

KSE/N-3062

NOTICE

May 28, 2014

Reproduced hereunder letter No. SMD/CO.57(1)/07/2013 dated May 22, 2014 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**, (Securities Market Division, Market Supervision and Registration Department), regarding Issuance of Perpetual Bonds of PKR 510,231,440 by Treet Corporation Limited for information of all concerned.

(Copy of the same is also available on our Website www.kse.com.pk).



SECP

Securities and Exchange Commission of Pakistan

Securities Market Division – Market Supervision and Registration Department

No. SMD/Co.57(1)/07/2013

May 22, 2014

Rana Shakeel Shaukat,
Company Secretary,
Treet Corporation Limited,
72-B, Kot Lakhpat Industrial Area,
Lahore-54770

Subject: Application for approval to issue and circulate prospectus for the issue of perpetual Bond of PKR 510,231,440 by Treet Corporation Limited under Section 57(1) of the Companies Ordinance, 1984 read with Section 65(1) thereof.

Dear Sir,

Please refer to your letter dated April 25, 2014 and e-mail dated May 12, 2014 on the subject noted above.

2. The application of Treet Corporation Limited (the Company) for approval to issue and circulate prospectus for the issue of 12,755,786 perpetual Bonds (the Bonds) of the face value of Rs. 40/- each to its existing shareholders by way of right offer has been examined and it has been observed that:

- (i) the rate of return on the Bond which is kept at 3% is on the lower side as compared to other debt instruments including government securities such as PIBs (12.55%), NSBs (12.55%), RICs (11.88%). Further, after deduction of tax @ 10% on profit on Bonds the return on Bonds will be further decreased;
- (ii) the rate of return on the proposed Bond has been linked with the cash dividend on the ordinary shares announced, if any, by the Company. In this regard it is stated that in the absence of any guaranteed cash dividend by the Company on its ordinary shares, the rate of return on the proposed Bond is quite unreasonable;
- (iii) the conversion option on the Bonds has been kept at the sole discretion of the Company;
- (iv) although the bond holders is being given a redemption option, but the said redemption option is proposed to be available once after every ten years period which seems quite unfavorable for the investors; and

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