) received from Associated Companies and meeting fee amounting Rs.30,000 (December 31, 2014: Rs.Nil) 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 23, 2016.

Chief Executive

Director

# **SFL LIMITED**

## **Consolidated Accounts**

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## **DIRECTOR'S REPORT TO THE SHAREHOLDERS**

The directors are pleased to present their report together with unaudited consolidated financial statements of SFL Limited and its subsidiary SFL Corporation (Private) Limited for the half year ended December 31, 2015.

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

Karachi  
Dated: February 23, 2016

**SHAHID ABDULLAH**  
CHIEF EXECUTIVE

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2015

	Note	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>ASSETS</b>			
<b>Non current assets</b>			
Investment property		88,103,000	88,103,000
Long term investments	5	2,737,112,087	2,784,175,063
Long term deposit		37,500	37,500
		<b>2,825,252,587</b>	2,872,315,563
<b>Current assets</b>			
Prepayments		281,127	-
Short term investments	6	24,361,115	39,839,866
Taxation - net		486	-
Cash and bank balances		3,299,034	8,248,239
		<b>27,941,762</b>	48,088,105
<b>Total assets</b>		<b>2,853,194,349</b>	2,920,403,668
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
20,200,000 (June 30, 2015: 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, 2015: 20,091,450) ordinary shares of Rs.10 each		200,914,500	200,914,500
Reserves		2,643,535,182	2,709,253,553
<b>Total equity</b>		<b>2,844,449,682</b>	2,910,168,053
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Deferred taxation		7,986,977	6,634,128
<b>Current liabilities</b>			
Accrued and other liabilities		757,690	502,475
Taxation - net		-	3,099,012
		<b>757,690</b>	3,601,487
<b>Total liabilities</b>		<b>8,744,667</b>	10,235,615
<b>Contingencies and commitments</b>	7		
<b>Total equity and liabilities</b>		<b>2,853,194,349</b>	2,920,403,668

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

Chief Executive

Director

## HALF YEARLY ACCOUNTS DECEMBER 31, 2015

### CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	(Rupees)			
<b>Revenue</b>				
Gain on sale of investments	<b>379,884</b>	-	<b>379,884</b>	-
Change in fair values of investments at fair value through profit or loss	<b>(370,121)</b>	1,447,577	<b>607,227</b>	2,829,769
	<b>9,763</b>	1,447,577	<b>987,111</b>	2,829,769
Administrative expenses	<b>1,692,125</b>	381,026	<b>2,343,467</b>	942,981
(Loss) / profit from operations	<b>(1,682,362)</b>	1,066,551	<b>(1,356,356)</b>	1,886,788
Share of profit of Associated Companies	<b>66,179</b>	84,841,802	<b>13,526,153</b>	95,136,038
<b>(Loss) / profit before taxation</b>	<b>(1,616,183)</b>	85,908,353	<b>12,169,797</b>	97,022,826
Taxation	<b>6,302,086</b>	17,590,918	<b>6,362,315</b>	17,590,918
<b>(Loss) / profit after taxation</b>	<b>(7,918,269)</b>	68,317,435	<b>5,807,482</b>	79,431,908
<b>(Loss) / earnings per share - basic and diluted</b>	<b>(0.39)</b>	3.40	<b>0.29</b>	3.95

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

Chief Executive

Director

## HALF YEARLY ACCOUNTS DECEMBER 31, 2015

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Quarter ended		Half year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	----- (Rupees) -----			
<b>(Loss) / profit after taxation</b>	<b>(7,918,269)</b>	68,317,435	<b>5,807,482</b>	79,431,908
<b>Other comprehensive income</b>				
Share of fair value gain / (loss) on re-measurement of available-for-sale investments of Associated Companies	<b>2,015,813</b>	1,079,909	<b>(15,518,121)</b>	1,947,406
Share of unrealised (loss) / gain on re-measurement of hedging instruments of Associated Companies	<b>(1,439)</b>	1,283,972	<b>44,496</b>	1,447,597
	<b>2,014,374</b>	2,363,881	<b>(15,473,625)</b>	3,395,003
<b>Total comprehensive income for the period</b>	<b>(5,903,895)</b>	70,681,316	<b>(9,666,143)</b>	82,826,911

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

Chief Executive

Director

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Half year ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	12,169,797	97,022,826
<b>Adjustments for non-cash items:</b>		
Gain on sale of investments	(379,884)	-
Change in fair value of investments at fair value through profit or loss	(607,227)	(2,829,769)
Share of profit of Associated Companies	(13,526,153)	(95,136,038)
<b>Operating loss before working capital changes</b>	<b>(2,343,467)</b>	<b>(942,981)</b>
<b>Working capital changes</b>		
Increase in prepayments	(281,127)	-
Increase in accrued and other liabilities	255,215	206,330
<b>Cash used in operations</b>	<b>(2,369,379)</b>	<b>(736,651)</b>
Taxes paid	(8,108,964)	(7,153,293)
<b>Net cash used in operating activities</b>	<b>(10,478,343)</b>	<b>(7,889,944)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long term investments acquired	-	(83,644)
Short term investments acquired	(2,153,888)	(1,556,000)
Short term investments redeemed	18,619,750	-
Dividend received	39,291,901	71,532,932
<b>Net cash generated from investing activities</b>	<b>55,757,763</b>	<b>69,893,288</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Dividend paid	(50,228,625)	-
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(4,949,205)</b>	<b>62,003,344</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>8,248,239</b>	<b>3,364,951</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>3,299,034</b>	<b>65,368,295</b>

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

Chief Executive

Director

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	Reserves					Sub-total	Total
	Issued, subscribed and paid-up capital	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	Unappropriated profit		
----- Rupees -----							
Balance as at July 1, 2014	200,914,500	165,340,500	9,443,000	3,423,339	2,347,223,802	2,525,430,641	2,726,345,141
<b>Total comprehensive income for the half year ended December 31, 2014</b>							
Profit for the period	-	-	-	-	79,431,908	79,431,908	79,431,908
Other comprehensive income	-	-	1,947,406	1,447,597	-	3,395,003	3,395,003
	-	-	1,947,406	1,447,597	79,431,908	82,826,911	82,826,911
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	2,576,422	2,576,422	2,576,422
<b>Balance as at December 31, 2014</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>11,390,406</b>	<b>4,870,936</b>	<b>2,429,232,132</b>	<b>2,610,833,974</b>	<b>2,811,748,474</b>
Balance as at July 1, 2015	200,914,500	165,340,500	20,287,341	362,631	2,523,263,081	2,709,253,553	2,910,168,053
<b>Transaction with owners, recognised directly in equity</b>							
Cash dividend for the year ended June 30, 2015 at the rate of Rs.2.5 per share	-	-	-	-	(50,228,625)	(50,228,625)	(50,228,625)
<b>Total comprehensive income for the half year ended December 31, 2015</b>							
Profit for the period	-	-	-	-	5,807,482	5,807,482	5,807,482
Other comprehensive (loss) / income	-	-	(15,518,121)	44,496	-	(15,473,625)	(15,473,625)
	-	-	(15,518,121)	44,496	5,807,482	(9,666,143)	(9,666,143)
Effect of items directly recorded in equity of Associated Companies	-	-	-	-	(5,823,603)	(5,823,603)	(5,823,603)
<b>Balance as at December 31, 2015</b>	<b>200,914,500</b>	<b>165,340,500</b>	<b>4,769,220</b>	<b>407,127</b>	<b>2,473,018,335</b>	<b>2,643,535,182</b>	<b>2,844,449,682</b>

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

Chief Executive

Director

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

### 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 Karachi Stock Exchange Limited (Pakistan Stock Exchange Limited with effect from January 11, 2016). 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 its 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

This condensed interim consolidated financial information of the Group for the half year ended December 31, 2015 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 Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. 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 annual consolidated financial statements of the Group for the year ended June 30, 2015.

### 3. ACCOUNTING POLICIES

"The 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 annual consolidated financial statements for the year ended June 30, 2015."

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, 2015. These 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 condensed interim consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim consolidated 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 annual consolidated financial statements for the year ended June 30, 2015.

# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

### 5. LONG TERM INVESTMENTS

	Un-audited December 31, 2015 Rupees	Audited June 30, 2015 Rupees
<b>Associated Companies- Equity method</b>		
<b>Unquoted</b>		
Sapphire Finishing Mills Limited (SFML) 25,809,000 (June 30, 2015: 25,809,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>258,090,000</b>	258,090,000
Equity held: 28.05% (June 30, 2015: 28.05%)		
Share of post acquisition profit	<b>796,488,524</b>	751,739,289
Dividend received during the year	<b>(30,970,800)</b>	(38,713,500)
	<b>1,023,607,724</b>	971,115,789
Sapphire Dairies Limited (SDL) 7,000,000 (June 30, 2015: 7,000,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>70,000,000</b>	70,000,000
Equity held: 6.67% (June 30, 2015: 6.67%)		
Share of post acquisition losses	<b>(3,225,097)</b>	(989,001)
	<b>66,774,903</b>	69,010,999
Diamond Fabrics Limited (DFL) 4,569,000 (June 30, 2015:4,569,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>33,368,238</b>	33,368,238
Equity held: 30.69% (June 30, 2015: 30.69%)		
Share of post acquisition profit	<b>1,169,869,897</b>	1,305,337,741
Dividend received during the year	<b>-</b>	(66,261,377)
	<b>1,203,238,135</b>	1,272,444,602
Amer Cotton Mills (Private) Limited (ACML) 336,000 (June 30, 2015: 336,000) ordinary shares of Rs.10 each - <b>cost</b>	<b>549,305</b>	549,305
Equity held: 8.40% (June 30, 2015: 8.40%)		
Share of post acquisition profit	<b>220,842,048</b>	243,045,011
Dividend received during the year	<b>-</b>	(3,199,330)
	<b>221,391,353</b>	240,394,986
Amer Tex (Private) Limited (ATL) 790,428 (June 30, 2015: 790,428) ordinary shares of Rs.10 each - <b>cost</b>	<b>63,774,203</b>	63,774,203
Equity held: 14.41% (June 30, 2015: 14.41%)		
Share of post acquisition profit	<b>62,401,601</b>	63,531,857
Dividend received during the year	<b>(5,532,996)</b>	-
	<b>120,642,808</b>	127,306,060
<b>Quoted</b>		
Reliance Cotton Spinning Mills Limited (RCSML) 557,621 (June 30, 2015: 557,621) ordinary shares of Rs.10 each - <b>cost</b>	<b>37,561,351</b>	37,561,351
Equity held: 5.42% (June 30, 2015: 5.42%)		
Share of post acquisition profit	<b>66,683,918</b>	67,177,708
Dividend received during the year	<b>(2,788,105)</b>	(836,432)
	<b>101,457,164</b>	103,902,627
	<b>2,737,112,087</b>	2,784,175,063



# HALF YEARLY ACCOUNTS DECEMBER 31, 2015

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2015

### 6. SHORT TERM INVESTMENTS

- at fair value through profit or loss

<b>Un-audited December 31, 2015</b>	<b>Audited June 30, 2015</b>		<b>Un-audited December 31, 2015</b>	<b>Audited June 30, 2015</b>
<b>-(Number of units / shares) -</b>			<b>Rupees</b>	<b>Rupees</b>
		<b>Mutual funds</b>		
-	181,666.9075	UBL Money Market Fund	-	18,239,866
<b>190,646.1379</b>	190,646.1379	HBL Income Fund	<b>20,684,115</b>	20,000,000
		<b>Listed companies</b>		
<b>50,000</b>	50,000	Altern Energy Limited	<b>1,625,000</b>	1,600,000
<b>20,000</b>	-	Hub Power Company Limited	<b>2,052,000</b>	-
			<b>24,361,115</b>	<b>39,839,866</b>

### 7. CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in note 10 to the annual consolidated financial statements of the Company for the year ended June 30, 2015.

There was no capital commitment as at December 31, 2015 and June 30, 2015.

### 8. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity 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, 2015.

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

### 9. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties during the current period except for dividend income aggregating Rs.39,291,901 (December 31, 2014: Rs.109,010,639) received from Associated Companies and meeting fee amounting Rs.30,000 (December 31, 2014: Rs.Nil) paid to a non-executive director.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

**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 23, 2016.

Chief Executive

Director



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