



Highnoon
Enriching Life

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Forbes Asia
BEST UNDER A
BILLION
2023

**DISCLOSURE UNDER REGULATION 5.6.2 OF THE PSX REGULATIONS:
FLUCTUATIONS IN THE SHARE PRICE OF HIGHNOON LABORATORIES LIMITED**

It has come to our attention that the Profit Magazine (operated by Pakistan Today) has published an article titled: “*Highnoon Laboratories and curious (court) case of Related Party Transactions*” on 12 May 2024 wherein; dubious information has been posted regarding the Company and its management – some being factually incorrect. A plausibility exists that the said article may have created confusion and misunderstanding leading to fluctuations in the share price of the Company.

While we investigate the matter further to understand this deliberate attempt at defaming the Company, we would like to assure our shareholders that the Company and its management has been working tirelessly to maximize the well-being of its shareholders and has delivered remarkable results for the past several years.

Moreover, the Company is not only focused on its commercial growth but has also aligned its goals with shareholder wealth whereby; the earning per share has increased from 24.53 in 2017 to 45.35 in 2023. Moreover, the payout ratio has also increased from 40.8% to 66.2% during the same timeline. Consistently for the past ten (10) years, the Company has been issuing bonus shares to the shareholders ranging between ten (10) to fifteen (15) percent, specifically, in 2023, the Company issued a total of twenty-five (25%) bonus shares to its shareholders. Moreover, for the financial ended on 31 December 2023, the Company issued a dividend of 300% i.e. Rs. 30 per share.

It is pertinent to note that the Company complies with all procedures provided under the applicable Companies Act, 2017 (the “2017 Act”) for approval of its related parties’ transactions (the “RPTs”). All RPTs are first discussed in the Audit Committee and recommended by the same to the Board of Directors for final approval. The minutes clearly stipulate the nature of the RPTs, which are conducted in the normal course of business and on an arms’ length basis. Moreover, the interest in the associate company Route 2 Health (Private) Limited; and its wholly owned subsidiary Curexa Health (Private) Limited has been properly disclosed. Accordingly, the transactions carried out with the said entities are fully disclosed to the Board members and all stipulated for public dissemination in the quarterly and annual financial statements of the Company. The related party transactions have contributed positively towards the profitability of the company.

To provide an overall holistic picture of the related parties’ transactions and to further strengthen the Company’s transparent approach, the said RPTs were also presented to the shareholders in the recent AGM of the Company held on 29 April 2024 in accordance with applicable law.

Moreover, it defies logic to suggest that the company could achieve extraordinary profit growth if there were any substance to these allegations. In a landscape where competitors in the same industry are grappling with diminishing returns, the fact that our company continues to flourish and exhibit remarkable profit increases speaks volumes about the integrity of our operations and financial management. These achievements stand as irrefutable evidence of the company's robust performance and unwavering adherence to ethical business practices.

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