

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS 'OFFER DOCUMENT') AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS.

THIS DOCUMENT IS ISSUED FOR THE PURPOSE OF PROVIDING INFORMATION TO SHAREHOLDERS OF THE COMPANY AND TO THE PUBLIC IN GENERAL IN RELATION TO THE RIGHTS ISSUE OF PKR 2,499,999,996/-, CONSISTING OF 192,307,692 NEW ORDINARY SHARES BY TREET CORPORATION LIMITED. A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SECURITIES EXCHANGE.

THIS OFFER DOCUMENT IS VALID TILL 20-Feb-2024



Treet Corporation Limited Right Share - Offer Document

Date and place of incorporation: January 22, 1977, Pakistan, **Incorporation number:** 4741, **Registered/Corporate Office:** 72 B, Industrial Area, Kot Lakhpat, Lahore, **Contact No.:** : +92 42 111-187-338, **Website:** www.treetcorp.com | **Contact Person:** Mr. Muhammad Mohtashim Aftab, **Email:** mohtashim.aftab@treetgroup.com, Phone: +92 42 111 87338, **Email:** mohtashim.aftab@treetgroup.com

Issue Size: The issue consists of 192,307,692 Ordinary Shares of Rs. 10 each at an offer price of PKR 13/- each (i.e. including a premium of PKR 3/- per share). The total amount to be raised through the Right Issue is PKR 2,499,999,996/- which is 107.602% of the existing paid-up capital of Treet Corporation Limited).

Date of Final Offer Letter: 30-Oct-2023

Date of Book Closure: From 14-Nov-2023 to 20-Nov-2023

Subscription Amount Payment Dates: From 24-Nov-2023 to 22-Dec-2023

Trading Dates for Letter of Rights: From 24-Nov-2023 to 15-Dec-2023

Details of the relevant contact persons:

Authorized Officer of the Issuer					
S. No.	Name of the Person	Designation	Contact Number	Office Address	Email ID
1.	Muhammad Mohtashim Aftab	Group Chief Financial Officer	042-32590701 (Ext: 222)	72-B, Quaid-e-Azam, Industrial Area, Kot Lakhpat, Lahore	mohtashim.aftab@treetgroup.com
Underwriters					
Habib Bank Limited	Syed Khurram Shahid	Head ECM & Advisory	02133116507	24th floor - HBL Tower, Plot # G4, Block 7 Clifton, Karachi	khurram.shahid@hbl.com

AKD Securities Limited	Muhammad Imran Afzal	AVP Investment Banking	+92 111-253-2535 extn 621	502 Continantal Trade Centre, Block 8, Clifton, Karachi	imran.afzal@akdsi.com
Dawood Equities Limited	Salman Yaqoob	Chief Financial Officer	+92 21 32418873	Saima Trade Tower, 17th floor A, I.I Chundrigar Road, Karachi,	salman@dawoodequities.com
Growth Securities Limited	Kamran	Compliance Officer	+92 21 32463001	Room # 82 83, Second Floor, Pakistan Stock Exchange Building, Karachi	growthsecurities102@gmail.com
Mohammad Munir Mohammad Ahmed Khanani Securities Limited	Abdul Razzak	Chief Financial Officer	+92 21 36490034	Room No 601-603, 6th floor, Stock Exchange Building, Karachi	abdulrazzak@munirkhanani.com
Allied Bank Limited	Tariq Ali	Head Investment Banking			
MRA Securities Limited	Muhammad Farhan	Director	+92 21 32410136	Room # 738-741, 7th Floor, Stock Exchange Building, Karachi	farhan.mra@gmail.com
Adam Securities Limited	Noman Abdul Majeed	Director	+92 21 3246248	Room 806-813, 8th Floor Main Stock Exchange Building, Karachi	noman@adamsecurities.com.pk
Banker to the Issue					
Habib Bank Limited	Tasleem Yahya	Relationship Manager	+92 42 34544083	102/103, Upper Mall, HBL Regional Headquarters, Lahore	Tasleem.yahya@hbl.com
The Bank of Punjab	Anas Khalid	Relationship Manager	+92 42 35484022	The Bank of Punjab, 5 th Avenue, 1 st Floor, 5-T, M.M.Alam Road, Lahore	Anas.khalid@bop.com.pk

Website: The offer letter can be downloaded from <https://www.treetcorp.com/> and <https://www.psx.com.pk/>

E-STAMP



ID : PB-LHR-87DB3451D73ED70D
Type : Low Denomination
Amount : Rs 300/-

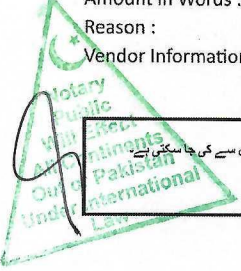


Scan for online verification

Description : CERTIFICATE OR OTHER DOCUMENT - 19
Applicant : TREET CORPORATION LTD [35200-1484648-3]
Representative From : SYED SHEHARYAR ALI ETC
Agent : MUHAMMAD FAYYAZ ADV [35201-8339316-7]
Address : LAHORE
Issue Date : 28-Oct-2023 10:44:12 AM
Delisted On/Validity : 4-Nov-2023
Amount in Words : Three Hundred Rupees Only
Reason : UNDERTAKING IN FAVOUR OF PAKISTAN STOCK EXCHANGE
Vendor Information : Muhammad Asif | PB-LHR-1401 | Kot Lakhpat

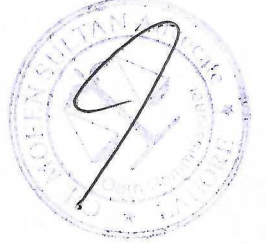
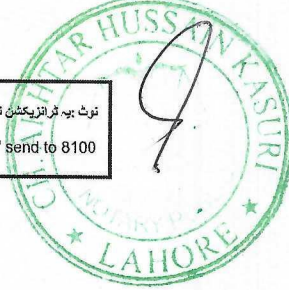
ملک محمد آصف اعوان اشٹام لکھنؤ لاہور نمبر 1401
کوٹ لکھپت فیروز پور روڈ لاہور 0321-9500052

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نوٹ: یہ ترائزیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیو آر کوڈ یا ایس ایم سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100



UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Dated: 27th October 2023

WE, SYED SHEHARYAR ALI, THE CHIEF EXECUTIVE OFFICER AND MOHTASHIM AFTAB, THE CHIEF FINANCIAL OFFICER OF TREET CORPORATION LIMITED CERTIFY THAT:

1. THIS OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.

FOR AND BEHALF OF TREET CORPORATION LIMITED

SYED SHEHARYAR ALI
CHIEF EXECUTIVE OFFICER

MOHTASHIM AFTAB
CHIEF FINANCIAL OFFICER

ATTESTED
CH. AKHTAR HUSSAIN KASURI
NOTARY PUBLIC
Lic. 4093
Advocate High Court Lahore

ATTESTED
CH. MOEEN SULTAN ADVOCATE
Oath Commissioner
High Court Lahore

E-STAMP



ID : PB-LHR-3B60E723DF77C739
Type : Low Denomination
Amount : Rs 300/-



Scan for online verification

Description : CERTIFICATE OR OTHER DOCUMENT - 19
Applicant : TREET CORPORATION LTD [35200-1484648-3]
Representative From : SYED SHEHARYAR ALI ETC
Agent : MUHAMMAD FAYYAZ ADV [35201-8339316-7]
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Amount in Words : Three Hundred Rupees Only
Reason : UNDERTAKING IN FAVOUR OF PAKISTAN STOCK EXCHANGE
Vendor Information : Muhammad Asif | PB-LHR-1401 | Kot Lakhpat

1401 نمبر ایسٹامپ لکھنوی کے لئے
0321-9500052
کوت لکھپت نزد لاہور ہائیڈراٹس ہاؤس

1337

نوٹ: ہم ٹرانزیکشن تاریخ اجرا سے سات دنوں تک کے لئے قابل استعمال ہے، ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیو آر کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔
Type "eStamp <16 digit eStamp Number>" send to 8100

UNDERTAKING BY THE BOARD OF DIRECTORS

Dated: 27th October 2023

WE, THE BOARD OF DIRECTORS OF TREET CORPORATION LIMITED HEREBY CONFIRM THAT:

- ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN THIS OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON 30-OCT-2023
- COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON 11-OCT-2023
- THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE SECURITIES EXCHANGE AND SECP COMMENTS.
- THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON 30-OCT-2023 ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP).
- THE STATUTORY AUDITOR YOUSUF ADIL CHARTERED ACCOUNTANTS WILL MONITOR THE PROCEED UTILIZATION.

THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.

Syed Shahid Ali
Chairman/ Director

Syed Sheharyar Ali
CEO/ Director

Mr. Munir Karim Bana
Director

Mr. Imran Azim
Director

Ms. Sidra Fatima
Director

Dr. Salman Faridi
Director

Dr. Haroon Latif Khan
Director

Mr. Ahmad Shahid Hussain
Director

ATTORNEY AT LAW
CH AHITAB KHAN KASURI
ADVOCATE PUBLIC
Lic. #4093
High Court Lahore

ATTORNEY AT LAW
CH AHITAB KHAN KASURI
ADVOCATE
Lic. #4093
High Court Lahore

DISCLAIMER:

- i. In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).
- ii. The Securities Exchange and the SECP disclaims:
 - a. Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
 - b. Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
 - c. Any responsibility w.r.t quality of the issue.
- iii. It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

GLOSSARY OF TECHNICAL TERMS

CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
SECP	Securities and Exchange Commission of Pakistan
TREET / the Company / the Issuer	Treet Corporation Limited
USD	United States Dollar

DEFINITIONS

Banker to the Issue	<p>Any bank with whom an account is opened and maintained by the Issuer for keeping the issue amount.</p> <p>Habib Bank Limited has been appointed, in this Right Issue, as the Banker to the Issue.</p>
Book Closure Dates	The Book Closure shall commence from 14-Nov-2023 to 20-Nov-2023 (both days inclusive)
Company	Treet Corporation Limited (the “Company” or “TREET” or the “Issuer”)
Commission	Securities & Exchange Commission of Pakistan (“SECP”).
Issue	Issue of 192,307,692 Right Shares representing 107.602% of total paid-up capital of the Company.
Issue Price	The price at which Right Shares of the Company are offered to the existing shareholders.
Market Price	The latest available closing price of the share
Ordinary Shares	Ordinary Shares of Treet Corporation Limited having face value of PKR 10/- each.
Regulations	<p>The Companies (Further Issue of Capital) Regulations, 2020</p> <p>https://www.secp.gov.pk/document/the-companies-further-issue-of-capital-regulations-2020-amended-till-september-16-2022/?wpdmdl=45863&refresh=646da0f53433c1684906229</p>
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes;
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;

A person who replaces the person referred to above; and

A person or group of persons who has control of the issuing company whether directly or indirectly.

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1 SALIENT FEATURES OF THE RIGHT ISSUE

1.1. BRIEF TERMS OF THE RIGHT ISSUE

a)	Description of Issue:	Issuance of Right Shares to existing shareholders
b)	Size of the proposed Issue:	The Company shall issue 192,307,692 (One Hundred Ninety-Two Million Three Hundred Seven Thousand Six Hundred Ninety-Two) Ordinary shares, at a price of PKR 13/- (Pak Rupees Thirteen) per share, aggregating to PKR 2,499,999,996/- (Pak Rupees Two Billion Four Hundred Ninety-Nine Million Nine Hundred Ninety-Nine Thousand Nine Hundred Ninety-Six).
c)	Face Value of the Share:	PKR 10/-
d)	Basis of determination of price of the Right Issue:	The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is in line with market practice, in fact the same constitutes a 27.21% discount on the last 3 months (from the date of the decision of the Board to carry out the Issue) average trading share price ¹ .
e)	Proportion of new Issue to existing shares with any condition applicable thereto:	107.602 right shares for every 100 Ordinary shares held i.e., 107.602% of the existing paid-up capital of the Company
f)	Date of meeting of Board of Directors (BoD) wherein the Right Issue was approved:	Aug 03, 2023
g)	Name of directors attending the Board Meeting:	<ol style="list-style-type: none"> 1. Syed Shahid Ali 2. Syed Sheharyar Ali 3. Imran Azim 4. Dr. Salman Faridi 5. Dr. Haroon Latif Khan 6. Munir Karim Bana 7. Sidra Fatima 8. Ahmad Shahid Hussain

¹ Last three months' average share price is PKR 17.11 per share (From July 27, 2023 to October 27, 2023)

h)	Brief purpose of utilization of Right Issue proceeds	<p>As part of the long-term business strategy, the Company is considering to undertake capacity enhancement of the existing product line, and also expanding its product portfolio by addition of new products. In order to execute the proposed enhancements and CAPEX in near future, the Company is undertaking overall capital alignment of the balance sheet by reducing its existing short-term obligations to an optimal level.</p>								
i)	<p>Purpose of the Right Issue</p> <p>Details of the main objects for raising funds through present Right Issue:</p> <p>a) Total funds required for the project</p> <p>b) Percentage of funds financed through the Right Issue</p> <p>c) Percentage of funds financed from other sources</p> <p>d) Time of completion of project</p> <p>e) Impact on production capacity</p>	<p>Given below is the break-up of utilization of Right Share proceeds of PKR 2,499,999,996</p> <p>Repayment of Debt/Realignment of Capital Structure: PKR 1,899,999,996*</p> <p>Capacity Enhancements and CAPEX of existing and new product line:</p> <ul style="list-style-type: none"> • CAPEX of existing Product Line: PKR 370,000,000* • New Product line: PKR 230,000,000* <p>a) Total Funds required for the Projects: 882,120,243</p> <p>b) Percentage of Funds financed through Right Issue:</p> <ol style="list-style-type: none"> i. Capacity enhancement: 57% (PKR 370,000,000) ii. New Product Development: 100% (PKR 230,000,000) <p>c) Percentage of funds required financed from other sources: Internal Cash generation</p> <ol style="list-style-type: none"> i. Capacity enhancement: 43% (PKR 282,130,243) ii. New Product Development: 0% <p>d) Time of completion of project: Realignment of the balance sheet is expected within a period of 3-4 working days from the date of receipt of Right Issue proceeds. However, with respect to the New Product Development of Twin Blade Rubberize Handle, three Letter of Credit(s) have been established. The enhancements and CAPEX may take up to 3 to 4 quarters from the date of receipt of Rights Issue Proceeds. Moreover, it may take up to 6 to 8 months from the date of receipt of the machinery and equipment to start the manufacturing of existing and new product lines.</p> <p>e) Impact on production capacity: Given below is the breakup of capacity enhancement:</p> <table border="1" data-bbox="837 1692 1401 1827"> <thead> <tr> <th></th> <th><i>Pre-Issue (Units in Millions)</i></th> <th><i>Post-Issue (Units in Millions)</i></th> <th><i>Increase (Units in Millions)</i></th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		<i>Pre-Issue (Units in Millions)</i>	<i>Post-Issue (Units in Millions)</i>	<i>Increase (Units in Millions)</i>				
	<i>Pre-Issue (Units in Millions)</i>	<i>Post-Issue (Units in Millions)</i>	<i>Increase (Units in Millions)</i>							

		Capacity Enhancement – New Product	-	20.2	20.2
		Capacity Enhancement - Expansion	199	271	72
j)	Minimum level of subscription' (MLS)		None		

*Detailed Disclosure is given in Section 1.2

1.2. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS:

As part of the long-term business sustainability and growth strategy, the Company is reprofiling its balance sheet in order to create fiscal space for future capacity enhancements and also expanding its product portfolio by addition of a new product. In order to execute the proposed CAPEX, the Company is undertaking overall capital alignment of the balance sheet by reducing its existing short-term obligations to an optimal level.

Given below is the break-up of utilization of Right Issue proceeds:

Purpose of the Issue	Proceeds Utilization (PKR)	% of Right Issue Proceeds	Completion Status (%)
Repayment of Debt/Realignment of Capital Structure	1,899,999,996	76%	0%
Capacity Enhancement – Razors	370,000,000	14.8%	4% - 5%
New Product Development – Twin Blade Rubberize Handle	230,000,000	9.2%	18% - 20%

a. Realignment of Capital Structure

The Company will utilize the Right Issue proceeds for overall capital alignment of the balance sheet by reducing its existing short-term obligations to an optimal level so that there is a fiscal space available for the future endeavours of the company. As part of the capital alignment plan, the Company intends to repay its existing short-term borrowings to various banks, tentative details of which are provided below:

PKR in millions

S. No.	Name of the lenders	Existing ST Limit	Debt Repayment	Pricing	Last Facility Rollover Date
1	Albaraka Bank Pakistan Ltd	200.00	200.00	Matching KIBOR + Spread	17-May-2023
2	Bank Alfalah Limited	150.00	150.00	1-Month KIBOR + Spread	13-Apr-2023
3	Bank Islami Pakistan Limited	200.00	200.00	Matching KIBOR + Spread	18-Apr-2023

4	Habib Metropolitan Bank Limited	104.00	104.00	3-Month KIBOR + Spread	20-Jun-2023
5	JS Bank Limited	200.00	200.00	3-Month KIBOR + Spread	01-Jun-2023
6	MCB Bank Ltd	850.00	450.00.00	1-Month KIBOR + Spread	17-May-2023
7	National Bank of Pakistan	696.00	196.00	3-Month KIBOR + Spread	06-Jun-2023
8	Samba Bank Limited	500.00	200.00	1-Month KIBOR + Spread	25-Jul-2023
9	Silk Bank Limited	200.00	200.00	3-Month KIBOR + Spread	23-May-2023
		3,100.00	1,900.00		

*Joint Pari-Passu charge on Currents Assets and Long-Term Investments for the short-term facilities

Reason for Issuing Right Shares for Capital Alignment/Payment of Loan

As part of the long-term business sustainability and growth strategy, the Company is reprofiling its balance sheet in order to create fiscal space for future capacity enhancements and also expanding its product portfolio by addition of a new product. In order to execute the proposed CAPEX, the Company is undertaking overall capital alignment of the balance sheet by reducing its existing short-term obligations to an optimal level.

The proposed project(s) will be undertaken by using through Rights Issue proceeds and Company's own resources, while the fiscal space created through alignment of capital by repaying the existing short-term debt from the proceeds of Right Issue will allow the company to avail short/long-term borrowing to support the CAPEX and the incremental working capital requirements arising due to new project(s).

Impact of Loan Repayment on Financial Position

On consolidated basis, the Company has total debt of c. PKR 11,344 Mn and a debt to total asset of 53.61% as at March 31, 2023. Post Right Issuance, debt of the Company will reduce to PKR 9,414 Mn (subject to availing additional facilities and / or repayment of amounts in due course) and debt to total asset to 43.43% thereby improving the financial position of the Company. Given below is the Pre and Post Right Issuance breakdown of outstanding debt of the Company:

In PKR Million	Pre Right ²	Post Right ³
Long Term Debt ⁴	2,851	2,851
Short Term Debt	8,493	6,593

² As at June 30, 2023

³ Subject to, *inter alia*, additional facilities availed by the Company and / or repayments of amounts made from time to time in the Company's due course of business.

⁴ Includes both Non-current and Current portion of long-term debt

Total Debt	11,314	9,414
Total Equity	9,762	12,262
Debt to Equity Ratio	115.9%	76.7%
Annual Markup Saving on debt retirement through RI proceeds	Nil	Up to 612

b. Capacity Enhancement – Razor

Treet Hygiene Razor is one of the most selling products of the Company in both local and export markets. Considering the future market demand of this vertical, the current production capacity will fall short to meet this increasing demand, emphasizing the management plans to enhance the production capacity by 72 million units per annum. This will not only allow Treet Corporation Limited to meet the growing demand for its products, but will also allow the Company to further improve its market leadership position.

The source of funding is given in below table:

Particulars	PKR	%
Total Cost	652,120,243	100%
Financed through Right Issue	370,000,000	57%
Financed through Internal Cash Generation	282,120,243	43%

The further tentative details of the project(s) are given below:

Particulars	Details
Machinery and equipment details	Molds, Indexing Gear Box, Injection Molding Machine(s), Cart Assembly Machine, Cartridge + Cap+ Handle Assembly Machine, Razor Assembly (Auto) and allied parts (All machinery and equipment will be new)
Expected Cost of the Project	652,120,243
Names of the suppliers	Omni Mold Ltd & Destaco Asia Co. Ltd. Bids have also been asked from different suppliers for import of other machinery.
Date of placement of order	Already opened LCs were established in April 2023 and the remaining orders to be placed after receipt of Rights Issue proceeds.
Expected date of supply	Already opened LCs are expected by Nov 2023 and the expected date of remaining machinery will be finalized after negotiations with the supplier and

	at the time of LC opening or placing order.
The percentage and value terms of plant and machinery delivered	Nil
The percentage and value terms of the plant and machinery for which orders are yet to be placed.	PKR 619Mn which is 95%

c. New Product Development – Twin Blade Rubberize Handle

Treet Corporation Limited is planning to introduce a new twin blade razor with rubberized handle allowing customers to have better grip/ease of use compared to the existing product/SKU. This will further enhance Treet's existing disposable razor portfolio as it will complement the existing top selling hygiene razors.

The source of funding is given in below table:

Particulars	PKR	%
Total Cost	230,000,000	100%
Financed through Right Issue	230,000,000	100%

The further details of the project are given below:

Particulars	Details
Machinery and equipment details	Injection Molding Machine(s), Molds, Technical Drawings, and other allied machinery.
Cost of the Project	230,000,000
Names of the suppliers	Omni Mold & Ningbo Trade Free Zone and other multiple suppliers
Date of placement of order	Three LCs were established in July and Aug 2023 and other LCs are in finalization Process
Expected date of supply	By June 30, 2024
The percentage and value terms of plant and machinery delivered	Nil
The percentage and value terms of the plant and machinery for which orders are yet to be placed.	~ PKR 78 Mn which is 34% of the total project cost

1.3. FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE

	Measurement Unit	Pre Issue	Post Issue	Increase in %
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As at June 30, 2023				
Authorized Capital	PKR Mn	9,000	9,000	0
Paid-up-Capital	PKR Mn	1,787	3,710	107.60%
Net Asset/ Breakup value per share	PKR	55.13	33.29	(21.84)
Gearing Ratio	%	115%	76%	(39%)
Production Capacity	Mn Units	2,230	2,322.2	4.13%
Market Share	%	~80% ⁵	~85%	~5%

1.4. TOTAL EXPENSES TO THE ISSUE

Bankers Commission	-
Underwriting Commission	1.50%
Underwriter Take-up Commission	6.00%
Bankers to the Issue – Out of Pocket	-
CDC – Fresh Issue Fee (0.144% of the Issue size)	PKR 4,068,000
CDC – Annual Fees for Eligible Security (Listing Fee)	PKR 904,000
PSX Fee (0.2% of increase in paid-up capital)	PKR 3,846,154
SECP Supervisory Fee (10% of fees paid to PSX)	PKR 384,616
Auditor Fee for Auditor Certificates	[•]

1.5. DETAILS OF UNDERWRITERS

Name of the Underwriter	Amount Underwritten	Associated Company/Associated Undertaking of the Issuer
Habib Bank Limited		No
AKD Securities Limited		No
Dawood Equities Limited	300,000,000	No
Mohammad Munir Mohammad Ahmed Khanani Securities Limited	100,000,000	No
Growth Securities Limited		No
Allied Bank Limited		No
MRA Securities Limited	25,000,000	No
Adam Securities Limited	15,000,000	No

⁵ Internal Research

1.6. COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS:

Name of the person	Status (Substantial Shareholder/ Director)	Number of Shares Committed to be subscribed ⁶	Amount Committed to be Subscribed	Shareholding % - pre issuance	Shareholding % - post issuance ⁷
Mr. Syed Shahid Ali	Substantial Shareholder	60,409,806	785,327,480	31.4131	31.4131
Mr. Syed Sheharyar Ali	Substantial Shareholder	20,350,930	264,562,088	10.5825	10.5825
Dr. Salman Faridi	Non-Executive Director	118	1,534	0.0001	0.0001
Mr. Munir Karim Bana	Director	269,342	3,501,443	0.1401	0.1401
Sidra Fatima Sheikh	Director	108	1,404	0.0001	0.0001

1.7. FRACTIONAL SHARES

The Board of Directors of the Company have resolved in their meeting held on Aug 03, 2023 that all Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer.

1.8. IMPORTANT DATES

TREET CORPORATION LIMITED			
Tentative Schedule for Issuance of Letter of Rights			
Book Closure: From 14-Nov-2023 to 20-Nov-2023			
S. No.	Procedure	Day	Date
a)	Date of credit of unpaid Rights into CDC in Book Entry Form	Tuesday	21-Nov-23
b)	Dispatch of Letter of Right (LOR) to physical shareholders	Thursday	23-Nov-23
c)	Intimation to Stock Exchange for dispatch of physical Letter of Rights	Thursday	23-Nov-23
d)	Commencement of trading of unpaid Rights on the Securities Exchange	Friday	24-Nov-23

⁶These may be subscribed through persons arranged by the said directors as permitted under the Regulations.

⁷ Subject to actual subscription of right entitlements (as stated above, the same may be subscribed by persons arranged by individuals) and / or subscription of additional shares.

e)	Last date of trading of letter of Rights	Friday	15-Dec-23
f)	Payment of subscription amount start date	Friday	24-Nov-23
g)	Last date for acceptance of payment	Friday	22-Dec-23
h)	Allotment of shares and credit of Shares into CDS	Friday	12-Jan-24
i)	Date of dispatch of physical shares certificates	Monday	22-Jan-24

2 SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

- a) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of “Treet Corporation Limited Right Shares Subscription Account” through any of the authorized branches of above-mentioned bank(s) on or before **22-Dec-2023** along with this Right Subscription Request* duly filled in and signed by the subscriber(s).
- b) Right Subscription Request can be downloaded from _____
- c) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (Treet Corporation Limited) at the registered office of the Issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- d) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- e) The Banker to the Issue will not accept Right Subscription Request delivered by post which may reach after the closure of business on **22-Dec-2023**, unless evidence is available that these have been posted before the last date of payment.
- f) Payment of the amount indicated above to the Issuer’s Banker(s) to the Issue on or before **22-Dec-2023** shall be treated as acceptance of the Right offer.
- g) After payment has been received by the Company’s Banker(s) to the Issue, the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

3 PROFILES OF THE BOARD OF DIRECTORS OF THE COMPANY AND SPONSORS

BOARD OF DIRECTORS		
Names	Position	Date of Election/Appointment
Syed Shahid Ali	Chairman/Director	01-07-2023
Syed Sheharyar Ali	Chief Executive Officer/Director	01-07-2023
Imran Azim	Nominee Director (NIT)	01-07-2023
Munir Karim Bana	Non-Executive Director	01-07-2023
Dr. Salman Faridi	Non-Executive Director	01-07-2023
Sidra Fatima Sheikh	Independent Director	01-07-2023
Dr. Haroon Latif Khan	Independent Director	01-07-2023
Ahmad Shahid Hussain	Independent Director	01-07-2023

3.1. PROFILE OF THE BOARD OF DIRECTORS OF THE COMPANY

Syed Shahid Ali – Chairman

Mr. Syed Shahid Ali is a highly accomplished business executive with extensive management experience, currently serving as the Chairman of the Treet Corporation Limited. In addition to his role as Chairman, Mr. Ali serves as a board member for various companies, including Packages Limited, IGI Insurance Limited.

Throughout his career, Mr. Ali has demonstrated strong leadership skills, playing a crucial role in driving the growth and success of the Treet Corporation Limited. He is passionate about the company's success and has a vision for its future that he continues to drive. Mr. Ali is also actively engaged in social and cultural activities and holds senior positions in several hospitals, demonstrating his commitment to giving back to the community. He has been associated with the Company since 1987.

Mr. Ali holds a Master's degree in economics and graduate diplomas in development economics from Oxford University, as well as a diploma in management sciences from the University of Manchester. His academic qualifications have provided him with a solid foundation in economics and management, which he has applied throughout his career, shaping the company's future with his unwavering commitment and leadership.

Syed Sheharyar Ali – Chief Executive Officer / Director

After concluding his academic pursuits, Mr. Syed Sheharyar Ali embarked on his professional journey with Treet Corporation Limited in 2001. At a remarkably young age, he assumed the role of Director, marking his spot among the youngest to occupy this position within the company. His steady ascent through the corporate ranks has led him to his current role as Chief Executive Officer (CEO) of Treet Corporation Limited, where he expertly supervises an eclectic portfolio of companies spanning sectors from manufacturing and healthcare to information technology, automobiles, sports, and music.

In his capacity as CEO, Mr. Ali continually strives to build on the prestigious heritage of Treet Corporation Limited while also guiding its future trajectory. With a relentless passion for innovation and operational enhancements, he remains committed to upholding the core values that define the company. He has been associated with the Company since 2002.

Mr. Ali's academic foundation was laid at Saint Louis University, USA, where he earned a Bachelor of Business Administration degree in Sales and Marketing Operations. Upon joining Treet Corporation Limited, his visionary leadership and uncanny knack for business excellence have been amply demonstrated in his role as Executive Director. With an unwavering focus on innovation, Mr. Ali continues to set new benchmarks in the corporate landscape.

Mr. Imran Aziz – Nominee Director (NIT)

Mr. Imran Azim is a highly experienced professional who has served in the financial, asset management, and manufacturing sectors for over four decades. He brings a wealth of expertise to the board of Treet Corporation Limited, having worked with some of the largest and most reputable companies in his career.

Currently, Mr. Azim serves on the board of Al-Habib Assets Management Limited, Treet Holdings Limited, First Treet Manufacturing Modaraba, and Global Arts Limited. His deep knowledge and extensive experience make him an invaluable asset to Treet Corporation Limited and its leadership team. He has been associated with the Company since 2010.

Munir Karim Bana – Non-Executive Director

Mr. Munir K. Bana being the Chief Executive Officer (CEO) of Loads Limited, holds a prominent position on the Board of Treet Corporation Limited and its associated entities. Boasting over a quarter-century of board experience with Loads Limited, he initially embarked on his journey as the Director of Finance. Over time, he ascended to the role of the Corporation's Chief Executive.

Mr. Bana's career highlights include serving as Finance Director for multinational companies Parke-Davis & Boots for 18 years, being nominated by the Prime Minister as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, and being elected Chairman of the Pakistan Association of Automotive Parts & Accessories Manufacturers. He is a proponent of public-private partnerships and has been actively involved in initiatives to develop the automotive industry in Pakistan. He has been associated with the Company since 2008.

In addition to being a chartered accountant and fellow of the Institute of Chartered Accountants of Pakistan, Mr. Bana holds a Bachelor's degree in Commerce from the University of Karachi. Mr. Bana's long-standing tenure as a Board member of Treet Corporation Limited and its associated companies since 2008 is a testament to his exceptional leadership and financial expertise.

Dr. Salman Faridi – Non-Executive Director

Dr. Salman Faridi is a distinguished director and board member at Treet Corporation Limited. He brings with him over two decades of medical experience from the UK, Middle East, and Pakistan, and currently serves as the Medical Director of Liaquat National Hospital, one of Pakistan's largest private healthcare institutions. He has been associated with the Company since 2015.

As a fellow of the Royal Society of Medicine, Dr. Faridi has been appointed to several key positions in the healthcare industry, including standing member of the Pakistan Standard and Quality Authority for Healthcare Issues and a member of the corporate syndicate for MBA in Healthcare Management at the Institute of Business Management in Karachi. He is passionate about healthcare management and has been serving as a member of the advisory board for the formulation of national guidelines on the prophylaxis and management of venous thromboembolism (VTE). Dr. Faridi is also a board member of Renacon Pharma Limited.

Dr. Faridi graduated from Dow Medical College and obtained his FRCS from the UK in 1983. His extensive medical experience and qualifications have enabled him to make significant contributions to the healthcare industry in Pakistan and beyond.

Sidra Fatima Sheikh - Independent Director

Ms. Sidra Fatima Sheikh is an accomplished Independent Director and has been associated with the Company since 2020. She brings invaluable expertise and experience to the board. She is a partner at The Sheikh Partnership law firm, where she has served since 2004. Additionally, she serves on the managing committee of Gulab Devi Hospital and Al-Aleem Medical College.

Ms. Sheikh has a notable track record of success in various fields and has pursued her legal education with CPE/PGDL and LPC from BPP Law School, London, underscoring her commitment to the legal profession. In 2001, she was enrolled as a Solicitor of the Supreme Court of England & Wales, and more recently, as an advocate of the Supreme Court of Pakistan.

Ms. Sheikh is a graduate of The London School of Economics and Political Science. She has also trained with The Oberman Partnership Solicitors (now Kerman & Co), London.

Dr. Haroon Latif Khan - Independent Director

Dr. Haroon Latif Khan brings a wealth of experience in healthcare management to Treet Corporation Limited as an Independent Director on its Board and is associated with the Company since 2022. He has been associated with the Lahore Institute of Fertility & Endocrinology (LIFE) as a Clinical Embryologist since 2006, eventually becoming the Lab Director and Chief Executive of the clinic.

He is also a Board Member of the Asia Pacific Initiative on Reproduction (ASPIRE) and a General Secretary of the IVF Society of Pakistan and the Pakistan Society of Andrology & Sexual Medicine (PSASM).

Dr. Khan holds a Fellowship in Sexual Medicine from Holland and an executive education degree in management of health care delivery from Harvard Business School, Boston, USA. With his extensive experience and expertise, he plays a vital role in contributing to the growth and success of the company.

Ahmad Shahid Hussain – Independent Director

Mr. Ahmad Shahid Hussain serves as an Independent Director on Treet Corporation's board since 2023, leveraging his expertise and strategic insights to contribute to the growth and success of the company.

He is the Director and Chief Strategy Officer of Service Sales Corporation (Pvt.) Limited (SSC), Lahore, since March 2011. SSC is a prominent company with a network of 350 shoe outlets operating under the brands NDURE and SHOE PLANET, along with a thriving B2B business under the brands Calza and

Liza. SSC also boasts two large footwear manufacturing plants in Lahore, solidifying its position as a key player in the footwear sector in Pakistan.

With a strong passion for technology, Mr. Hussain holds a Bachelor's and Master's degree in Computer Engineering from Carnegie Mellon University. He brings a wealth of experience from his four-year tenure at Microsoft Corporation, where he worked at their headquarters in Redmond, WA, USA.

Within SSC, Mr. Ahmad Shahid Hussain heads the B2B business and leads the online e-commerce operations. In addition to his role at SSC, he serves as an advisory board member for the National Incubation Center Lahore at LUMS, demonstrating his commitment to fostering innovation and entrepreneurship.

3.2. DIRECTORS DIRECTORSHIP IN OTHER COMPANIES

S. No.	Name	Designation	Directorship in Other Companies
01.	Syed Shahid Ali	Chairman/Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holdings Limited 3. Renacon Pharma Limited 4. Global Assets (Private) Limited 5. Treet Power Limited 6. Treet Battery Limited 7. IGI Holdings Limited (Listed) 8. Loads Limited (Listed) 9. Multiple Autoparts Industries (Private) Limited 10. Specialized Autoparts Industries (Private) Limited 11. Specialized Motorcycles (Private) Limited 12. Hi- Tech Alloy Wheels Limited 13. Packages Limited (Listed)
02.	Syed Sheharyar Ali	Chief Executive Officer / Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holdings Limited 3. Renacon Pharma Limited 4. Treet Battery Limited 5. Loads Limited (Listed) 6. Multiple Autoparts Industries (Private) Limited 7. Specialized Autoparts Industries (Private) Limited 8. Specialized Motorcycles (Private) Limited 9. Hi- Tech Alloy Wheels Limited 10. RoboArts (Pvt) Limited 11. Cutting Edge (Pvt) Limited 12. Frag Games (Pvt) Limited 13. Spell Digital Movies (Pvt) Limited 14. Elite Brands Limited 15. Yugo Pvt Limited

03.	Imran Azim	Nominee Director (NIT)	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holding Limited 3. Treet Battery Limited
04.	Munir Karim Bana	Non-Executive Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holding Limited 3. Treet Power Limited 4. Treet Battery Limited 5. Loads Limited (Listed) 6. Specialized Autoparts Industries (Private) Limited 7. Specialized Motorcycles (Private) Limited 8. Multiple Autoparts Industries (Private) Limited 9. Hi- Tech Alloy Wheels Limited
05.	Dr. Salman Faridi	Non-Executive Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holding Limited
06.	Dr. Haroon Latif Khan	Independent Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holding Limited 3. Asghari Begum (Pvt) Limited 4. Lahore Institute of Fertility and Endocrinology-Life (Pvt) Limited 5. RLK Associates (Pvt) Limited 6. Treet Battery Limited
07.	Ahmad Shahid Hussain	Independent Director	<ol style="list-style-type: none"> 1. Treet Battery Limited 2. Service Sales Corporation (Pvt) Limited (SSC)
08.	Sidra Fatima Sheikh	Independent Director	<ol style="list-style-type: none"> 1. First Treet Manufacturing Modaraba (Listed) 2. Treet Holding Limited

4 FINANCIAL DETAILS OF THE ISSUER

4.1. Standalone Financial Highlights of the Issuer for the Last Three Years

<i>In PKR Million</i>	FY 2021	FY 2022	FY 2023
<i>Name of the Statutory Auditor</i>	<i>KPMG Taseer Hadi & Co.</i>	<i>Yousuf Adil Chartered Accountants.</i>	<i>Yousuf Adil Chartered Accountants</i>
Revenue - Net	7,574	7,424	10,174

Gross Profit	2,546	2,246	3,260
Profit / (loss) before interest and tax	2,686	1,764	1,798
Profit / (loss) before tax	1,990	1,040	309
Profit / (loss) after tax	1,539	862	133
Accumulated profit / (loss)	2,101	2,808	2,915
Total Assets	23,809	25,434	27,245
Total Liabilities	9,510	10,404	11,925
Net equity	14,299	15,030	15,320
Break-up value per share (PKR)	81.78	84.10	85.72
Earnings / (loss) per share (PKR)	8.93	4.88	0.75
Cash Dividend (%)	10%	-	-
Bonus Issue (%)	-	-	-

4.2. Financial Highlights of Preceding One Year of Consolidated Financial Statements

<i>In PKR Million</i>	FY 2023
Revenue / Sales	23,353
Gross Profit	5,126
Profit / (loss) before interest and tax	281
Profit after tax	28
Accumulated profit / (loss)	4,818
Total Assets	27,122
Total Liabilities	17,267
Total Shareholder's Equity	9,855
Break-up value per share (PKR)	55.13
Earnings / (loss) per share (PKR)	0.16
Cash Dividend per share (PKR)	-
Bonus Issue (%)	-

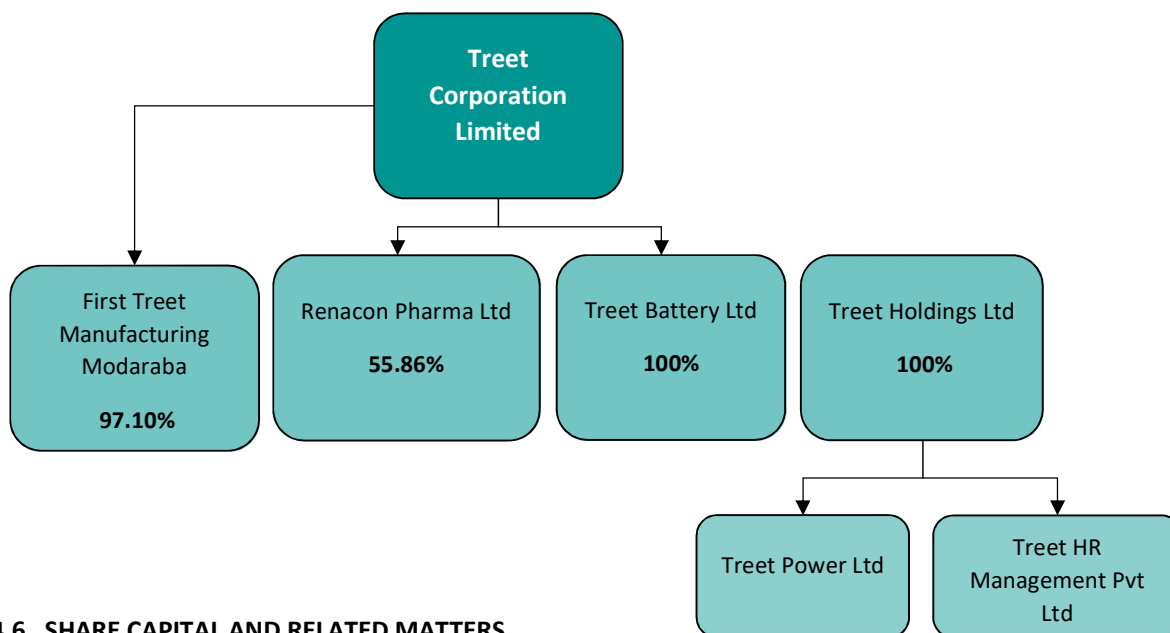
4.3. DETAILS OF ISSUE OF CAPITAL IN PREVIOUS FIVE YEARS

Right Issue	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Percentage	-	-	-	-	-
Number of shares	-	-	-	-	-
Amount Raised (PKR)	-	-	-	-	-
Unsubscribed Portion (PKR)	-	-	-	-	-
Unsubscribed portion allotted by BOD (PKR)	-	-	-	-	-
Unsubscribed portion taken up by the Underwriter	-	-	-	-	-
Proceed utilization break up	-	-	-	-	-

4.4. AVERAGE MARKET PRICE OF THE SHARE OF THE ISSUER DURING THE LAST SIX MONTHS

Average market price of the share of the Company during the last six months (from April 27, 2023 – October 27, 2023) is PKR 17.35 per share.

4.5. GROUP STRUCTURE



4.6. SHARE CAPITAL AND RELATED MATTERS

Pattern of Shareholding of the Issuer

Shareholders	Shares Held	(%)
Directors, Chief Executive Officer, their Spouse(s) and Minor Children		
Syed Shahid Ali Shah	56,141,899	31.41%
Syed Sheharyar Ali	18,913,152	10.58%
Imran Azim	0	0.00%
Munir Karim Bana	250,313	0.14%
Salman Faridi	110	0.00%
Dr. Haroon Latif Khan	0	0.00%
Mr. Ahmad Shahid	0	0.00%
Ms. Sidra Fatima Sheikh	100	0.00%
Sub-total	75,305,574	42.14%
Associated Companies, undertakings and related parties		
Loads Limited	4,837,958	2.70%
Sub-total	80,143,532	44.84%
NIT and ICP	11,623,762	6.50%
Banks Development Financial Institutions, Non-Banking Financial Institutions	4,447,376	2.49%
Insurance Companies	2,030,298	1.14%
Modaraba and Mutual Funds	985,066	0.55%

Joint Stock Companies	5,981,866	3.35%
General Public	72,308,778	40.46%
Foreign Companies	150,000	0.08%
Others (Trust & Funds and Joint Stock Companies)	1,050,444	0.59%
Total	178,721,122	100%

Shares held by Directors, Sponsors and Substantial Shareholders of the Issuer (both Existing and Post Right Issue)

Shares held by	Existing Shareholding	%	Post Right Shareholding ⁸	%
Directors				
Dr. Salman Faridi	110	0.00%	228	0.00%
Munir Karim Bana	250,313	0.14%	519,655	0.14%
Sidra Fatima Sheikh	100	0.00%	208	0.00%
Sponsors/Substantial Shareholders				
Syed Shahid Ali	56,141,899	31.41%	116,551,705	31.41%
Syed Sheharyar Ali	18,913,152	10.58%	39,264,082	10.58%

5 RISK FACTORS

5.1. RISK ASSOCIATED WITH THE RIGHT ISSUE

Undersubscription Risk

This is the risk that the Right Issue may get undersubscribed due to lack on interest from shareholders of the Company. The Right Issue is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholder and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws.

5.2. RISK ASSOCIATED WITH ISSUER

1. Internal Risk Factors

Operational Risk

Operational risk summarizes the uncertainties and hazards a business face when it attempts to conduct its day-to-day business activities specifically in relation to plant operation. It can result from breakdowns in internal procedures, people and systems.

A high turnover ratio of skilled staff, disruption in the Company's supply chain, or inappropriate planning could be a major determinant to operational risk for the Company.

⁸ Subject to the actual number of shares subscribed during the Right Issue (note that directors and subscribers may arrange for others to subscribe to their entitlements; furthermore, such persons may subscribe to additional shares offered by the Board).

Procurement Risk

As majority of the Company's raw material requirement is imported in line with the industry; consequently, any disruption in supply due to any reason can adversely impact the Company's profitability. However, the company maintains enough inventory of 6-7 months all the time for continuous and smooth production and to mitigate this risk.

Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties. The Company is mainly exposed to credit risk on accounts such as trade debts, tender deposits, short term prepayments, loans and advances, other receivables and bank balances. However, the Company has deployed efficient policies and checks to control credit risk as such that no write off has been incurred in past. The Company is committed to implement strong controls in the future as well. This is also evident as there has been no default in the last three years.

Moreover, the Company sells its products against advance or spot/cash payments and only around 10% of its sales constitutes of credit sales. The Company has not reported any bad debts in the last three years and hence, by keeping in view the Company's sales policy and history, there is no major credit risk for the Company which can materially impact its performance.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The major financial obligations of the Company include Current portion of Long-term Debt, Accrued/payable Markup, WPPF, Tax Payable, Trade Payables, Other short-term Payables etc. Amount of these obligations is PKR 2,116.31 Mn.

The financial standing of the Company indicated by its Current Ratio, Interest Coverage and Debt Service Coverage ratios show that the Company has the ability to fulfil its financial obligations on time. Further, clean e-CIB of the Company also suggests that the Company has never defaulted or dishonored its financial obligations.

Pending Litigation

Details of all material legal proceeding are mentioned under Section 6 of the Offer Document. The management of the Company is confident of favourable outcome of these proceeding.

Risk of Non-compliance with Regulations of SECP and PSX

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading of its shares as well as delisting.

2. External Risk Factors

Business Risk

Business risk is the possibility of the Company reporting lower than anticipated profits or loss due to factors such as:

- Increase in input costs such as raw materials especially due to fluctuating exchange rates
- Decrease in sales volume
- Risk of consumer orders not being placed

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. As per market practices, Company's borrowings are on variable interest rate exposing the Company to interest rate risk. There is no interest rate risk on the procurement of machinery and equipment for capacity expansion and new product development.

As at June 30 2023, the Company has variable interest-bearing financial liabilities of PKR 11,344 million

Foreign Exchange Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument or any payment or receivables fluctuates because of the changes in foreign exchange rate. The PKR has depreciated by c. 39.5% since the start of FY 2023 (June 30, 2022 – May 25, 2023 from PKR 204.85/USD to PKR 285.74/USD).

However, the Company is involved in both imports and exports with almost same proportion which works as natural hedging mechanism for the Company to mitigate foreign exchange risk.

Economic Slowdown

Slow down and/or deterioration of macroeconomic conditions could trigger a reduction in disposable incomes, compelling consumers to switch to cheaper options to meet hygiene needs.

Growth of any sector is affected by the economic conditions prevailing in the country. An economic slowdown may adversely affect the growth and performance of the consumer sector as a whole. The risk of economic slowdown is also present for the export destinations hence reducing the ability to export in larger numbers.

The prevalent economic scenario is on a downward spiral with devaluing home currency and shortage of USD in the Country.

Pricing Risk

Treet's products mostly caters to lower end economic class which is sensitive to huge price increases. This can resultantly impact the cost pass on capability to end consumers.

Global Economic and Financial Market Risk

Due to ongoing geopolitical disruption causing high commodity prices, all major economies of the world including USA, UK and European countries are facing inflationary pressure. Some of the major global financial institutions are foreseeing signs of recession in major countries which may cause volatility in international financial markets. The ripple down effect may affect the Pakistani economy and financial markets adversely which could impact the overall macro condition of the Country with limited ability of the government to secure new debt from international markets, which in turn could affect the PKR/USD parity.

Furthermore, this is a Systematic Risk as such may not only affect the Company but the larger global industry. This risk is beyond the control of any particular Company and it cannot be fully or 100% eliminated though application of a risk mitigation strategy. There are a few risk factors which may affect the Company as listed below:

- The continuous supply chain disruption may halt the production.
- Significantly higher Interest rates may lead to increased financial cost and as a such squeeze profitability.

Risk of Substitutes

There is a risk of consumers switching from Treet's product to other cheaper brands. This is especially true for rural areas where the consumers are price sensitive.

NOTE: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

6 LEGAL PROCEEDINGS:

6.1. OUTSTANDING LEGAL PROCEEDINGS OF THE COMPANY

There are routine litigations incidental to the business operations, to which the Company is a party. However, none of them are expected to have any material impact on the Company or its shareholders except for the following:

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/Mn)	Current Status	Status as per Legal Confirmation	Management Stance
1	14 of 2021	Parveen Masih, etc. vs Treet Corporation Limited, etc.	05/04/2021	Assistant Commissioner Model Town, Lahore	2020-21		Arguments on petition [reports from revenue staff as well as Sub Registrar office are requisitioned and now for arguments on main petition]		Law is very clear on the point that long standing entries cannot change by the Revenue Officials, in this view of the matter we understand that our stand is very strong in eye of law.
2	39914 of 2022	Treet Corporation Ltd vs ADCR, etc	09/08/2022	Mr. Mehmood Ayaz Civil Judge, 1st Class Lahore	2022-23		Status quo is ordered to be maintained qua mutation No. 5501 by the learned Civil Judge, Lahore.		That Court has granted the Stay Order. Therefore, the stance taken by Management is likely to be succeeded in the Pleadings
3	50314 of 2022	Treet Corporation Ltd vs Lahore Development Authority, etc..	10/26/2022	Mr. Hassan Iqbal CI 1st Class Lahore	2022-23		Operation of Order dated 27.01.2022 passed by AC Model Town, Lahore is suspended by the learned Civil Judge, Lahore.		Stay Order also granted by the Civil Judge, We are confident that the stance appreciate the law. For this reason we are hopeful that favourable decision will come in favour of the Company
4	50315 of 2022	Treet Corporation Ltd vs Lahore Development Authority, etc..	10/26/2022	Mr. Hassan Iqbal CI 1st Class Lahore	2022-23		Operation of Order dated 27.01.2022 passed by AC Model Town, Lahore is suspended by the learned Civil Judge, Lahore.		Reiterated If we lose or compromise in above three cases and include this one will pay an amount of Rs. 10,000,000
5	FCS No. 495 of 2022	Wazir Ali Industries Limited vs Treet Corporation Limited, etc..	3/22/2022	Senior Civil Judge, Hyderabad	2021-2022		Written statement has been submitted on behalf of TCL & CEO. Arguments on application under order 7 rule 11, and summoning of remaining defendant		Law provides certain period for filing of Suit under limitation Act, which not followed in this case. For this reason we are hopeful for favourable decision. However, in case lose we will hand over 8Ghuntas of land with mesne profit the amount of Rs. 1,000,000 per month for last three years with 15% incremental

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
									increase till satisfaction of the decree
6	ICA No. 577/2014 in W.P. 28287/2013	Government of Pakistan Vs. Treet Corporation Limited and others	9/4/2014	Federal Board of Revenue	2013 and onwards	The matter pertains to the amendment made to the Sales Tax Act, 1990 by the Finance Act, 2013. Writ petition in appeal was accepted to direct FBR to accept Sales Tax Returns filed by the Company by permitting adjustment of input tax levied under S. 2(14) against output tax levied under S. 2(20)(c) in accordance with Section 8(1)(a). FBR's interpretation of S. 2(22A) was held contrary to the impugned order.	Date in office	Date of last hearing is 17-09-2019. For next hearing date is in office.	On the basis of the Judgment delivered in W.P. 28287/2013 in view of which FRB's interpretation of S. 2(22A) of the Sales Tax Act, 1990 was overturned, the management of the Company believes the outcome may be in favor of the Company.
7	ICA No. 201370/2018 in W.P. No. 11253/2017	Federal Board of Revenue and others Vs. Treet Corporation Limited	09/04/2018	Federal Board of Revenue	2015	Writ petition in appeal was accepted to prohibit FBR from conducting audit of the Company for tax year 2015 under S. 72B of the Sales Tax Act, 1990 R. 44A of the Sales Tax Rules, 2006 and Audit Policy 2016.	Date in office	Date of last hearing is 21-02-2022. For next hearing date is in office.	On the basis of the Judgment delivered in W.P. 11253/2017 in view of which FRB was prohibited from conducting audit of the Company for tax year 2015, the management of the Company believes the outcome may be in favor of the Company.
8	W.P. No. 15472/2016	Treet Corporation Limited Vs. Federation of Pakistan and others	7/8/2016	Federal Board of Revenue	2011	Writ Petition was filed to challenge vires of decision dated 31-12-2015 of Member (Taxpayers' Audit), FBR regarding selection of the Company for audit for the tax year 2011, being contrary to the directions issued vide Order dated 26-06-2015 in W.P. 30877/2014.	Date in office	Date of last hearing is 21-02-2022. For next hearing date is in office.	In view of the matter being similar in nature to that involved in W.P. No. 11253/2017, whereby the FBR was prohibited from conducting audit of the Company for tax year 2015, the management of the Company believes the outcome may be in favor of the Company.
9	STR No. 56/2011	Commissioner Inland Revenue Vs. Treet Corporation Limited	25-04-2011	Federal Board of Revenue through Commissioner Inland Revenue, Large Taxpayers Unit	2005 and 2006	Reference application under Sales Tax Act, 1990 against Order dated 12-01-2011 in Salex tax Appeal No. 2107/LB/2009 passed by Appellate Tribunal Inland Revenue regarding adjustment	Date in office	Date of last hearing is 09-02-2023. For next hearing date is in office.	Vide Order dated 12.01.2011 issued in STA No. 2017/LB/09 and STA No. 2192/LB/09 the

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/ Mn)	Current Status	Status as per Legal Confirmation	Management Stance
						of input tax and determination of sales tax. The Petitioner intends to levy additional sales tax amounting to Rs. 21,282,414 alongwith additional tax/default surcharge and penalty under S. 11(2) and 36(i) of the Act.			appellants to the extent of adjustment of input tax for electricity used was overturned, additionally, the appellants stance on inclusion of value of goods sold as free samples and being chargeable to sales tax was overturned, therefore, the management of the Company believes the outcome may be in favor of the Company.
10	STR No. 57/2011	Commissioner Inland Revenue Vs. Treet Corporation Limited	25-04-2011	Federal Board of Revenue through Commissioner Inland Revenue, Large Taxpayers Unit	2005 and 2006	Reference application under Sales Tax Act, 1990 against Order dated 12-01-2011 in Salex tax Appeal No. 2192/LB/2009 passed by Appellate Tribunal Inland Revenue regarding adjustment of input tax and determination of sales tax. The Petitioner intends to levy additional sales tax amounting to Rs. 21,282,414 alongwith additional tax/default surcharge and penalty under S. 11(2) and 36(i) of the Act.	Date in office	Date of last hearing is 09-02-2023. For next hearing date is in office.	Vide Order dated 12.01.2011 issued in STA No. 2017/LB/09 and STA No. 2192/LB/09 the appellants to the extent of adjustment of input tax for electricity used was overturned, additionally, the appellants stance on inclusion of value of goods sold as free samples and being chargeable to sales tax was overturned, therefore, the management of the Company believes the outcome may be in favor of the Company.
11	Appeal under S/122(5A) Income Tax Ordinance, 2001 for Tax Year 2009	Commissioner Inland Revenue Vs. Treet Corporation Limited	Department is in appeal against Favorable Decision	Federal Board of Revenue	2009	Additional Commissioner passed order u/s 122(5A) dated 30-06-2015 creating demand of 15.7 million, disallowed addition u/s 111(1)(a) amounting Rs. 20,159,000, adjustment of minimum tax u/s 113 amounting Rs. 3,771,801 and allocation of expenses to dividend income. Appeal filed before CIR Appeals, which was		Department Appeal pending in ATIR, where favorable outcome is expected	Contingent, favorable order granted by CIR (Appeals) in Tax Year 2021.

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/Mn)	Current Status	Status as per Legal Confirmation	Management Stance
						accepted vide order dated 08-06-2018 and case remanded back to officer. While re-assessing, ACIR vide order u/s 124/129 disallowed minimum tax. Appeal filed before CIR (Appeals) which was accepted vide order no. 45 dated 30-11-2020. The department has filed appeal in ITAT against the judgement of CIR (Appeals), which is currently pending adjudication.			
12	Appeal under S/122(SA) Income Tax Ordinance, 2001 for Tax Year 2013	Commissioner Inland Revenue Vs. Treet Corporation Limited	Department is in appeal against Favorable Decision	Federal Board of Revenue	2013	Additional Commissioner passed an order u/s 122(SA) dated 28-02-2019 on different issues such as proration of profit between local and export sale, provision of WPPF & WWF, dividend income etc. and created a tax demand of Rs. 10,060,821, out of which Rs. 1,006,082 has already been paid to department for stay. Appeal filed before the CIR (Appeals-1) which was accepted except to the extent treatment of dividend income as separate block of income. Case is remanded back to department for re-assessing. Department filled appeal in ATIR against decision of CIR (Appeals).		Department Appeal pending in ATIR where favorable outcome is expected	Contingent
13	Appeal under S/122(SA) Income Tax Ordinance, 2001 in terms of S/120(I)(b) for Tax Year 2017		Department is in appeal against Favorable Decision	Federal Board of Revenue	2017	Additional Commissioner passed an order u/s 122(SA) dated 30-11-2018 on different issues such as proration of profit between local and export sale, disallowance u/s 65B, dividend income allocation etc. No tax demand is involved as the additions reduced the b/f losses resultantly reducing refundable income tax amounting Rs. 11,482,863. Against this order, appeal filed before the CIR (Appeals). Case is remanded back to department for re-assessing on different grounds. Department filled appeal before ATIR. Second appeal filed before ATIR on account of allocation of expenses.		Both Department & Taxpayer Appeal are pending in ATIR and favorable outcome is expected	Contingent
14	Appeal under S/122(SA) Income Tax Ordinance, 2001 for Tax Year 2015	Commissioner Inland Revenue Vs. Treet Corporation Limited	Department is in appeal against Favorable Decision	Federal Board of Revenue	2015	Department has issued notice u/s 122(SA) dated 14-12-2020, where documents and reply was accordingly submitted to department. Department without analyzing the facts and		Department Appeal pending in ATIR where favorable outcome is expected	Contingent

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/Mn)	Current Status	Status as per Legal Confirmation	Management Stance
						giving opportunity of being heard passed order amounting Rs. 25,351,711 dated 21-04-2021. Further 10 % of the demand amounting Rs. 2,535,171 has also been deposited for stay purpose. Appeal filed in CIR (Appeals) against the order of department which was accepted vide order # 61 dated 30-03-2022. Department has filed second appeal before ATIR dated 05-04-2022.			
15	Appeal under S/11(2) Sales Tax Act, 1990		Department is in appeal against Favorable Decision	Federal Board of Revenue	2013 to 2018	ACIR created a sale tax demand of Rs. 138,043,972 along with default surcharge and penalty on the contention that the Company's claim for input sales tax adjustment is inadmissible on the strength of fake invoices issued by the blacklisted units in violation of sec-8 of the Act as well as insurance services on stock in trade and plant & machinery and illegally adjusted input sales tax of irrelevant sectors. Appeal filed before the CIR (Appeals) partially accepted. As a result of appellate order dated 05-11-2019 sales tax demand of Rs. 138,043,972 has been deleted. Department has filed second appeal before the ATIR against the order of CIR (Appeals) for deleting the demand on issues of disallowance of input tax against blacklisted units Rs. 3,477,393, disallowance of input tax against insurance services Rs. 26,163,020 and further tax Rs. 224,617.		Department Appeal pending in ATIR where favorable outcome is expected	Contingent
16	Appeal under S/122(5A) Income Tax Ordinance, 2001 for Tax Year 2016	Commissioner Inland Revenue Vs. Treet Corporation Limited	Department is in appeal against Favorable Decision	Federal Board of Revenue	2016	Department has issued notice u/s 122(9) dated 4-10-2021, where documents and reply was accordingly submitted to department. Department passed order amounting Rs. 125,602,103 dated 31-03-2022 mainly on the issue of amortization of advertisement expenses. Appeal filed in CIR (Appeals) against the order of department, where he deleted the entire demand and passed a favorable order No. 44 dated 18-11-2022. Department has also filed counter appeal in ATIR dated 12-01-2023 in this regard.		Department Appeal pending in ATIR where favorable outcome is expected	Contingent

S. No.	Case Number	Case Title	Institution Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR/Mn)	Current Status	Status as per Legal Confirmation	Management Stance
17	Appeal under Punjab Sales Tax on Services Act, 2012		Department is in appeal against Favorable Decision	Punjab Revenue Authority	July-16 to June-2018	Punjab Revenue Authority vide corrigendum notice dated 26-08-2020 requested documentary evidence regarding all expenses incurred during the year 2017 & 2018. Complete documentary evidence was provided. PRA without considering the facts & documentary evidences passed order dated 18-12-2020 u/s 52 of the PRA Act by disallowing all advertisement & freight related expenses, for a sales tax amount of PKR 316,981,418. Appeal before the Commissioner (Appeals) PRA against the assessment order dated 18-12-2020 is currently pending adjudication.		Taxpayer is in CIR (Appeals), which is heard and Inquiry is marked via notice dated 02-06-22. Inquiry proceedings are completed. Favorable decision is awaited.	Contingent

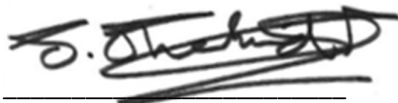
6.2. ACTION TAKEN BY THE SECURITIES EXCHANGE AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NONCOMPLIANCE OF THE ITS REGULATIONS

None

6.3. ANY OUTSTANDING LEGAL PROCEEDING OTHER THAN THE NORMAL COURSE OF BUSINESS INVOLVING THE ISSUER, ITS SPONSORS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND ASSOCIATED COMPANIES, OVER WHICH THE ISSUER HAS CONTROL, THAT COULD HAVE MATERIAL IMPACT ON THE ISSUE

None

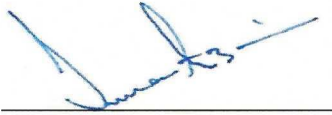
7 SIGNATORIES TO THE OFFER DOCUMENT



Syed Shahid Ali
Chairman



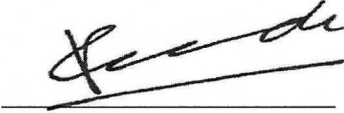
Syed Sheharyar Ali
Chief Executive Officer



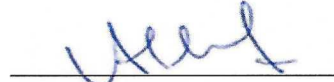
Imran Azim
Nominee Director (NIT)



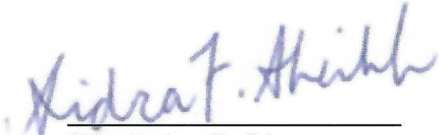
Munir Karim Bana
Non-Executive Director



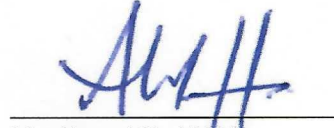
Dr. Salman Faridi
Non-Executive Director



Dr. Haroon Latif Khan
Independent Director



Sidra Fatima Sheikh
Independent Director



Mr. Ahmad Shahid Khan
Independent Director

Signed by the above in the presence of witnesses

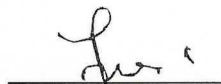


Usman Saleem
35202-8740513-9
72-B, Industrial Area Kot Lkahpat, Lahore



Saad Saadat
35202-6840347-5
72-B, Industrial Area Kot Lkahpat, Lahore

Certified by



Zunaira Dar
Company Secretary



Dated: 27 October 2023