Treet

FTMM

SHAPING INDUSTRIES, EMPOWERING LIVES

1st Quarter Report

For the period ended September 30, 2025

First Treet Manufacturing Modaraba

2025

Company information

BOARD OF DIRECTORS	Syed Shahid Ali	(Chairman/ Non-Executive Director)
	Syed Sheharyar Ali	(Chief Executive Officer)
	Mr. Imran Azim	(Non-Executive Director)
	Dr. Salman Faridi	(Non-Executive Director)
	Mr. Munir Karim Bana	(Non-Executive Director)
	Dr. Haroon Latif Khan	(Independent Director)
	Ms. Sidra Fatima Sheikh	(Female/Independent Director)
	Mr. Ahmad Shahid Hussain	(Independent Director)
AUDIT COMMITTEE	Ms. Sidra Fatima Sheikh	(Chairperson/ Member)
	Mr. Imran Azim	(Member)
	Dr. Salman Faridi	(Member)
	Mr. Munir Karim Bana	(Member)
	Mr. Ahmad Shahid Hussain	(Member)

CHIEF FINANCIAL OFFICER	Mr. Muhammad Zubair	Modaraba Management Company
	Mr. Mansoor Murad	Modaraba
CHIEF INTERNAL AUDITOR	Muhammad Ali	
COMPANY SECRETARY	Ms. Zunaira Dar	
OUTGOING AUDITORS	M/s Rahman Sarfaraz Rahim Iqbal Rafiq	Chartered Accountants
INCOMING AUDITORS	M/s Kreston Hyder Bhimji & Co	Chartered Accountants
EXTERNAL AUDITORS OF MODARABA MANAGEMENT COMPANY	M/s . BDO Ebrahim & Co	
LEGAL ADVISORS	Asad & Asad Attorney At Law	
CORPORATE ADVISORS	Cornelius, Lane & Mufti	
SHARIAH ADVISORS	Mufti Muhammad Javed Hassan	
SHARE REGISTRAR	Corplink (Private) Limited Wing Arcade, -1K Commercial, Model town, Lahore Tel: 042-35916714 Fax: 042-35839182	

BANKERS

Meezan Bank Limited
National Bank of Pakistan
Askari Bank Limited
Habib Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Allied Bank Limited
Bank Alfalah Limited
MCB Islamic Bank Limited
Dubai Islamic Bank Pakistan Limited

REGISTERED OFFICE

72-B, Industrial Area, Kot Lakhpat, Lahore.
Tel: 042-35830881, 35156567 & 35122296
Fax: 042-35114127 & 35215825
E-Mail: Corporate@treetcorp.com
Home Page: www.ftmm.com.pk

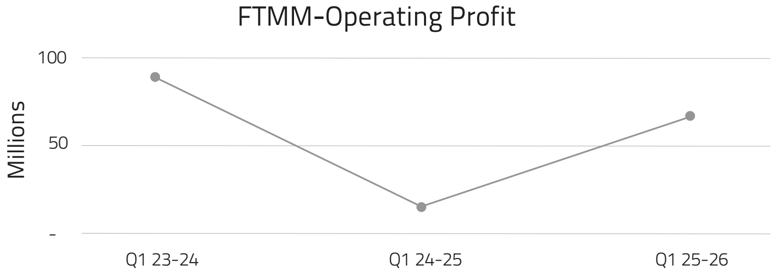
PACKING SOLUTIONS	Kacha Tiba Rohi Nala, 22-KM, Ferozpur Road, Lahore
SOAP	Ghakkar 80 KM, G.T. Road, Ghakkar Mandi, Gujranwala

Directors' review

We are pleased to present the Directors' Report together with the unaudited Financial Statements for the 1st quarter of financial Year 2025-26 ending 30th Sept 2025.

During the first quarter of the fiscal year 2025–26, the Modaraba delivered a commendable performance, recording growth in sales revenue, gross profit, and operating profit as compared to the corresponding period of the previous year. Both operating segments of the Modaraba i.e, corrugated packaging and soap, continued to face intense market competition. Despite these challenges, the management remains confident about continued delivery of positive financial and operational outcomes for the remainder of the year.

The Modaraba achieved a higher bottom-line profit compared to the same period last year, reflecting the effectiveness of the management's strategic initiatives and focused operational approach. This improvement demonstrates the success of the aggressive strategies adopted to enhance efficiency and profitability. Furthermore, the Modaraba has shown a notable recovery in operating profit compared to the lower level recorded in the corresponding quarter of the previous year.



FINANCIAL HIGHLIGHTS

The Modaraba is engaged in two business segments: Corrugated Boxes and Soaps. During the first quarter of the fiscal year 2025–26, the Modaraba recorded a modest increase in revenue, resulting in higher operating profit compared to the corresponding period of the previous year. This growth in revenue is primarily attributed to the management's aggressive business expansion strategies, focusing on both segments.

The Modaraba's operating profit for the quarter rose significantly to Rs. 65.8 million, compared to Rs. 25.4 million reported in the same period last year. This improvement was mainly driven by effective cost management and the absence of a one-off marketing expense that had impacted the soap segment in the prior year.

Furthermore, the Modaraba achieved a net profit of Rs. 68.2 million during the first quarter of FY 2025–26, a substantial increase from Rs. 18.6 million earned in the corresponding quarter of the previous year. The Modaraba remains fully committed to sustaining this positive momentum by optimizing its resources and focusing on operational excellence to deliver continued growth and value for its stakeholders

(Rupees in Million)

Description	**3 Months Ended**		**Change Amount**	**% Change**
	30-Sep-25	30-Sep-24		
Sales (net)	**1,097**	1,003	94	9%
Gross Profit/(Loss)	**113**	101	12	12%
Operating Profit/(Loss)	**65**	25	40	159%
Net Profit/(Loss) after Taxation	**68**	18	49	467%
EPS (in Rupees)	**0.349**	0.095	0.25	267%

Directors' review

CORRUGATED PACKAGING

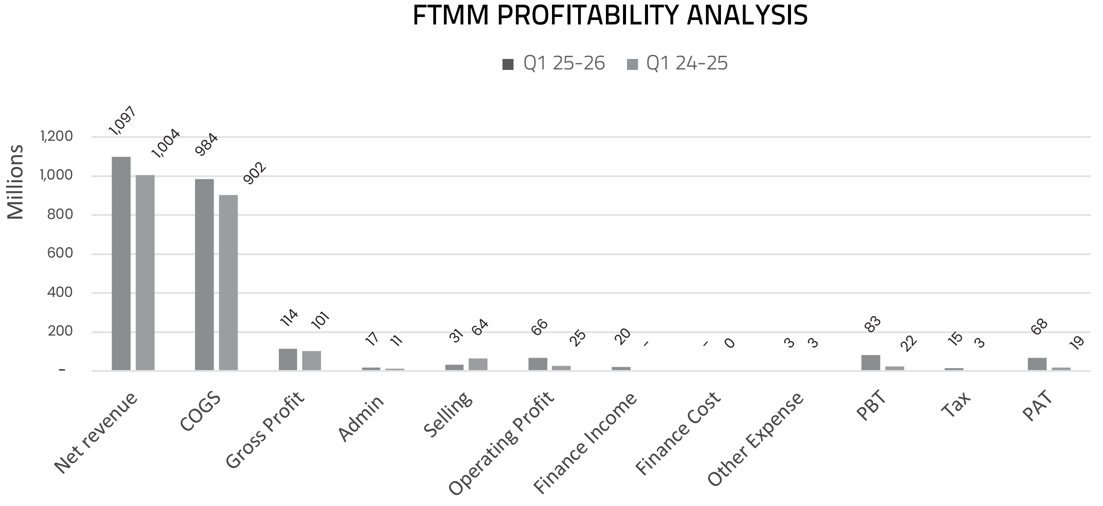
During the first quarter, the sales revenue of the Corrugated Packaging segment recorded a slight decrease due to intensified market competition. However, in terms of profitability, the segment demonstrated improvement, with gross profit higher by 16% compared to the corresponding period last year. The segment reported net revenue of Rs. 705 million, reflecting a 3% decrease over the same period of the previous year, while gross profit increased to Rs. 34 million from Rs. 32.1 million, representing an improvement of Rs. 1.8 million.

This increase in gross profit is primarily attributable to the segment's effective cost optimization initiatives and implementation of cost-saving strategies, which helped offset the impact of competitive market pressures. Management remains focused on maintaining a strong balance between product quality and operational efficiency through disciplined cost control and resource optimization. The segment's current strategic priority is to retain key clients while selectively acquiring new high-value customers, thereby strengthening the Modaraba's business portfolio and supporting its objective of sustainable and profitable growth.

SOAPS

During the third quarter of FY 2025–26, the Soap Segment recorded a gross profit of Rs. 79.6 million, reflecting an increase of Rs. 10.4 million (15%) compared to the corresponding period of the previous year. The growth in sales, volumes, and margins was primarily driven by the segment's aggressive market strategies and proactive approach toward expanding its market presence.

Despite intensified competition in the core markets, the segment's sales teams are actively pursuing initiatives to regain previous performance levels in both volume and revenue. The current strategic focus is on enhancing product visibility and ensuring consistent availability across key sales channels to further strengthen market penetration. Management anticipates that these focused efforts will support continued sales growth and margin improvement in the coming quarters.



ACKNOWLEDGEMENT

The Board would like to take this opportunity to express gratitude and thanks to our valuable customers for their patronage and support, the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange Limited and Modaraba Association of Pakistan for their continuous support and guidance.

Special thanks are due to our certificate holders for the trust and confidence shown in us.

For and on behalf of the Board

Syed Shehryar Ali
Chief Executive Officer

Syed Shahid Ali
Chairman

Date: 28th October 2025
Lahore

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim Statement of Financial Position
As At September 30, 2025

	Note	September 2025 Un-audited	June 2025 Audited
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	5	268,421	260,370
Long term loans and deposits		9,654	9,654
Deferred taxation		10,789	10,789
		288,864	280,813
CURRENT ASSETS			
Stores and spares		92,010	85,038
Stock-in-trade	6	409,218	366,098
Trade debts - unsecured considered good		1,068,462	802,379
Loans, advances, deposits, prepayments and other receivables		870,227	677,358
Advance income tax		1,163,939	1,012,735
Cash and bank balances	7	147,640	469,382
		3,751,496	3,412,990
		4,040,360	3,693,803
EQUITY AND LIABILITIES			
Certificate capital		1,956,000	1,956,000
Deposit for purchase of certificates		1	1
Capital reserve		588,712	588,712
Demerger reserve		-	
Unappropriated Profit		514,095	445,882
		3,058,808	2,990,595
NON-CURRENT LIABILITIES		-	-
		-	-
CURRENT LIABILITIES			
Retention money payable		13,511	12,990
Trade and other payables		902,758	638,691
Provision for taxation		65,283	51,527
		981,552	703,208
Contingencies and commitments	8	-	-
		4,040,360	3,693,803

The attached notes 1 to 13 form an integral part of these condensed interim financial statements.

LAHORE October 28, 2025	Syed Shehryar Ali Chief Executive Officer	Mansoor Murad Chief Financial Officer	Syed Shahid Ali Director	Ms. Sidra Fatima Sheikh Director

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim statement of profit or loss (un-audited)
For the period ended September 30, 2025

	Note	3 months ended July to September 2025	3 months ended July to September 2024
		(Rupees in thousand)	(Rupees in thousand)
			Restated
Revenue -Net	9	1,097,448	1,003,618
Cost of revenue	10	(983,820)	(902,351)
Gross Profit		113,628	101,267
- Administrative expenses		(16,635)	(11,411)
- Distribution cost		(31,148)	(64,388)
		(47,783)	(75,799)
Operating Profit		65,845	25,468
Other income		18,046	(3,269)
		83,891	22,199
Financial expenses		(773)	(129)
Profit before levies and income tax		83,118	22,070
Levies		(13,756)	(12,447)
Profit before income tax		69,362	9,623
Taxation - Income tax		(1,149)	8,977
Profit after tax		68,213	18,600
		--------Rupees--------	
			Restated
Earnings per share		0.349	0.095

The attached notes 1 to 13 form an integral part of these condensed interim financial statements.

LAHORE
October 28, 2025

Syed Shehryar Ali
Chief Executive Officer

Mansoor Murad
Chief Financial Officer

Syed Shahid Ali
Director

Ms. Sidra Fatima Sheikh
Director

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim statement of comprehensive income (un-audited)
For the period ended September 30, 2025

	3 months ended	
	July to September 2025	July to September 2024
	(Rupees in thousand)	
		Restated
Profit after taxation	**68,213**	18,600
Other comprehensive income	**-**	-
Total comprehensive income for the period	**68,213**	18,600

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

The attached notes 1 to 13 form an integral part of these condensed interim financial statements.

LAHORE October 28, 2025	Syed Shehryar Ali Chief Executive Officer	Mansoor Murad Chief Financial Officer	Syed Shahid Ali Director	Ms. Sidra Fatima Sheikh Director

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim statement of changes in equity (un-audited)
For the period ended September 30, 2025

	Certificate Capital	Deposit for purchase of Certificate	Certificate premium	Statutory Reserve	Demerger Reserve	Unappropriated Profit / (Loss)	Total
	(Rupees in thousand)						
Balance as at June 30, 2024- restated	8,835,903	1	-	565,219	(6,879,903)	201,399	2,722,619
Total comprehensive income for the period- restated	-	-	-	-	-	18,600	18,600
Balance as on September 30, 2024 (Un-audited) (Restated)	8,835,903	1	-	565,219	(6,879,903)	219,999	2,741,219
Balance as at June 30, 2025	**1,956,000**	**1**	**-**	**588,712**	**-**	**445,882**	**2,990,595**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**68,213**	**68,213**
Balance as on September 30, 2025 (Un-audited)	**1,956,000**	**1**	**-**	**588,712**	**-**	**514,095**	**3,058,808**

The attached notes 1 to 13 form an integral part of these condensed interim financial statements.

LAHORE
October 28, 2025

Syed Shehryar Ali
Chief Executive Officer

Mansoor Murad
Chief Financial Officer

Syed Shahid Ali
Director

Ms. Sidra Fatima Sheikh
Director

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim statement of cash flows (un-audited)
For the period ended September 30, 2025

	3 months ended	
	July to September 2025	July to September 2024
	(Rupees in thousand)	
		Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**83,118**	22,070
Adjustments for non-cash items:		
Financial charges for the period	**773**	129
Depreciation on property, plant and equipment	**7,524**	46,233
Profit on bank deposits	**(839)**	(635)
Provision for expected credit loss	**1,000**	4,500
	8,458	50,227
Operating profit before working capital changes	**91,576**	72,297
(Increase) / decrease in operating assets :		
Stores and spares	**(6,972)**	(1,064)
Stock-in-trade	**(43,120)**	4,667
Trade debts	**(267,083)**	22,407
Loans, advances, deposits, prepayments and other receivables	**(192,869)**	(122,459)
	(510,044)	(96,449)
Increase / (decrease) in operating liabilities		
Trade and other payables	**264,065**	180,286
Retention money payable	**521**	491
Cash generated / (used in) operations	**(153,882)**	156,625
Financial charges paid	**(773)**	(129)
Taxes paid	**(152,352)**	-
	(153,125)	(129)
Net cash inflow / (outflow) from operating activities	**(307,007)**	156,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	**(15,574)**	(44,689)
Profit received on bank deposits	**839**	635
Net cash (outflow) / inflow from investing activities	**(14,735)**	(44,054)
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
Net cash inflow / (outflow) from financing activities	**-**	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(321,742)**	112,442
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**469,382**	195,837
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**147,640**	308,279

The attached notes 1 to 13 form an integral part of these condensed interim financial statements.

LAHORE October 28, 2025	Syed Shehryar Ali Chief Executive Officer	Mansoor Murad Chief Financial Officer	Syed Shahid Ali Director	Ms. Sidra Fatima Sheikh Director

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Notes to the condensed interim financial statement (un-audited)
For the period ended September 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

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 Companies Ordinance, 1984 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 (Formerly Lahore Stock Exchange (Guarantee) Limited). The Modaraba is engaged in the manufacture and sale of corrugated boxes and soaps.

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (the Modaraba Regulations). In cases where the requirements differ, the provisions of or directives issued under the Ordinance or Regulations shall prevail. The disclosures in the condensed interim financial statements do not include all the information reported in audited annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2025.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Modaraba's annual financial statements for the year ended June 30, 2025 except the below change;

Further, the comparative condensed interim financial statements for the corresponding quarter of the previous period has been restated to reflect the impact of depreciation changes made for improved comparability and consistency in presentation with the current period. These restatements do not affect the overall financial position of the Company but have been made to ensure better alignment with the current period's classification and disclosures

Impact on Statement of Profit and loss (September 2024):

Description	Previously Reported	Impact of change	As restated
		(Rupees in thousand)	
Cost of sales	908,071	(5,720)	902,351
Selling and distribution expenses	64,580	(192)	64,388
Administration and general expenses	12,054	(643)	11,411

Impact on Earning per share:

Description	Previously Reported	Impact of change	As restated
		(Rupees)	
Earning per share	0.014	0.08	0.095

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Condensed interim statement of cash flows (un-audited)
For the period ended September 30, 2025

4. SIGNIFICANT ESTIMATES

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited and published financial statements for the year ended June 30, 2025.

	Un-audited September 2025	**Audited** June 2025
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating Fixed Assets	**219,346**	226,870
Capital Work in Process	**49,075**	33,500
	268,421	260,370
6. STOCK-IN-TRADE		
Raw material	**182,326**	182,032
Work in process	**11,093**	6,645
Finished goods	**215,799**	177,421
	409,218	366,098
7. CASH AND BANK BALANCES		
Cash in hand	**1,909**	834
Cash at banks	**145,731**	468,548
	147,640	469,382

8. CONTINGENCIES AND COMMITMENTS

There is no material change in the position of contingent liabilities since the last annual balance sheet.

First Treet Manufacturing Modaraba (Managed by Treet Holding Limited)
Notes to the condensed interim financial statement (un-audited)
For the period ended September 30, 2025

		3 months ended	
		July to September 2025	July to September 2024
		(Rupees in thousand)	
			Restated
9.	**SALES**		
	Packaging products	**705,231**	727,689
	Soaps	**392,217**	275,929
		1,097,448	1,003,618
10.	**COST OF SALES**		
	Packaging products	**671,226**	695,562
	Soaps	**312,594**	206,789
		983,820	902,351
11.	**TRANSACTIONS WITH RELATED PARTIES**		
	Expenses borne by the Parent Company	**59,741**	78,615
	Finance cost charged during the period - Net	**18,980**	19,047
	Funds received / (Paid) - net	**(158,919)**	2,198
	Goods sold during the period	**41,844**	29,246
	Services Received - Net	**2,315**	2,315

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.

12. These condensed interim financial statements were authorized for issue by the board of directors of the Modaraba Company on October 28, 2025.

13. GENERAL

13.1 Amounts have been rounded off to thousand rupees.

LAHORE October 28, 2025	Syed Shehryar Ali Chief Executive Officer	Mansoor Murad Chief Financial Officer	Syed Shahid Ali Director	Ms. Sidra Fatima Sheikh Director

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First Treet Manufacturing Modaraba

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