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GENERAL INFORMATION

Name of Company

Asian Stocks Fund Limited

Legal Status

Public limited company incorporated in Pakistan on June 13, 1994 under the Companies Ordinance, 1984. The ordinary shares of the Company are listed with all the stock exchanges of Pakistan, namely Karachi, Lahore and Islamabad Stock Exchanges.

Website and Email address

www.safewayfund.com
www.asianstocksfund.com
info@safewayfund.com

Company Registration number

0032734

National Tax Number

0709734-4

Asset Manager

Safeway Fund Limited

Custodian

Central Depository Company
of Pakistan Limited

Internal Auditors

Riaz Ahmad & Company
Chartered Accountants
(Engagement Partner: Mr Muhammad Kamran Nasir)

External Auditors

BDO Ebrahim & Co.
Chartered Accountants
(Engagement Partner: Mr. Zulfikar Causer)

Board of Directors

Mr. Pervez Akhtar
Mr. Nihal Cassim
Mr. Abdul Rauf
Mr. Ali Altaf Saleem
Mr. Asif Ali Malik
Mr. Asif Haider Mirza
Mr. Muhammad Naguib Saigal

CFO & Company Secretary

Ms. Tehmeena Khan
Email: tehmeena.khan@safewayfund.com

Share Registrar

Corptech Associates (Pvt) Limited
6th Floor, BOP Tower
10-B, Block E-2,
Gulberg III
Lahore

Bankers

Bank Al Falah Limited
Soneri Bank Limited

Legal Advisors

Ahmed & Qazi Advocates

Credit Rating Agency

JCR-VIS Credit Rating Company

Registered Office

BOP Tower,
10-B, Block E-2,
Gulberg III
Lahore

Karachi Office

9th Floor, Lakson Square Building Number 1
Maulana Deen Muhammad Wafai Road
Karachi.

Phone: 021 - 35620971/2

Fax: 021 - 35620978

Chairman
Chief Executive Officer
Director
Director
Director
Director
Director

DIRECTORS' REPORT

The Directors' of Asian Stocks Fund Limited are pleased to present the reviewed half year financial statements of the Company for the quarter and the six months ended December 31st, 2009.

Financial and Operating Performance

The KSE 100 index rose by 31.06% from June 30, 2009 to December 31, 2009 to close at 9,386.92 points, a recovery of 2,224.74 points during the period. This has facilitated an improvement in the year to date performance of your Fund, and during the same period, the NAV per share of the Fund rose from Rs. 5.46 to Rs. 7.67, an increase of 40.48%. The performance of your Fund for the quarter and six months ended December 31, 2009 is as follows:-

Rupees in Thousands	October to December		July to December	
	2009	2008	2009	2008
Income	21,458	(128,332)	144,667	(254,684)
Operating expenses	(4,196)	(3,914)	(7,658)	(8,635)
	17,262	(132,246)	(137,009)	(263,319)
Finance cost	2	36	3	36
Profit/(Loss) before tax	17,260	(132,282)	137,006	(263,355)
Taxation	-	-	-	-
Profit/(Loss) after tax	17,260	(132,282)	137,006	(263,355)
Earnings Per Share (Rs)	0.19	(1.47)	1.52	(2.93)

A more detailed analysis of the performance of the Fund is discussed in the Fund Manager's Report on Fund Performance. The report has been reviewed by the Board of Directors and forms an integral part of this Directors' Report.

Future Outlook

Going forward the key valuation drivers will be recovering core earnings and a lower cost of capital for businesses, although the latter may be delayed given the expected rise in inflation on the back of subsidies being removed from energy prices. From an economic perspective, risks are posed by high commodity prices, poor security situation and delays in formulating intelligent fiscal policies.

Credit Ranking

The Fund's last available ranking from JCR - VIS is based on June 2009 performance. In this ranking the Fund was placed as MFR*3 for one year, two years and three years performance.

Acknowledgement

The Board places on record its thanks to the Regulatory Authorities, the Stock Exchanges, the Mutual Funds Association of Pakistan, the Asset Management Company, the Custodian and the Bankers of the Company for their continued cooperation and services. The Board also extends its gratitude to its shareholders for their trust reposed in us.

On behalf of the Board of Directors



Nihal Cassim
Chief Executive

Lahore
February 22, 2010

FUND MANAGER'S REPORT

Investment Philosophy & Strategy

The investment objective of the Fund is to provide its shareholders a vehicle for long-term capital appreciation. The investment philosophy and strategy, risk management policies and corporate governance policies have been more fully described in the Fund Manager's Report on Fund Performance printed in the 2009 Annual Report.

Market Performance and Results of Operations

During the half year ended December 31, 2009, the KSE-100 index rose by 2,224.74 points or 31.06% to close at 9,386.92 while the KSE-30 index rose by 30.10% to close at 9,849.92. In comparison, the Fund achieved a NAV growth of 40.48% during the same period from Rs. 5.46 to Rs. 7.67. During the quarter ended December 31, 2009, the KSE-100 index remained flat with a return of 0.4%, while the KSE-30 index declined by 1.7%. Your Fund was able to outperform the index, with NAV per share rising from Rs. 7.48 to Rs. 7.67, or 2.54%. By the grace of God, your Fund has been one of the top performers in the industry this year on a year to date basis.

The Fund's earning for the half-year was Rs. 137.076mn, significantly higher than the loss in the corresponding prior of Rs. 263.355mn. The EPS for the half year ended of 2010 was a surplus of Rs. 1.52 per share compared to a loss of Rs. 2.93 per share for the half year of 2009.

The stock market's performance during the quarter reflected that the momentum created by the foreign and fiscal teams 1QFY10 was lost considerably in 2QFY10. We are particularly disappointed in the rebuilding of circular debt and we continue to believe that action from the fiscal managers pertaining to de-subsidizing energy, food and pharmaceutical (but not fertilizer) prices and action from the Government in hurrying the building of a dam, are key for economic success. The only positive that came in 2QFY10 was IMF's expression of satisfaction in economic recovery in CY2009 and the subsequent release of additional funds for balance of payments support.

Future Outlook

Going forward the key valuation drivers will be recovering core earnings and a lower cost of capital for businesses, although the latter may be delayed given the expected rise in inflation on the back of subsidies being removed from energy prices. From an economic perspective, risks are posed by high commodity prices, poor security situation and delays in formulating intelligent fiscal policies.

Declaration by Directors

As required under the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Directors of the Asset Management Company state that the financial statements of Asian Stocks Fund Limited for the half year ended December 31, 2009 give a true and fair view of the Fund.

Renewal of License

The Asset Management Company is required to renew its license on an annual basis. This renewal request has been submitted to the SECP and a response is awaited.

Acknowledgement

We extend our gratitude to the stock exchanges, the regulators, CDC, NCCPL and the Board of Asian Stocks Fund Limited, for their continued guidance and support, and to our team for their hard work and dedication.

For and on behalf of Safeway Fund Limited



NIHAL CASSIM
Chief Executive Officer

INDEPENDENT AUDITORS REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of ASIAN STOCKS FUND LIMITED (the "Company") as at December 31, 2009 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement, condensed interim statement of cash flow and condensed interim statement of movement in unit holders' fund, together with the notes forming part thereof (herein after referred to as "condensed interim financial information") for the half year then ended ("the period"). Management of the Company is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months period ended December 31, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

The figures for the quarters ended December 31, 2009 and December 31, 2008 in the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim distribution statement and condensed interim statement of movement in equity and reserves - per share have not been reviewed and we do not express a conclusion on them.

The financial statements for the year ended June 30, 2009 and half year ended December 31, 2008 were audited and reviewed respectively by another firm of chartered accountants who had expressed unqualified opinions vide their reports dated August 20, 2009 and February 23, 2009 respectively.

KARACHI
DATED: February 22, 2010

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

ASIAN STOCKS FUND LIMITED HALF YEARLY REPORT 2010

**CONDENSED INTERIM STATEMENT OF ASSETS AND
LIABILITIES (UN-AUDITED)
AS AT DECEMBER 31, 2009**

	Note	Unaudited December 31, 2009	Audited June 30, 2009
ASSETS			
NON-CURRENT ASSETS			
Long-term deposits		2,575	2,575
CURRENT ASSETS			
Bank balances		26,524	2,805
Short term investments	4	684,777	485,037
Dividends receivable		146	1,441
Income tax refundable		1,134	1,134
Prepayments and other receivables		1,897	163
		<u>714,478</u>	<u>490,580</u>
TOTAL ASSETS		717,053	493,155
LIABILITIES			
CURRENT LIABILITIES			
Remuneration payable to Asset Manager		1,134	838
Payable against purchase of investments		24,569	-
Accrued expenses and other liabilities		865	1,189
		<u>26,568</u>	<u>2,027</u>
NET ASSETS		690,485	491,128
REPRESENTED BY:			
Share capital	5	900,000	900,000
Capital reserves			
Unrealized diminution in available for sale investments		-	(62,351)
Revenue reserve			
Unappropriated loss		(209,515)	(346,521)
CONTINGENCIES AND COMMITMENTS	6	-	-
SHAREHOLDERS' EQUITY		690,485	491,128

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive



Director

**CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

Note	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
INCOME				
Gain / (loss) on sale of investments-net	76,308	(24,221)	27,218	(4,585)
Unrealized appreciation/(diminution) on investments at fair value through profit or loss	57,982	(249,141)	(13,040)	(134,901)
Return on sukuk certificate	389	3,888	-	1,677
Income from continuous funding system	-	3,136	-	1,682
Dividend income	2,476	10,609	866	7,078
Other income	7,512	1,045	6,414	717
	144,667	(254,684)	21,458	(128,332)
OPERATING EXPENSES				
Administrative and general expenses	7 (1,434)	(2,246)	(833)	(863)
Remuneration of Asset Manager	(6,224)	(6,389)	(3,363)	(3,051)
	(7,658)	(8,635)	(4,196)	(3,914)
	137,009	(263,319)	17,262	(132,246)
Finance cost	(3)	(36)	(2)	(36)
Income/(loss) before tax	137,006	(263,355)	17,260	(132,282)
Taxation	8 -	-	-	-
Income/(loss) for the period	137,006	(263,355)	17,260	(132,282)
Earning /(loss) per share (Rupees)	1.52	(2.93)	0.19	(1.47)

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive



Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Income/(loss) for the period	137,006	(263,355)	17,260	(132,282)
Other comprehensive income / (loss) for the period				
Movement in available for sale of investments	62,351	(97,041)	-	(31,969)
Total comprehensive income / (loss) for the period	<u>199,357</u>	<u>(360,396)</u>	<u>17,260</u>	<u>(164,251)</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive



Director

**CONDENSED INTERIM DISTRIBUTION
STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Unappropriated loss brought forward	(346,521)	(121,822)	(226,775)	(252,895)
Final dividend for the year ended (June 30, 2008: Rs 0.10 per share)	-	(9,000)	-	(9,000)
Income / (loss) for the period	137,006	(263,355)	17,260	(132,282)
Unappropriated loss carried forward	<u>(209,515)</u>	<u>(394,177)</u>	<u>(209,515)</u>	<u>(394,177)</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive




Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	July to December	
	2009	2008
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income / (loss) before income tax	137,006	(263,355)
Adjustment:		
Unrealised (diminution) / appreciation in fair value of investments at fair value through profit and loss	(57,982)	249,141
Capital gain /(loss) on sale of investments classified as 'available for sale'	111,222	(2,399)
Dividend income	(2,476)	(10,609)
Mark up income	(7,901)	(1,045)
Remuneration of Asset Manager	6,224	6,389
	<u>186,093</u>	<u>(21,878)</u>
(Increase)/decrease in current assets		
Short term investments	(190,629)	35,197
Receivable against continuous funding system	-	21,538
Receivable against sale of investment	-	(6,761)
Prepayments and other receivables	(84)	(548)
	<u>(190,713)</u>	<u>49,426</u>
Increase in current liabilities		
Payable against purchase of investment	24,569	-
Accrued expenses and other liabilities	66	(12,136)
	<u>24,635</u>	<u>(12,136)</u>
Cash generated from operations	<u>20,015</u>	<u>15,412</u>
Remuneration of Asset Manager	(5,928)	(3,771)
Taxes paid	-	(1)
Mark up received	5,862	643
Dividend received	3,771	12,649
Net cash generated from operating activities	<u>23,720</u>	<u>24,932</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1)	(8,974)
Net cash used in financing activities	<u>(1)</u>	<u>(8,974)</u>
Net increase in cash and cash equivalents	23,719	15,958
Cash and cash equivalents at beginning of the period	2,805	26,068
Cash and cash equivalents at end of the period	<u>26,524</u>	<u>42,026</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.


Chief Executive


Director

**CONDENSED INTERIM STATEMENT OF MOVEMENT
IN EQUITY AND RESERVES - 'PER SHARE' (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Net assets per share as at the beginning of the period	5.46	8.84	7.48	6.66
Dilution due to final dividend for the year ended June 30, 2008 - Rs 0.10 per share	-	(0.10)	-	(0.10)
Capital gain / (loss) on sale of marketable securities	0.85	(0.27)	0.30	(0.05)
Unrealised appreciation/(diminution) in value of investments at fair value through profit or loss	0.64	(2.77)	(0.14)	(1.50)
Other net operating income for the period	0.03	0.11	0.03	0.08
Net income/(loss) for the period	1.52	(2.93)	0.19	(1.47)
Movement in available for sale of investments	0.69	(1.07)	-	(0.35)
Net assets per share as at end of the period	<u>7.67</u>	<u>4.74</u>	<u>7.67</u>	<u>4.74</u>

The annexed notes 1 to 11 form an integral part of these condensed interim financial statements.



Chief Executive



Director

**NOTES TO THE INTERIM FINANCIAL
INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

1. LEGAL STATUS AND NATURE OF BUSINESS

Asian Stocks Fund Limited (the Company) is a public limited company incorporated in June 1994 under the Companies Ordinance, 1984 and has been registered with the Securities and Exchange Commission of Pakistan (SECP) as an Investment Company under the Investment Companies and Asset Managers Rules, 1971 to carry on the business of a closed end investment company. The Company has applied to be registered as a notified entity as per section 46 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Company commenced its business in July 1994 and is listed on Karachi, Lahore and Islamabad Stock Exchanges.

The Company has entered into an agreement with Safeway Fund Limited (SFL) to act as its Asset Management Company. SFL is duly licensed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 to act as an Asset Management Company. The previous Asset Management Company, Asian Capital Management Limited was merged into Safeway Fund Limited effective from January 1, 2009. The Company primarily invests in shares of listed companies.

JCR-VIS Credit Rating Company Limited has assessed the Company's performance 1 year ranking at 'MFR 3' Star and 2 year average ranking at 'MFR 3' Star as June 30, 2009. Management quality rating to SFL has not yet been assessed pending the formal approval by the SECP of SFL's license approval.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in these condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, Interim Financial Reporting. These condensed interim financial statements are unaudited but have been reviewed by the external auditors in accordance with the requirements of the Code of Corporate Governance promulgated by SECP. Further, this condensed interim financial information is being circulated to the shareholder in accordance with the requirements of section 245 of the Companies Ordinance, 1984 and requirements of section 52(b) of the NBFC Regulations 2008.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain financial assets have been included at fair value in accordance with the recognition criteria specified in the relevant IAS applicable to these assets and the requirements of the NBFC Rules and the NBFC Regulations.

 **ASIAN STOCKS FUND LIMITED HALF YEARLY REPORT 2010**

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2009, except as described below:

3.1 Statement of comprehensive income

IAS 1 (Revised), 'Presentation of financial statements' becomes applicable for the current financial year for the first time. The revised standard prohibits the presentation of items of income and expenses (that is, "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; an income statement and a statement of comprehensive income. The interim financial information has been prepared under revised disclosure requirements.

	Note	Unaudited December 31, 2009	Audited June 30, 2009
(Rupees in thousand)			
4. SHORT TERM INVESTMENTS			
Investments in marketable securities			
At fair value through profit or loss	4.1	684,777	406,269
Available for sale	4.2	-	78,768
		<u>684,777</u>	<u>485,037</u>

4.1 Investments in marketable securities - 'at fair value through profit or loss'

Name of the Investee Company	No of shares				Balance as at December 31, 2009			Percentage in relation to			
	Purchases/ Adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at Dec 31, 2009	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total investments	Market value as a percentage of the paid-up capital of the investee company
----- Rupees in thousand -----											
Shares of listed companies- Fully paid ordinary shares of Rs 10 each unless stated otherwise											
Related parties											
Commercial Banks											
Samba Bank Limited	-	1,993,108	-	1,993,108	6,798	6,798	6,597	(201)	0.96	0.96	0.23
(Formerly: Crescent Commercial Bank Limited)					6,798	6,798	6,597	(201)	0.96	0.96	0.23
Sugar and Allied Products Limited											
Shakarganj Mills Limited	-	2,108,319	-	2,108,319	15,968	15,968	17,436	1,468	2.53	2.55	3.03
Shakarganj Mills Limited - Cum. Red. Pref	-	167,500	-	167,500	1,761	1,761	1,506	(255)	0.22	0.22	0.48
					17,729	17,729	18,942	1,213	2.75	2.77	3.51
Engineering											
Crescent Steel & Allied Products Limited	-	1,090,000	-	1,090,000	24,810	24,810	28,351	3,541	4.11	4.14	1.93
					24,810	24,810	28,351	3,541	4.11	4.14	1.93
Others											
Investment Companies and Banks											
Innovative Investment Bank Limited (note 4.1.1)	20,000	-	-	20,000	-	-	-	-	-	-	-
(Formerly: International Housing Finance Limited)											
Jahangir Siddiqui and Company Limited	700,005	1,560,000	2,260,005	45,100	176	176	178	2	0.03	0.03	0.10
Escorts Investment Bank Limited	-	45,100	-	200,000	9,917	9,917	9,854	(63)	1.43	1.44	0.05
Arif Habib Securities Limited	869,000	1,430,000	2,099,000	-	10,093	10,093	10,032	(61)	1.46	1.47	0.15
Textile Composite											
Nishat Mills Limited	575,030	785,000	1,360,030	-	-	-	-	-	-	-	-
The Crescent Textile Mills Limited	-	1,295,031	-	1,295,031	35,934	35,934	43,940	8,006	6.36	6.42	2.63
Azgard Nine Limited	-	325,500	225,500	100,000	2,071	2,071	2,079	8	0.30	0.30	0.02
					38,005	38,005	46,019	8,014	6.66	6.72	2.65
Cement											
D.G Khan Cement Company Limited	1,530,857	1,469,000	710,000	2,289,857	76,994	73,120	74,558	1,438	10.80	10.89	0.75
Fauji Cement Company Limited	-	800,000	800,000	1,000,000	65,218	65,218	66,240	1,021	9.59	9.67	0.31
Lucky Cement Limited	193,000	2,058,020	1,251,020	1,000,000	142,212	138,338	140,798	2,459	20.39	20.56	1.06

ASIAN STOCKS FUND LIMITED HALF YEARLY REPORT 2010

Name of the Investee Company	No of shares				Balance as at December 31, 2009				Percentage in relation to			
	As at July 01, 2009	Purchases/ Adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at Dec 31, 2009	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total market value of investments	Market value as a percentage of the paid-up capital of the investee company
Shares of listed companies- Fully paid ordinary shares of Rs 10 each unless stated otherwise												
Commercial Banks												
National Bank of Pakistan Limited (note 4.1.3)	460,943	258,375	-	-	719,318	63,004	48,116	53,496	5,380	7.75	7.81	0.07
MCB Bank Limited	145,000	113,800	-	258,800	-	-	-	-	-	-	-	-
Arif Habib Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-	-	-
Atlas Bank Limited	250,000	-	-	250,000	-	-	-	-	-	-	-	-
Mybank Limited	500,000	-	-	500,000	-	-	-	-	-	-	-	-
Bank Al Falah Limited (note 4.1.3)	3,326,534	1,225,000	-	4,551,534	-	55,359	49,216	62,675	13,459	9.08	9.15	0.34
United Bank Limited (note 4.1.3)	-	661,373	-	17,147	644,226	29,761	29,761	37,655	7,894	5.45	5.50	0.06
Allied Bank Limited	150,000	125,096	-	275,096	-	148,124	127,093	153,826	26,733	22.28	22.46	0.47
Moderaba												
Crescent Standard Moderaba	-	634,500	-	44,683	589,817	302	302	295	(7)	0.04	0.04	2.95
Insurance												
Beema Pakistan Company Limited (4.1.2)	200,000	-	-	-	200,000	518	-	-	-	-	-	0.48
Adanjee Insurance Company Limited	-	46,005	-	46,005	-	518	-	-	-	-	-	0.48
Power Generation and Distribution												
Kohinoor Energy Limited	112,000	-	-	112,000	-	-	-	-	-	-	-	-
Jute												
Thal Jute Limited	200,040	54,252	46,708	-	301,000	26,748	21,765	25,546	3,781	3.70	3.73	0.59
(Ordinary shares of Rs 5 each)	-	-	-	-	-	26,748	21,765	25,546	3,781	3.70	3.73	0.59
Transport												
Pakistan National Shipping Corporation Limited 34,500	-	9,600	-	-	44,100	2,524	2,186	2,073	(113)	0.30	0.30	0.03
	-	-	-	-	-	2,524	2,186	2,073	(113)	0.30	0.30	0.03
Oil and Gas Exploration Companies												
Pakistan Oilfields Limited	310,044	333,396	-	518,440	125,000	28,311	28,311	28,846	535	4.18	4.21	0.05
Oil & Gas Development Company Limited	647,192	232,007	-	879,199	100,000	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	250,000	-	150,000	100,000	18,010	18,010	18,959	949	2.75	2.77	0.01
	-	-	-	-	-	46,321	46,321	47,805	1,484	6.93	6.98	0.06
Oil and Gas Marketing Companies												
Pakistan State Oil Company Limited	150,000	208,091	-	160,000	198,091	57,930	57,930	58,920	990	8.53	8.60	0.12
Attock Petroleum Limited	-	35,000	-	35,000	-	-	-	-	-	-	-	-
	-	-	-	-	-	57,930	57,930	58,920	990	8.53	8.60	0.12

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Name of the Investee Company	No of shares				Balance as at December 31, 2009			Percentage in relation to				
	As at July 01, 2009	Purchases/ Adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at Dec 31, 2009	Cost	Carrying cost	Market Value	Appreciation / (diminution)	Market value as a percentage of net assets	Market value as a percentage of total market value of investments	Market value as a percentage of the paid-up capital of the investee company
Shares of listed companies- Fully paid ordinary shares of Rs 10 each unless stated otherwise												
Rupees in thousand												
Automobile Assembler												
Pakistan Suzuki Motors Company Limited	137,300	4,564	-	10,000	131,864	26,003	9,053	11,731	2,678	1,70	1,71	0.16
						26,003	9,053	11,731	2,678	1,70	1,71	0.16
Technology and Communication												
Pakistan Telecommunication Company Limited	1,181,347	2,138,362	-	1,569,709	1,750,000	30,640	30,640	30,888	248	4.47	4.51	0.05
Southern Networks Limited (note 4.1.2)	50,000	-	-	-	50,000	489	-	-	-	-	-	0.10
						31,129	30,640	30,888	248	4.47	4.51	0.15
Chemicals												
Shara Peroxide Limited	100,000	80,000	-	180,000	-	-	-	-	-	-	-	-
Fertilizer												
Fauji Fertilizer Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-	-
Engro Corporation Limited	-	503,938	-	154,029	349,909	63,951	63,951	64,128	177	9.29	9.36	-
(Formerly: Engro Chemical Pakistan Limited)	-	900,000	-	400,000	500,000	12,740	12,740	13,065	325	1.89	1.91	0.05
Fauji Fertilizer Bin Qasim Limited	-	-	-	-	-	76,691	76,691	77,193	502	11.18	11.27	0.05
Power Generation & Distribution												
Attem Energy Limited	-	1,663,768	-	-	1,663,768	14,416	14,416	20,797	6,381	3.01	3.04	0.49
						14,416	14,416	20,797	6,381	3.01	3.04	0.49
Leasing Companies												
Al Zamin Leasing Corporation Limited	-	693,000	-	-	693,000	1,741	1,741	2,010	269	0.29	0.29	1.40
						1,741	1,741	2,010	269	0.29	0.29	1.40
Miscellaneous												
Pace Pakistan Limited	-	505,001	-	-	505,001	2,883	2,883	2,954	71	0.43	0.43	0.22
						2,883	2,883	2,954	71	0.43	0.43	0.22
Bonds												
Maple Leaf Cement Factory Limited (SUKUK certificates of Rs 5,000 each)	2,000	-	-	2,000	-	-	-	-	-	-	-	-
						-	-	-	-	-	-	-
Total	12,094,792	25,811,706	46,708	14,527,663	23,425,543	674,977	626,794	684,777	57,982			

4.1.1 Innovative Investment Bank Limited (formerly Innovative Housing Finance Limited) (IIBL) is an unlisted company so its fair value can not be ascertained reliably. IIBL has made an application for listing to the Karachi Stock Exchange. Based on the prudence principle of accounting the investment in the shares of IIBL has been recorded at NIL value, being the carrying value of investment in CSIBL shares at the time of derecognition. Effective January 28, 2010, the SECP ordered the removal of the Board of Directors of the IIBL and has appointed an administrator.

4.1.2 The fair value of investment in securities of Southern Networks Limited (SNL) and Beema Pakistan Company Limited (BPCL) can not be ascertained reliably. The trading of the said securities has been suspended on Karachi Stock Exchange. Based on the prudence principle of accounting the investment in the shares of SNL and BPCL have been recorded at NIL value.

4.1.3 600,000 shares of National Bank of Pakistan, 400,000 shares of United Bank Limited and 4,463,534 shares of Bank Al Falah Limited have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as collateral against trading facility in the stock exchange.

4.2 Investments in marketable securities - 'available for sale'

Name of the Investee Company	No of shares				Balance as at December 31, 2009				Percentage in relation to		
	As at July 01, 2009	Purchases/ Adjustments during the period	Bonus / rights	Sales / adjustments during the period	As at Dec 31, 2009	Cost	Market Value	Appreciation / (diminution)	Market values as a percentage of net assets	Market value as a percentage of total market value of investments	Market value as a percentage of the paid-up capital of the investee company
Shares of listed companies- Fully paid ordinary shares of Rs 10 each unless stated otherwise											
-----Rupees in thousand-----											
Related parties											
Commercial Banks											
Samba Bank Limited	499,000	-	-	499,000	-	-	-	-	-	-	-
Sugar & Allied Products Limited											
Shakerganj Mills Limited	2,177,400	-	-	2,177,400	-	-	-	-	-	-	-
Shakerganj Mills Limited (Preference Shares)	167,500	-	-	167,500	-	-	-	-	-	-	-
Engineering											
Crescent Steel and Allied Products Limited	1,089,249	-	-	1,089,249	-	-	-	-	-	-	-
Others											
Modarabas											
Crescent Standard Modaraba	634,500	-	-	634,500	-	-	-	-	-	-	-
Leasing Companies											
Al-Zamin Leasing Corporation Limited (Formerly: Crescent Leasing Corporation Limited)	647,500	-	-	647,500	-	-	-	-	-	-	-
Power Generation and Distribution											
Altern Energy Limited	1,459,000	-	-	1,459,000	-	-	-	-	-	-	-
Textile Composite											
Crescent Textile Mills Limited	1,294,370	-	-	1,294,370	-	-	-	-	-	-	-
Total	7,968,519	-	-	7,968,519	-	-	-	-	-	-	-

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	Note	Unaudited December 31, 2009	Audited June 30, 2009
(Rupees in thousand)			
4.3 Net unrealized depreciation in the value of investments classified as 'available for sale'			
Market value	4.2	-	78,768
Less: Cost	4.2	-	(205,319)
Add: Impairment charge	4.3.1	-	64,200
		<u>-</u>	<u>(62,351)</u>
4.3.1 Impairment charge			
Opening balance		64,200	1,849
Add: Impairment charge recognized during the period/year		-	62,351
Less: Sale of investments		(64,200)	-
Closing balance		<u>-</u>	<u>64,200</u>

5. SHARE CAPITAL

Authorised share capital 100,000,000 (June 30, 2009: 100,000,000) ordinary shares of Rs.10 each		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital 90,000,000 (June 30, 2009: 90,000,000) ordinary shares of Rs.10 each		<u>900,000</u>	<u>900,000</u>

6. CONTINGENCIES AND COMMITMENTS

Through Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. Management, based on a legal advice, is of a firm view that Collective Investment Schemes are paper entities and are not establishments, accordingly, the WWF Ordinance is not applicable and therefore no provision is required in the financial statements. However, in a remotely probable event, if the Collective Investment Schemes are considered as industrial establishments, the impact on the NAV per share will be Rs. 0.03 as of December 31, 2009.

Mutual Funds Association of Pakistan (MUFAP), of which the Management Company is a member, has filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the Collective Investment Schemes are not establishments and as a result are not liable to pay contribution to the WWF. The legal proceedings in respect of the aforementioned petition are currently in progress.

7. ADMINISTRATIVE AND GENERAL EXPENSES

	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Annual fee - Securities and Exchange Commission of Pakistan	296	290	160	381
Settlement and custody charges	458	1,019	205	(268)
Professional fee and subscription	135	104	35	(48)
Auditor's remuneration	183	165	165	165
Directors remuneration and travelling	177	75	85	40
Printing, postage and stationery	123	518	123	518
Others	62	75	60	75
	<u>1,434</u>	<u>2,246</u>	<u>833</u>	<u>863</u>

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8 PROVISION FOR TAXATION

The company intends to avail the tax exemption under clause 99 of the Second Schedule to the Income Tax Ordinance, 2001 by distributing at-least ninety percent of its accounting income for the period as reduced by capital gains, whether realised or un-realised, to its shareholders. Accordingly, no current tax liability for the period has been recognised in these financial statements.

9 TRANSACTIONS WITH CONNECTED PERSONS

Among others, connected persons include Safeway Fund Limited being the Asset Manager of the Company, Central Depository Company of Pakistan Limited being the Custodian of the Company, Shakarganj Mills Limited being the holding company of the Company, Directors and key management personnel of the Company.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

9.1 Transactions during the period:

	July to December		October to December	
	2009	2008	2009	2008
	(Rupees in thousand)		(Rupees in thousand)	
Remuneration to Asset Manager				
Safeway Fund Limited	6,224	6,389	3,363	3,051
Remuneration to Custodian				
Central Depository Company of Pakistan Limited	339	369	178	181
Commission paid				
Cassim Investments (Pvt) Limited	495	2	182	-
Fees paid to Directors	66	75	26	40
Dividend paid				
Shakarganj Mills Limited	-	3,753	-	3,753
Crescent Steel & Allied Products Limited	-	906	-	906
Samba Bank Limited	-	2,681	-	2,681
Safeway Fund Limited	-	18	-	18
Asian Capital Management Limited	-	922	-	922
Sale of marketable securities	86,498	-	-	-
Purchase of marketable securities	92,004	-	-	-

9.2 Balances outstanding at period end

	Unaudited December 31, 2009	Audited June 30, 2009
	(Rupees in thousand)	
Remuneration payable to Asset Manager		
Safeway Fund Limited	1,134	838
Remuneration to Custodian		
Central Depository Company of Pakistan Limited	55	32
Payable against purchase of investments		
Cassim Investments (Private) Limited	114	-

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10 DATE OF AUTHORIZATION

These condensed interim financial statements have been authorized for issue on February 22, 2010, by the Board of Directors of the Company.

11 GENERAL

- 11.1 The bifurcation of undistributed income into realized and unrealized income at the beginning and end of the period as required by the NBFC Regulations has not been disclosed as such bifurcation is not practicable.
- 11.2 Figures have been rounded off to the nearest thousand rupees.
- 11.3 Corresponding figures have been re-arranged wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.



Chief Executive



Director