

HNL/CS/1008  
March 16, 2017

The General Manager,  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
**KARACHI.**

**HIGHNOON**  
**LABORATORIES LTD.**



**Registered, Head Office & Plant:**

17.5 Kilometer, Multan Road, Lahore - 53700 (Pakistan)  
P.O. Box 3318, Gulberg, Lahore-54660 (Pakistan)  
UAN : 111-000-465  
Fax : 92 - 42 - 37510037  
Email : info@highnoon.com.pk  
Web : www.highnoon-labs.com

Subject: FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2016

Dear Sir,

We have to inform you that the Board of Directors of our Company in the meeting held on March 16, 2017 at 11.30 a.m. at 17.5 K.M. Multan Road, Lahore approved the accounts for the year ended December 31, 2016.

**CASH DIVIDEND**

The Board of Directors has recommended final Cash Dividend for the year ended December 31, 2016 at the rate of eighty five percent (85%) that is Rs.8.50 per share.

**BONUS SHARES**

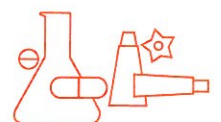
It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 12 (twelve) shares for every 100 shares held that is 12% (twelve percent). A certificate of free reserve from auditors of the Company is attached herewith as **Annexure I**.

**Financial Results of the Company and Consolidated Financial Results with its subsidiary are attached herewith as Annexure II and Annexure III respectively.**

The Annual General Meeting of the Company will be held on **April 27, 2017 at 10.30 a.m. at Registered Office 17.5 Kilometer, Multan Road, Lahore.**

The above entitlements will be paid/issued to the shareholders, whose names will appear in the Register of Members on **April 20, 2017.**

The share transfer books of the Company will remain closed from April 21, 2017 to April 27, 2017 (both days inclusive) for the purpose of determination of entitlements of payouts. Transfers received by our shares registrar M/s Corplink (Pvt.) Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore at the close of business hour on April 20, 2017 will be treated in time for the purpose of above entitlements to the transferees.





In pursuance of listing regulation of the Exchange you are requested to please accord necessary approval to convene the Annual General Meeting on April 27, 2017 at 10.30 a.m.

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange 21 days before the date of Annual General meeting.

Thanking you and assurances of our highest considerations.

Yours faithfully,

**KHADIM HUSSAIN MIRZA,**  
Company Secretary

cc. to:

- The Securities & Exchange Commission of Pakistan, Islamabad
- The Securities & Exchange Commission of Pakistan, CRO, Lahore
- Central Depository Company of Pakistan Limited, Karachi



Building a better  
working world

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LA/4195/17  
16 March 2017

The Board of Directors  
Highnoon Laboratories Limited (the Company)  
17.5 KM, Multan Road  
Lahore.

Dear Sirs

#### CERTIFICATE ON STATEMENT OF FREE RESERVES AS AT 31 DECEMBER 2016

We have been requested to provide you with a certificate on the "Free Reserves" (in terms of meaning given in the Companies (Issue of Capital) Rules, 1996) of the Company as at 31 December 2016 as required under Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996.

#### Scope of Certificate

This certificate is issued in accordance with the requirement of Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996.

#### Management Responsibility

It is the management responsibility to ensure compliance with Rule 6 of the Companies (Issue of Capital) Rules, 1996. The responsibility for preparation and fair presentation of Statement of Free Reserve is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

#### Auditors' Responsibility

Our responsibility is to certify that the free reserves retained after the proposed issues of bonus shares are more than 15 percent of the enhanced paid-up capital, in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the amounts reported in the Statement of Free Reserves to the audited financial statements of the Company for the year ended 31 December 2016 and checking whether Free Reserves are computed in accordance with the requirement of Rule 6) of the Companies (Issue of Capital) Rules, 1996.

#### Certificate

Based on the procedures mentioned above, we certify that the Free Reserves (in terms of meaning given in the Companies (Issue of Capital) Rules, 1996) retained after the proposed issues of bonus shares of face value of Rs. 27,366,768 are more than 15 percent (Rs.38,313,475 ) of the enhanced paid-up capital of Rs. 255,423,168.

#### Restriction on use and distribution

This certificate is issued in accordance with requirements of Rule 6(iii) of the Companies (Issue of Capital) Rules, 1996 and on the specific request of the management of the Company and is not to be used for any other purpose. This certificate may be submitted to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange. Accordingly, this should not be distributed to any other party without prior written consent from us. This certificate is restricted to the facts stated herein.

Yours faithfully



**HIGHNOON LABORATORIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>2016</u> Rupees	<u>2015</u> Rupees
Sales - net	5,070,755,394	4,403,995,318
Cost of sales	<u>(2,692,735,362)</u>	<u>(2,311,679,320)</u>
Gross profit	2,378,020,032	2,092,315,998
Distribution, selling and promotional expenses	<b>(1,279,004,735)</b>	(1,125,961,164)
Administrative and general expenses	<b>(245,280,377)</b>	(244,669,330)
Research and development expenses	<b>(3,652,557)</b>	(3,040,818)
Other operating expenses	<b>(73,550,002)</b>	(73,022,429)
	<b>(1,601,487,671)</b>	(1,446,693,741)
Operating Profit	<u>776,532,361</u>	645,622,257
Other income	<u>19,413,957</u>	29,836,721
	<u>795,946,318</u>	675,458,978
Finance costs	<u>(6,071,247)</u>	(8,754,468)
Profit before taxation	<u>789,875,071</u>	666,704,510
Taxation	<u>(254,899,404)</u>	(222,683,104)
Profit after taxation	<u><b>534,975,667</b></u>	<u>444,021,406</u>
		Restated
Earnings per share - basic and diluted	<u><b>23.46</b></u>	<u>19.47</u>



**HIGHNOON LABORATORIES LIMITED AND ITS SUBSIDIARY  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>2016</u> Rupees	<u>2015</u> Rupees
Sales - net	5,070,755,394	4,403,995,318
Cost of sales	<u>(2,692,735,362)</u>	<u>(2,312,801,997)</u>
Gross profit	2,378,020,032	2,091,193,321
Distribution, selling and promotional expenses	<b>(1,279,004,735)</b>	(1,125,961,164)
Administrative and general expenses	<b>(254,985,395)</b>	(246,634,261)
Research and development expenses	<b>(3,652,557)</b>	(3,040,818)
Other operating expenses	<b>(73,550,002)</b>	(73,022,429)
	<u>(1,611,192,689)</u>	<u>(1,448,658,672)</u>
Operating Profit	766,827,343	642,534,649
Other income	19,413,957	29,836,721
	<u>786,241,300</u>	<u>672,371,370</u>
Finance costs	<b>(6,085,875)</b>	(8,763,832)
Profit before taxation	780,155,425	663,607,538
Taxation	<b>(254,899,404)</b>	(222,683,104)
Profit after taxation	<u>525,256,021</u>	<u>440,924,434</u>
<b>Profit /(loss) after tax attributable to:</b>		
Shareholders of the Parent	525,659,120	441,352,255
Non Controlling Interest	<b>(403,099)</b>	(427,821)
	<u>525,256,021</u>	<u>440,924,434</u>
Earnings per share - basic and diluted	<u>23.03</u>	Restated <u>19.33</u>