Annual Report 2007

>> Experience, Commitment and Service

Pakistan International Container Terminal Limited

Contents

Board of **Directors**

Capt. Haleem A. Siddiqui
Chairman

Capt. Zafar Iqbal Awan
Chief Executive

Mr. Aasim Azim Siddiqui
Director

Mr. Sharique Azim Siddiqui
Director / Chief Operating Officer

Syed Nazim A. Shah
Director

Mr. Ali J. Siddiqui
Director

Mr. Danish Azim Siddiqui
Director

Mr. M. Masood Ahmed Usmani
Chief Financial Officer & Company Secretary

Company information

Board of Directors

Chairman
Capt. Haleem A. Siddiqui

Chief Executive
Capt. Zafar Iqbal Awan

Directors
Mr. Aasim Azim Siddiqui
Mr. Sharique Azim Siddiqui, Chief Operating Officer
Mr. Danish Azim Siddiqui
Syed Nazim A. Shah
Mr. Ali J. Siddiqui

Chief Financial Officer & Company Secretary
Mr. M. Masood Ahmed Usmani, FCA

Audit Committee

Chairman
Syed Nazim A. Shah

Members
Mr. Aasim Azim Siddiqui
Mr. Ali J. Siddiqui

Secretary
Mr. M. Asif Malik, ACA

Auditors
Ford Rhodes Sidat Hyder & Co.
Chartered Accountants, 6th Floor, Progressive Plaza,
Beaumont Road, P.O. Box 15541 Karachi-75530 Tel. 5650007-11

Legal Advisors
Kabraji & Talibuddin 64-A/1, Gulshan-e-Faisal, Bath Island, Karachi.
Usmani & Iqbal, 6th Floor, Business Centre, Mumtaz Hassan Road, Karachi.

Bankers
Faisal Bank Limited
Crescent Commercial Bank Limited
JS Bank Limited
United Bank Limited
Standard Chartered Bank (Pakistan) Limited

Registered & Head Office
2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi.
Tel. 2400450-3 Fax. 2400281

Terminal
Berth 6-9, East Wharf Karachi. Tel. 2855701 14 Fax. 2854815

Registrar / Transfer Agent
Technology Trade Services (Pvt.) Ltd. 241-C, Block-2, P.E.C.H.S., Karachi.
Tel. 4391316-7

Vision

Operate a Container Terminal at Karachi Port that provides the highest level of quality services to its clients

Mission

A Company dedicated to fulfilling the Port Service requirements of Customers and Users of Karachi Port at an economic cost turough optimum use of human and financial resources and giving a fair return to investors

Corporate Social Responsibility

PICT continues to contribute to the social development of the community by focusing on the welfare of employees, supporting various NGOs in fulfilling their noble cause, providing a better workplace and healthier environment. We provide career development and skills enhancement of our staff through regular training sessions.

PICT extends free sessions of technical training to Engineers on our state of the art Equipment, and throughout the year we extended free training sessions to Gwadar Port Authority and Pak Navy Engineers.

Support for Non-Profit Organizations
As part of its corporate social responsibility initiatives, PICT supports a number of charities and trusts:

Al-Shifa Trust provides relief and rehabilitation services to special children suffering from cerebral palsy and other motor disorders.

The Citizens Foundation runs a professionally managed network of purpose-built schools in the poorest rural areas and most neglected urban slums of Pakistan.

SIUT (Sind Institute of Urology and Transplantation) provides medical services to the patients suffering from Urology, Nephrology, Transplantation and Liver Diseases.

The Kidney Center provides medical services to the patients suffering from Urology, Nephrology, Transplantation and Kidney Diseases.

FLAME – is a registered NGO in Pakistan and its goal is to provide basic primary level education to the poor and disadvantaged children currently denied their basic right of access to education. FLAME's mission is to promote literacy and increase access to basic education among the poorest children who are unable to attend the formal school system.

The Acumen Fund – aims in removing the poverty in Pakistan and globally as well, by investing in the leading investment enterprises. In Pakistan Acumen Fund is focusing and inducing their investments in Kashf Foundation and the SAIBAN.

Kashf Foundation – is a leading non-profit microfinance institution and offers loans in small denominations to the poor women since 2002. SAIBAN – a non-profitable institution, providing affordable housing to low income groups and urban squatters since 1990s.

Committed to Creating a Better Workplace

PICT is committed to make the workplace better by following the highest standards of corporate governance and social responsibility. As a public sector organization, PICT believes in building strong relationships with customers, employees, and the communities in which it operates. The organization's values are exemplified in a range of corporate initiatives designed to impact positively on the lives of multiple stakeholders. PICT practices active corporate citizenship through social services, support for non-profit organizations, medical services for employees, promotion of sports among the employees.

Health, Safety and Environment

PICT, shortly after its inception has been "Occupation Health and Safety Assessment Series" compliant and also complying with the standards set by International Finance Corporation (an investment wing of World Bank). For this purpose, dedicated HSE department has continuously carried all the issues relating to Health, Safety and Environment, by taking all necessary measures in compliance with the Laws and Regulations.

Human Resources Development

We are providing quality services to our clients, which have been achieved by having a team of high class professionals working with the organization. The team has been formed by developing skills in their relevant fields, by pursuing professional trainings. In result of which, we obtained efficient performance and ultimately resulting in their career building to become a responsible member of the society.

PICT prides itself as being the only Pakistani owned and operated container terminal in Pakistan, and we sincerely endeavor to serve the nation and the trade as a responsible corporate citizen.

Notice of the 6th Annual General Meeting

Notice is hereby given that the 6th Annual General Meeting of Pakistan International Container Terminal Limited will be held at **Beach Luxury Hotel**, Karachi, on Saturday, September 29, 2007 at 10:00 A.M. to transact the following business:

Ordinary Business:

1) To confirm the minutes of 5th Annual General Meeting held on September 29, 2006.
2) To receive and adopt Audited Accounts for the year ended June 30, 2007 together with Auditors' and Directors' Reports thereon.
3) To approve the final dividend on Preference Shares @ Rs. 1 per share amounting to Rs. 18,000,000/- for the year ended June 30, 2007.
4) To appoint Auditors for the year 2007-2008 and fix their remuneration. The present auditors, M/s. Ford Rhodes Sidat Hyder & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Special Business:

5) To consider and if thought appropriate, pass the following resolutions as and by way of Special Resolutions:

RESOLVED THAT

i) the Authorised Capital of the Company be and hereby increased from Rs.1,000,000,000 (Rupees One Billion Only) divided into: a) 82,000,000 Ordinary Shares of Rs. 10 each; and b) 18,000,000 Preference Shares of Rs.10 each, to: Rs. 2,000,000,000 (Rupees Two Billion Only) divided into: a) 182,000,000 Ordinary Shares of Rs. 10 (Rs. Ten) each; and b) 18,000,000 Preference Shares of Rs. 10 (Rs. Ten) each and that:

a) Clause V of the Memorandum of Association of the Company be and is hereby amended and read as follows:

"V. The Authorised Share Capital of the Company is Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into: (a) 182,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten) each; and (b) 18,000,000 Preference Shares of Rs. 10/- (Rupees Ten) each, with power to increase or reduce the capital and to consolidate or sub-divide the shares and issue shares of different kinds or classes therein of higher or lower denominations in such manner as may for the time being authorised by the regulations of the Company and subject to applicable law."

b) Clause 5 of the Articles of Association of the Company be and is hereby amended and read as follows:

"5. The Authorised Share Capital of the Company is Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into: (a) 182,000,000 Ordinary Shares of Rs. 10/- (Rupees Ten) each; and (b) 18,000,000 Preference Shares of Rs. 10/- (Rupees Ten) each."

6) To consider and approve the issuance of Bonus Shares as recommended by the Board of Directors and to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT:

(a) A sum of Rs. 151,601,600/- out of the free reserves of the Company to be capitalized and applied towards the issue of 15,160,160 bonus shares of Rs 10/- each and allotted as fully paid bonus shares to those members of the Company whose names appear in the Register of Members of the Company on September 20, 2007 in the proportion of 01 (one) share for every 05 (five) shares held by them. These bonus shares upon issue shall rank "pari passu" in all respects with the existing ordinary shares of the Company.

b) Members entitled to fraction of shares as a result of their holding shall be given the sale proceeds of their fractional entitlements for which purpose the fractions shall be consolidated into whole shares and sold on the Karachi Stock Exchange. The Management recommends that the proceeds be donated to any reputed charitable trust.

c) For the purpose of giving effect to the foregoing, the Chairman/Chief Executive or the Company Secretary be and are hereby authorised to issue directions and take such actions as they deem fit to settle any question or any difficulties that may arise in the distribution of the said bonus shares or in the payment of the sale proceeds of the fractions.

7) To transact any other business with the permission of the Chair.

A statement under section 160 of the Companies Ordinance, 1984 pertaining to special business is enclosed.

By order of the Board

M. Masood Ahmed Usmani
Company Secretary

September 08, 2007

Notice of the 6th Annual General Meeting

Notes:

1. Share Transfer Books of the Company will remain closed from September 21, 2007 to September 28, 2007 (both days inclusive). Transfer received in order at Company's Registrar, Technology Trade (Pvt.) Ltd., 241-C, Dagia House, P.E.C.H.S., Block 2, Karachi close of business on September 20, 2007 will be considered in time.

2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

3. CDC shareholders, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards/Passport in original alongwith Participants' ID Numbers and their Account Numbers to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to notify any change in their addresses to the company immediately.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning "Special Business" to be transacted at the 6th Annual General Meeting of the Company to be held on September 29, 2007.

The approval of the members will be sought for:

Item 5 of the Agenda:

Increase in Authorised Capital

The Company presently has an Authorized Capital of Rs. 1,000,000,000/- divided into a) 82,000,000 Ordinary Shares of Rs.10/- each; and b) 18,000,000 Preference Shares of Rs.10/- each.

In order to facilitate the proposed issue of bonus share and to provide for further issue of capital by issue of bonus shares or otherwise, the Board of directors recommends that the Authorised Capital be increased to Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into: a) 182,000,000 Ordinary Shares of Rs. 10/- each; and b) 18,000,000 Preference Shares of Rs.10/- each.

Item 6 of the Agenda:

Issue of Bonus Shares

The Board of Directors are of the view that Company's financial position justify the capitalisation of free reserves amounting to Rs. 151,601,600/- for the issue of bonus shares in the proportion of 01 (one) share for every 05 (five) shares.

The Directors of the Company have no interest in the special business and/or special resolution, save to the extent of their shareholding in the Company.

Chairman's Review

It is a matter of pride for me to commend the management team of PICT for achieving our targets of growth in container handling in financial year 2006-07 and to handle 345,802 TEUs (Twenty Foot Equivalent Container Units) during the year as compared to 302,028 TEUs last year- a growth of 14%. Our revenues have grown significantly by 28% and we have seen a growth of 15% in our net profits before tax. Our growth has been commendable ever since we started commercial operations in 2002. All this has been possible by the Grace of God with the full dedication of our team of professionals.

Our priority is to add shareholder value by reinvesting our earnings in the company to support our expansion plans in order to capture a significant share in the double digit growth in Pakistan's container throughput. The Board of Directors also recommends that bonus shares in the ratio of one bonus share for every five ordinary shares held be issued by capitalization of Rs. 151.6 million out of free reserves of the Company and dividend on Preference Shares on proportionate basis @ 10% (Re. 1 per preference share) amounting to Rs. 18 million.

During the year, we have installed the Phase III Equipment (three years ahead of our target dates) comprising mainly of one Quayside Crane and four Rubber Tyred Gantry Cranes. We are now operating with a total of four Quayside Cranes, two Mobile Harbour Cranes and ten Rubber Tyred Gantry Cranes along with the other ancillary equipment. We also appreciate Karachi Port Trust (KPT) plans to deepen the Karachi Port Channel by 2008 for which we have already equipped our selves with the latest equipment to handle larger vessels.

As part of our drive to be ahead of the competition, PICT is setting up the latest scanning and radioactivity detection system. This will enable us to employ the most modern methods of non-intensive custom examination by scanning the containers without opening. PICT will be the first container terminal in Pakistan to install a 6MEV and Dual Scan capability Scanner by end 2007. PICT has also procured the latest Terminal Operating Software N4 from Navis, USA and **will be the fourth terminal in the world** to go live with N4 by end 2007.

On behalf of PICT, I would like to thank the management of KPT, our Lenders- the International Finance Corporation and the OPEC Fund for International Development, our clients and our valued shareholders.

Our objective remains to build PICT as the first Pakistani-owned container terminal in the country and to operate at international norms of productivity and service, and to be second to none.

Capt. Haleem A. Siddiqui
Chairman

Karachi: August 22, 2007

Directors' Report

The Directors have pleasure in presenting the Annual Report together with the audited Financial Statements of the Company for the year ended June 30, 2007.

During the last year, PICT has shown remarkable progress in terms of growth in containers handled, increase in berth productivity, increase in company revenues and profits. The significant milestones achieved were the following:

- 14.5 percent growth in annual container throughput to 345,802 TEUs (Twenty Foot Equivalent Container Units) (2006: 302,028 TEUs);
- 28 percent growth in annual revenues to Rs. 2,186.06 (2006: Rs. 1,707.76) million;
- 30 percent growth in profits before interest and tax to Rs. 699.61 (2006: Rs. 539.54) million ;and
- 15 percent increase in profits before tax to Rs. 520.12 (2006: Rs. 450.58) million.

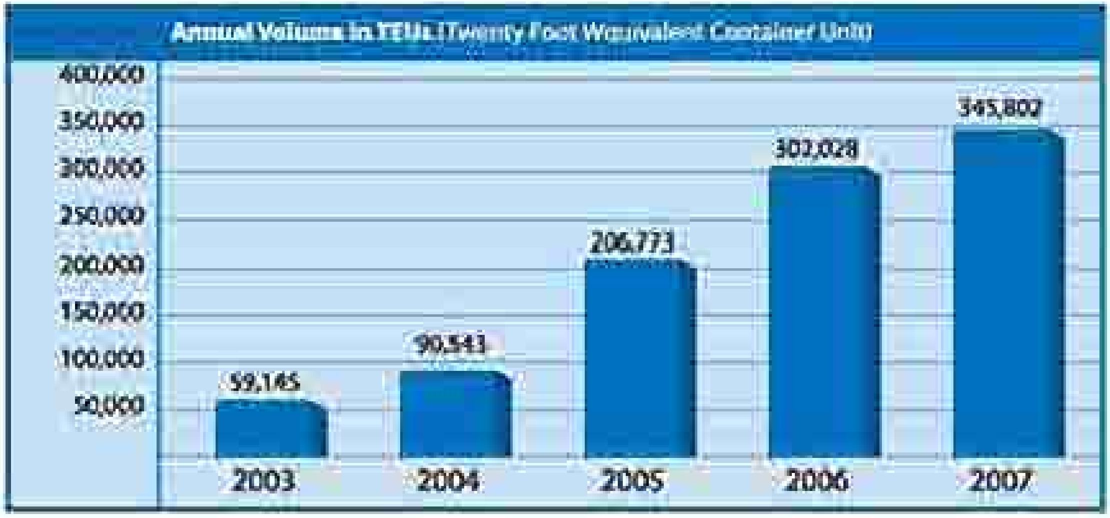
The year under review saw the successful commissioning and operations of Phase III Equipments (three years ahead of our target dates) comprising mainly of one Quayside Crane and four Rubber Tyred Gantry Cranes. We are now operating with a total of four Quayside Cranes, two Mobile Harbour Cranes and ten Rubber Tyred Gantry Cranes along with the other ancillary equipment. PICT team was organized to successfully operate the new container handling equipments and integrate the operations with the terminal management software installed at the Terminal. The above milestones are a result of the successful teamwork whereby state-of-the-art container handling equipment was installed at PICT and container handling services of international standards were provided to shipping lines and the trade by a team of dedicated Pakistani professionals.

Future Plans

We appreciate Karachi Port Trust (KPT) plans to deepen the Karachi Port Channel by 2008 for which we have already equipped our selves with the latest equipment to handle larger vessels. As part of our drive to be ahead of the competition, PICT is setting up the latest scanning and radioactivity detection system. This will enable us to employ the most modern methods of non-intensive custom examination by scanning the containers without opening. PICT will be the first container terminal in Pakistan to install a 6MEV and Dual Scan capability Scanner by end 2007. Further more, PICT has also procured the latest Terminal Operating Software N4 from Navis, USA and **will be the fourth terminal in the world** to go live with N4 by end 2007.

Operational Performance

The Company has shown growth both in terms of volume as well as revenue. During the year, the Company has handled 345,802 TEUs as compared to 302,028 TEUs in the last year showing a growth of 14.5%. This increase in volume is mainly attributable to the quality of service and state-of-the-art facilities being provided to the shipping lines calling at the Terminal.



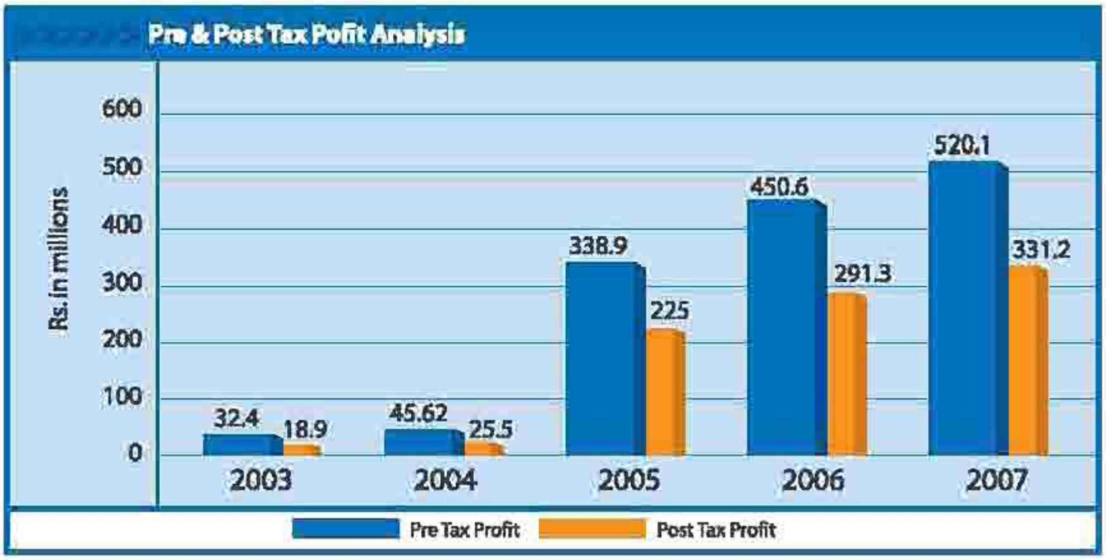
Financial Performance

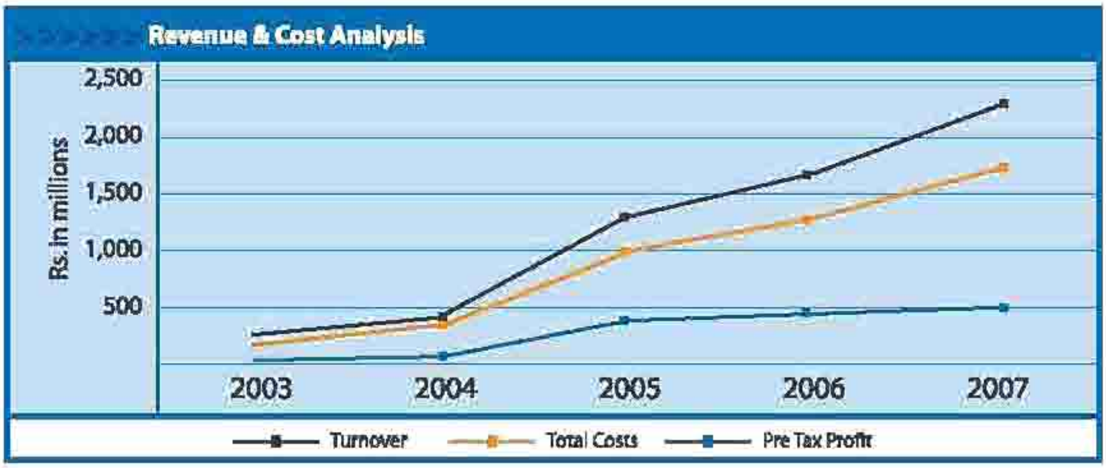
The increase in volumes has been backed by increase in margins as compared to the last year. The Company has achieved Rs. 2 billion turnover in the fourth year after starting operations. The Company has shown an increase of 28% in revenue as compared to last year i.e. from Rs. 1,707.76 million to Rs. 2,186.06 million.

Gross profit for the year has amounted to Rs. 808.06 million (2006: Rs. 640.67 million). Gross margins for the year were 37% as compared to 37.5% last year.

During the year the financial charges have increase from Rs.88.96 million to Rs.179.49 million. The increase relate to the mark up on US Dollar Loans acquired to finance the Phase II of the project and to the mark up on lease of the Phase III assets.

The Company has posted a pre-tax profit of Rs. 520.12 million (2006: Rs. 450.58 million) and post-tax profit of Rs. 331.19 million (2006: Rs. 291.27 million) showing an increase of 15% and 14% respectively from last year figures.





	Rs in 000's
Profit before taxation	520,118
Taxation	(188,931)
Profit after tax	331,187
Un-appropriated profit brought forward	557,343
Final dividend for the year ended June 30, 2006- Preference shares	(18,000)
Un-appropriated profit carried forward	870,530
EPS- Basic	Rs.4.13
EPS- Diluted	Rs.3.59

The Directors of the Company recommends that bonus shares in the ratio of one bonus share for every five ordinary shares held be issued by capitalization of Rs. 131.6 million out of free reserves of the Company and final dividend on Preference Shares on proportionate basis @ 10% p.a. (Re. 1 per preference share) amounting to Rs. 18 million. The approval of the members for the bonus shares and the final dividend will be obtained at the Annual General Meeting to be held on September 29, 2007.

The Directors of the Company proposes that the Authorized Share Capital of the Company be increased from Rs. 1,000,000,000 (Rupees one billion) to Rs. 2,000,000,000 (Rupees Two billion) to provide for the issue of further capital by way of Bonus shares or otherwise.

Share Holders' Equity & Capital Gearing

At the year end the shareholders equity stood at Rs. 1,808.54 million [2006: Rs. 1,495.35 million]. Debt to Equity ratio is 52:48 as compared to 52:48 last year and the interest coverage for the year is 3.9 times as compared to 6.2 times last year. Current ratio at the year end stood at 2.82 as compared to 2.86 last year.

Integrated Management System (IMS)

PICT is the first Container Terminal in Pakistan to have an IMS Certification from Bureau Veritas Quality International. IMS integrates the main parameter of ISO9001:2000 (Quality Management System), ISO14001 (Environment Management System) and OSHAS 18001 (Occupational Safety and Health Standards). By complying with all the three standards we are actually committed to follow the World Bank Guidelines on Quality, Environment, Health and Safety.

Health Safety & Environment

The Company has implemented the ISO 9001:2000 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health & Safety Management System) certification through a recognized consultant.

ISPS Code Compliant Terminal

PICT is compliant with the International Ship and Port Facility Security Code whereby the Terminal facility is well equipped to deal with security threats and respond to potential emergencies. Furthermore, the Terminal is equipped with a camera surveillance system and monitors the entry of all vehicles into the Terminal

Credit Rating by JCR-VIS

JCR-VIS Credit Rating Company Limited (JCR-VIS) has assigned entity credit rating of A- (Single A Minus) and A-2 (A Two) for the medium to long-term and short-term respectively to the Company. The outlook on the medium to long-term rating is 'Stable'

Auditors

The auditors M/s Ford Rhodes Sidat Hyder & Co., Chartered Accountants retire and being eligible they have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending June 30, 2008 and the Board agrees to the recommendation of the Audit Committee.

Compliance with the Code of Corporate Governance

The compliance with the Code of Corporate Governance set out by the Karachi Stock Exchange in the listing regulations, relevant for the year ended June 30, 2007 have been duly complied with. A statement to this effect is annexed with the report.

Board of Directors

During the year five meetings of the Board of Directors of the Company were held. These were attended as follows:

Name of Directors	Meetings Attended
Capt. Haleem A. Siddiqui	5
Capt. Zafar Iqbal Awan	5
Mr. Aasim A. Siddiqui	5
Mr. Sharique A. Siddiqui	5
Mr. Danish A. Siddiqui	4
Syed Nizam A. Shah	4
Mr. Ali J. Siddiqui	1
Mr. Munaf Ibrahim – Alternate to Mr. Ali J. Siddiqui	3

Leave of absence was granted to Directors who could not attend the Board Meetings.

Audit Committee

During the year four meetings of Audit Committee were held.

Corporate Governance and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- There has been no departure from the best practices of transfer pricing, as detailed in the Listing Regulations.
- The key operating and financial data is annexed.
- The value of investments of provident fund based on their un-audited accounts as on June 30, 2007 was Rs. 31.4 million.
- Details of purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children are disclosed in the Pattern of Shareholding.
- Pattern of shareholding is included in the annexed shareholders' information.

Code of Ethics & Business Principles

The Board has adopted the Statement of Ethics and Business Principles, which is signed and acknowledged by all the Directors and employees of the Company and are required to abide by the Code.

Material Changes & Commitments:

Proposed bonus shares in the ratio of one bonus share for every five ordinary shares held be issued by capitalization of Rs. 151.6 million out of accumulated profits of the Company and proposed final dividend on preference shares carrying dividend @10% (Re. 1 per preference share) amounting to Rs. 18 million. The Companies Ordinance, 1984 requires that events subsequent to the balance sheet date including declaration of dividend should be incorporated in the year it is declared. Therefore, the bonus shares and the preference dividend proposed by the directors in the meeting held on August 22, 2007 shall be incorporated in the financial statements for the year ending June 30, 2008.

For and on behalf of Board of Directors

Capt. Zafar Iqbal Awan
Chief Executive

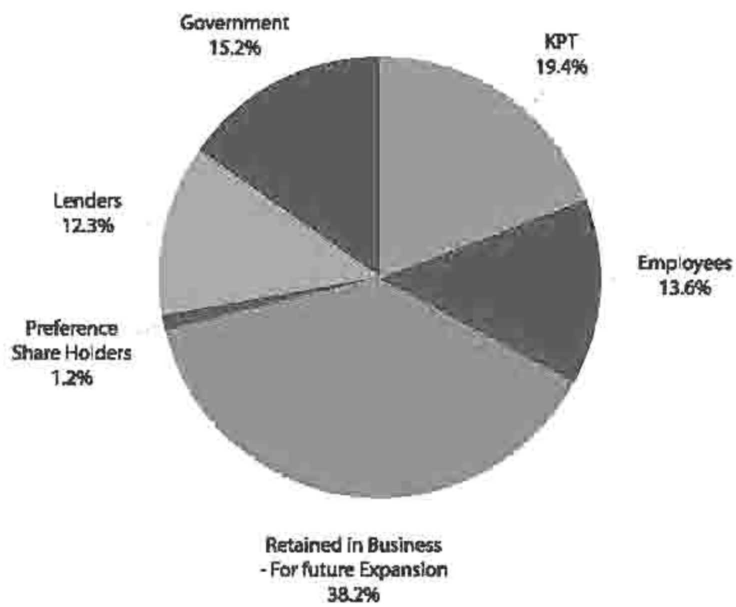
Karachi: August 22, 2007

Key Operating and Financial Data

	2007	2006	2005	2004	2003
			Rupees in Millions		
TURNOVER & PROFITS					
Revenue	2,186.06	1,707.76	1,342.68	372.60	186.43
Gross Profit	808.07	640.67	536.40	112.07	55.54
Operating Profit	699.61	539.54	412.40	60.09	30.28
Profit Before Taxation	520.12	450.58	338.90	45.62	32.40
Profit After Taxation	331.19	291.27	225.01	25.51	18.91
ASSETS EMPLOYED					
Operating Assets - net	2,879.49	2,033.52	1,498.32	1,529.50	147.74
Intangible Assets - net	33.81	53.41	63.30	70.48	38.55
Net Current Assets	812.82	786.62	501.33	18.54	86.71
FINANCED BY					
Share Capital	938.01	938.01	938.01	638.01	408.57
Share Holder's Equity	1,808.50	1,495.4	1,207.4	682.42	427.47
Long Term Loans	1,301.40	1,416.99	847.06	924.50	-
STATISTICS					
Break up Value Per Ordinary Share (Rs.)	21.48	17.35	13.55	10.70	10.46
Market Value Per Ordinary Share (Rs.)	84.80	77.15	24.50	23.00	-
Earnings Per Ordinary Share (Rs.)	4.13	3.61	3.30	0.43	2.33
Total TEUs for the Year (Numbers)	345,802	302,028	206,773	90,950	59,145
Total Boxes for the Year (Numbers)	260,225	216,230	152,606	69,986	46,924
CAPITAL MARKET ANALYSIS RATIOS					
Price Earning Ratio	20.53	21.37	7.42	53.49	-
LIQUIDITY ANALYSIS RATIOS					
Current Ratio	2.82	2.86	2.75	1.06	1.29
PROFITABILITY ANALYSIS RATIOS					
Return on Assets (before tax)	12.92%	14.53%	15.15%	3.66%	5.80%
Return on Capital Employed (before tax)	31.49%	33.34%	35.87%	8.22%	7.58%
Return on Capital Employed (after tax)	20.05%	21.55%	23.81%	4.60%	4.42%
Gross Profit Margin	36.96%	37.52%	39.95%	30.08%	29.79%
Net Profit Margin-Before Tax	23.79%	26.38%	25.24%	12.24%	17.38%
Net Profit Margin-After Tax	15.15%	17.06%	16.76%	6.85%	10.14%
CAPITAL STRUCTURE ANALYSIS RATIOS					
Debt Ratio	44.11%	45.03%	41.32%	54.02%	11.98%
Debt Equity Ratio	52:48	52:48	46:54	60:40	13:87
Interest Coverage	3.93	6.19	5.68	3.58	33.90

Statement of Value Added

Value Added	2007 Rupees in 000's
Revenue	2,218,850
Net Cost of services rendered	831,887
	1,386,963
Other Income	67,210
	1,454,173
Distribution	
Employees	
- Salaries & Wages	197,392
Karachi Port Trust	
- Royalty & HMS Charges	282,507
Government	
- Taxes	221,717
Lenders	
- Mark up on Loans and Leased Assets	179,493
Preference Share Holders	
- Cash Dividend	18,000
Retained In Business	
- Depreciation & Amortization	241,877
- Retained Earnings	313,187
	555,064
	1,454,173



Distribution - %

Employees	13.6%
KPT	19.4%
Government	15.2%
Lenders	12.3%
Preference Share Holders	1.2%
Retained in Business - For future Expansion	38.2%
	100%

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2007

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent Non-Executive Directors and Directors representing minority interests on its Board of Directors. At present the Board consists of seven Directors out of which three are Non-Executive Directors including two nominee directors.

2. The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this company.

3. All the Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or NBFI. No Director in the board is a member of any of the Stock Exchanges in Pakistan.

4. There has been no casual vacancy in the Board during the year ended June 30, 2007.

5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all of the directors and employees of the Company.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other Executive Directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met atleast once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors are well aware of their duties and responsibilities as outlined by corporate laws and listing regulations.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit has been made during the year. However, the Board has approved their annual remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2007

11. The Directors' report for the year ended June 30, 2007 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee comprising of three members of whom two are Non-Executive Directors including the Chairman of the Committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.

17. The Board has set up an effective internal audit function.

18. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with except that presently the position of the Company Secretary and the Chief Financial Officer is held by the same person. The said decision has been taken by the Board keeping in view the size of the Company.

Capt. Zafar Iqbal Awan
Chief Executive

KARACHI: AUGUST 22, 2007

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING FOR THE YEAR ENDED JUNE 30, 2007

The Company has fully complied with the Best practices on Transfer Pricing as contained in the Listing Regulations of the Stock Exchange.

Capt. Zafar Iqbal Awan
Chief Executive

Karachi: August 22, 2007

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2007 prepared by the Board of Directors of Pakistan International Container Terminal Limited (the Company) to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

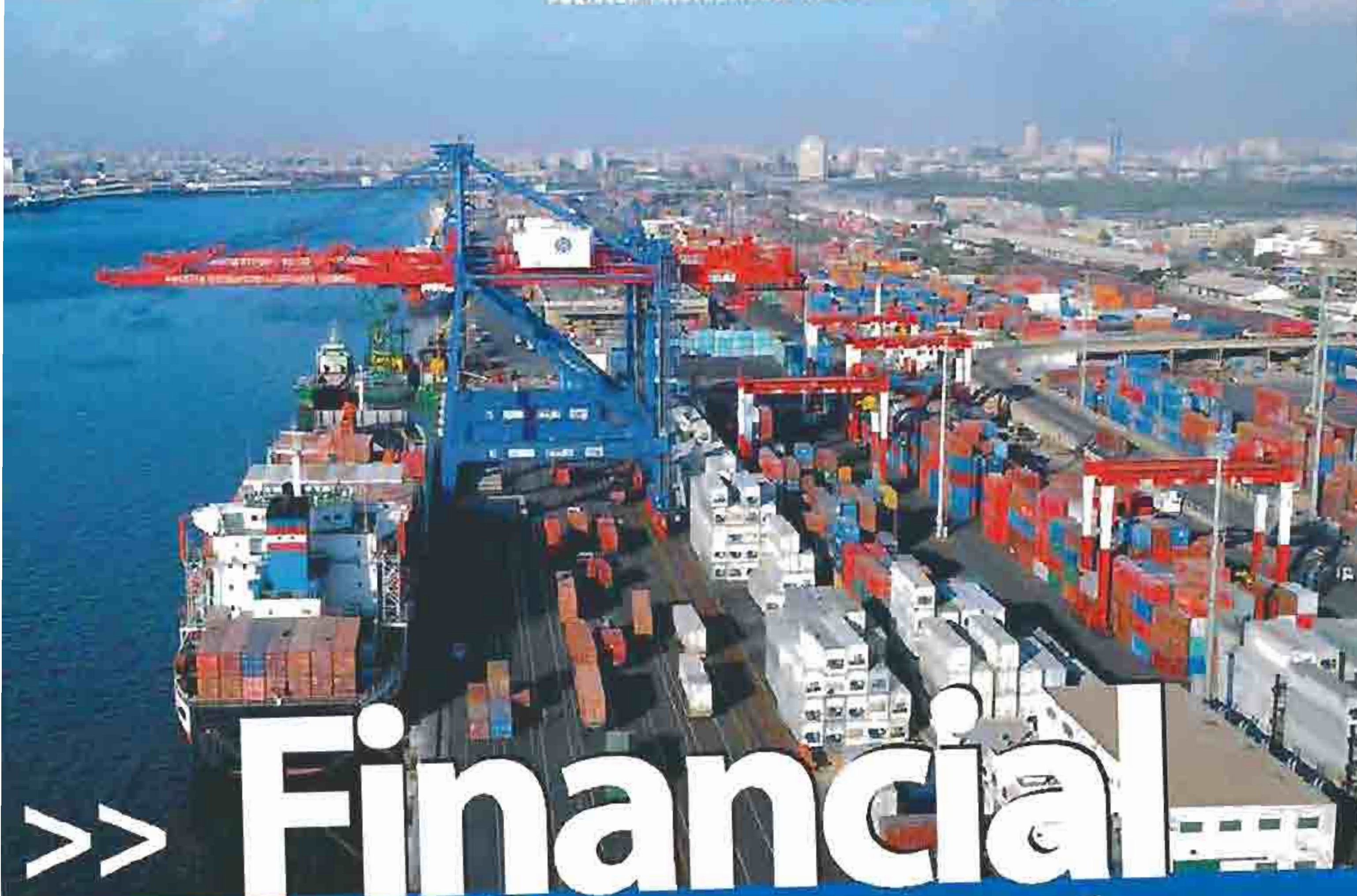
The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, effective for the year ended June 30, 2007.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

KARACHI: August 22, 2007



>> Financial Statements

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of PAKISTAN INTERNATIONAL CONTAINER TERMINAL LIMITED as at June 30, 2007 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that :

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2007 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Without qualifying our opinion, we draw attention to the contents of note 15.2.3 to the financial statements. As fully explained in the said note, preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt with in accordance with the clarification from Securities and Exchange Commission of Pakistan.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

KARACHI: August 22, 2007

BALANCE SHEET
AS AT JUNE 30, 2007

	Note	2007	2006
		—— (Rs. in thousands) ——	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**3,004,720**	2,384,036
Intangible assets	5	**33,810**	53,406
Long-term deposits	6	**90,079**	8,060
Deferred costs	7	**3,981**	7,553
		3,132,590	2,453,055
CURRENT ASSETS			
Stores and spares	8	**168,465**	118,505
Trade debts – unsecured	9	**137,846**	168,309
Advances	10	**15,850**	8,946
Deposits and prepayments	11	**25,762**	24,840
Other receivables	12	**7,930**	1,276
Investments	13	**461,004**	53,703
Taxation – net		**62,186**	76,577
Cash and bank balances	14	**380,540**	756,442
		1,259,583	1,208,598
TOTAL ASSETS		**4,392,173**	3,661,653
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital	15.1	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital	15.2	**938,008**	938,008
Unappropriated profit		**870,530**	557,343
		1,808,538	1,495,351
NON-CURRENT LIABILITIES			
Long-term financing	16	**1,301,418**	1,416,994
Liabilities against assets subject to finance lease	17	**364,487**	36,227
Deferred tax liability	18	**458,565**	280,565
Staff compensated absences	19	**12,399**	10,538
		2,136,869	1,744,324
CURRENT LIABILITIES			
Trade and other payables	20	**175,203**	226,318
Accrued interest on long term financing		**43,795**	23,994
Current maturity of liabilities against assets subject to finance lease	17	**86,925**	27,545
Current maturity of long-term financing	16	**140,843**	144,121
		446,766	421,978
CONTINGENCIES AND COMMITMENTS	21		
TOTAL EQUITY AND LIABILITIES		**4,392,173**	3,661,653

The annexed notes from 1 to 37 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan	**Aasim Azim Siddiqui**
CHIEF EXECUTIVE	**DIRECTOR**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2007

	Note	2007	2006
		—— (Rs. in thousands) ——	
Turnover – net	22	**2,186,064**	1,707,760
Terminal operating costs	23	**1,377,999**	1,067,086
Gross profit		**808,065**	640,674
Administrative expenses	24	**175,664**	143,836
Other operating income	25	**67,210**	42,705
		699,611	539,543
Finance costs	26	**179,493**	88,963
Profit before taxation		**520,118**	450,580
Taxation	27	**188,931**	159,310
Profit after taxation		**331,187**	291,270
Earnings per ordinary share – Basic	28.1	**Rs. 4.13**	Rs. 3.61 **(Restated)**
Earnings per ordinary share – Diluted	28.2	**Rs. 3.53**	Rs. 3.10

The annexed notes from 1 to 37 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007

	Note	2007	2006
		(Rs. in thousands)	
CASH FLOWS FROM OPERATIONS	33	**850,427**	645,279
Staff compensated absences paid		**-**	(220)
Tax paid		(25,322)	(40,889)
Interest received		**54,638**	39,502
Finance costs paid		**(166,620)**	(78,986)
Net cash generated from operating activities		**713,123**	564,686
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(207,550)**	(677,893)
Sale of operating fixed assets		**2,722**	831
Payment in relation to capital work-in-progress		**(178,811)**	(214,675)
Investments		**(407,301)**	(50,500)
Net cash used in investing activities		**(790,940)**	(942,237)
CASH FLOWS FROM FINANCING ACTIVITIES			
Front-end fee paid for long-term financing		**-**	(8,430)
Long-term financing - net		**(118,854)**	649,988
Dividends paid on preference shares		**(18,000)**	(3,358)
Security deposits against lease assets		**(82,018)**	577
Lease rentals paid		**(79,213)**	(26,245)
Net cash (used in) / generated from financing activities		**(298,085)**	612,532
Net (decrease) / increase in cash and cash equivalents		**(375,902)**	234,981
Cash and cash equivalents at the beginning of the year		**756,442**	521,461
Cash and cash equivalents at the end of the year		**380,540**	756,442

The annexed notes from 1 to 37 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2007

	Issued, subscribed and paid-up capital			
	Ordinary shares	Redeemable preference shares	Unappropriated profit	Total
	(Rs. in thousands)			
Balance as at June 30, 2005	758,008	180,000	269,431	1,207,439
Dividend on preference shares @10% for the year ended June 30, 2005	-	-	(3,358)	(3,358)
Profit after taxation for the year ended June 30, 2006	-	-	291,270	291,270
Balance as at June 30, 2006	**758,008**	**180,000**	**557,343**	**1,495,351**
Dividend on preference shares @10% for the year ended June 30, 2006	-	-	**(18,000)**	**(18,000)**
Profit after taxation for the year ended June 30, 2007	-	-	**331,187**	**331,187**
Balance as at June 30, 2007	**758,008**	**180,000**	**870,530**	**1,808,538**

The annexed notes from 1 to 37 form an integral part of these financial statements.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

1. CORPORATE INFORMATION AND OPERATIONS

1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan as a private limited company in June 2002. Subsequently, it was converted to an unquoted public limited company and is now listed on the Karachi Stock Exchange. The registered office of the Company is situated at 2nd Floor, Business Plaza, Mumtaz Hassan Road, Karachi. The terminal office of the Company is located at berth 6 to 9, East Wharf, Kemari Road, Karachi Port.

1.2. The Company has a Build Operate Transfer (BOT) contract with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port for a period of twenty-one years commencing June 18, 2002.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.1 Accounting standards not yet effective

2.1.1 The following new standards and amendments of approved accounting standards are applicable in Pakistan from the dates mentioned below against the respective standard or amendment:

IAS – 1 Presentation of Financial Statements – amendments relating to capital disclosures	effective from accounting period beginning on or after January 01, 2007
IAS – 23 (Revised) Borrowing Costs	effective from accounting period beginning on or after January 01, 2009
IAS – 41 Agriculture	effective from accounting period beginning on or after May 22, 2007
IFRS – 2 Share based Payment	effective from accounting period beginning on or after December 06, 2006
IFRS – 3 Business Combinations	effective for business combinations for which agreement date is on or after December 06, 2006
IFRS – 5 Non-current Assets Held for Sale and Discontinued Operations	effective from accounting period beginning on or after December 06, 2006
IFRS – 6 Exploration for and Evaluation of Mineral Resources	effective from accounting period beginning on or after December 06, 2006

In addition, interpretations in relation to certain IFRSs have been issued by the International Accounting Standards Board that are not yet affective.

The Company expects that the adoption of the above standards, amendments and interpretations will have no impact on the Company's financial statements in the period of initial application.

2.1.2 Under IAS – 21 "The Effects of Changes in Foreign Exchange Rates", the exchange gain or loss arising in respect of borrowing denominated in foreign currency should be included in the profit and loss account. However, under the SECP Circular No. 1 dated January 19, 2005, the said exchange differences on translation of borrowings, that were outstanding before July 05, 2004 and were specifically acquired for purchase of assets are allowed to capitalised as part of its cost of related assets uptil September 30, 2007 on which date the aforesaid requirement of IAS – 21 in respect of accounting of exchange difference would become effective. Accordingly, the financial statements of the Company for the year ended June 30, 2008 are expected to be affected by the above referred requirement of IAS – 21, the amount whereof cannot be determined at this stage.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing these financial statements are as follows:

3.1. Basis of preparation

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value as referred to in note 3.9 below.

3.2. Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation/amortization, useful life and residual value used in the calculation of depreciation/amortization. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment and intangible assets, with corresponding effects on the depreciation/amortization charge and impairment.

Stores and spares

The Company reviews the net realizable value of stores and spares to assess any diminution in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Trade debts

The Company reviews its doubtful trade debts at each reporting date to assess whether provision should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3.3. Property, plant and equipment

3.3.1. Operating fixed assets

These are stated at cost less accumulated depreciation and any impairment in value, if any.

Depreciation is charged to income applying the straight-line method over the estimated useful life of the asset at the rates stated in note 4.1. Depreciation on additions is charged from the month in which an asset is put to use while no depreciation is charged for the month an asset is disposed off.

The carrying values of the company's operating fixed assets are reviewed at each financial year end for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

An item of operating fixed asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal, if any, of assets are included in income currently.

The assets residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements, if any, are capitalized when it is probable that respective future economic benefits will flow to the Company

3.3.2. Assets subject to finance lease

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease, at the fair value of the leased assets or, if lower at the present value of the minimum lease payments, lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets acquired under finance lease are depreciated using the same basis as for owned assets.

3.3.3. Capital work-in-progress

Capital work-in-progress is stated at cost. It consists of expenditure incurred and advance made in respect of operating fixed assets and intangible assets in the course of their acquisition and installation.

3.4. Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Costs incurred on the acquisition of computer software are capitalized and are amortized on straight line basis over their estimated useful life. Amortization is charged in the month in which the asset is put to use at the rates stated in Note 5 to the financial statements.

Development expenditure incurred on the project is capitalized when its future recoverability can reasonably be regarded as assured. These are amortized over a period of five years on straight line basis commencing from the date of completion of the project, on a monthly pro-rata basis.

Useful lives of intangible assets are reviewed, at each financial year end and adjusted if appropriate.

The carrying value of intangible assets are reviewed for impairment at each financial year end when events or changes in circumstances, indicate that the carrying value may not be recoverable.

3.5. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are in progress and capitalized as a part of the cost of related asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

3.6. Deferred costs

Deferred costs representing preliminary expenses and share issue expenses capitalised (before July 05, 2004 i.e. the date of revision of the Fourth Schedule to the Companies Ordinance, 1984) are amortised over a period of five years as allowed under Circular No. 1 of January 19, 2005 issued by the SECP.

3.7. Stores and spares

These are valued at lower of moving average cost and net realizable value. Provision is made for slow moving items where necessary to bring these down to approximate net realizable value and is recognised in income. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

3.8. Trade debts and other receivables

Trade debts are recognized and carried at original invoice amount less provision for impairment. Provision for impairment is made when the collection is no longer probable. Bad debts are written off when identified.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

3.9. Investments

Investments are either classified as financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale investments, as appropriate. When investments are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction cost. The Company determines the classification of its investments after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading and those designated at fair value through profit and loss are included in the category 'Financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on remeasurement of such investments are recognized in profit and loss account.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. After initial measurement, these investments are measured at amortised cost.

Available for sale investments

Available for sale investments are investments that are designated as available for sale or are not classified in any of the other categories. After initial measurement, available for sale investments are measured at fair value with unrealized gains or losses being recognised directly in equity. When the investment is disposed off, the cumulative gain or loss previously recognised in equity is recognised in profit and loss account.

Fair value of investments

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques.

3.10. Taxation

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemption available, if any, or minimum tax at the rate of 0.5 percent of the turnover whichever is higher.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the balance sheet date between tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

3.11. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits maturing within three months.

For the purposes of cash flow statement, cash and cash equivalent include cash and cash equivalents as defined above.

3.12. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value net of transaction costs associated with the borrowing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

After initial recognition, interest-bearing loans and borrowings, are subsequently measured at amortised cost using the effective interest rate method.

3.13. Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.14. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are required at each balance sheet date and adjusted to reflect the current best estimate.

3.15. Transactions with related parties

The Company enters into transactions with related parties on arm's length basis.

3.16. Revenue

- Revenues from port operations are recognised when services are rendered;
- Profit on deposits / saving accounts are recognised on accrual basis; and
- Dividend income is recognised when the Company's right to receive the same is established.

3.17. Staff retirement benefits

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 8.33% of the basic salary.

Contributions from the Company are charged to income for the year.

3.18. Staff compensated absences

The Company accounts for these benefits in the period in which the absences are earned, using current salary levels.

3.19. Financial Instruments

Financial instruments carried on the balance sheet include investments, loans, deposits, trade debts, other receivables, cash and cash equivalents, long term financing, liabilities against assets subject to finance lease, trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realised, expire or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

3.20. Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet, if the Company has the enforceable legal right to set off the transaction and also intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

3.21. Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak rupees (functional currency) using the exchange rates prevailing at the dates of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Exchange gains and losses are included in profit and loss account except for exchange differences on translation of borrowings, that were outstanding before July 05, 2004 and were specifically acquired for purchase of assets which are capitalized as part of cost of the related assets as allowed under Circular No. 1 of January 19, 2005 issued by the SECP. (Also see note 2.1.2).

3.22. Derivative financial instrument

The Company uses derivative financial instruments such as interest rate and cross currency swaps to hedge its risk associated with interest and exchange rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

Any gains or losses arising from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit and loss account.

3.23. Dividend and other appropriation of reserves

These are recognised in the period in which such dividend and appropriation are declared by the Company.

3.24. Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are charged to income.

	Note	2007	2006
		—— (Rs. in thousands) ——	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**2,879,489**	2,033,520
Capital work-in-progress	4.2	**125,231**	350,516
		3,004,720	2,384,036

4.1. The following is a statement of operating fixed assets:

	2007									
	COST				ACCUMULATED DEPRECIATION				Written down value as at June 30, 2007	Rate %
	As at July 01, 2006	Additions / *transfers	Disposals	As at June 30, 2007	As at July 01, 2006	For the year / *transfers	Disposals	As at June 30, 2007		
Owned										
Leasehold Improvements	15,522	3,277	-	18,799	5,187	3,203	-	8,390	10,409	20
Port Improvement	282,208	277,441	-	559,649	30,847	15,327	-	46,174	513,475	5
Mobile Harbour Crane	101,819	-	-	101,819	69,347	20,364	-	89,711	12,108	20
Ship to Shore Cranes – STS	1,018,500	4,907	-	1,023,407	72,085	54,119	-	126,204	897,203	5-6.06
Gantry tracks	12,208	46	-	12,254	1,352	607	-	1,959	10,295	5
Rubber Tyred Gantry Cranes – RTG	364,120	210,346	-	574,466	36,394	28,882	-	65,276	509,190	6
Port equipment	327,849	17,623	-	347,714	63,374	35,804	-	100,104	247,610	7-20
		2,242*				926*				
Port Power Generation	69,110	60,927	-	130,037	13,281	9,427	-	22,708	107,329	5-10
Vehicles	15,838	18,903	(4,162)	39,948	5,447	5,856	(2,460)	13,971	25,977	20
		9,369*				5,128*				
Computers	19,314	6,724	-	26,038	5,036	7,026	-	12,062	13,976	33.33
Furniture and fixtures	11,300	6,638	-	17,938	1,825	1,288	-	3,113	14,825	10
Office equipment	14,580	4,814	-	19,394	4,298	2,179	-	6,477	12,917	10-20
	2,252,368	611,646	(4,162)	2,871,463	308,473	184,082	(2,460)	496,149	2,375,314	
		11,611*				6,054*				
Leased										
Ship to Shore Cranes – STS	-	380,973	-	380,973	-	13,467	-	13,467	367,506	5-6.06
Rubber Tyred Gantry Cranes – RTG	-	67,908	-	67,908	-	2,377	-	2,377	65,531	6
Port equipment	47,127	-	-	44,885	9,405	4,668	-	13,147	31,738	7-20
		(2,242)*				(926)*	-			
Generators	55,000	-	-	55,000	13,197	5,500	-	18,697	36,303	10
Vehicles	16,035		-	6,666	5,935	2,762	-	3,569	3,097	20
		(9,369)*				(5,128)*				
	118,162	448,881	-	555,432	28,537	28,774	-	51,257	504,175	
		(11,611)*				(6,054)*				
2007	**2,370,530**	**1,060,527**	**(4,162)**	**3,426,895**	**337,010**	**212,856**	**(2,460)**	**547,406**	**2,879,489**	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

	2006									
	COST				ACCUMULATED DEPRECIATION					
	As at July 01, 2005	Additions / *transfers	Disposals	As at June 30, 2006	As at July 01, 2005	For the year / *transfers	Disposals	As at June 30, 2006	Written down value as at June 30, 2006	Rate %
Owned										
Leasehold improvements	11,371	4,151	-	15,522	2,844	2,343	-	5,187	10,335	20
Port improvement	281,537	671	-	282,208	16,801	14,046	-	30,847	251,361	5
Mobile Harbour Crane	101,819	-	-	101,819	48,983	20,364	-	69,347	32,472	20
Ship to Shore Cranes – STS	635,411	683,089	-	1,018,500	38,876	33,209	-	72,085	946,415	5
Gantry tracks	12,162	46	-	12,208	746	606	-	1,352	10,856	5
Rubber Tyred Gantry Cranes – RTG	227,354	136,766	-	364,120	19,770	16,624	-	36,394	327,726	7
Port equipment	197,252	130,597	-	327,849	36,319	27,055	-	63,374	264,475	10-20
Port Power Generation	67,995	1,115	-	69,110	7,013	6,268	-	13,281	55,829	5-10
Vehicles	11,826	3,654 2,404*	(2,046)	15,838	2,691	2,615 1,356*	(1,215)	5,447	10,391	20
Computers	8,581	10,733	-	19,314	2,581	2,455	-	5,036	14,278	20
Furniture and fixtures	7,447	3,853	-	11,300	1,033	792	-	1,825	9,475	10
Office equipment	8,065	3,218 3,297*	-	14,580	1,175	1,362 1,761*	-	4,298	10,282	10-20
	1,570,820	677,893 5,701*	(2,046)	2,252,368	178,832	127,739 3,117*	(1,215)	308,473	1,943,895	
Leased										
Port equipment	47,127	-	-	47,127	4,582	4,823	-	9,405	37,722	10-20
Generators	58,297	- (3,297)*	-	55,000	9,177	5,781 (1,761)*	-	13,197	41,803	10
Vehicles	18,439	- (2,404)*	-	16,035	3,765	3,526 (1,356)*	-	5,935	10,100	20
	123,863	- (5,701)*	-	118,162	17,524	14,130 (3,117)*	-	28,537	89,625	
2006	**1,694,683**	**677,893**	**(2,046)**	**2,370,530**	**196,356**	**141,869**	**(1,215)**	**337,010**	**2,033,520**	

During the year, effective July 01, 2006 the useful lives of the following classes of property, plant and equipment were reviewed which resulted in the revision of depreciation rates and method.

Description	Annual rate of depreciation	
	2007	2006
	%	%
Owned		
Ship to Shore Cranes	5 - 6.06	5
Rubber Tyred Gantry Cranes	6	7
Port equipment	7-20	10-20
Computers	33.33	20
Leased		
Ship to Shore Cranes	5 - 6.06	5
Rubber Tyred Gantry Cranes	6	7
Port equipment	7-20	10-20

In the opinion of the management, the revision would result in a more accurate reflection of depreciation charge over the useful lives of the related assets. The above change has been accounted for as a change in accounting estimate. Had the estimate not been revised the depreciation charge would have been higher and carrying value of operating fixed assets for the year would have been lower by Rs. 1.334 million and profit before taxation would have been lower by the same amount.

4.1.1. Additions to fixed assets include borrowing cost amounting to Rs. 2.434 million (2006: Rs. 8.713 million) and exchange differences of Rs. 6.140 million (2006: Rs. 5.513 million).

* represent transfer from leased assets to owned assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

Disposal of operating fixed assets:

	Cost	Accumulated depreciation	Written down value	Sale price	Gain/(loss)	Mode of disposal	Particulars of buyer
	(Rs. in thousands)						
Vehicle	560	241	319	460	141	Tender	Mr. Masood-ul-Haq
Vehicle	554	271	283	467	184	Tender	Mr. Masood-ul-Haq
Vehicle	469	280	189	350	161	Tender	Mrs. Naheed Ghaffar
Vehicle	549	244	305	400	95	Company policy	Mr. Riaz Ahmed Khan (employee)
Vehicle	1,235	934	301	485	184	Tender	Mr. Hamid Ali Khan
Vehicle	795	490	305	560	255	Tender	Mr. Zubair Shaikh, (ex-employee)
	4,162	2,460	1,702	2,722	1,020		

		Note	2007	2006
			(Rs. in thousands)	
4.1.2.	Depreciation charge for the year has been allocated as under:			
	Terminal operating costs	23	**191,314**	131,113
	Administrative expenses	24	**21,542**	10,756
			212,856	141,869
4.2.	**Capital work-in-progress**			
	Civil works		**51,147**	228,929
	Advance for purchase of fixed assets		**54,020**	121,587
	Advance for acquisition of intangible assets		**20,064**	-
			125,231	350,516

4.2.1. Movement

	Civil works	Advance for purchase of fixed assets	Advance for acquisition of intangibl assets	Total
Balance as at July 1, 2005	27,903	143,153	-	171,056
Capital expenditure incurred during the year	201,026	121,587	-	322,613
Transfer to operating fixed assets	-	(143,153)	-	(143,153)
Balance as at June 30, 2006	228,929	121,587	-	350,516
Balance as at July 1, 2006	228,929	121,587	-	350,516
Capital expenditure incurred during the year	104,727	54,020	20,064	178,811
Transfer to operating fixed assets	(282,509)	(121,587)	-	(404,096)
Balance as at June 30, 2007	**51,147**	**54,020**	**20,064**	**125,231**

5. INTANGIBLE ASSETS

	Note	COST: As at July 01, 2006	COST: Additions	COST: As at June 30, 2007	ACCUMULATED AMORTISATION: As at July 01, 2006	ACCUMULATED AMORTISATION: Charge for the year	ACCUMULATED AMORTISATION: As at June 30, 2007	Book value as at June 30, 2007	Amortisation rate %
		(Rs. in thousands)							
Computer software		37,357	-	37,357	4,790	12,018	16,808	20,549	20-33.33
Project development cost	5.1.1	37,889	-	37,889	17,050	7,578	24,628	13,261	20
2007		**75,246**	-	**75,246**	**21,840**	**19,596**	**41,436**	**33,810**	
2006		**75,246**	-	**75,246**	**11,908**	**9,932**	**21,840**	**53,406**	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

During the year, effective July 01, 2006 the useful lives of computer softwares were reviewed which resulted in the revision of amortization rate as follows:

Description	Annual rate of amortization 2007 %	2006 %
Computer softwares	20-33.33	5-20

In the opinion of the management, the revision would result in a more accurate reflection of amortization charge over the useful lives of the intangible assets. The above change has been accounted for as a change in accounting estimate. Had the estimate not been revised the amortization charge would have been lower and carrying value of intangible assets for the year would have been higher by Rs. 9.665 million and profit before taxation would have been higher by the same amount.

5.1.1. These include legal and professional charges, litigation settlement, salaries and benefits and traveling expenses incurred in connection with the main project during the pre operating period.

	Note	2007 (Rs. in thousands)	2006 (Rs. in thousands)
5.1.2. Amortisation charge for the year has been allocated as under:			
Terminal operating costs	23	**12,018**	2,354
Administrative expenses	24	**7,578**	7,578
		19,596	9,932

6. LONG TERM DEPOSITS

Represents security deposits against leased assets.

7. DEFERRED COSTS

	Note	2007 Preliminary expenses	2007 Shares issue expenses	2007 Total	2006
		(Rs. in thousands)			
Balance at July 01 - at cost		**2,987**	**14,877**	**17,864**	17,864
Less: Accumulated amortization	7.1	**(2,746)**	**(11,137)**	**(13,883)**	(10,311)
Balance as at June 30		**241**	**3,740**	**3,981**	7,553

	2007 (Rs. in thousands)	2006 (Rs. in thousands)
7.1 Movement of amortization		
Opening balance	**10,311**	6,738
Charge for the year	**3,572**	3,573
Closing balance	**13,883**	10,311

8. STORES AND SPARES

	2007	2006
Stores	**47,170**	32,984
Spares	**121,295**	85,521
	168,465	118,505

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

		Note	2007	2006
			(Rs. in thousands)	
9.	**TRADE DEBTS - Unsecured**			
	Considered good	9.1	**137,846**	168,309
	Considered doubtful		**560**	2,066
			138,406	170,375
	Less: Provision for doubtful debts		**560**	2,066
			137,846	168,309

9.1. Includes Rs. 10.15 (2006: Rs. 2.556) million due from Marine Services (Private) Limited - a related party, Rs. 0.253 (2006: Rs. 1.343) million due from Port Link International Services (Private) Limited - a related party and Rs. 0.314 million (2006: Rs. Nil) due from Premier Mercantile Services (Private) Limited - a related party.

		Note	2007	2006
			(Rs. in thousands)	
10.	**ADVANCES**			
	Advances – unsecured, considered good			
	- to employees		**707**	775
	- to suppliers		**15,143**	8,171
			15,850	8,946
11.	**DEPOSITS AND PREPAYMENTS**			
	Security deposits		**3,603**	2,715
	Prepayments			
	- Insurance		**9,284**	12,868
	- Others	11.1	**12,875**	9,257
			25,762	24,840

11.1. Includes front end fee of Rs. 12.69 (2006:Rs 8.43) million in connection with loans sanctioned by International Finance Corporation (IFC) and OPEC Fund for International Development (OFID) for financing Phase III expansion of container terminal. The said transaction costs would be transferred to the loan account upon disbursement of related loans in accordance with the Company's accounting policy as stated in note 3.12 to the financial statements.

		Note	2007	2006
			(Rs. in thousands)	
12.	**OTHER RECEIVABLES**			
	Other receivables – considered good	12.1	**3,202**	639
	Accrued profit on term deposits		**4,728**	637
			7,930	1,276

12.1 Includes amount due from a related party amounting to Rs.2.058 million (2006:Rs. Nil)

		Note	2007	2006
			(Rs. in thousands)	
13.	**INVESTMENTS**			
	Investments at fair value through profit or loss	13.1	**69,298**	53,703
	Held to maturity – at amortized cost	13.2	**391,706**	-
			461,004	53,703

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

13.1 Investments at fair value through profit or loss

Number of units 2007	Number of units 2006		2007 Cost	2007 Fair value	2006 Cost	2006 Fair value
			(Rs. in thousands)			
		Listed – Mutual Funds (Open Ended)				
104,724	93,571	ABAMCO UTP – Income Fund	**50,000**	**58,501**	50,000	53,135
78	61	ABAMCO Unit Trust of Pakistan	**500**	**728**	500	568
			50,500	**59,229**	50,500	53,703
50,000	-	Faysal Savings Growth Fund	**5,000**	**5,069**	-	-
100,000	-	Al Falah GHP Income Multiplier Fund	**5,000**	**5,000**	-	-
			60,500	**69,298**	50,500	53,703
		Unrealized gain on revaluation of investments	**8,798**	-	3,203	-
			69,298	**69,298**	53,703	53,703

13.2. Includes Rs.287.862 million (2006: Rs. Nil) in respect of unlisted TFCs of Pak American Fertilizer Company Limited carrying interest at the rate of 3 months KIBOR plus 3.25% per annum payable on quarterly basis maturing by January 2008 and Rs.103.844 million (2006: Rs. Nil) in respect of Certificate of investments of Saudi Pak Leasing Company, amounting to Rs. 100 million carrying interest at the rate of 11% per annum maturing by November 2007.

14. CASH AND BANK BALANCES

	Note	2007	2006
		(Rs. in thousands)	
Cash with bank:			
- in current accounts			
- Local currency		**47,661**	52,437
- Foreign currency		-	457,318
		47,661	509,755
- in saving accounts	14.1	**279,782**	41,773
- in deposit account	14.2	**50,000**	202,910
		377,443	754,438
Cash in hand		**3,097**	2,004
		380,540	756,442

14.1 These carry profit at the rates ranging from 1.25 to 10 percent (2006: 1.25 percent) per annum.

14.2 These carry profit at the rate of 10.25% (2006: 10.50 to 10.55 percent) per annum.

15. SHARE CAPITAL

15.1 Authorised capital

2007	2006		2007	2006
(Number of shares)			(Rs. in thousand)	
82,000,000	82,000,000	Ordinary shares of Rs.10/- each	**820,000**	820,000
18,000,000	18,000,000	Preference shares of Rs. 10/- each	**180,000**	180,000
100,000,000	100,000,000		**1,000,000**	1,000,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

15.2 Issued, subscribed and paid-up capital

2007	2006		Note	2007	2006
(Number of shares)				(Rs. in thousand)	
		Ordinary shares of Rs. 10/- each			
63,761,200	63,761,200	- fully paid in cash		**637,612**	637,612
12,039,600	12,039,600	- Issued for consideration other than cash	15.2.1	**120,396**	120,396
75,800,800	75,800,800			**758,008**	758,008
		Preference shares of Rs. 10/- each			
18,000,000	18,000,000	- fully paid in cash	15.2.2 &15.2.3	**180,000**	180,000
93,800,800	93,800,800			**938,008**	938,008

15.2.1. Represents shares issued in consideration for mobile harbour cranes, port equipment and a vehicle.

15.2.2. These are cumulative redeemable preference shares, issued in the ratio of 1 preference share for 3.54 ordinary shares held and carry a dividend of 10 percent on the issue price, redeemable 7 years after the issue date. The shareholders, inter alia, have the right to convert these into ordinary shares in the ratio of 1 ordinary share for 1 preference share held, if the Company fails to redeem these shares.

15.2.3. The above stated preference shares have been treated as part of equity on the following bases:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The authorised capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on December 24, 2004.
- Return of allotment of shares was filed under Section 93(1) of the Ordinance.
- The Company is required to set-up a reserve for redemption of preference shares under Section 85 of the Ordinance in respect of the shares redeemed which effectively makes preference shares a part of equity.
- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.
- The requirements of the Ordinance take precedence over the requirements of IFRSs.
- As stated in 15.2.2 above, shareholders have the right to convert these preference shares into ordinary shares.
- These preference shares are listed on the Karachi Stock Exchange.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the Company has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

15.3. Premier Mercantile Services (Private) Limited – a related party holds 26,009,750 ordinary shares (2006: 26,009,750 ordinary shares) of nominal value of Rs.10/- each representing 34.31 percent (2006: 34.31 percent) of the ordinary paid-up capital of the Company.

15.4. The Company has entered into long term loan agreements with IFC and OFID. These agreements restrict the Company, that unless otherwise agreed by IFC and OFID, not to declare or pay any dividend on ordinary shares or make any distribution on its share capital (other than dividends or distributions payable in shares of the Company) subject to certain conditions of the agreements.

	2007	2006
	(Rs. in thousands)	
16. LONG-TERM FINANCING – Secured		
International Finance Corporation (IFC)		
First Loan		
- Loan A	339,471	389,631
- Loan C	90,971	90,495
	430,442	480,126
Second Loan	351,771	361,980
	782,213	842,106
OPEC Fund for International Development (OFID)		
First Loan	339,472	389,631
Second Loan	351,770	361,980
	691,242	751,611
	1,473,455	1,593,717
Less:		
- Unamortised transaction costs	31,194	32,602
- Current maturity of long-term financing	140,843	144,121
	172,037	176,723
	1,301,418	1,416,994

16.1. The principal terms and conditions of the above loans are summarized as follows:

IFC

	First Loan		Second Loan
	Loan A	Loan C	
- Principal amount in US Dollars	7,750,000	1,500,000	6,000,000
- Interest rate per annum	LIBOR plus 3.875%	5% (Note 16.1.1)	LIBOR plus 3.375%
- Repayment terms:			
• Number of installments	18 semi-annual	2 equal installments	18 semi-annual
• First installment	April 15, 2005	April 15, 2014	January 15, 2007
• Last installment	October 15, 2013	October 15, 2014	July 15, 2015

OFID

	First Loan	Second Loan
- Principal amount in US Dollars	7,750,000	6,000,000
- Interest rate per annum	LIBOR plus 3.875%	LIBOR plus 3.375%
- Repayment terms:		
• Number of installments	18 semi-annual	18 semi-annual
• First installment	April 15, 2005	January 15, 2007
• Last installment	October 15, 2013	July 15, 2015

16.1.1 In addition to the above, IFC is entitled to additional interest to be computed at the rate of US Dollar 1.85 per TEU (Twenty Feet Equivalent Container Units) in excess of 150,000 TEUs per annum subject to cap of upto US Dollars 100,000 per annum upto year 2007 and progressively increasing to US Dollar 300,000 per annum upto year 2014.

16.1.2. The above loans are secured as follows:

IFC Loans (First Loan A and Second Loan) and OFID Loans
These loans are secured by way of a first equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and first hypothecation over all other movable assets.

IFC Loan C
This loan is secured by way of a second equitable mortgage on land, building, equipments, immovable assets and leasehold interest in project site and second hypothecation over all other movable assets

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Represent finance leases entered into with leasing companies for port equipments, vehicles and generators. Total lease rentals due under various lease agreements aggregate Rs. 574.843 (2006: Rs. 69.987) million and are payable in equal monthly and six monthly installments latest by 2012. Overdue rental payments are subject to an additional charge upto 0.1 percent per day. Taxes, repairs, replacement and insurance costs are to be borne by the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates of approximately 6.8 to 13.98 (2006: 6.80 percent to 13.11 percent) per annum have been used as discounting factor. Purchase options can be exercised by the lessee in accordance with the respective lease agreements. Some of these lease liabilities are secured by on demand promissory notes of Rs. 3.979 million.

	2007		2006	
	Minimum lease Payments	**Present Value**	**Minimum lease Payments**	**Present Value**
	(Rs. in thousands)			
Within one year	**127,272**	86,925	31,677	27,545
After one year but not more than five years	**332,255**	251,003	38,310	36,227
More than five years	**115,317**	113,484	-	-
Total minimum lease payments	**574,844**	451,412	69,987	63,772
Less: Amount representing finance charges	**123,432**	-	6,215	-
Present value of minimum lease payments	**451,412**	451,412	63,772	63,772
Less: Current portion	**86,925**	86,925	27,545	27,545
	364,487	364,487	36,227	36,227

	2007	2006
	(Rs. in thousands)	
18. DEFERRED TAX LIABILITY		
Taxable temporary differences		
Accelerated tax depreciation / amortization allowance	**485,487**	398,302
Deferred costs	**450**	450
	485,937	398,752
Deductible temporary differences		
Provision for compensated absences	**(4,340)**	(3,688)
Provision for doubtful debts	**(196)**	(723)
Others	**(116)**	73
Unabsorbed tax losses	**(3,252)**	(113,849)
Unabsorbed tax credits	**(19,468)**	-
	458,565	280,565

19. STAFF COMPENSATED ABSENCES

	2007	2006
Opening balance	**10,538**	5,690
Provision for the year	**1,861**	5,068
	12,399	10,758
Payments during the year	-	(220)
Closing balance	**12,399**	10,538

NOTES TO THE FINANCIAL STATEMENTS
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20. TRADE AND OTHER PAYABLES

	Note	2007	2006
		(Rs. in thousands)	
Creditors	20.1	**78,591**	113,180
Bills payable - equipment		**1,545**	41,053
Due to Karachi Port Trust			
Royalty		**17,265**	12,978
Wharfage		**36,053**	19,706
		53,318	32,684
Accrued expenses			
Legal and professional charges		**1,367**	3,629
Salaries and wages		**13,019**	12,757
Others		**947**	1,364
		15,333	17,750
Other liabilities			
Advance against storage charges		**9,764**	10,149
Retention money		**10,930**	9,086
Sales tax payable		**3,493**	1,978
Fair value of derivative		**1,824**	-
Others		**405**	438
		26,416	21,651
		175,203	226,318

20.1. Includes Rs. 14.418 (2006: Rs. 10.004) million payable to Premier Mercantile Services (Private) Limited - a related party.

21. CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 During the year, the Trustees of the Port of Karachi filed a civil suit against the Company in the Honorable High Court of Sindh alleging mis-declaration of the category of goods upon import by the Company of Quayside Container Crane and Rubber Tyred Gantry Cranes in the year 2004 and claiming a sum of Rs. 101.5 million being additional wharfage charges and Rs 203 million as penalty, with interest. According to the opinion of the legal counsel of the Company, there is no merit in this claim and hence there is a remote possibility that the case would be decided against the Company. Further, the legal counsel has also stated that, in any case, the penalty imposed will be disallowed by the Honorable High Court. In view thereof, no provision is considered necessary to be made in these financial statements by the management of the Company as it believes that the ultimate outcome of the matter would be in its favour.

21.1.2 During the year, the Company has filed a interpleader civil suit against the Deputy District Officer, Excise and Taxation and the Trustees of the Port of Karachi (KPT) in the Honorable High Court of Sindh against the demand raised by the Deputy District Officer, Excise and Taxation under Section 14 of the Property Tax Act, 1958 to pay the property tax amounting to Rs. 34.6 million for the period from 2003 to 2007 out of the rent payable to KPT. The Honorable High Court of Sindh granted a stay order to Company ensuring that no coercive action is taken against the Company in due course until the case has been finalized. According to the opinion of the legal counsel of the Company, there is full merit in this suit and the property tax imposed will be disallowed by the Honorable High Court. In view thereof, no provision is considered necessary to be made in these financial statements by the management of the Company as it believes that the ultimate outcome of the matter would be in its favour.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

		Note	2007	2006
			(Rs. in thousands)	
21.2	**Commitment**			
21.2.1	Commitments for capital expenditure			
	Civil works		**463,747**	122,042
	Crane and equipments		**190,972**	595,608
	Intangible assets		**52,766**	-
			707,485	717,650
21.2.2	Performance bond issued by a commercial bank on behalf of the Company in favour of KPT		**60,600**	60,330
21.2.3	Letters of Credit		**181,304**	-

22. TURNOVER - net

	2007	2006
Turnover	**2,218,850**	1,733,372
Less: Sales tax	**32,786**	25,612
	2,186,064	1,707,760

23. TERMINAL OPERATING COSTS

	Note	2007	2006
Salaries, wages and benefits	23.1	**123,014**	102,976
Contracted labour		**5,560**	4,648
Staff training		**235**	374
Royalty – Karachi Port Trust		**198,261**	162,738
Handling and Marshalling charges		**84,246**	78,678
Crane usage charges		**65,398**	32,242
Port maintenance		**4,073**	1,704
Stevedoring		**323,089**	246,473
Custom seals		**1,778**	3,900
Storage charges		**24,585**	19,673
Stores, spares and other maintenance charges		**101,239**	74,853
Fuel consumed		**168,891**	137,568
Travelling and conveyance		**1,434**	752
Office maintenance		**8,875**	7,588
Vehicles running expenses		**5,338**	4,311
Insurance		**45,830**	32,673
Printing and stationery		**1,630**	1,856
Utilities		**3,721**	3,836
Depreciation	4.1.2	**191,314**	131,113
Amortization	5.1.2	**12,018**	2,354
Others		**7,470**	16,776
		1,377,999	1,067,086

23.1 This includes Rs. 2.996 (2006: Rs. 2.416) million in respect of staff retirement benefits and Rs.1.485 (2006: Rs. 4.054) million in respect of compensated absences.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

		Note	2007	2006
			(Rs. in thousands)	
24.	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and benefits	24.1	**68,818**	56,159
	Travelling and conveyance		**5,547**	7,857
	Advertising		**2,103**	2,519
	Auditors' remuneration	24.2	**1,927**	1,113
	Legal and professional charges		**16,176**	15,604
	Office maintenance		**4,161**	3,474
	Vehicles running expenses		**5,872**	3,169
	Security expenses		**2,123**	1,373
	Insurance expense		**2,236**	1,589
	Communication		**2,480**	1,536
	Printing and stationery		**8,096**	5,844
	Utilities		**839**	764
	Depreciation	4.1.2	**21,542**	10,756
	Amortisation	5.1.2, 7 & 16	**17,003**	12,976
	Fees and subscription		**2,777**	4,813
	Advertisement		**2,103**	2,519
	Business promotion expense		**4,981**	3,186
	Donations	24.3	**4,301**	6,438
	Others		**2,579**	2,147
			175,664	143,836

24.1 This includes Rs. 2.404 (2006: Rs. 2.185) million in respect of staff retirement benefits and Rs.0.373 (2006: Rs. 1.014) million in respect of compensated absences.

		2007	2006
		(Rs. in thousands)	
24.2	**Auditors' remuneration**		
	Statutory audit fee	**700**	700
	Fee for review of compliance with Code of Corporate Governance and half yearly accounts	**225**	175
	Tax and corporate advisory services	**952**	194
	Out of pocket expenses	**50**	44
		1,927	1,113

24.3 No directors or their spouses have any interest in any donee's fund to which donation was made.

		2007	2006
		(Rs. in thousands)	
25.	**OTHER OPERATING INCOME**		
	Profit on deposit accounts	**30,765**	39,502
	Unrealized gain on remeasurement of investments to fair value	**5,595**	3,203
	Profit on Term Finance Certificate (TFCs)	**28,325**	-
	Profit on sale of fixed assets	**1,020**	-
	Provision for doubtful debt written back	**1,505**	-
		67,210	42,705

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

		Note	2007	2006
			(Rs. in thousands)	
26.	**FINANCE COSTS**			
	Long-term financing		141,851	78,476
	Leased assets		32,073	6,824
	Bank charges		1,736	1,472
	Exchange loss – net		2,009	2,191
	Fair value of derivative		1,824	-
			179,493	88,963
27.	**TAXATION**			
	Current	27.1	10,931	8,600
	Deferred		178,000	150,710
			188,931	159,310

27.1 The provision for current income tax is based on minimum taxation under Section 113 of the Income Tax Ordinance, 2001. Accordingly, tax charge reconciliation with the accounting profit is not reported.

			2007	2006
			(Rs. in thousands)	
28.	**EARINGS PER SHARE**			
28.1	**Basic earnings per share**			
	Profit after tax		331,187	291,270
	Preferred dividend on cumulative preference shares		(18,000)	(18,000)
	Profit after taxation attributable to ordinary shareholders		313,187	273,270
	Weighted average number of ordinary shares in issue during the year	Numbers	75,800	75,800
	Basic earnings per share	Rupees	4.13	3.61
28.2	**Diluted earnings per share**			
	Profit after taxation attributable to ordinary shareholders		313,187	273,270
	Preferred dividend on cumulative preference shares		18,000	18,000
			331,187	291,270
	Weighted average number of ordinary shares in issue during the year	Numbers	75,800	75,800
	Adjustment of preference shares	Numbers	18,000	18,000
			93,800	93,800
	Diluted earnings per share	Rupees	3.53	3.10

29. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to change in the interest rates. The Company manages this risk through risk management strategies. Interest rate risk of the Company's financial assets and financial liabilities can be evaluated from following schedule.

	2007						2006					
	INTEREST BEARING				NON-INTEREST BEARING	Total	INTEREST BEARING				NON-INTEREST BEARING	Total
	Less than one year	One to Five Year	More than Five Year	Total			Less than one year	One to Five Year	More than Five Year	Total		
	(Rs. in thousands)						(Rs. in thousands)					
Financial assets:												
Long-term deposits	-	-	-	-	90,079	90,079	-	-	-	-	8,060	8,060
Trade debts - unsecured, considered good	-	-	-	-	137,846	137,846	-	-	-	-	168,309	168,309
Deposits and other receivables	4,728	-	-	4,728	6,805	11,533	-	-	-	-	3,991	3,991
Short term investments	69,298	-	-	69,298	391,706	461,004	-	-	-	-	53,703	53,703
Cash and bank balances	329,782	-	-	329,782	50,758	380,540	244,683	-	-	244,683	511,759	756,442
	403,808	-	-	403,808	677,194	1,081,002	244,683	-	-	244,683	745,822	990,505
Financial liabilities:												
Long-term financing - secured	140,843	745,321	587,291	1,473,455	-	1,473,455	128,032	881,489	584,196	1,593,717	-	1,593,717
Liabilities against assets subject to finance lease	86,925	251,002	113,484	451,411	-	451,411	27,545	36,227	-	63,772	-	63,772
Accrued interest on long-term financing	-	-	-	-	43,795	43,795	-	-	-	-	23,994	23,994
Trade payables and other liabilities	-	-	-	-	161,946	161,946	-	-	-	-	214,191	214,191
	227,768	996,323	700,775	1,924,866	205,741	2,130,607	155,577	917,716	584,196	1,657,489	238,1851	1,895,674

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company's exposure to the credit risk is limited to the extent of trade debtors. The Company attempts to control credit risk associated with the carrying amount of its receivables by monitoring credit exposures, limiting transactions with specific customers and continuing assessment of credit worthiness of such customers.

Liquidity risk

The Company applies prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines.

Currency risk and foreign exchange risk management

Foreign currency risk is the risk that the value of a financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. Financial liabilities include Rs. 1,473.455 (2006: Rs. 1,561.115) million which are subject to currency risk exposure. The Company is not exposed to foreign exchange risk as the majority of its billing is foreign currency based.

Fair value of financial instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

30. UNAVAILED CREDIT FACILITIES

As at the balance sheet date, the Company has unavailed credit facility from a bank amounting to Rs. 151.500 (2006: Rs. 150.825) million.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

31.1 The aggregate amount, charged in the financial statements for the year are as follows:

	2007			2006		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rs. in thousands)					
Remuneration (including bonus)	6,417	16,616	6,797	5,084	13,334	4,784
Housing rent	1,320	3,480	1,404	1,220	3,200	1,148
Retirement benefits	367	966	390	823	1,888	759
Medical Allowance	440	1,160	468	407	1,067	383
Utilities	440	1,160	468	407	1,067	383
Conveyance	132	465	305	132	389	217
	9,116	**23,847**	**9,832**	8,073	20,945	7,674
Number	**1**	**3**	**6**	1	3	5

The Chief Executive, some of directors and executives of the Company are also provided with the use of the Company maintained car, club memberships and medical benefits in accordance with their terms of service.

32. RELATED PARTIES TRANSACTIONS

The related parties include major shareholders, entities having directors in common with the Company, directors and other key management personnel. Transactions with related parties, other than remuneration and benefits to key management personnel under the terms of their employment and transactions with such reflected elsewhere in these financial statements are as under:

	2007	2006
	(Rs. in thousands)	
Major shareholders		
Premier Mercantile Services (Private) Limited		
Stevedoring charges	**271,876**	209,586
Storage charges	**24,585**	19,673
Jahangir Siddiqui and Company Limited		
Purchase of TFCs	**61,226**	-
Entities having directors in common with the Company		
Premier Software (Private) Limited		
Software maintenance charges	**1,710**	1,705
Marine Services (Private) Limited		
Revenue from container handling	**68,374**	7,924
Port Link International (Private) Limited		
Revenue from container handling	**3,918**	6,583
AMI Pakistan (Private) Limited		
Revenue from container handling	**230**	40
Travel Club (Private) Limited		
Traveling expenses	**3,428**	3,880
Saudi Pak Leasing Company Limited		
Certificate of investments	**100,000**	50,000
Lease payments	**15,163**	16,330
Profit on certificate of investments	**13,127**	2,612
Staff retirement contribution plan		
Contribution to staff provident fund	**5,400**	4,601

32.1 Balance outstanding with related parties have been disclosed in the respective notes to the financial statements.

32.1 The above transactions with related parties are entered into on arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2007

	2007	2006
	(Rs. in thousands)	
33. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**520,118**	450,580
Adjustments for non-cash items:		
Depreciation	**212,856**	141,869
Amortisation	**29,021**	15,331
Provision for staff compensated absences	**1,861**	5,068
Finance costs	**179,493**	88,963
Unrealised gain on investment	**(5,595)**	(3,203)
Interest income	**(59,090)**	(39,502)
Gain on disposal of fixed assets	**(1,020)**	-
Provision for doubtful debts no longer required	**(1,505)**	-
	356,021	208,526
Operating profit before working capital changes	**876,139**	659,106
(Increase)/decrease in current assets		
Stores and spares	**(49,960)**	(45,582)
Trade debts	**30,463**	(43,964)
Advances, deposits, prepayments and other receivables	**(14,480)**	(17,861)
	(33,977)	(107,407)
	842,162	551,699
Increase/(decrease) in current liabilities		
Accrued financial charges	**59,380**	15,027
Trade payables and other liabilities	**(51,115)**	78,553
Cash generated from operations	**850,427**	645,279

34. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on August 22, 2007.

35. DIVIDENDS

The Board of Directors in their board meeting held on August 22, 2007 have recommended a stock dividend for the year ended June 30, 2007 through the issue of bonus shares in the proportion of one (1) ordinary share for every five (5) ordinary shares held - 20% (2006: NIL). The Directors have also proposed a final dividend for the year ended June 30, 2007 of Re. 1.00 - 10% (2006: Re. 1.00-10%) per perference share. The Financial statements for the year ended June 30, 2007 do not include the effect of the final dividend which will be accounted for in the Financial statements for the year ending June 30, 2008.

36. CORRESPONDING FIGURES

Certain prior year's figures have been reclassified consequent upon certain changes in current year's presentation for more appropriate comparison. Material reclassifications include storage charges which have been reclassified to "storage charges" within "terminal operating cost - others".

37. GENERAL

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

Capt. Zafar Iqbal Awan
CHIEF EXECUTIVE

Aasim Azim Siddiqui
DIRECTOR

PATTERN OF SHAREHOLDING (ORDINARY SHARES)

AS AT JUNE 30, 2007

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM	TO	TOTAL SHARES HELD
397	1	100	30,950
921	101	500	424,486
558	501	1000	397,023
317	1001	5000	760,715
58	5001	10000	458,043
14	10001	15000	172,033
10	15001	20000	178,085
10	20001	25000	241,200
10	25001	30000	290,015
5	30001	35000	169,212
6	35001	40000	229,100
2	40001	45000	86,000
6	45001	50000	292,546
2	55001	60000	119,404
1	65001	70000	67,990
1	95001	100000	98,600
1	115001	120000	118,808
1	120001	125000	125,000
1	135001	140000	140,000
1	150001	155000	155,000
3	175001	180000	533,920
1	195001	200000	200,000
3	245001	250000	750,000
1	250001	255000	250,150
1	255001	260000	259,650
1	470001	475000	471,400
1	490001	495000	494,000
1	610001	615000	612,458
1	635001	640000	639,500
1	670001	675000	675,000
2	795001	800000	1,595,142
1	975001	980000	978,739
1	995001	1000000	995,300
1	1020001	1025000	1,025,000
1	1235001	1240000	1,236,764
1	1385001	1390000	1,388,400
1	1575001	1580000	1,577,500
1	1780001	1785000	1,780,427
1	4200001	4205000	4,200,250
1	11910001	11915000	11,913,639
1	13655001	13660000	13,659,601
1	26005001	26010000	26,009,750
2,349			**75,800,800**

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
INDIVIDUALS *	2,260	9,729,046	12.84
INVESTMENT COMPANIES	46	14,904,924	19.66
INSURANCE COMPANIES	3	844,136	1.11
JOINT STOCK COMPANIES	10	27,861,259	36.76
FINANCIAL INSTITUTION(S)	8	612,149	0.81
MODARABA & MUTUAL FUNDS	15	9,893,943	13.05
FOREIGN INSTITUTIONS	2	11,914,043	15.72
OTHERS	5	41,300	0.05
TOTAL	2,349	75,800,800	100

*INCLUDES 1467 CDC BENEFICIAL OWNERS AS PER LIST APPEARING ON CDS.

PATTERN OF SHAREHOLDING (ORDINARY SHARES)

AS AT JUNE 30, 2007

Additional Information (Ordinary Shares)

Categories of Shareholders	No. of Shareholders	Number of Shares Held	Percentage
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES:			
PREMIER MERCANTILE SERVICES (PVT) LTD	1	26,009,750	34.31
NIT and ICP	-	-	-
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN:			
HALEEM AHMED SIDDIQUI		4,990,849	
SABA HALEEM SIDDIQUI		297,021	
AASIM AZIM SIDDIQUI		302,699	
SHARIQUE AZIM SIDDIQUI		297,199	
DANISH AZIM SIDDIQUI		297,021	
CAPT. ZAFAR IQBAL AWAN		500	
Sub-Totals :	6	6,185,289	8.16
EXECUTIVES:			
MASOOD A. USMANI	1	1,880	0.00
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	-	-
BANKS, DFIs, NBFIs, INSURANCE COMPANIES, MODARBAS AND MUTUAL FUNDS	26	11,350,228	14.98
JOINT STOCK COMPANIES, INVESTMENT COMPANIES, FOREIGN INVESTORS AND OTHERS	62	27,737,037	36.59
INDIVIDUALS - LOCALS	2,253	4,516,616	5.96
Grand totals :	**2,349**	**75,800,800**	**100.00**

SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST

PREMIER MERCANTILE SERVICES (PVT) LTD	1	26,009,750	34.31
JAHANGIR SIDDIQUI & CO. LIMITED	1	13,659,601	18.02
AEOLINA INVESTMENTS LIMITED	1	11,913,639	15.72

DETAILS OF PURCHASE/ SALE OF SHARES BY DIRECTORS, CEO, CFO, COMPANY SECRETARY AND THEIR SPOUSES OR MINOR CHILDREN DURING THE YEAR ENDED JUNE 30, 2007

NAME	DATE OF SALE	NO. OF SHARES	RATE RS. PER SHARE
Mr. Aasim Azim Siddiqui	01-02-2007	2,000	54.00
Mr. Aasim Azim Siddiqui	08-02-2007	2,000	53.25
Mr. Aasim Azim Siddiqui	09-02-2007	2,000	53.60
Mr. Aasim Azim Siddiqui	09-02-2007	2,000	54.30

PATTERN OF SHAREHOLDING (PREFERENCE SHARES)

AS AT JUNE 30, 2007

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM	TO	TOTAL SHARES HELD
1	1	100	51
500	101	500	89,308
31	501	1000	20,881
40	1001	5000	79,688
6	5001	10000	43,658
2	10001	15000	22,991
2	25001	30000	56,424
1	55001	60000	57,734
1	130001	135000	130,625
1	2495001	2500000	2,500,000
1	3595001	3600000	3,600,000
1	4445001	4450000	4,449,320
1	6945001	6950000	6,949,320
591			**18,000,000**

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	TOTAL SHARE HELD	PERCENTAGE
INDIVIDUALS *	582	305,514	1.70
INVESTMENT COMPANIES	6	13,963,156	77.57
INSURANCE COMPANIES	-	-	-
JOINT STOCK COMPANIES	2	3,600,705	20.00
FINANCIAL INSTITUTION(S)	-	-	-
MODARABA & MUTUAL FUNDS	1	130,625	0.73
FOREIGN INSTITUTIONS	-	-	-
TOTAL	**591**	**18,000,000**	**100.00**

* INCLUDES 390 CDC BENEFICIAL OWNERS AS PER LIST APPEARING ON CDS.

PATTERN OF SHAREHOLDING (PREFERENCE SHARES)

AS AT JUNE 30, 2007

Additional Information (Preference Shares)

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES:			
PREMIER MERCANTILE SERVICES (PVT) LTD	1	3,600,000	20.00
NIT and ICP	-	-	-
DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN	-	-	-
EXECUTIVES	-	-	-
PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	-	-
BANKS, DFIs, NBFIs, INSURANCE COMPANIES, MODARBAS AND MUTUAL FUNDS	3	2,688,359	14.93
JOINT STOCK COMPANIES AND OTHERS	5	11,406,127	63.37
INDIVIDUALS - LOCALS	582	305,514	1.70
Grand totals :	**591**	**18,000,000**	**100.00**
SHAREHOLDERS HOLDING 10% OR MORE			
PREMIER MERCANTILE SERVICES (PVT) LTD	1	3,600,000	20.00
PAKISTAN KUWAIT INVESTMENT CO.(PVT) LTD.	1	2,500,000	13.89
AQEEL KARIM DHEDHI SECURITIES (PVT) LTD.	1	4,449,320	24.72
JS GLOBAL CAPITAL LIMITED	1	6,949,320	38.61

DETAILS OF PURCHASE/ SALE OF SHARES BY DIRECTORS, CEO, CFO, COMPANY SECRETARY AND THEIR SPOUSES OR MINOR CHILDREN DURING THE YEAR ENDED JUNE 30, 2007 — **NIL**

FORM OF PROXY

The Company Secretary
Pakistan International Container Terminal Limited
2nd Floor, Business Plaza,
Mumtaz Hassan Road
Karachi

I /We,__________________________________of______________________________________
being member of Pakistan International Container Terminal Limited and holder of _________ Ordinary Shares as per Share Register Folio No._______________ and/or CDC Participant I.D. No.__________ hereby appoint Mr./Mrs./Miss________________________of (full address)____________________________________ as my/us proxy to attend, speak and vote for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company to be held on Saturday, August 29, 2007 and at any adjournment thereof.

Signed this _____________ day of_____________ 2007

Signature on
Rs. 5/-
Revenue
Stamp

Witnesses:

1. Name ____

   Address ____

   CNIC No. ____

   Signature ____

2. Name ____

   Address ____

   CNIC No. ____

   Signature ____

Notes:

1. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. The proxy in order to be valid must be signed across Five Rupees Revenue Stamp and should be deposited with the Company not later than 48 hours before the time of holding the Meeting.
3. The proxy shall authenticate his/her identity by showing his/her original CNIC or original passport and bring folio number at the time of attending the meeting.
4. Signature should agree with the specimen signature registered with the Company.
5. CDC shareholders and their Proxies must attach either an attested photocopy of their National Identity Card or Passport with this Proxy Form.
6. In case of proxy by a corporate entity, Board of Directors resolution/power of attorney with specimen signature and attested copies of CNCI or Passport of the proxy shall be submitted along with the proxy form.