



TREET GROUP
OF COMPANIES

TREET CORPORATION LIMITED

*"The past cannot
be changed.
The future is yet
in your power."*

Half Yearly Report
for the period ended
December 31,

2018

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COMPANY INFORMATION

| | | |
|---|---|---|
| BOARD OF DIRECTORS | Dr. Mrs. Niloufer Qasim Mahdi Syed Shahid Ali Dr. Salman Faridi Syed Sheharyar Ali Muhammad Shafique Anjum Mr. Saulat Said Mr. Imran Azim Mr. Munir K. Bana | Chairperson / Non-Executive Director Chief Executive Officer Independent Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director |
| BOARD AUDIT COMMITTEE | Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana | Chairman/Member Member Member |
| HUMAN RESOURCE & REMUNERATION COMMITTEE | Dr. Salman Faridi Mr. Imran Azim Mr. Munir K. Bana Syed Sheharyar Ali Muhammad Shafique Anjum | Chairman/Member Member Member Member Member |
| CHIEF FINANCIAL OFFICER | Mr. Amir Zia | |
| COMPANY SECRETARY | Rana Shakeel Shaukat | |
| HEAD OF INTERNAL AUDIT | Mr. Muhammad Ali | |
| EXTERNAL AUDITORS | KPMG Taseer Hadi & Co. Chartered Accountants Lahore. | |
| INCOME TAX CONSULTANTS | Kreston Hyder Bhimji & Co. Chartered Accountants Lahore. | |
| LEGAL ADVISORS | Salim & Baig, Advocates - Lahore. | |
| CORPORATE ADVISORS | Cornelius, Lane & Mufti Legal Advisors & Solicitors - Lahore. | |
| SHARIAH ADVISOR | Mufti Muhammad Javed Hassan (Only for First Treet Manufacturing Modaraba) | |
| BANKERS | AL-Barka Bank Pakistan Limited Askari Bank Limited Allied Bank Limited Bank Alfalah Limited BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited | MCB Bank Limited Meezan Bank Limited MCB Islamic Bank Limited National Bank of Pakistan Sindh Bank Limited Soneri Bank Limited Silk Bank Limited Samba Bank Limited The Bank of Punjab United Bank Limited |

COMPANY INFORMATION

REGISTERED OFFICE

72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825
E-mail: info@treetonline.com
Home Page: www.treetonline.com

SHARE REGISTRAR

Corplink (Private) Limited
Wing Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 042-35916714
Fax: 042-35839182

TREET GROUP FACTORIES/ FACTORIES

Head Office:

72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825

Blade/Razor:

Hali Road: P.O. Box No. 308, Hyderabad.
Tel: 0223-880846, 883058 & 883174
Fax: 0223-880172

First Treet Manufacturing Modaraba

(Managed by Treet Holdings Limited)

Battery project

Faisalabad Industrial Estate Development and Management Company
(FIEDMC)M-3 Motorway City, Sahianwala Interchange, Faisalabad.

Packaging Solutions - Corrugation

22- K.M. Ferozepur Road, Kachha Tiba, Rohi Nala,
Lahore. Tel: (042) 8555848

Soap Division

80-K.M. G.T. Road, Gujranwala.

Treet Holdings Limited

(A wholly owned subsidiary of Treet Corporation Limited)

Bike Project

72-B, Industrial Area, Kot Lakhpat, Lahore.

Renacon Pharma Limited

18 - k.m., Ferozepur Road, Opp. Nishter Colony, Lahore.
T: [+92 - 42] 35401847, 35401852, 35401851

Institute of Art and Culture

7km Thokar Niaz Baig, Main Raiwind Road Lahore.
+92 42 32590040-7

COMPANY INFORMATION

| | |
|-----------------|---|
| GROUP COMPANIES | Treet Holdings Limited First Treet Manufacturing Modaraba Treet HR Management (Private) Limited Treet Power Limited Global Arts Limited Society for Cultural Education Renacon Pharma Limited |
| ADDRESS | 72-B, Industrial Area, Kot Lakhpat, Lahore. |
| KARACHI OFFICE | 6-B (A-1) Saaed Hai Road, Muhammad Ali Co-operative Society, Karachi. Tel: 021-34372270-1 Fax: 021-34372272 |

Directors' Review

The directors of your company are pleased to present a brief of operations and financial results of your Company for the half year ended December 31, 2018.

Financial Performance

Following is the summary of comparative financial results:

| | Half Year Ended - | | | | | |
|---------------------------|-------------------|--------------|-------------------|--------------|--------------|--------------|
| | December 31, 2018 | | December 31, 2017 | | % Change | |
| (Rupees in thousand) | Treet | Consolidated | Treet | Consolidated | (1) over (3) | (2) over (4) |
| | (1) | (2) | (3) | (4) | | |
| Sales (net) | 3,287,558 | 5,625,596 | 3,034,978 | 4,617,110 | 8.32% | 21.84% |
| Gross Profit | 1,197,049 | 787,328 | 939,372 | 1,189,748 | 27.43% | -33.82% |
| Operating Profit | 291,822 | (650,716) | 144,352 | 266,756 | 102.16% | -346.08% |
| Net Profit after taxation | 131,422 | (896,415) | 51,751 | 49,109 | 153.95% | -1925.36% |
| EPS (in Rupees) | 0.81 | (5.41) | 0.33 | 0.29 | | |

The Company's posted loss after tax (consolidated) at Rs. 896,415 million is decreased against Rs. 49.109 million in the corresponding period of the last year. Sales performance is described below:

SEGMENT-WISE SALES

| | 31-12-2018 | | | 31-12-2017 | | | % Change |
|----------------|------------|---------------------|-------------|------------|---------------------|-------------|----------|
| Rs. in 000 | Net Sales | Inter segment sales | Total Sales | Net Sales | Inter segment sales | Total Sales | |
| D/E+Bonded | 3,243,085 | - | 3,243,085 | 2,838,792 | - | 2,838,792 | 14.24% |
| Soap | 489,362 | - | 489,362 | 400,834 | - | 400,834 | 22.09% |
| Corrugation | 904,303 | 29,999 | 934,302 | 865,116 | 23,753 | 888,869 | 5.11% |
| Trading | 44,473 | - | 44,473 | 196,186 | - | 196,186 | -77.33% |
| Pharmaceutical | 190,137 | - | 190,137 | 149,166 | - | 149,166 | 27.47% |
| Bike | 155,964 | - | 155,964 | 167,016 | - | 167,016 | -6.62% |
| Batteries | 598,272 | - | 598,272 | - | - | - | - |
| | 5,625,596 | 29,999 | 5,655,595 | 4,617,110 | 23,753 | 4,640,863 | 21.87% |

- Blade/disposable business showed excellent growth both in local and Export markets and profits margins are improved;
- Soaps sales volumes are increased but margins are decreased due to price rationalization;
- Corrugation maintained its volumes but margins are decreased due to escalation in raw material prices and time-lag impact on pass through impact;
- Motor Cycle volumes and margins are maintained;
- Pharmaceutical business showed excellent growth in sales volumes and margins are maintained. Moreover, expansion/ diversification plan is being executed and commercial production will be expected to start from new plant in last quarter of this calendar year.
- Chemical business showed increased volumes and improved margins;
- Battery business started picking up and sales volumes are taking momentum. Efforts are being made to develop export markets through new product development and market development.

Directors' Review

| | Rs. in 000 | 2018-2019 | EBITDA (on consolidated basis) is in GREEN and it will further be improved with increased sales volumes and cost controls and price rationalization (including volume increase across the board). Moreover, cash flows will further be improved through better inventory management and ensuing financial plans. |
|--|------------|-----------|--|
| Net Loss after Tax | | (896,415) | |
| Add Back: | | | |
| Financial Charges | | 538,841 | |
| Taxation | | 35,910 | |
| Depreciation | | 340,770 | |
| | | - | |
| Earning before interest, tax, depreciation and amortization (EBITDA) | | 19,106 | |

- Education project has started its operations and it is expected that it will be stand on its feet within one year;

Accrual of Profit on Participation Term Certificates (TCLTC) based on Half Yearly consolidated results:

The following accrual of profit is being made on TCLTC on the basis of Half yearly results:

| PAY-OFF MATRIX : | | Calculation of Category "B" Payment |
|------------------|-------------|---|
| Profit * from | Profit* to | Payoff % on Excess Amount of profit |
| - | 179,500,000 | NIL |
| 179,500,001 | 250,000,000 | 72% of amount exceeding Rs. 179,500,000.00 |
| 250,000,001 | 350,000,000 | Rs. 50,760,000.00 and 25% of amount exceeding Rs. 250,000,000.00 |
| 350,000,001 | 450,000,000 | Rs. 75,760,000.00 and 20% of amount exceeding Rs. 350,000,000.00 |
| 450,000,001 | 550,000,000 | Rs. 95,760,000.00 and 15% of amount exceeding Rs. 450,000,000.00 |
| 550,000,001 | 650,000,000 | Rs. 110,760,000.00 and 10% of amount exceeding Rs. 550,000,000.00 |
| 650,000,001 | and above | Rs. 120,760,000.00 and 5 % of amount exceeding Rs. 650,000,000.00 |

| | Rs.in 000 | | Rs.in 000 |
|----------------------|-----------|---------------------------------------|-----------|
| Consolidated Profit* | | Extrapolated Profit for the full Year | |

*Profit means Consolidated Profit before Tax, WPPF / WWF and Financial Charges on account of any payment or accrual made for TCLTCs.

| | Rs. In 000 | Rs. Per TCLTC |
|--|------------|---------------|
| Category "B" Payment (Additional Profit in Cash) | | |
| Minimum Profit Payment in Cash | 173,144 | 4.14 |
| Financial Charges i.e. Total Profit in Cash | 173,144 | 4.14 |
| Financial Charges accrued for the period i.e. 9 months | 129,858 | 3.11 |

| PAY-OFF MATRIX (PER TCLTC): | | | Based on Extrapolated Profit for the Full Year | | |
|------------------------------|--------------------------------|-------------------------|--|----------------------|-----------------------|
| Principal Redemption in Cash | Minimum Profit Payment in Cash | Minimum Payment in Cash | Category "B" Payment (Additional Profit in Cash) | Total Profit in Cash | Total Payment in Cash |
| (1) | (2) | (3) = (1) + (2) | (4) | (5) = (2) + (4) | (6) = (1) + (5) |
| 0.12 | 4.14 | 4.26 | - | 4.14 | 4.26 |

However, this is accrual based on quarterly consolidated results extrapolated for full year; actual payment will be made on following dates according to actual full year results ending on June 30, 2019.

Respective Date(s) of Entitlements and Date(s) of Payment under Category "A" and Category "B" Payment for the 7th year* will be as follows:

| Year | Book Closure Dates (both days inclusive) | | Entitlement Date | Minimum Payment in Cash Date | Allotment Date for Conversion | Category "B" Payment (in Cash) Date |
|------|---|------------|---------------------|------------------------------------|-------------------------------------|---|
| | From | To | | under Category "A" Payment | | |
| 2019 | 11-10-2019 | 17-10-2019 | 09-10-2019 | 02-11-2019 | 02-11-2019 | 02-11-2019 |

*[as mentioned in the Prospectus of Participation Term Certificate (TCLTC) and extract from it [pertaining to sixth year] is reproduced here]

Apart from the "Total Payment in Cash", TCLTC holders [who will be entitled on October 09, 2018] will also get Ordinary Shares of the Company on the following basis:

| PRINCIPAL REDEMPTION THROUGH CONVERSION | | | |
|--|------------------------------------|-------------------------------|---|
| Principal Redemption Through Conversion | No. of Share Through Conversion | Conversion Price Per Share | The Conversion price per share is for information/ accounting / taxation purpose. No further amount will be paid by the PTC holders. <i>This is the opportunity cost of the principal value of PTC forgone to get One additional Ordinary Share of the Company</i> |
| 4.14 | 0.08 | 51.75 | |

Example: Thus holder of 1,000 TCLTCs will get 80 Ordinary Shares of the Company on or before November 02, 2019 vis-à-vis principal value of Rs. 4,140/- forgone. This will be last payment and TCLCL will be ceased to exist after above entitlement date.

Financial Plan

Your Company has planned to spin off the battery segment from its subsidiary (First Treet Manufacturing Modaraba) to separate Company (Treet Battery Limited) under scheme of arrangements. Execution of demerger plan will be communicated to the shareholders from time to time.

Acknowledgements

We place on record our gratitude to our valued customers for their confidence in our products and pledge to provide them the best quality in continually improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

LAHORE
February 26, 2019


Amir Zia
Chief Financial Officer


Muhammad Shafique Anjum
Director

Consolidated Financial Statements

For the period ended December 31, 2018

Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As At December 31, 2018

| | | December 2018 Un-audited | (Restated) June 2018 Audited |
|--|------|--------------------------------|---------------------------------------|
| | Note | Rupees in '000' | |
| Property, plant and equipment | | 13,648,440 | 13,452,359 |
| Investment property | | 12,895 | 19,384 |
| Long term investments | | 1,426,803 | 457,703 |
| Long term loans and deposits | | 49,914 | 46,452 |
| Deferred tax asset | | 130 | - |
| | | 15,138,182 | 13,975,898 |
| Current assets | | | |
| Stores and spares | | 180,416 | 267,058 |
| Stock-in-trade | | 3,050,481 | 1,950,670 |
| Trade debts - unsecured considered good | | 1,224,057 | 1,035,898 |
| Short term investments | | 461,630 | 462,484 |
| Loans, advances, deposits, prepayments and other receivables | | 1,407,692 | 2,191,653 |
| Cash and bank balances | | 429,985 | 1,118,210 |
| | | 6,754,261 | 7,025,973 |
| Current liabilities | | | |
| Current portion of non-current liabilities | | 178,163 | 290,577 |
| Finance under mark-up-arrangements - secured | | 11,822,837 | 9,700,404 |
| Trade and other payables | | 1,068,480 | 1,334,852 |
| Provision for taxation | | 61,128 | 93,551 |
| | | 13,130,608 | 11,419,384 |
| Net current assets | | (6,376,347) | (4,393,411) |
| Non-current liabilities | | | |
| Long term deposits | | 7,824 | 1,214 |
| Participation term finance certificates | | - | 178,166 |
| Deferred liabilities | | 305,856 | 337,713 |
| | | 313,680 | 517,093 |
| Contingencies and commitments | 5 | - | - |
| Net assets | | 8,448,155 | 9,065,394 |
| Financed By: | | | |
| Issued, subscribed and paid-up capital | | 1,654,508 | 1,600,846 |
| Reserves | | 5,464,759 | 5,272,918 |
| Unappropriated profit | | (332,042) | 532,119 |
| Surplus on revaluation of fixed assets | | 1,291,729 | 1,301,777 |
| Share holders' equity | | 8,078,954 | 8,707,660 |
| Minority Interest | | 369,201 | 357,734 |
| | | 8,448,155 | 9,065,394 |

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

February 26, 2019


Amir Zia
Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)

For the period ended December 31, 2018

| | | 6 Months ended | | Quarter ended | |
|---|------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| | Note | July to December 2018 | July to December 2017 | October to December 2018 | October to December 2017 |
| Rupees in '000' | | | | | |
| Revenue and Sales -Net | 6 | 5,625,596 | 4,617,110 | 2,911,278 | 2,347,085 |
| Cost of Goods Sold | 7 | (4,838,268) | (3,427,362) | (2,496,696) | (1,671,172) |
| Gross Profit | | 787,328 | 1,189,748 | 414,582 | 675,913 |
| Operating expenses : | | | | | |
| - Administrative expenses | | (589,902) | (202,553) | (446,449) | (145,451) |
| - Selling & distribution expenses | | (848,142) | (720,439) | (537,951) | (385,978) |
| | | (1,438,044) | (922,992) | (984,400) | (531,429) |
| Operating Profit | | (650,716) | 266,756 | (569,818) | 144,484 |
| Other income | | 333,452 | 165,274 | 233,462 | 91,137 |
| | | (317,264) | 432,030 | (336,356) | 235,621 |
| Financial expenses | | (452,905) | (210,142) | (250,130) | (178,420) |
| Financial charges: Treet-PTC | | (85,936) | (137,160) | (42,650) | (64,872) |
| Share of profit of associate | | 7,655 | 21,165 | - | 7,881 |
| | | (848,450) | 105,893 | (629,136) | 210 |
| Workers' Profit Participation Fund | | (8,873) | (5,659) | (7,812) | (4,275) |
| Workers' Welfare Fund | | (572) | (713) | (362) | 417 |
| | | (9,445) | (6,372) | (8,174) | (3,858) |
| Profit before taxation | | (857,895) | 99,521 | (637,310) | (3,648) |
| Taxation | | | | | |
| - Group | | (35,911) | (45,200) | (55,716) | (29,810) |
| - Associated company | | (2,609) | (5,212) | - | (2,359) |
| Profit after taxation | | (896,415) | 49,109 | (693,026) | (35,817) |
| Profit attributable to minority interest | | 22,206 | (7,295) | 17,867 | 826 |
| Profit attributable to group | | (874,209) | 41,814 | (675,159) | (34,991) |
| Earnings per share from continued operation | | (5.41) | 0.29 | (4.18) | 0.23 |

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE

February 26, 2019



Amir Zia
Chief Financial Officer



Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the period ended December 31, 2018

| | 6 Months ended | | Quarter ended | |
|---|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| | July to December 2018 | July to December 2017 | October to December 2018 | October to December 2017 |
| | Rupees in '000' | | | |
| Profit after taxation | (874,209) | 41,813 | (675,159) | (34,991) |
| Other comprehensive income | | | | |
| Available for sale financial assets | | | | |
| Fair value adjustment | - | (2,027) | - | - |
| | - | (2,027) | - | - |
| Total comprehensive income for the period | (874,209) | 39,786 | (675,159) | (34,991) |

Appropriations have been reflected in the statement of changes in equity.

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE
February 26, 2019


Amir Zia
Chief Financial Officer


Muhammad Shafique Anjum
Director

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the period ended December 31, 2018

| | July to December 2018 | July to December 2017 |
|--|-----------------------------|-----------------------------|
| | Rupees in '000' | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | (857,895) | 99,521 |
| Adjustments for non-cash items : | | |
| Financial charges for the period | 452,905 | 210,142 |
| Financial charges Treet-PTC | 85,936 | 137,160 |
| Depreciation on property, plant and equipment | 336,908 | 118,331 |
| Provision for gratuity | 7,415 | 6,027 |
| Provision for superannuation fund scheme | 7,034 | 5,345 |
| Profit on bank deposits | (12,504) | (12,621) |
| Profit on disposal of investment held for trading | 7,098 | 20,547 |
| Share of profit from associated company | (7,655) | (21,165) |
| Employees share option scheme (ESOS) | 23,593 | - |
| Dividend income | (3,783) | (21,642) |
| Provision for WPPF and WWF | 9,445 | 6,372 |
| (Gain)/Loss on sale of fixed assets | (29,678) | (15,129) |
| | 876,714 | 433,367 |
| Operating profit before working capital changes | 18,819 | 532,888 |
| (Increase) / decrease in operating assets : | | |
| Stores and spares | 86,642 | (162,704) |
| Stock-in-trade | (1,099,811) | (246,242) |
| Trade debts | (188,159) | (85,887) |
| Short term investments | (6,244) | 45,621 |
| Loans, advances, deposits, prepayments and other receivables | 808,724 | (98,414) |
| | (398,848) | (547,626) |
| Increase / (decrease) in operating liabilities | | |
| Trade and other payables | (275,346) | 215,706 |
| | | |
| Cash generated from operations | (655,375) | 200,968 |
| Financial charges paid | (517,923) | (466,462) |
| Taxes paid | (90,271) | (76,750) |
| WPPF and WWF | (1,235) | (969) |
| Payment to gratuity fund | (19,785) | (5,899) |
| Payment to superannuation fund | (16,478) | 580 |
| | (645,692) | (549,500) |
| Net cash from operating activities | (1,301,067) | (348,532) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (543,359) | (1,488,019) |
| Proceeds from sale of fixed assets | 46,533 | 33,898 |
| Long term investments | (964,054) | - |
| Long term deposits | (3,462) | (3,690) |
| Profit received on bank deposits | 12,504 | 12,621 |
| Dividend received | 3,783 | 21,642 |
| Net cash outflow from investing activities | (1,448,055) | (1,423,548) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|---|-----------|---------|
| Share capital | 24,387 | 7,265 |
| Share premium | 24,388 | 30,357 |
| Participation term finance certificates | (5,031) | (6,282) |
| Long Term Deposits | (105,804) | (4,761) |
| Dividend paid | 524 | (5,468) |
| Net cash from financing activities | (61,536) | 21,111 |

NET INCREASE IN CASH AND CASH EQUIVALENTS (2,810,658) (1,750,969)

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (8,582,194) (5,047,383)

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (11,392,852) (6,798,352)

CASH AND CASH EQUIVALENTS

| | | |
|------------------------------------|--------------|-------------|
| Cash and bank balances | 429,985 | 820,757 |
| Finance under mark-up arrangements | (11,822,837) | (7,619,109) |
| | (11,392,852) | (6,798,352) |

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

Condensed Interim Consolidated Statement of changes in equity

For the period ended December 31, 2018

| | Share Capital | Advance against issue of share capital | Capital Reserve | Fair Value Reserve | Statutory Reserve | Surplus on revaluation of land buildings - net of tax | Employee stock option compensation reserve | General Reserve | Unappropriated Profit | Total |
|---|---------------|--|-----------------|--------------------|-------------------|---|--|-----------------|-----------------------|-----------|
| Balance as on June 30, 2017 | 1,421,436 | 98,914 | 4,318,696 | 4,213 | 511,941 | 1,311,646 | - | 266,400 | 1,255,027 | 9,188,273 |
| Shares issued against Treet PTC by way of conversion | 29,276 | - | 143,860 | - | - | - | - | - | - | 173,136 |
| Issuance of of shares by way of right | - | (98,914) | - | - | - | - | - | - | - | (98,914) |
| Issuance of of shares as fully paid bonus share | - | - | - | - | - | - | - | - | (4,520) | (4,520) |
| Issuance of shares under employee share option scheme (ESOS) | 7,265 | - | 30,357 | - | - | - | - | - | - | 37,622 |
| Total comprehensive income for the period | - | - | - | (2,027) | - | - | - | - | 41,813 | 39,786 |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment | - | - | - | - | - | (6,406) | - | - | 6,406 | - |
| Balance as on December 31, 2017 | 1,457,977 | - | 4,492,913 | 2,186 | 511,941 | 1,305,240 | - | 266,400 | 1,298,726 | 9,335,383 |
| Balance as on June 30, 2018 | 1,600,846 | - | 4,492,923 | 1,654 | 511,941 | 1,301,777 | - | 266,400 | 532,119 | 8,707,660 |
| Shares issued against Treet PTC by way of conversion | 29,275 | - | 143,860 | - | - | - | - | - | - | 173,135 |
| Issuance of of shares under employee share option scheme (ESOS) | 24,387 | - | 24,388 | - | - | - | - | - | - | 48,775 |
| Recognition of fair value charge of shares under employee share option scheme (ESOS) | - | - | - | - | - | - | 23,593 | - | - | 23,593 |
| Transfer to share premium on issuance of shares under employee share option scheme (ESOS) | - | - | 13,071 | - | - | - | (13,071) | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | - | - | - | (874,209) | (874,209) |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment | - | - | - | - | - | (10,048) | - | - | 10,048 | - |
| Balance as on December 31, 2018 | 1,654,508 | - | 4,674,242 | 1,654 | 511,941 | 1,291,729 | 10,522 | 266,400 | (332,042) | 8,078,954 |

The attached notes 1 to 11 form an integral part of this condensed interim financial information.

LAHORE
February 26, 2019



Amir Zia
Chief Financial Officer



Muhammad Shafique Anjum
Director

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2018

1. STATUS AND NATURE OF THE BUSINESS

The Group comprises:

Holding Company

Treet Corporation Limited (TCL)

Subsidiary Companies / Undertakings

Treet Holdings Limited (THL)

First Treet Manufacturing Modaraba (FTMM)

Treet HR Management (Private) Limited (THRM)

Global Arts Limited (GAL)

Treet Power Limited (TPL)

Society for Cultural Education (SCE)

Renacon Pharma Limited (RPL)

- 1.1 Treet Corporation Limited (the holding Company) was incorporated in Pakistan on 22 January 1977 as a Public Limited Company under the Companies Act, 1913. Its shares are listed on Pakistan Stock Exchange Limited. The principal activity of the holding company is to manufacture and sell razors and razor blades along with other trading activities. The registered office of the holding company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.2 Treet Holdings Limited was incorporated in Pakistan on 21 October 2004 as a Private Limited Company under the Companies Ordinance, 1984. Global Econo Trade Limited commenced its commercial operations from 01 January 2005. The principal activity of the company is the business of manufacturing and sale of bikes. The company was converted into Public Limited Company (unlisted), and the name and objects of the company have also been changed from that of Global Econo Trade (Private) Limited to Treet Holdings Limited w.e.f June 03, 2015 after complying with the legal formalities. Its registered office is situated at 72 - B, Industrial Area Kot Lakhpat, Lahore.
- 1.3 First Treet Manufacturing Modaraba ("the Modaraba") is a multipurpose, perpetual and multi dimensional Modaraba formed on 27 July 2005 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there-under and is managed by Treet Holdings Limited (a wholly owned subsidiary of Treet Corporation Limited), incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 72 - B, Kot Lakhpat, Industrial Area, Lahore. The Modaraba is listed on Pakistan Stock Exchange Limited. The Modaraba is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.
- 1.4 Treet HR Management (Private) Limited was incorporated in Pakistan on September 18, 2006 as a Private Limited Company under the Companies Ordinance, 1984. The company is engaged in the business of rendering professional & technical services and providing related workforce to the host companies / customers under service agreements. The name of the company has been changed from TCL Labor-Hire Company (Private) Limited to Treet HR Management (Private) Limited with effect from December 31, 2014 after complying with the legal formalities. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore. The company is a wholly owned subsidiary of Treet Holdings Limited, which is also a wholly owned subsidiary of Treet Corporation Limited - an ultimate parent, a listed company.
- 1.5 Global Art Limited was incorporated in Pakistan on October 26, 2007 as a Private Limited Company under the Companies Ordinance, 1984. The company was engaged in the business of whole range of industrial, administrative, technical and accounting controls as well as janitorial and premises maintenance, providing of contractual employment and supply of labor. The company was converted into Public Limited Company (unlisted), and the name and the objects of the company had also been changed from that of Treet Services Limited to Global Arts Limited with effect from July 23, 2014 after complying with the legal formalities. The Company is now engaged to promote, establish, run, manage, and maintain educational institutions, colleges of arts, research, sciences, information technology and business administration. The company is a subsidiary of Treet Corporation Limited - an ultimate parent company. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2018

- 1.6 Treet Power Limited was incorporated on 20 November 2007 in Pakistan as an unquoted Public Limited Company under the Companies Ordinance, 1984. At present Treet Power Limited is planning to set up an electric power generation project for generating, distribution and selling of electric power. Its registered office is situated at 72-B, Industrial Area Kot Lakhpat, Lahore.
- 1.7 "Society for Cultural Education (SCE) is a Society registered under the Societies Registration Act, XXI of 1860, and having its Registered/Head Office at, 72-B, Kotlakhpat Industrial Area, Lahore. Object clauses include to establish, construct, run, maintain and manage schools, professional schools and colleges, universities, coaching classes, offices, libraries, information centers and other institutions for imparting moral, academic and technical education to children and adults and to promote and encourage the study of all arts, sciences, culture, history and general knowledge, subject to necessary permissions from regulatory bodies, if any and to take over running business of, or affiliate with or obtain affiliation from, any universities, colleges, schools, educational institutes, information centers and/or any other institutions etc.

Treet Corporation Limited is entitled to nominate 70% of the members as well as governing body of the Society. The remaining members are to be nominated by PSV (Private) Limited another Company that is being governed by Professor Pervaiz Vandal and Professor Sajida H. Vandal who are veterans of this field and renowned for their contribution towards Culture and Art.

SCE, being a body corporate, is a subsidiary of the Company in terms of Section 3 of the Companies Ordinance, 1984, since Company is entitled to nominate majority of the governing body of SCE and pursuant to directions given by Securities and Exchange Commission of Pakistan vide letter no. EMD/233/613/2002-826 dated February 24, 2016. Company is circulating the balance sheet and a statement of expenditure pertaining to SCE along with the Financial Statements of the Company. "

- 1.8 Renacon Pharma Limited (RPL) was incorporated on 07 July 2009 as a Private Limited Company under the Companies Ordinance, 1984. The company was converted into Public Limited Company (unlisted) on 27 January 2017 after complying with the legal formalities. The Company engaged in the business of manufacturing of all types of formulations of Hemodialysis Concentrate in powder and solution form for all brands of machines. Treet Corporation Limited has acquired 58.16% equity stake in the company on 18 January 2017. The registered office of the company is situated at 72-B, Industrial Area, Kot Lakhpat, Lahore.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the approved Accounting Standards as applicable in Pakistan relating to Interim Financial Reporting. This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2018.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in preparation of the financial statements for the year ended 30 June 2018.

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2018.

5. CONTINGENCIES AND COMMITMENTS

There is no material change in the position of contingent liabilities since the last audited published financial statements.

| | 6 Months ended | | Quarter year ended | |
|-------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| | July to December 2018 | July to December 2017 | October to December 2018 | October to December 2017 |
| | Rupees in '000' | | | |
| 6. SALES - Net | | | | |
| Blades | 3,243,085 | 2,838,792 | 1,683,470 | 1,473,780 |
| Soaps | 489,362 | 400,834 | 264,936 | 156,233 |
| Packaging products | 904,303 | 865,116 | 491,611 | 448,571 |
| Batteries | 598,272 | - | 245,582 | - |
| Motor bike project | 155,964 | 167,016 | 78,188 | 90,312 |
| Trading operation | 44,473 | 196,186 | 35,018 | 96,900 |
| Pharmaceutical products | 190,137 | 149,166 | 112,473 | 81,289 |
| | 5,625,596 | 4,617,110 | 2,911,278 | 2,347,085 |

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| 7. COST OF GOODS SOLD | | | | |
| Blades | (2,035,562) | (1,892,478) | (1,010,822) | (945,696) |
| Soaps | (438,225) | (304,695) | (239,929) | (127,611) |
| Packaging products | (844,302) | (766,490) | (444,556) | (369,237) |
| Batteries | (1,179,574) | - | (610,963) | - |
| Motor bike project | (164,077) | (174,695) | (79,619) | (89,189) |
| Trading operation | (29,004) | (184,334) | (21,912) | (68,773) |
| Pharmaceutical products | (147,524) | (104,670) | (88,895) | (70,666) |
| | (4,838,268) | (3,427,362) | (2,496,696) | (1,671,172) |

8. TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in the normal course of business on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

| | | |
|----------------------------------|---------|---------|
| Purchases and services received | 145,734 | 134,591 |
| Goods sold and services rendered | - | 50 |

9. This unaudited condensed interim consolidated financial information was authorized for issue by the board of directors on February 26, 2019.

Notes To The Consolidated Condensed Interim Financial Statements (Un-audited)

For the period ended December 31, 2018

10. SOCIETY FOR CULTURAL EDUCATION

CONDENSED INTERIM BALANCE SHEET (Un-audited)

As At December 31, 2018

| | December 2018 | June 2018 |
|---|------------------|--------------|
| | Rupees in '000' | |
| CURRENT ASSETS | | |
| Stock-in-trade | 1,564 | 55 |
| Loans, advances, deposits, prepayments and other receivables | 9,625 | 2,090 |
| Cash and bank balances | 21,623 | 18,580 |
| | 32,812 | 20,725 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 6,100 | 3,544 |
| NET CURRENT ASSETS | 26,712 | 17,181 |
| NET ASSETS | 26,712 | 17,181 |
| FINANCED BY: | | |
| Donations/members' contribution | 353,328 | 10,593 |
| Endowment fund | 15,000 | 15,000 |
| Net expenses incurred | (341,616) | (8,412) |
| SHARE HOLDERS' EQUITY | 26,712 | 17,181 |

CONDENSED INTERIM STATEMENT OF EXPENSES (Un-audited)

For the period ended December 31, 2018

| | 6 Months ended | | Quarter year ended | |
|-------------------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| | July to December 2018 | July to December 2017 | October to December 2018 | October to December 2017 |
| | Rupees in '000' | | | |
| Fees and revenue | 33,495 | - | 19,419 | - |
| Profit on bank deposits | 1,246 | 443 | 896 | 77 |
| Other income | 185 | - | | |
| | 34,926 | 443 | 20,315 | 77 |
| Less: | | | | |
| Salaries, wages and other benefits | 93,945 | 40,335 | 53,694 | 21,394 |
| Fuel and power | 4,189 | 2,239 | 1,527 | 481 |
| Repairs and maintenance - Vehicles | 79 | 95 | 70 | 84 |
| Repairs and maintenance - Others | 4,450 | 697 | 2,596 | 286 |
| Rent, rates and taxes | 252 | 142 | 127 | 81 |
| Insurance | 1,840 | 271 | 1,690 | 197 |
| Advertising | 21,653 | 47 | 2,941 | - |
| Traveling and conveyance | 1,662 | 1,259 | 740 | 751 |
| Entertainment | 823 | 27 | 478 | 14 |
| Postage and telephone | 391 | 420 | 292 | 183 |
| Printing and stationery | 2,792 | 2,259 | 223 | 1,885 |
| Legal and professional charges | 58 | 13 | - | (55) |
| Computer expenses | 494 | 46 | 377 | 6 |
| Subscription | - | - | - | - |
| Bank charges | (26) | - | (28) | - |
| Others | 296 | 943 | 93 | 76 |
| | 132,898 | 48,793 | 64,820 | 25,383 |
| Net expenses taken to balance sheet | (97,972) | (48,350) | (44,505) | (25,306) |

11 GENERAL

11.1 Amounts have been rounded off to thousand rupees.


Amir Zia
Chief Financial Officer

Muhammad Shafique Anjum
Director

**Independent Auditor's Review Report
To the members of Treet Corporation Limited
Report on Review of Condensed Interim Unconsolidated Financial Statements**

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Treet Corporation Limited ("the Company") as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim unconsolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements 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 interim financial statements 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 unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2018 and 31 December 2017, have not been reviewed and we do not express a conclusion on them.

The engagement partner on the audit resulting in this independent auditor's report is Kamran Iqbal Yousafi.

Lahore
Febraury 26, 2019

KPMG Taseer Hadi & Co.
Chartered Accountants

Financial Statements

For the period ended December 31, 2018

Condensed Interim Unconsolidated Statement of Financial Position (Un-audited)

As at 31 December 2018

| | | (Un-audited) 31 December 2018 | (Audited) 30 June 2018 |
|--|-------|-------------------------------------|------------------------------|
| | Note | Rupees in '000' | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 3,232,010 | 3,058,815 |
| Investment property | | 12,895 | 19,384 |
| Intangible asset | | 25,892 | 30,080 |
| Long term investments | 6 | 5,248,094 | 5,248,094 |
| Long term loans | | 2,754 | 623 |
| Long term security deposits | | 19,757 | 19,757 |
| Deferred taxation | | 33,451 | 32,530 |
| | | 8,574,853 | 8,409,283 |
| Current assets | | | |
| Stores and spares | | 180,416 | 189,401 |
| Stock in trade | | 836,397 | 606,005 |
| Trade debts | | 261,207 | 267,764 |
| Short term investments | | 457,974 | 458,506 |
| Loans, advances, deposits, prepayments and other receivables | 7 | 7,044,465 | 6,751,453 |
| Cash and bank balances | | 156,734 | 151,549 |
| | | 8,937,193 | 8,424,678 |
| Assets held for sale | 6.1.2 | 956,594 | 964,054 |
| | | 9,893,787 | 9,388,732 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Current portion of redeemable capital | | 178,166 | 179,417 |
| Short term borrowings | | 8,531,400 | 7,753,403 |
| Trade and other payables | | 418,898 | 681,761 |
| Unclaimed dividend | | 13,301 | 13,301 |
| Accrued mark-up | | 259,105 | 277,666 |
| Provision for taxation | | 32,486 | 65,003 |
| | | 9,433,356 | 8,970,551 |
| Net current assets | | 460,431 | 418,181 |
| Non-current liabilities | | | |
| Long term deposits | | 1,214 | 1,214 |
| Redeemable capital | 8 | - | 178,166 |
| Deferred liabilities - Employee retirement benefits | | 334,751 | 325,698 |
| | | 335,965 | 505,078 |
| Contingencies and commitments | 9 | | |
| | | 8,699,319 | 8,322,386 |
| Represented by: | | | |
| Authorized capital | | | |
| 250,000,000 (30 June 2018: 250,000,000) ordinary shares of Rs. 10 each | | 2,500,000 | 2,500,000 |
| 150,000,000 (30 June 2018: 150,000,000) preference shares of Rs. 10 each | | 1,500,000 | 1,500,000 |
| | | 4,000,000 | 4,000,000 |
| Issued, subscribed and paid up capital | | | |
| Reserves | 10 | 1,654,508 | 1,600,846 |
| Unappropriated profit | | 4,952,077 | 4,760,228 |
| Surplus on revaluation of land and buildings - net of tax | | 831,155 | 695,265 |
| | | 1,261,579 | 1,266,047 |
| | | 8,699,319 | 8,322,386 |

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



Amir Zia
Chief Financial Officer



Muhammad Shafique Anjum
Director

LAHORE
February 26, 2019

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)

For the period ended December 31, 2018

| | Note | 6 Months ended | | Quarter ended | |
|--|------|------------------|----------------|-----------------|----------------|
| | | 31 December | 31 December | 31 December | 31 December |
| | | 2018 | 2017 | 2018 | 2017 |
| | | Rupees in '000' | | Rupees in '000' | |
| Sales - net | 11 | 3,287,558 | 3,034,978 | 1,650,908 | 1,570,680 |
| Cost of sales | | (2,090,509) | (2,095,606) | (1,044,045) | (1,022,858) |
| Gross profit | | 1,197,049 | 939,372 | 606,863 | 547,822 |
| Administrative expenses | | (312,344) | (181,968) | (181,973) | (134,389) |
| Distribution cost | | (592,883) | (613,052) | (394,277) | (340,214) |
| | | (905,227) | (795,020) | (576,250) | (474,603) |
| Operating Profit | | 291,822 | 144,352 | 30,613 | 73,219 |
| Finance cost | | (343,273) | (185,302) | (193,825) | (157,250) |
| Financial charges - PTCs | | (85,945) | (137,160) | (42,659) | (64,872) |
| | | (429,218) | (322,462) | (236,484) | (222,122) |
| Other income | | 318,048 | 303,587 | 301,862 | 253,991 |
| Other expenses | | (24,400) | (30,588) | (23,546) | (29,569) |
| Profit before taxation | | 156,252 | 94,889 | 72,445 | 75,519 |
| Taxation | | (24,830) | (43,138) | (51,553) | (33,825) |
| Profit after taxation | | 131,422 | 51,751 | 20,892 | 41,694 |
| Earnings per share - basic and diluted (Rupees) | | 0.81 | 0.33 | 0.13 | 0.26 |

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the period ended 31 December 31, 2018

| | 6 Months ended | | Quarter ended | |
|--|-----------------|--------------|-----------------|--------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2018 | 2017 | 2018 | 2017 |
| | Rupees in '000' | | Rupees in '000' | |
| Profit after taxation for the period | 131,422 | 51,751 | 20,892 | 41,694 |
| Other comprehensive income | | | | |
| Items that are or may be subsequently reclassified to profit or loss account | <div>-</div> | <div>-</div> | <div>-</div> | <div>-</div> |
| | - | - | - | - |
| Total comprehensive income for the period | 131,422 | 51,751 | 20,892 | 41,694 |

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.



Amir Zia
Chief Financial Officer



Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the period ended December 31, 2018

| | Note | 31 December 2018 | 31 December 2017 |
|--|------|---------------------|---------------------|
| | | Rupees in '000' | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 156,252 | 94,889 |
| Adjustments for non-cash items : | | | |
| Finance cost | | 429,218 | 322,462 |
| Amortization on intangible asset | | 4,189 | 4,188 |
| Depreciation on property, plant and equipment | | 121,394 | 96,450 |
| Employee stock option charge | | 23,593 | - |
| Provision for gratuity | | 14,829 | 12,665 |
| Provision for superannuation fund | | 14,067 | 10,690 |
| Profit on bank deposits | | (2,980) | (1,886) |
| Unrealized exchange loss/(gain) | | 6,854 | (6,254) |
| Unrealized loss on investments at 'fair value through profit or loss' | | 11,545 | 69,012 |
| Dividend income | | (3,782) | (126,803) |
| Provision for workers' profit participation fund (WPPF) | | 8,229 | 4,994 |
| Charges to subsidiary company | | (240,242) | (110,000) |
| Gain on disposal of long term investment | | (1,277) | - |
| Gain on sale of property, plant and equipment | | (10,446) | (15,130) |
| | | 375,191 | 260,388 |
| Operating profit before working capital changes | | 531,443 | 355,277 |
| (Increase) / decrease in current assets : | | | |
| Stores and spares | | 8,985 | 40,460 |
| Stock in trade | | (230,392) | (92,116) |
| Trade debts | | 6,557 | (55,586) |
| Loans, advances, deposits, prepayments and other receivables | | (63,923) | (622,629) |
| | | (278,773) | (729,871) |
| Decrease in current liabilities: | | | |
| Trade and other payables | | (262,863) | (10,499) |
| | | (10,193) | (385,093) |
| Income tax paid | | (45,809) | (78,343) |
| WPPF paid | | (8,235) | - |
| Finance cost paid | | (447,779) | (450,961) |
| Payment to gratuity fund | | (7,473) | (10,605) |
| Payment to superannuation fund | | (12,370) | (8,951) |
| Long term loans and deposits - net | | (2,131) | (70) |
| | | (523,797) | (548,930) |
| Net cash used in operating activities | | (533,990) | (934,023) |

| | 31 December 2018 | 31 December 2017 |
|--|-----------------------|---------------------|
| Note | Rupees in '000' | |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (301,096) | (313,794) |
| Purchase of intangible | - | (772) |
| Proceeds from sale of property, plant and equipment | 16,953 | 25,628 |
| Proceeds from disposal of long term investments in subsidiary | 8,852 | - |
| Short term investments – net | (12,794) | (3,136) |
| Profit received on bank deposits | 2,980 | 1,886 |
| Dividend received | 3,782 | 126,803 |
| Net cash used in investing activities | (281,323) | (163,385) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | 48,774 | 37,623 |
| Loan from Chief Executive paid- Interest free, repayable on demand | (340,000) | - |
| Redemption of participation term certificates | (6,273) | (6,276) |
| Short term borrowings – net | 887,267 | 337,077 |
| Dividend paid | - | (5,310) |
| Net cash generated from financing activities | 589,768 | 363,114 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (225,545) | (734,294) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | (4,871,733) | (3,308,585) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 12 (5,097,278) | (4,042,879) |

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE

February 26, 2019



Amir Zia
Chief Financial Officer



Muhammad Shafique Anjum
Director

Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)

For the period ended December 31, 2018

| | Capital Reserve | | | Revenue Reserves | | | | |
|---|-----------------|---------------|-----------------|---|--|-----------------|-----------------------|-----------|
| | Share Capital | Share Premium | Capital Reserve | Surplus on revaluation of land buildings - net of tax | Employee Stock Option Compensation Reserve | General Reserve | Unappropriated Profit | Total |
| | Rupees in '000' | | | | | | | |
| Balance as at 01 July 2017 | 1,421,436 | 4,318,972 | 629 | 1,273,982 | - | 266,400 | 974,863 | 8,256,282 |
| Total comprehensive income for the period | - | - | - | - | - | - | 51,751 | 51,751 |
| Profit for the period | - | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | 51,751 | 51,751 |
| Incremental depreciation relating to surplus on revaluation of building - net of tax | - | - | - | (4,466) | - | - | 4,466 | - |
| Effect of change in tax rate on account of surplus on revaluation of buildings | - | - | - | - | - | - | - | - |
| Transactions with owners of the Company, contributions and distributions | - | - | - | - | - | - | - | - |
| Issuance of shares under employee stock option scheme - note 16 | 7265 | 30,358 | - | - | - | - | - | 37,623 |
| Conversion of PTCs into ordinary shares @0.07 share per PTC | 29275 | 143869 | - | - | - | - | - | 173,144 |
| Issuance of ordinary shares as fully paid bonus shares @ 10% | 142,870 | - | - | - | - | - | (142,870) | - |
| Balance as on December 31, 2017 - unaudited | 1,600,846 | 4,493,199 | 629 | 1,269,516 | - | 266,400 | 888,210 | 8,518,800 |
| Total comprehensive loss for the period | - | - | - | - | - | - | (134,775) | (134,775) |
| Loss for the period | - | - | - | - | - | - | (134,775) | (134,775) |
| Other comprehensive loss | - | - | - | - | - | - | (62,558) | (62,558) |
| Incremental depreciation relating to surplus on revaluation of buildings - net of tax | - | - | - | (4,388) | - | - | 4,388 | - |
| Effect of change in tax rate on account of surplus on revaluation of buildings | - | - | - | - | - | - | (197,333) | (197,333) |
| Balance as at 30 June 2018 - audited | 1,600,846 | 4,493,199 | 629 | 1,266,047 | - | 266,400 | 695,265 | 8,322,386 |
| Total comprehensive income for the period | - | - | - | - | - | - | 131,422 | 131,422 |
| Profit for the period | - | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - | - | 131,422 | 131,422 |
| Incremental depreciation relating to surplus on revaluation of buildings - net of tax | - | - | - | (4,468) | - | - | 4,468 | - |
| Transactions with owners of the Company, contributions and distributions | - | - | - | - | - | - | - | - |
| Conversion of PTCs into ordinary shares @ 0.07 share per PTC | 29275 | 143869 | - | - | - | - | - | 173,144 |
| Issuance of shares under employee stock option scheme - note 16 | 24,387 | 24,387 | - | - | - | - | - | 48,774 |
| Recognition of fair value charge of share based payments - note 16 | - | - | - | - | 23,593 | - | - | 23,593 |
| Transfer to share premium on issuance of share under employee stock option scheme - note 16 | - | 13,071 | - | - | (13,071) | - | - | - |
| Balance as on 31 December 2018 - unaudited | 1,654,508 | 4,674,526 | 629 | 1,261,579 | 10,522 | 266,400 | 831,155 | 8,699,319 |

The annexed notes 1 to 18 form an integral part of these condensed interim unconsolidated financial statements.

LAHORE
February 26, 2019

Amir Zia
Chief Financial Officer

Muhammad Shafique Anjum
Director

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

1. STATUS AND NATURE OF THE BUSINESS

Treet Corporation Limited ("the Company") was incorporated in Pakistan on 22 January 1977 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of razors and razor blades along with other trading activities. The registered office of the Company is situated at 72-B, Industrial Area Kot Lakhpat, Lahore. The manufacturing facilities of the Company are located in Lahore at 72-B Kot Lakhpat, Industrial Area and in Hyderabad at Hali Road.

2. BASIS OF PREPARATION

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the provisions of the Companies Act, 2017.
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2018 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and are un-audited but subject to limited scope review by external auditors as required by Code of Corporate Governance.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2018. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

Comparative unconsolidated statement of financial position's numbers are extracted from the annual audited unconsolidated financial statements of the Company for the year ended 30 June 2018, whereas comparative unconsolidated profit or loss, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim unconsolidated financial statements of the Company for the three months and six months period ended 31 December 2018.

3. ESTIMATES

The preparation of these condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates were the same as those applied to the unconsolidated financial statements for the year ended 30 June 2018.

4. STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim unconsolidated financial statements are same as those applied in the preparation of the annual audited financial statements for the year ended 30 June 2018 except for the adoption of new standards effective as of 01 July 2018 as stated below:

4.1 Change in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' from 01 July 2018 which is effective from the annual periods beginning on or after 01 July 2018. There are other new standards which are effective from 01 July 2018 but they do not have a material effect on the Company's condensed interim financial statements. The detail of new significant accounting policy adopted and the nature and effect of the changes from previous accounting policy are set out below:

4.1.1 IFRS 15 'Revenue from Contracts with Customers'

The Company is engaged in the sale of blade, razors products and trading chemicals. The contracts with customers for the sale of goods generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognized at the point in time when control of the asset is transferred to the customer, which is when the goods are delivered to the customer. However, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations at 01 July 2018, did not have a material impact on the amounts of revenue recognized in these condensed interim financial statements.

4.2 IFRS 9 Financial Instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting and was effective for annual periods beginning on or after 01 July 2018. The Securities and Exchange Commission of Pakistan (SECP), vide its S.R.O. 229(I)/2019 dated 14 February 2019 has deferred the applicability of IFRS 9 (Financial Instruments) for reporting period ended on 31 December 2018. IFRS 9 will now be applicable for reporting periods / year ending on or after 30 June 2019.

4.3 Other than those disclosed above in note 4.1, there were certain other new amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

The following amendments and interpretations of approved accounting standards will be effective for accounting periods as detailed below:

| | | |
|---|--|-----------------|
| - | IFRIC 23 - Uncertainty over Income Tax Treatments | 01 January 2019 |
| - | Amendment to IFRS 9 - Financial Instrument | 01 January 2019 |
| - | IFRS 16 - Leases | 01 January 2019 |
| - | Amendment to IAS 28 - Investments in associates and joint ventures - Long Term Interests in Associates and Joint Ventures | 01 January 2019 |
| - | Amendment to IAS 19 - Employee benefits - Plan Amendment, Curtailment or Settlement | 01 January 2019 |
| - | Amendment to IFRS 3 - Business Combinations - Definition of a Business | 01 January 2019 |
| - | Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors | 01 January 2019 |
| - | Annual Improvements to IFRS Standards 2015-2017 Cycle | 01 January 2019 |

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

| | | (Un-audited) 31 December 2018 | (Audited) 30 June 2018 |
|---|------|-------------------------------------|------------------------------|
| | Note | (Rupees in thousand) | |
| 5. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | 5.1 | 2,648,519 | 2,539,328 |
| Capital work-in-progress | | 583,491 | 519,487 |
| | | 3,232,010 | 3,058,815 |

5.1 Operating fixed assets

| | | | |
|--|-----|------------------|------------------|
| Opening net book value | | 2,539,328 | 2,465,457 |
| Additions during the period/ year | 5.2 | 237,093 | 289,080 |
| Disposals during the period/ year - net book value | 5.2 | (6,508) | (58,558) |
| Depreciation charged during the period/ year | | (121,394) | (156,651) |
| Closing net book value | | 2,648,519 | 2,539,328 |

5.2 The following additions and disposals have been made during the six months period ended 31 December 2018:

| | Additions at cost | Disposals at net book value |
|------------------------|----------------------|-----------------------------------|
| | (Rupees in thousand) | |
| Buildings | 70,083 | - |
| Plant and machinery | 80,763 | - |
| Furniture and fixtures | 35,173 | 265 |
| Computer and equipment | 2,456 | - |
| Vehicles | 48,618 | 6,243 |
| | 237,093 | 6,508 |

| | | (Un-audited) 31 December 2018 | (Audited) 30 June 2018 |
|---|------|-------------------------------------|------------------------------|
| | Note | (Rupees in thousand) | |
| 6. Long term investments | | | |
| In equity instruments of subsidiaries - at cost | 6.1 | 6,040,604 | 6,048,064 |
| In equity instruments of Associate - at cost | 6.2 | 162,529 | 162,529 |
| Available for sale - at cost | 6.3 | 1,555 | 1,555 |
| | | 6,204,688 | 6,212,148 |
| Less: Assets held for sale | | (956,594) | (964,054) |
| | | 5,248,094 | 5,248,094 |

| | | (Un-audited) 31 December 2018 (Rupees in thousand) | (Audited) 30 June 2018 |
|--|-------|---|------------------------------|
| | Note | | |
| 6.1 In equity instruments of subsidiaries - at cost | | | |
| Treet Holdings Limited - unquoted | | | |
| 61,101,712 (30 June 2018: 61,101,712) fully paid ordinary shares of Rs. 10 each | 6.1.1 | 611,017 | 611,017 |
| Equity held: 85.93 % (30 June 2018: 85.93 %) | | | |
| Chief Executive Officer - Syed Shahid Ali | | | |
| First Treet Manufacturing Modaraba - quoted | | | |
| 170,851,700 (30 June 2018: 171,224,700) fully paid certificates of Rs. 10 each | 6.1.2 | 3,417,442 | 3,424,902 |
| Equity held: 87.35 % (30 June 2018: 87.54 %) | | | |
| Chief Executive Officer - Syed Shahid Ali | | | |
| Global Arts Limited - unquoted | | | |
| 160,540,320 (30 June 2018: 160,540,320) fully paid ordinary shares of Rs. 10 each | 6.1.3 | 1,605,403 | 1,605,403 |
| Equity held: 88.76 % (30 June 2018: 88.76 %) | | | |
| Chief Executive Officer - Syed Shahid Ali | | | |
| Renacon Pharma Limited - unquoted | | | |
| 28,342,800 (30 June 2018: 28,342,800) fully paid ordinary shares of Rs. 10 each | 6.1.4 | 406,742 | 406,742 |
| Equity held: 45.45 % (30 June 2018: 45.45 %) | | | |
| Chief Executive Officer - Dr. Salman Shakoh | | | |
| | | 6,040,604 | 6,048,064 |

Assets held for sale:

| | | | |
|--|-------|------------------|------------------|
| First Treet Manufacturing Modaraba - quoted | | | |
| 47,829,710 (30 June 2018: 48,202,710) fully paid ordinary shares of Rs. 10 each (cost Rs. 20 per share) | 6.1.2 | (956,594) | (964,054) |
| | | 5,084,010 | 5,084,010 |

6.1.1 The Company directly owns 85.93% (30 June 2018: 85.93%) equity interest in Treet Holdings Limited while the remaining 14.07% (30 June 2018: 14.07%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited .

6.1.2 The Company directly owns 87.35% (30 June 2018: 87.54%) equity interest in First Treet Manufacturing Modaraba ("FTMM") while 10.02% (30 June 2018: 10.02%) equity interest is indirectly owned through the Company's subsidiary, Treet Holdings Limited. The decrease in equity interest is due to sale of 0.37 million certificates during the period at an average rate of Rs. 23.73 per certificate.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

The Board of Directors of the Company in their meeting held on 27 February 2018 resolved to reduce the Company's certificate holding in FTMM up-to 59.85% (dilution of 30% in certificate holding from 89.85%) either through selling of modaraba certificates in the market (or otherwise) and/or not to subscribe fully the further issue of capital (if any) of FTMM. The management is committed to the sale of modaraba certificates (up-to 30%) constituting 48,202,710 number of certificates and expects this sale to be completed within the next twelve months after the reporting date and consequently this expected dilution of investment in FTMM has been classified as 'Assets held for sale' in accordance with the requirements of IFRS 5 'Non- Current Assets Held for Sale and Discontinued Operations'.

6.1.3 The Company directly owns 88.76% (30 June 2018: 88.76%) equity interest in Global Arts Limited while the remaining 11.24% (30 June 2018: 11.24 %) equity interest is indirectly owned through the Company's subsidiaries, Treet Holdings Limited (wholly owned) and Renacon Pharma Limited.

6.1.4 Renacon Pharma Limited ("RPL") is a pharmaceutical manufacturing company incorporated on 07 July 2009. The Company directly owns 45.45% (30 June 2018: 45.45%) equity interest in RPL and 10.39% (30 June 2018: 10.39%) equity interest is indirectly owned through the Company's subsidiary, Global Arts Limited.

| | Note | 2018 (Rupees in thousand) | 2017 |
|---|-------|------------------------------|---------|
| 6.2 In equity instruments of Associate - at cost | | | |
| <u>Loads Limited - quoted</u> | | | |
| 18,895,057 (30 June 2018: 18,895,057) fully paid ordinary shares of Rs. 10 each | 6.2.1 | 162,529 | 162,529 |
| Equity held: 12.49 % (30 June 2018: 12.49 %) | | | |
| Chief Executive Officer - Munir K. Bana | | | |
| | | 162,529 | 162,529 |

6.2.1 The Company's investment in Load Limited is less than 20% but it is considered to be an associate as per the requirements of IAS - 28 "Investments in Associates" because the Company has significant influence over its financial and operating policies through representation on the Board.

| | (Un-audited) 31 December 2018 (Rupees in thousand) | (Audited) 30 June 2018 |
|---|---|------------------------------|
| 6.3 Available for sale -at cost | | |
| Techlogix International Limited | | |
| 748,879 (30 June 2018: 748,879) fully paid ordinary shares of par value of USD 0.00015. | 8,593 | 8,593 |
| Equity held: 0.71 % (30 June 2018: 0.71 %) | | |
| Less: Provision for impairment | (7,038) | (7,038) |
| | 1,555 | 1,555 |

7. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes advance amounting to Rs. 6,161 million (30 June 2018: Rs. 5,830 million) to First Treet Manufacturing Modarba ("FTMM"), subsidiary company, and is receivable on demand. The amount is advanced to FTMM for the on going Battery Project out of the short term running finance facilities availed by the Company. Markup is calculated at average borrowing rate of the Company. It also includes receivable on account of reimbursement of expenses, sharing of common expenses and purchase of goods under normal business trade as per the agreed terms and are interest free.

8. PARTICIPATION TERM CERTIFICATES

The Company issued 41,822,250 Participation Term Certificates ("PTCs") of Rs. 30 each on 04 Oct 2012 to existing shareholders in the ratio of 1 PTC for every 1 ordinary share held amounting to Rs. 1,255 million. The PTCs are listed on Pakistan Stock Exchange. The term of PTCs shall be seven years. The principal amount of PTCs will be reduced through redemption (in cash and through mandatory share conversion) each year. The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum (pre-agreed price of Rs. 59.14 per share) from year 2013 to year 2018 and 0.08 share per PTC (pre-agreed price of Rs. 51.38 per share) for year 2019. Shares issued through conversion will rank parri passu with existing shares. During the period, 2.93 million ordinary shares have been issued to the PTC holders as per redemption/conversion scheme.

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no material changes in contingencies from the preceding annual published financial statements of the Company for the year ended 30 June 2018.

9.2 Commitments

Commitments in respect of letter of credit other than for capital expenditure amounts to Rs. 702.73 million (30 June 2018: Rs. 730.34 million).

10. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| | 31 December 2018 | 30 June 2018 | (Un-audited) 31 December 2018 | (Audited) 30 June 2018 |
|---|---------------------|-----------------|-------------------------------------|------------------------------|
| | (Number of shares) | | Rupees in '000' | |
| Ordinary shares of Rs. 10 each fully paid-up in cash | 89,793,463 | 89,793,463 | 897,935 | 897,935 |
| Ordinary shares of Rs. 10 each issued on conversion of PTCs - note 10.2 | 18,660,328 | 15,732,828 | 186,602 | 157,327 |
| Ordinary shares of Rs. 10 each fully issued as bonus shares | 52,420,143 | 52,420,143 | 524,201 | 524,201 |
| Issuance of shares against employee share options scheme - note 10.3 | 4,576,951 | 2,138,251 | 45,770 | 21,383 |
| | 165,450,885 | 160,084,685 | 1,654,508 | 1,600,846 |

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

- 10.1** Loads Limited, an associated company, holds 8,613,233 (30 June 2018: 8,613,233) ordinary shares of Rs. 10 each representing 5.38% (30 June 2018: 5.38%) of the paid up capital of the Company.
- 10.2** Under the terms of conversion as referred in note 8, the Company, during the period, issued 2,927,557 (30 June 2018: 2,927,557) fully paid ordinary shares against conversion of Participation Term Certificate (PTCs) into ordinary shares. The issue was made in lieu of mandatory conversion of PTCs @ 0.07 shares per PTCs at a pre agreed price of Rs 59.14 per share resulting in premium of Rs. 143.87 million. (30 June 2018: Rs. 143.87 million).
- 10.3** Under the terms of the scheme as referred in note 16, the Company, during the period, issued 24,387 fully paid ordinary shares to eligible employees. The shares were issued at the exercise price of Rs. 20.00 per share resulting in premium of Rs. 37.46 million.

| | (Un-audited) Six Months ended | | (Un-audited) Quarter ended | |
|---------------------------|----------------------------------|---------------------|-------------------------------|---------------------|
| | 31 December 2018 | 31 December 2017 | 31 December 2018 | 31 December 2017 |
| | Rupees in '000' | | Rupees in '000' | |
| 11. SALES - Net | | | | |
| Blades and Razors | | | | |
| Export sales | 1,115,954 | 997,436 | 565,493 | 528,025 |
| Local sales - gross | 2,583,711 | 2,252,379 | 1,295,840 | 1,181,646 |
| Less: Sales tax | (410,820) | (367,324) | (209,572) | (174,725) |
| Less: Trade discount | (45,761) | (43,699) | (27,974) | (33,953) |
| | 2,127,130 | 1,841,356 | 1,058,294 | 972,968 |
| Trading income | | | | |
| Sale of batteries - gross | 15,431 | 234,922 | 5,601 | 76,979 |
| Less: Sales tax | (2,224) | (11,933) | (796) | (12,408) |
| Less: Trade discount | (1,197) | (36,041) | (693) | (4,122) |
| | 12,010 | 186,948 | 4,112 | 60,449 |
| Sale of Chemicals - gross | 38,004 | 10,870 | 26,938 | 10,870 |
| Less: Sales tax | (5,540) | (1,632) | (3,929) | (1,632) |
| | 32,464 | 9,238 | 23,009 | 9,238 |
| | 3,287,558 | 3,034,978 | 1,650,908 | 1,570,680 |

| | (Un-audited) 31 December 2018 | (Un-audited) 31 December 2017 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| | Rupees in '000' | |
| 12. CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 156,734 | 270,199 |
| Short term running finance - secured | (5,254,012) | (4,313,078) |
| | (5,097,278) | (4,042,879) |

13. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

- 13.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated financial statements of the Company for the year ended 30 June 2018.
- 13.2 The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | Available For Sale | Fair value through profit loss | Carrying Amount | | Fair Value | | | | | |
|--|--------------------|--------------------------------|-----------------------------|---------------------------|-----------------------------|-----------|---------|---------|---------|---------|
| | | | Trade and other receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| 31 December 2018 - (Un-audited) | | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Long term investments | 1,555 | - | - | - | - | 1,555 | - | - | 1,555 | 1,555 |
| Short term investments | - | 457,974 | - | - | - | 457,974 | 457,974 | - | - | 457,974 |
| | 1,555 | 457,974 | - | - | - | 459,529 | 457,974 | - | 1,555 | 459,529 |
| Financial assets not measured at fair value | | | | | | | | | | |
| Long term deposits | - | - | 19,757 | - | - | 19,757 | - | - | - | - |
| Trade debts - unsecured, considered good | - | - | 261,207 | - | - | 261,207 | - | - | - | - |
| Advances, deposits and other receivables | - | - | 6,745,490 | - | - | 6,745,490 | - | - | - | - |
| Cash and bank balances | - | - | - | 156,734 | - | 156,734 | - | - | - | - |
| | - | - | 7,026,454 | 156,734 | - | 7,183,188 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| Short term borrowing | - | - | - | - | 8,531,400 | 8,531,400 | - | - | - | - |
| Trade and other payables | - | - | - | - | 314,603 | 314,603 | - | - | - | - |
| Accrued mark up | - | - | - | - | 259,105 | 259,105 | - | - | - | - |
| Long term deposits | - | - | - | - | 1,214 | 1,214 | - | - | - | - |
| Redeemable capital | - | - | - | - | 178,166 | 178,166 | - | - | - | - |
| | - | - | - | - | 9,284,488 | 9,284,488 | - | - | - | - |

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

| 30 June 2018 - (Audited) | | | | | | | | | |
|--|-------|---------|-----------|---------|---|-----------|---------|---|---------|
| Financial assets - measured at fair value | | | | | | | | | |
| Long term investments | 1,555 | - | - | - | - | 1,555 | - | - | 1,555 |
| Short Term Investments | - | 458,506 | - | - | - | 458,506 | 458,506 | - | 458,506 |
| | 1,555 | 458,506 | - | - | - | 460,061 | 458,506 | - | 1,555 |
| Financial assets - not measured at fair value | | | | | | | | | |
| Long term security deposits | - | - | 16,304 | - | - | 16,304 | - | - | - |
| Trade debts | - | - | 132,533 | - | - | 132,533 | - | - | - |
| Advances, prepayments and other receivables | - | - | 3,660,704 | - | - | 3,660,704 | - | - | - |
| Cash and bank balances | - | - | - | 347,967 | - | 347,967 | - | - | - |
| | - | - | 3,809,541 | 347,967 | - | 4,157,508 | - | - | - |
| Financial liabilities - measured at fair value | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - |
| Financial liabilities - not measured at fair value | | | | | | | | | |
| Short term borrowings | - | - | - | - | - | 7,753,403 | - | - | - |
| Trade and other payables | - | - | - | - | - | 509,938 | - | - | - |
| Accrued mark-up | - | - | - | - | - | 277,666 | - | - | - |
| Long term deposits | - | - | - | - | - | 1,214 | - | - | - |
| Redeemable capital | - | - | - | - | - | 357,983 | - | - | - |
| | - | - | - | - | - | 8,899,804 | - | - | - |

The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprised over short term and their carrying amounts approximate their fair value.

14. Reconciliation of movement of liabilities to cash flows arising from financing activities

| | Liabilities | | | | | Equity | | | Total | |
|--|--------------------|-----------------------|---------------------------|----------------------------|----------------|--------------------|-----------------------|----------|-----------|-------------|
| | Redeemable capital | Short term borrowings | Loan from Chief Executive | Unclaimed Dividend Payable | Accrued markup | Long term deposits | Share capital/premium | Reserves | | |
| (Rupees in thousand) | | | | | | | | | | |
| As at 30 June 2018 - (Audited) | 357,583 | 2,340,121 | 390,000 | 13,301 | 277,666 | 1,214 | 6,094,045 | 267,029 | 695,265 | 10,436,224 |
| Changes from financing cash flows | | | | | | | | | | |
| Proceeds from issue of shares under employee stock option scheme | - | - | - | - | - | - | 48,774 | - | - | 48,774 |
| Proceeds from borrowing | - | 2,077,388 | - | - | - | - | - | - | - | 2,077,388 |
| Repayment of borrowings | - | (1,190,121) | (340,000) | - | - | - | - | - | - | (1,530,121) |
| Redemption of redeemable capital | (6,273) | - | - | - | - | - | - | - | - | (6,273) |
| Dividend paid | - | - | - | - | - | - | - | - | - | - |
| Total changes from financing cash flows | (6,273) | 887,267 | (340,000) | - | - | - | 48,774 | - | - | 589,768 |
| Other changes including non- cash | | | | | | | | | | |
| Conversion of PTCs into ordinary shares @ 0.07 share per PTC | (173,144) | - | - | - | - | - | 173,144 | - | - | - |
| Total comprehensive profit for the period | - | - | - | - | - | - | - | - | 135,890 | 135,890 |
| Finance cost paid | - | - | - | - | (447,779) | - | - | - | - | (447,779) |
| Finance cost | - | - | - | - | 429,218 | - | - | - | - | 429,218 |
| Total liability related other changes | (173,144) | - | - | - | (18,561) | - | 173,144 | - | 135,890 | 117,329 |
| As at 31 December 2018 - (Unaudited) | 178,166 | 3,227,388 | 50,000 | 13,301 | 259,105 | 1,214 | 6,315,963 | 267,029 | 831,155 | 11,143,321 |
| As at 30 June 2017 - (Audited) | 537,000 | 1,703,044 | 390,000 | 18,629 | 348,639 | 1,214 | 5,740,408 | 267,029 | 974,863 | 9,980,826 |
| Changes from financing cash flows | | | | | | | | | | |
| Proceeds from issue of shares under employee stock option scheme | - | - | - | - | - | - | 37,623 | - | - | 37,623 |
| Proceeds from borrowing | - | 890,124 | - | - | - | - | - | - | - | 890,124 |
| Repayment of borrowings | - | (553,044) | - | - | - | - | - | - | - | (553,044) |
| Redemption of redeemable capital | (6,273) | - | - | - | - | - | - | - | - | (6,273) |
| Dividend paid | - | - | - | (5,310) | - | - | - | - | - | (5,310) |
| Total changes from financing cash flows | (6,273) | 337,080 | - | (5,310) | - | - | 37,623 | - | - | 363,120 |
| Other changes including non- cash | | | | | | | | | | |
| Conversion of PTCs into ordinary shares @ 0.07 share per PTC | (173,144) | - | - | - | - | - | 173,144 | - | - | - |
| Issue of ordinary shares as bonus @ 10% | - | - | - | - | - | - | 142,870 | - | - | 142,870 |
| Total comprehensive (loss) for the period | - | - | - | - | - | - | - | - | (142,870) | (142,870) |
| Finance cost paid | - | - | - | - | (450,961) | - | - | - | - | (450,961) |
| Finance cost | - | - | - | - | 322,462 | - | - | - | - | 322,462 |
| Total liability related other changes | (173,144) | - | - | - | (128,499) | - | 316,014 | - | (142,870) | (128,499) |
| As at 31 December 2017 - (Unaudited) | 357,583 | 2,040,124 | 390,000 | 13,319 | 220,140 | 1,214 | 6,094,045 | 267,029 | 831,993 | 10,215,447 |

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

15. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise subsidiaries, associated companies, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

| Transactions with related parties | Relationship | Nature of transactions | Six Months period ended | |
|------------------------------------|--|-------------------------|-------------------------|------------------|
| | | | 31 December 2018 | 31 December 2017 |
| | | | Rupees in '000' | |
| Subsidiaries | | | | |
| Treet HR Management | Subsidiary Co. | Funds transferred – net | - | 25,000 |
| | | Purchase of services | 7,500 | 7,500 |
| | | Purchase of services | 6,860 | - |
| First Treet Manufacturing Modaraba | Subsidiary Co (87.35% Equity held) | Expenses incurred | (158,856) | 35,462 |
| | | Funds transferred – net | 245,794 | 564,121 |
| | | Purchase of goods | 12,448 | 11,308 |
| | | Dividend income | - | 105,162 |
| | | Rental income | 18,000 | 18,000 |
| | | Charges incurred | 240,241 | 110,000 |
| Treet Holdings Limited | Subsidiary Co. (85.93% Equity held) | Expenses incurred | 9,709 | 3,584 |
| | | Funds transferred – net | (30,396) | 36,828 |
| | | Purchase of bikes | 5,874 | 6,835 |
| | | Rental Income | 550 | - |
| Global Arts Limited | Subsidiary Co. (88.76% Equity held) | Funds transferred – net | 52,000 | - |
| Society for Cultural Education | Subsidiary Co. | Donation | 109,831 | 47,232 |
| Renacon Pharma Limited | Subsidiary Co. (45.45% direct holding) (10.39% indirect holding) | Funds transferred – net | (17) | - |
| | | Expenses incurred | (5,571) | - |

II Related parties

| | | | | |
|-------------------------------------|---------------------|--------------------------|---------|--------|
| Packages Limited | Common directorship | Purchase of goods | 40,753 | 65,718 |
| | | Sale of goods | - | 50 |
| Bulleh Shah Packaging (Pvt) Limited | Common directorship | Purchase of services | 14,428 | - |
| | | Sale of goods | 76 | - |
| IGI Insurance Limited | Common directorship | Purchase of services | 30,512 | 22,666 |
| Loads Limited | Common directorship | Expenses incurred | 683 | - |
| | | Finance cost paid - PTCs | 7,527 | 12,729 |
| | | Dividend income | - | 17,177 |
| Cutting Edge (Pvt) Limited | Common directorship | Purchase of services | 1,287 | 13,155 |
| Elite Brands Limited | Common directorship | Sale of goods | 231,319 | - |

III Post employment benefit plans

| | | | |
|------------------------|--------------|--------|--------|
| Superannuation fund | Contribution | 14,067 | 10,690 |
| Provident fund | Contribution | 16,189 | 12,665 |
| Service fund | Contribution | 8,382 | 13,912 |
| Housing fund | Contribution | 8,766 | 7,280 |
| Gratuity fund | Contribution | 14,829 | 7,244 |
| Benevolent Fund | Contribution | 2,095 | 1,790 |
| Superannuation fund II | Contribution | 2,623 | 4,199 |

IV Key Management Personnel

| | | |
|--------------------------------------|---------|---------|
| Salaries and other employee benefits | 321,126 | 328,606 |
| Repayment of Loan received from CEO | 340,000 | - |
| Share options granted - note 16 | | |

All transactions with related parties have been carried out on mutually agreed terms and conditions.

Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)

For the period ended December 31, 2018

16. EMPLOYEE STOCK OPTION SCHEME

The Company has granted share options to its employees under the Treet Corporation Limited - Employee Stock Options Scheme, 2015 ("the scheme") as approved by the shareholders and the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/CIW/ESOS/02/2014 dated 19 February 2015.

Under the Scheme, the Company may grant options to eligible employees selected by the Board Compensation Committee, from time to time, which shall not at any time exceed 15% of the paid up capital of the Company (as increased from time to time). The option entitles an employee to purchase shares at an exercise prices determined in accordance with the mechanism defined in the scheme at the date of grant. The aggregate number of shares for all options to be granted under the scheme to any single eligible employee shall not, at any time, exceed 3% of the paid up capital of the Company (as increased from time to time). Further the grant of options in anyone calendar year exceeding 3% of the paid up capital shall require approval of the shareholders. The options carry neither right to dividends nor voting rights till shares are issued to employees on exercise of options.

The options will have a vesting period of one year and an exercise period of one year from the date options are vested as laid down in the scheme. These options shall be exercisable after completion of vesting period i.e. one year from date of grant. Upon vesting, employees are eligible to apply and secure allotment of Company's shares at a exercise price determined on the date of grant of options. Option price shall be payable by the employee on the exercise of options in full or part. The options will lapse after completion of two years of grant date if not exercised.

The details of the share options granted under the scheme together with the status as at 31 December 2018 is as follows:

| | Granted in the year 2018 | Granted in the year 2017 | Granted in the year 2016 |
|--|--------------------------------|--------------------------------|--------------------------------|
| | (*Modified October 2018) | | |
| | Rupees in '000' | | |
| Original grant date | 30 July 2018 | 14 July 2017 | 16 July 2016 |
| Modified grant date | N/A | 26 October 2018 | N/A |
| Options issued | 4,768 | 4,259 | 4,114 |
| Options no longer in issue | - | - | 3,581 |
| Options vested | N/A | 4,259 | 4,114 |
| Options exercised | N/A | 2,439 | 533 |
| Shares issued under the scheme | N/A | 2,439 | 533 |
| Original exercise price per share | 35.44 | 66.45 | 51.79 |
| Market value per share at grant date | 35.60 | 51.53 | 51.63 |
| Option discount per share at grant date | 0.16 | NIL | NIL |
| Modified exercise price per share | N/A | 20.00 | N/A |
| Market value per share at modified grant date | N/A | 25.36 | N/A |
| Option discount per share at modified grant date | N/A | 5.36 | N/A |
| Options issued to key management personnel | 2,416 | 2,003 | 3,224 |
| Options exercised by key management personnel | N/A | 1,334 | 426 |

* The shareholders of the Company in their Annual General Meeting held on 26 October 2018 through a special resolution approved re-pricing of 4,259,400 options already granted and pending for exercise under the Company's Employees Stock Option Scheme, from initial price of Rs. 66.45 per share to the revised price of Rs. 20.00 per share, without any change or modification in the vesting period, exercise period or any other specific terms and condition under which such options have been granted. The revised price of Rs. 20 per share was determined by the Board of Directors in their meeting held on 04 October 2018.

17. DATE OF AUTHORIZATION

These un-audited condensed interim unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on February 26, 2019.

18. GENERAL

- 18.1** Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.
- 18.2** No significant re-arrangements or re-classification have been made in these condensed interim unconsolidated financial statements.
- 18.3** All figures, except for 30 June 2018, appearing in these condensed interim unconsolidated financial statements are unaudited.

LAHORE
February 26, 2019


Amir Zia
Chief Financial Officer









Muhammad Shafique Anjum
Director










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www.treetonline.com

Head Office:

72-B Industrial Area Kot

Lakhpat Lahore - 54770

Phone: (+92-42) 35830881,

35156567 - 35122296

Fax: (+92-42) 35114127,

35836770

