



HNL/CS/1472
March 29, 2019

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

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, 2018

Dear Sir,

We have to inform you that the Board of Directors of our Company in the meeting held on March 29, 2019 at 10.00 a.m. at 17.5 K.M. Multan Road, Lahore approved the accounts for the year ended December 31, 2018.

CASH DIVIDEND

The Board of Directors has recommended final Cash Dividend for the year ended December 31, 2018 at the rate of one hundred thirty percent (130%) that is Rs.13.00 per share.

BONUS SHARES

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 10 (ten) shares for every 100 shares held that is 10% (ten percent). A certificate of free reserves 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 Monday, April 29, 2019 at 11.00 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 22, 2019.

The share transfer books of the Company will remain closed from April 23, 2019 to April 29, 2019 (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 22, 2019 will be treated in time for the purpose of above entitlements to the transferees.



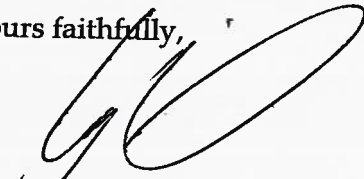


In pursuance of listing regulation of the Exchange you are requested to please accord necessary approval to convene the Annual General Meeting on Monday, April 29, 2019 at 11.00 a.m at 17.5 Kilometer Multan Road, Lahore.

The Annual Report of the Company will be transmitted through PUCARS at-least 21 days before holding 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



EY Ford Rhodes
Chartered Accountants
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LA/4183/19
29 March 2019

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 2018

We have been requested to provide you with a certificate on the "Free Reserves" (in terms of meaning given in the Companies (Further Issue of Shares) Regulations, 2018 of the Company as at 31 December 2018 as required under Chapter III, Section 4 of the Companies (Further Issue of Shares) Regulations, 2018.

Scope of Certificate

This certificate is issued in accordance with the requirement of Chapter III, Section 4 of the Companies (Further Issue of Shares) Regulations, 2018.

Management Responsibility

It is the management responsibility to ensure compliance with Chapter III, Section 4 of the Companies (Further Issue of Shares) Regulations, 2018. 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 in the audited financial statements of the Company for the year ended 31 December 2018 and checking whether Free Reserves are computed in accordance with the requirement of Chapter III, Section 4 of the Companies (Further Issue of Shares) Regulations, 2018.

Certificate

Based on the procedures mentioned above, we certify that the Free Reserves (in terms of meaning given in the Companies (Further Issue of Shares) Regulations, 2018 retained after the proposed issues of bonus shares of face value of Rs. 10 are more than 15 percent (Rs. 47,202,198) of the enhanced paid-up capital of Rs. 314,681,323.

Restriction on use and distribution

This certificate is issued in accordance with requirements of Chapter III, Section 4 of the Companies (Further Issue of Shares) Regulations, 2018 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

S. F. A.

**HIGHNOON LABORATORIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Annexure II



	2018 Rupees	2017 Rupees
Sales - net	7,503,100,506	5,971,228,748
Cost of sales	4,002,668,618	3,125,337,924
Gross profit	<u>3,500,431,888</u>	<u>2,845,890,824</u>
Distribution, selling and promotional expenses	<u>2,026,733,691</u>	<u>1,599,737,319</u>
Administrative and general expenses	349,634,787	270,080,061
Research and development expenses	3,799,270	3,606,954
Other operating expenses	88,654,494	84,485,841
Other income	2,468,822,242	1,957,910,175
Operating Profit	<u>33,044,391</u>	<u>29,277,764</u>
Finance costs	1,064,654,037	917,258,413
Profit before taxation	<u>8,387,492</u>	<u>4,959,755</u>
Taxation	1,056,266,545	912,298,658
Profit for the year	<u>330,375,342</u>	<u>285,834,489</u>
	<u>725,891,203</u>	<u>626,464,169</u>
Earnings per share - basic and diluted	<u>25.37</u>	Restated <u>21.90</u>



**HIGHNOON LABORATORIES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 Rupees	2017 Rupees
Sales - net	7,503,100,506	5,971,228,748
Cost of sales	3,959,685,559	3,119,718,409
Gross profit	<u>3,543,414,947</u>	<u>2,851,510,339</u>
Distribution, selling and promotional expenses	2,026,738,385	1,599,737,319
Administrative and general expenses	371,770,059	289,576,123
Research and development expenses	3,799,270	3,606,954
Other operating expenses	88,654,494	84,485,841
Other income	2,490,962,208	1,977,406,237
Operating Profit	<u>31,422,994</u>	<u>28,825,368</u>
Finance costs	1,083,875,733	902,929,470
Profit before taxation	18,256,444	6,785,858
Taxation	1,065,619,289	896,143,612
Profit for the year	<u>333,461,829</u>	<u>286,206,418</u>
	<u>732,157,460</u>	<u>609,937,194</u>
Earnings per share - basic and diluted	25.59	Restated 21.32