

Mission Statement

“To establish and manage mutual funds in Pakistan and create investment plans to cater to the needs of investors and to provide value to investors in terms of service and performance.”

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Fund Information

Management Company

Crosby Asset Management (Pakistan) Limited
10th Floor, PRC Towers, M.T. Khan Road, Karachi.
UAN: (92-21) 111-369-111 Fax: (92-21) 35611886

Board of Directors

Mr. Chan Kok Chung Johnny - Chairman
Mr. Amer Maqbool - Chief Executive
Mr. Shahzad Fakhar Ashfaq

Chief Financial Officer & Company Secretary
Syed Adnan Abdali, ACMA

Audit Committee

Mr. Chan Kok Chung Johnny
Mr. Amer Maqbool
Mr. Shahzad Fakhar Ashfaq

Trustee

Central Depository Company of Pakistan Limited
CDC House, 9-B, Block B. S.M.C.H.S.
Shahrah-e-Faisal, Karachi.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326022-23

Registrar

Technology Trade (Private) Limited
Dagja House, 241-C, Block-2,
P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi.
Tel: (92-21) 4391316 - 17
Fax: (92-21) 4391318

Auditors

Ford Rhodes Sidat Hyder & Company
Chartered Accountants
601, Progressive Plaza,
Beaumont Road, Karachi..

Legal Advisors

Bawaney & Partners
Room No. 404, 4th Floor, Beaumont Plaza,
6-CL-10 Beaumont Road, Civil Lines,
Karachi-75530

Bankers

MCB Bank Limited
JS Bank Limited
Bank Alfalah Limited
NIB Bank Limited

Report Of The Directors Of The Management Company

The Directors of Crosby Asset Management (Pakistan) Limited, the management company of Crosby Dragon Fund (CDF) are pleased to present the un-audited accounts for the half yearly ended December 31, 2009 together with the Directors' Report.

During the period under review CDF earned a net profit of Rs.425.62 million including an unrealized gain of Rs. 53.70 million. The Net Assets of CDF as of December 31, 2009 have decreased by 36.67% as compared to June 30, 2009, whereas the NAV per unit has been increased by 33.66%, from the year ended June 30, 2009. During the period under review 4,511,216 units worth Rs. 490.93 million were issued whereas 14,246,213 units worth Rs. 1,457.93 million were redeemed.

As at December 31, 2009 investments in the listed securities stood at carrying cost of Rs. 830.78 million with market value of Rs. 884.48 million whereas the total investments in the listed securities remained at 93.46% of Net Asset Value.

The Board of Directors thanks the Securities and Exchange Commission of Pakistan for their valuable support, assistance and guidance. The Board also thanks the employees of the management company and the Trustee for their dedication and hard work and the Unit Holders for their confidence in the Management.

Karachi

On behalf of Board of Directors

Dated: February 20, 2010

Amer Maqbool
Chief Executive

Trustee Report

Report of the Trustee Pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

Crosby Dragon Fund, a open-end scheme established under a trust deed executed between Crosby Asset Management (Pakistan) Ltd. as the Management Company and JS Bank Ltd. as Trustee. The scheme was authorized by the Securities and Exchange Commission of Pakistan (SECP).

In our opinion, the Management Company has in all material respects managed the scheme during the period starting from July 01, 2009 to December 30, 2009 in accordance with the provisions of the constitutive documents of the scheme (and the modifications authorized by the SECP from time to time) and the Non Banking Finance Companies and Notified Entities Regulations, 2008

Shakeel Ahmed Khatri
Assistant Manager

Rafiq G. Hussain
Senior Vice President

Dated: February 24, 2010

Trustee Report

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

The Crosby Dragon Fund (the Fund), an open-end fund was established under a trust deed dated September 20, 2003, executed between Crosby Asset Management (Pakistan) Limited, as the Management Company and JS Bank Limited (JSBL), as the Trustee.

As per amendatory trust deed of change of trustee dated December 11, 2009, JSBL retired as the Trustee and Central Depository Company of Pakistan Limited (CDC) was appointed as the Trustee of the Fund.

In our opinion, the Management Company has in all material respects managed the Fund on December 31, 2009, in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the management company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Muhammad Hanif Jakhura
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 26, 2009

AUDITORS' REPORT TO THE UNIT HOLDERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of Crosby Dragon Fund as at 31 December 2009, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Distribution Statement, condensed interim Cash Flow Statement and condensed interim Statement of Movement in Unit Holders' Fund together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the six-months' period then ended. Management Company (CROSBY ASSET MANAGEMENT (PAKISTAN) Limited) is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The financial statements of the Fund for the six-months' period ended 31 December 2008 and for the year ended 30 June 2009, were reviewed / audited by another firm of chartered accountants, whose reports dated 26 February 2009 and 27 August 2009 respectively, expressed an unqualified review report / unqualified opinion on those financial statements.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Ernst & Young Ford Rhodes Sidat Hyder

Karachi
February 20, 2010

CROSBY DRAGON FUND
CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 DECEMBER 2009

| | Notes | 31 December 2009 Rupees | 30 June 2009 Rupees |
|---|-------|---|---------------------------------------|
| | | (Un-Audited) | (Audited) |
| Assets | | | |
| Bank balances | 4 | 30,487,202 | 162,176,534 |
| Receivable against sale of marketable securities | | 83,906,844 | 152,090 |
| Investment | 5 | 884,482,789 | 1,366,155,448 |
| Dividends receivable | | 2,187,500 | 13,377,500 |
| Accrued interest | | 489,413 | 1,022,474 |
| Advances and deposits | | 6,561,466 | 3,961,466 |
| Total assets | | 1,008,115,214 | 1,546,845,512 |
| Liabilities | | | |
| Payable against purchase of securities | | 58,865,238 | 45,362,583 |
| Payable to the management company | | 1,539,255 | 4,013,051 |
| Payable to the trustee | | 156,683 | 164,538 |
| Payable to Securities and Exchange Commission of Pakistan | | 661,193 | 1,891,104 |
| Accrued and other liabilities | | 515,172 | 1,160,588 |
| Total liabilities | | 61,737,541 | 52,591,864 |
| Contingency | 6 | | |
| Net assets | | 946,377,673 | 1,494,253,648 |
| Unit holders' fund | | 946,377,673 | 1,494,253,648 |
| Number of units in issue | | 8,768,751 | 18,503,748 |
| Net asset value per unit | | 107.93 | 80.75 |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund **6** December '09

CROSBY DRAGON FUND
CONDENSED INTERIM INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(UN-AUDITED)

| | For the Half Year Ended | | For the Quarter Ended | |
|---|-------------------------|-----------------|-----------------------|-----------------|
| | 31 December | | 31 December | |
| | 2009 | 2008 | 2009 | 2008 |
| | Rupees | | Rupees | |
| Income | | | | |
| Dividend income | 40,208,651 | 28,929,750 | 21,177,500 | 18,138,400 |
| Interest income | 3,878,736 | 25,180,109 | 1,298,179 | 14,370,203 |
| Net gain / (loss) on sale of investments | 360,379,298 | (853,075,874) | 61,793,427 | (250,354,295) |
| Unrealised gain / (loss) on revaluation of investments - net | 53,701,476 | (788,028,678) | (117,211,189) | (170,274,986) |
| | 414,080,774 | (1,641,104,552) | (55,417,762) | (420,629,281) |
| Element of income/(loss) and capital gains/(loss) in prices of units sold less those in units redeemed - net | 6,503,412 | (17,453,892) | (54,672,961) | (834,851,205) |
| | 464,671,573 | (1,604,448,586) | (87,615,044) | (1,222,971,883) |
| Expenses | | | | |
| Remuneration of the management company | 12,978,278 | 29,584,288 | 5,487,159 | 10,147,421 |
| Remuneration of the trustee | 1,294,069 | 2,360,947 | 588,749 | 692,272 |
| Securities and Exchange Commission of Pakistan annual fee | 661,192 | 1,037,825 | 279,549 | 371,217 |
| Brokerage | 19,575,355 | 3,020,918 | 7,425,603 | (3,253,260) |
| Capital value tax / Federal excise duty | 3,343,967 | 614,151 | 1,214,084 | 41,295 |
| Auditors' remuneration | 122,575 | 253,445 | 50,626 | 49,474 |
| Printing charges | 89,100 | - | 89,100 | - |
| Custodian / settlement charges | 835,946 | 1,026,990 | 366,634 | 128,907 |
| Fee and subscription | 140,000 | 26,000 | 115,000 | - |
| Bank charges | 7,288 | 16,225 | 3,483 | 624 |
| | 39,047,770 | 37,940,789 | 15,619,987 | 8,177,950 |
| Net income / (loss) for the period | 425,623,803 | (1,642,389,375) | (103,235,031) | (1,231,149,833) |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund 7 December '09

CROSBY DRAGON FUND
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(UN-AUDITED)

| | For the Half Year Ended | | For the Quarter Ended | |
|--|-------------------------|-----------------|-----------------------|-----------------|
| | 31 December | | 31 December | |
| | 2009 | 2008 | 2009 | 2008 |
| | Rupees | | Rupees | |
| Net income / (loss) for the period | 425,623,803 | (1,642,389,375) | (103,235,031) | (1,231,149,833) |
| Other comprehensive income | | | | |
| Net unrealised loss on revaluation | | | | |
| of Investments classified as available for sale | - | (717,464) | - | (692,077) |
| Total comprehensive income / (loss) for the period | 425,623,803 | (1,643,106,839) | (103,235,031) | (1,231,841,910) |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund **8** December '09

CROSBY DRAGON FUND
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(UN-AUDITED)

| | Notes | For the Half Year Ended | |
|--|-------|-------------------------|------------------|
| | | 31 December | |
| | | 2009 | 2008 |
| | | Rupees | |
| Cash flows from operating activities | | | |
| Net income / (loss) for the period | | 425,623,803 | (1,642,389,375) |
| Adjustments for: | | | |
| Net (gain) / loss on sale of investments | | (360,379,298) | 853,075,874 |
| Net unrealised (gain) / loss on revaluation of investments | | (53,701,476) | 788,028,678 |
| Element of (income) / loss and capital (gain) / loss included in prices of units sold less those in units redeemed - net | | (6,503,412) | 17,453,892 |
| | | (420,584,186) | 1,658,558,444 |
| Decrease / (increase) in assets | | | |
| Receivable against sale of securities | | (83,754,754) | 1,923,021 |
| Receivable against sale of units | | - | 2,317,700 |
| Dividends receivable | | 11,190,000 | 4,194,600 |
| Interest accrued on bank balances | | 533,061 | (1,541,029) |
| Investments | | 895,753,433 | 816,277,710 |
| Security deposits | | (2,600,000) | - |
| | | 821,121,740 | 823,172,002 |
| (Decrease) / increase in liabilities | | | |
| Payable against purchase of securities | | 13,502,655 | (25,620,627) |
| Payable to the management company | | (2,473,796) | (5,430,201) |
| Payable to the trustee | | (7,855) | (406,014) |
| Payable to SECP | | (1,229,911) | (1,054,665) |
| Accrued and other liabilities | | (645,416) | (15,979,681) |
| | | 9,145,677 | (48,491,188) |
| Net cash generated from operating activities | | 835,307,034 | 790,849,883 |
| Cash flows from financing activities | | | |
| Proceeds from issue of units | | 490,935,848 | 1,120,384,929 |
| Payment on redemption of units | | (1,457,932,214) | (1,879,522,956) |
| Cash payout against distribution | | - | - |
| Net cash outflow from financing activities | | (966,996,366) | (759,138,027) |
| Net (decrease) / increase in cash and cash equivalents | | (131,689,332) | 31,711,856 |
| Cash and cash equivalents at the beginning of the period | | 162,176,534 | 416,622,979 |
| Cash and cash equivalents at the end of the period | 4 | 30,487,202 | 448,334,835 |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund 9 December '09

CROSBY DRAGON FUND
CONDENSED INTERIM DISTRIBUTION STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(UN-AUDITED)

| | For the Half Year Ended | | For the Quarter Ended | |
|---|-------------------------|-----------------|-----------------------|-----------------|
| | 31 December | | 31 December | |
| | 2009 | 2008 | 2009 | 2008 |
| | Rupees | | Rupees | |
| Undistributed (loss) / Income brought forward | (346,162,458) | 1,360,726,940 | 182,696,376 | 329,310,839 |
| Issue of bonus units of Rs. 30.00 per unit for the year ended June 30, 2008 | - | (620,176,560) | - | - |
| Net Income / loss for the period | 425,623,803 | (1,642,389,375) | (103,235,031) | (1,231,149,834) |
| Undistribution Income / (loss) carried forward [includes unrealised gain on investments of Rs. 53,701,476 (2008 unrealised loss of Rs. 788,028,678)] | 79,461,345 | (901,838,995) | 79,461,345 | (901,838,995) |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund **10** December '09

CROSBY DRAGON FUND

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND FOR THE HALF YEAR ENDED 31 DECEMBER 2009 (UN-AUDITED)

| | For the Half Year Ended | |
|---|-----------------------------|-----------------|
| | 31 December | |
| | 2009 | 2008 |
| | Rupees | |
| Net assets at the beginning of the period [Rs. 67.34 (2007: Rs. 145.96) per unit] | 1,494,253,648 | 3,506,859,684 |
| Issue of units * | 490,935,848 | 1,120,384,929 |
| Redemption of units ** | (1,457,932,214) | (1,879,522,956) |
| | (966,996,366) | (759,138,027) |
| Element of (income) / loss and capital (gain) / loss included in prices of units sold less those in units redeemed - net | (6,503,412) | 17,453,892 |
| Net income / (loss) for the period | 425,623,803 | (1,642,389,374) |
| Net unrealised loss on revaluation of investments classified as available for sale | - | (717,464) |
| Total comprehensive income / (loss) for the period | 425,623,803 | (1,643,106,838) |
| Net assets at the end of the period [Rs. 107.93 (2008: Rs. 67.34) per unit] | 946,377,673 | 1,122,068,711 |
| | Number of Units | |
| * Number of units issued | 4,511,216 | 16,300,935 |
| ** Number of units redeemed | 14,246,213 | 20,311,822 |

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

For Crosby Asset Management (Pakistan) Limited
(Management Company)

Chief Executive

Director

Crosby Dragon Fund **11** December '09

CROSBY DRAGON FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2009 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 The Crosby Dragon Fund (the Fund) was established in Pakistan under a Trust Deed executed on September 20, 2003 between the Crosby Asset Management (Pakistan) Limited, the Management Company and the JS Bank Limited (JSBL) as Trustee. The Trust Deed was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 19, 2003 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules, 2003). The date of commencement of commercial operation of the fund is December 12, 2003. The registered office of the Management Company is situated at 10th floor, PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road Karachi.

During the period on December 11, 2009, a supplemental Trust Deed was executed between the Management Company and the Central Depository Company of Pakistan Limited (CDC) to appoint it as its new Trustee of the Fund.

1.2 The Fund is an open ended mutual fund and its units are listed on the Islamabad Stock Exchange (Guarantee) Limited. Units are offered for public subscriptions on a daily basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Fund has been constituted primarily as an equity fund with the possibility of mix up of investment in selected debt based and fixed income securities.

1.3 JCR-VIS Credit Rating Company Ltd. (JCR-VIS) has assigned Management Quality rating of AM4+ to the Management Company and MFR 2-Star rating for 1 year MFR 3-Star rating for 2 years MFR 3-Star for 3 years rating to the Fund.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard – 34 “Interim Financial Reporting” as applicable in Pakistan

2.2 The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Fund for the year ended 30 June 2009.

2.3 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Fund's annual financial statements for the year ended 30 June 2009 except for the change in accounting policy resulting from the adoption of IAS - 1 'Presentation of Financial Statements (Revised)' which became effective during the period. The revised standard separated owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, non-owner changes in equity presented as a single line item in the statement of changes in equity. In addition, the standard introduces the statement of comprehensive income which presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Fund has elected to present two statements.

However, the Fund does not have any items of income and expenses representing other comprehensive income in the current period. Therefore, comprehensive income is equal to the net income / (loss) reported for the current period.

| | | 31 December 2009 | | 30 June 2009 |
|------------------------|-------|---|--------|-----------------|
| | Notes | | Rupees | |
| | | (Un-Audited) | | (Audited) |
| 4. BANK BALANCES | | | | |
| In PLS saving accounts | 4.1 | 30,487,202 | | 162,176,534 |
| 4.1 | | The rate of return on these accounts range between 5% to 11% (30 June 2009: 0.8% to 11.25%) per annum. | | |

CROSBY DRAGON FUND
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009
(UN-AUDITED)

| | Notes | 31 December 2009 | 30 June 2009 |
|---|-------|---------------------|-----------------|
| | | Rupees | Rupees |
| | | (Un-Audited) | (Audited) |
| 5. INVESTMENTS | | | |
| Listed equity securities - at fair value through income statement | 5.1 | 884,482,789 | 1,359,300,161 |
| Listed debt securities - available for sale | 5.2 | - | 6,855,287 |
| | | 884,482,789 | 1,366,155,448 |

| Scrip Name | As of 01 July 2009 | Purchased during the period | Bonus / Right | Sale during the period | As of December 31, 2009 | Market Value as of December 31, 2009 | Percentage of Total Investment | Percentage of Net Assets | Percentage of Investee Capital |
|---|-------------------------|-----------------------------------|------------------|---------------------------|-------------------------------|---|--------------------------------------|--------------------------------|--------------------------------------|
| | -----No. of Shares----- | | | | Rupees | | -----Percentage----- | | |
| 5.1 Shares of listed company | | | | | | | | | |
| Investment Banks / Companies / Securities | | | | | | | | | |
| Anif Habib Securities Limited | - | 3,600,000 | - | 3,600,000 | - | - | - | - | - |
| Jahangir Siddiqui & Co Limited | - | 7,304,555 | - | 7,304,555 | - | - | - | - | - |
| Jahangir Siddiqui Investment Bank Limited | - | 730,367 | - | 730,367 | - | - | - | - | - |
| Commercial Banks | | | | | | | | | |
| MCB Bank Limited | 925,000 | 3,335,728 | - | 3,901,728 | 350,000 | 76,888,000 | 8.69 | 8.12 | 0.05 |
| National Bank of Pakistan | 1,250,000 | 6,880,000 | - | 8,130,000 | - | - | - | - | - |
| Habib Bank Limited | 10,000 | - | - | 10,000 | - | - | - | - | - |
| United Bank Limited | 25,000 | 3,344,450 | - | 3,369,450 | - | - | - | - | - |
| Bank Alfalah Limited | - | 2,333,883 | - | 2,333,883 | - | - | - | - | - |
| | | | | | 350,000 | 76,888,000 | 8.69 | 8.12 | |
| Insurance | | | | | | | | | |
| Adamjee Insurance Company Limited | 375,000 | 4,274,600 | - | 4,249,600 | 400,000 | 49,320,000 | 5.58 | 5.21 | 0.36 |
| Textile Composite | | | | | | | | | |
| Azgard Nine Limited | 2,448,500 | 11,576,052 | - | 14,024,552 | - | - | - | - | - |
| Nishat Mills Limited | 600,000 | 11,579,040 | - | 11,179,040 | 1,000,000 | 69,900,000 | 7.90 | 7.39 | 0.42 |
| Nishat Chunian Limited | - | 4,800,000 | - | 1,400,000 | 3,400,000 | 72,080,000 | 8.15 | 7.62 | 2.74 |
| | | | | | 4,400,000 | 141,980,000 | 16.05 | 15.00 | |
| Cement | | | | | | | | | |
| D. G. Khan Cement Company Limited | 3,500,000 | 7,460,000 | - | 10,560,000 | 400,000 | 13,024,000 | 1.47 | 1.38 | 0.13 |
| Lucky Cement Limited | 1,075,000 | 9,886,790 | - | 10,561,790 | 400,000 | 26,496,000 | 3.00 | 2.80 | 0.12 |
| | | | | | 800,000 | 39,520,000 | 4.47 | 4.18 | |
| Refinery | | | | | | | | | |
| Attock Refinery Limited | - | 1,285,000 | - | 885,000 | 400,000 | 55,172,000 | 6.24 | 5.83 | 0.47 |
| Pakistan Refinery Limited | - | 735,072 | - | 735,072 | - | - | - | - | - |
| | | | | | 400,000 | 55,172,000 | 6.24 | 5.83 | |
| Power Generation & Distribution | | | | | | | | | |
| Hub Power Company Limited | 4,000,000 | 5,158,599 | - | 9,158,599 | - | - | - | - | - |
| Oil and Gas Marketing Companies | | | | | | | | | |
| Pakistan State Oil Company Limited | 375,000 | 1,709,095 | - | 1,934,095 | 150,000 | 44,616,000 | 5.04 | 4.71 | 0.09 |
| Attock Petroleum Limited | 165,000 | 628,709 | - | 793,709 | - | - | - | - | - |
| | | | | | 150,000 | 44,616,000 | 5.04 | 4.71 | |
| Oil and Gas Exploration | | | | | | | | | |
| Oil and Gas Development Company Limited | 1,800,000 | 4,125,000 | - | 5,325,000 | 600,000 | 66,366,000 | 7.50 | 7.01 | 0.01 |
| Pakistan Oilfields Limited | 150,000 | 3,695,635 | - | 3,445,635 | 400,000 | 92,308,000 | 10.44 | 9.75 | 0.17 |
| Pakistan Petroleum Limited | 500,000 | 1,858,000 | 120,000 | 2,078,000 | 400,000 | 75,836,000 | 8.57 | 8.01 | 0.05 |
| | | | | | 1,400,000 | 234,510,000 | 26.51 | 24.78 | |

CROSBY DRAGON FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2009 (UN-AUDITED)

| Scrip Name | As of 01 July 2009 | Purchased during the period | Bonus / Right | Sale during the period | As of December 31, 2009 | Market Value as of December 31, 2009 | Percentage of Total Investment | Percentage of Net Assets | Percentage of Investee Capital |
|---|-------------------------|-----------------------------|---------------|------------------------|-------------------------|--------------------------------------|--------------------------------|--------------------------|--------------------------------|
| | -----No. of Shares----- | | | | | Rupees | -----Percentage----- | | |
| Automobile Assembler | | | | | | | | | |
| Pak Suzuki Motor Company Limited | - | 125,600 | - | 125,600 | | | | | - |
| Indus Motor Company Limited | - | 265,538 | - | 265,538 | | | | | - |
| Transport | | | | | | | | | |
| Pakistan International Container Terminal Limited | - | 2,027,895 | 245,814 | 2,273,709 | | | | | - |
| Paper & Board Packages Limited | - | 200,000 | - | 200,000 | | | | | - |
| Leather & Tanneries | | | | | | | | | |
| Bata (Pakistan) Limited | 43,400 | 20,522 | - | 15,531 | 48,391 | 47,374,789 | 5.36 | 5.01 | 0.64 |
| Technology and Communication | | | | | | | | | |
| Pakistan Telecommunication Company Limited | - | 14,800,000 | - | 14,800,000 | | | | | - |
| Fertilizer | | | | | | | | | |
| Engro Chemical (Pakistan) Limited | 100,000 | 4,736,370 | - | 4,636,370 | 200,000 | 36,654,000 | 4.14 | 3.87 | 0.07 |
| Fauji Fertilizer Company Limited | 1,230,000 | 2,570,300 | - | 3,400,300 | 400,000 | 41,172,000 | 4.65 | 4.35 | 0.06 |
| | | | | | 600,000 | 77,826,000 | 8.80 | 8.22 | |
| Pharmaceutical | | | | | | | | | |
| Searle Pakistan Limited | 1,236,500 | 400,000 | 135,000 | 971,500 | 800,000 | 49,880,000 | 5.64 | 5.27 | 3.00 |
| GlexoSmith Kline | 307,600 | - | - | 307,600 | 800,000 | 49,880,000 | 5.64 | 5.27 | |
| Chemicals | | | | | | | | | |
| ICI Pakistan Limited | 8,00,000 | 1,957,739 | - | 2,357,739 | 400,000 | 67,396,000 | 7.62 | 7.12 | 0.29 |
| Food and Personal Care Products | | | | | | | | | |
| IBL Health Care Limited | 468,000 | - | - | 468,000 | | | | | - |
| | 21,384,000 | 123,404,539 | 500,814 | 135,540,962 | 9,748,391 | 884,482,789 | 100.00 | 93.46 | |
| 5.2 Terms Finance Certificate | | | | | | | | | |
| Jahangir Siddiqui & Company Limited II | 3,000 | - | - | 3,000 | | | | | - |
| | 21,387,000 | 123,404,539 | 500,814 | 135,543,962 | 9,748,391 | 884,482,789 | 100.00 | 93.46 | |

5.3 The cost on investment at fair value through income statement is Rs.830,781,313 (30 June 2009: Rs. 1,285,298,573).

6. CONTINGENCY

6.1 The Finance Act 2008 introduced an amendment to the Workers Welfare Fund Ordinance, 1971 (WWF Ordinance) whereby the definition of "industrial establishment" was amended to include therein any establishment to which the West Pakistan Shops and Establishment Ordinance, 1969 applies. As a result of this amendment, it can be construed that all collective investment schemes (CIS) whose income exceed Rs. 0.5 million in a tax year are brought within the purview of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of 2 percent of their accounting or taxable income, whichever is higher in case of the Fund, such contribution works out to Rs. 8.436 million. To avoid any claim in the regard by the relevant authorities, in December 2009, the Mutual Funds Association of Pakistan (MUFAP) filed a constitutional petition in the Honourable High Court of Sindh. The main grounds of the said petition are that since CIS do not have any workers or employees and they are run and managed by the Asset Managers, the WWF Ordinance is not applicable to them. The said petition has not been heard yet.

The Management Company and the MUFAP's legal counsel are strongly of the opinion that the said petition will succeed and, accordingly, no provision of any liability that may arise in this respect has been and in the condensed interim financial statements of the Fund.

CROSBY DRAGON FUND
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7. TAXATION

7.1 No provision for taxation has been made in the condensed interim financial statements in view of the exemption under clause 99 of the Part of the Second Schedule of the income Tax Ordinance, 2001.

8. TRANSACTION WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include Crosby Asset Management (Pakistan) Limited (the Management Company), Central Depository Company of Pakistan Ltd. as Trustee, Jahangir Siddiqui & Co. Limited, The Bank Of Khyber, and Metropolitan Bank Limited as investor having more than 10% of units outstanding as on December 31, 2009, and Directors and key management personnel of the management company, etc., (refer below for details).

Remuneration payable to the management company and the trustee is determined in accordance with the provisions of NBFCs Regulations, 2008 and the Trust Deed respectively. Transactions with related parties are at arm's length prices. Details of transactions with related parties during the year and balances with them at the year end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

| | <u>For the Half Year Ended</u> | | <u>For the Quarter Ended</u> | |
|--|--------------------------------|--------------------|------------------------------|--------------------|
| | <u>31 December</u> | | <u>31 December</u> | |
| | 2009 | 2008 | 2009 | 2008 |
| | Rupees | | Rupees | |
| 8.1 Transactions for the period | | | | |
| Crosby Asset Management Limited (Management Company) | | | | |
| Remuneration of the management company | 12,978,278 | 29,584,288 | 5,487,159 | 10,147,421 |
| Sales load | - | 303,718 | - | - |
| Central Depository Company of Pakistan Limited (Trustee) | | | | |
| Trustee fee | 5,175 | - | 5,175 | - |
| Settlement charges | 292,403 | 552,178 | 60,750 | 104,349 |
| JS - Bank Limited | | | | |
| Trustee fee | 1,288,894 | 2,360,947 | 583,574 | 692,272 |
| Profit on PLS saving account | 3,383,690 | 1,287,942 | 10,245,435 | 4,881,648 |
| Jahangir Siddiqui & Company Limited | | | | |
| Income received on term finance certificate | 52,577 | 553,908 | - | 240,705 |
| Capital gain on sale of term finance certificate | 33,674 | - | - | - |
| Key Management Personnel of Management Company | | | | |
| Chief Executive Officer | | | | |
| Bonus 0 (2008:12) units | - | 1,680 | - | - |
| | | <u>31 December</u> | | <u>30 June</u> |
| | | <u>2009</u> | | <u>2009</u> |
| | | Rupees | | Rupees |
| 8.2 Outstanding balances as at period / year end | | | | |
| Crosby Asset Management Limited (Management Company) | | | | |
| Remuneration payable to the management company | | 1,539,255 | | 4,013,051 |
| Sales load payable | | - | | 70,076 |
| CDC security deposit and documentation charges payable | | 102,500 | | - |
| Central Depository Company of Pakistan Limited (Trustee) | | | | |
| Trustee fee payable | | 5,175 | | - |
| Settlement charges payable | | - | | 361,868 |
| JS Bank Limited | | | | |
| Trustee fee payable | | 151,508 | | 164,538 |
| Profit receivable on PLS saving account | | 489,381 | | 742,857 |

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| | 31 December 2009 | 30 June 2009 | 31 December 2009 | 30 June 2009 |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| Units | | | Rupees | |
| Unit holding balance | | | | |
| Jahangir Siddiqui & Co. Limited | 2,739,731 | 11,246,055 | 295,688,632 | 908,118,941 |
| The Bank Of Khyber | 896,240 | 896,240 | 96,727,699 | 72,371,380 |
| Habib Metropolitan Bank Limited | 888,844 | 611,995 | 95,929,493 | 49,418,596 |
| Director and Key Management Person | 68 | 68 | 7,342 | 5,491 |

9. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on 20 February 2010

10. GENERAL

10.1 Quarterly figures in the condensed interim financial statements were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figure for the half-year ended 31 Decemeber 2009 and 2008.

10.2 Figures have been rounded off to the nearest of rupee.

For Crosby Asset Management (Pakistan) Limited
 (Management Company)

 Chief Executive

 Director

Crosby Dragon Fund **16** December '09