

The logo for TRG Pakistan Limited, featuring the lowercase letters 'trg' in a white, serif font on a red square background.

trg

TRG PAKISTAN
LIMITED

The title of the report, 'HALF YEARLY REPORT DECEMBER 2024', displayed in white, uppercase, sans-serif font against a dark red background with a grid of small dots and glowing circuit lines on the left side.

HALF YEARLY REPORT
DECEMBER 2024



Vision

To be the global leader in providing business process outsourcing services.

Mission

We aim to be the most efficient provider of business process outsourcing services by setting the industry standards for cost and quality of services.

We will grow through acquisition of other business process outsourcing companies that can benefit from our expertise, as well as through organic growth resulting from the strength of our franchise. Our long term success will be driven by our relentless focus on recruiting and developing the most talented pool of human capital in our industry.



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Corporate Information

Board of Directors

Mohammedulla Khan Khaishgi

Chairman

Hasnain Aslam

CEO

Patrick McGinnis

Ahmad Zuberi

John Leone

Mustafa Kirdar

Marlene Peller

Suleman Lalani

Asad Nasir

Abid Hussain

Audit Committee

Mustafa Kirdar - Chairman

Mohammedulla Khan Khaishgi

John Leone

HR Recruitment & Remuneration Committee

Marlene Peller - Chairperson

Hasnain Aslam

John Leone

Chief Financial Officer

Rahat Lateef

Company Secretary

Zeeshan Ul Haq

Legal Advisor

Lexium - Attorneys at Law

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Shares Registrar

THK Associates (Pvt.) Ltd.

Share Department,

Plot No. 32-C, Jami Commercial

Street 2, D.H.A. Phase VII,

Karachi-75500, Pakistan.

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Dolmen, HC-3, Block-4,

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Karachi-75600, Pakistan.

UAN: (021) 111-874-874

Fax: (021) 35184042

Report of the Directors

For the six-month period ended December 31, 2024

Your Directors are pleased to present the condensed interim financial information of TRG Pakistan Limited (the "Company") for the six-month period ended December 31, 2024.

Key Developments:

In late November 2024, our affiliate The Resource Group International Limited ("TRGIL"), realized a monetization of two-thirds of its equity stake in portfolio company Ibox Limited ("Ibox"). This equity stake was repurchased by Ibox for a consideration of \$70 million (paid in cash in November 2024 and January 2025) at a price of \$19.65 per share, being the closing price of Ibox's shares on the NASDAQ market on the date of the transaction. This price represented an over 60% premium to IBOX's share price in late 2021, even as the share prices of Ibox's publicly listed peers had declined by over 75% over that same period of time, driven primarily by investor uncertainty over the impact of generative artificial intelligence and automation. As such, this monetization has represented a highly successful outcome for TRGIL and the Company. TRGIL continues to retain a stake of about 12% in Ibox subsequent to this transaction, and remains the largest shareholder in Ibox.

From an operational perspective, Ibox has continued to build upon its investments in its commercial capabilities by returning to revenue growth in the first half of fiscal year 2025 despite continuing industry headwinds. It has also continued to invest in its automation and generative AI solutions, for which it has launched operations for several enterprise clients. We expect Ibox to continue to build on its technology and operational investments to outpace the challenges in the legacy outsourcing industry and to pivot its business model to a technology-led approach.

Our indirect portfolio company that provides Artificial Intelligence Enterprise Software (the "AI Software Business" or the "Business") has successfully completed its financial restructuring and recapitalization transaction with its senior lenders, who are the controlling shareholders of the post-restructuring entity. Other shareholders include existing preferred shareholders, including TRGIL, and the management team of the Business. This transaction was initially announced in September 2024 and was completed in December 2024 following court approvals in Bermuda and the United States. This restructuring addresses the debt maturity of the Business as well as its unsustainable senior leverage, which was incurred primarily between 2019 and 2021. At closing, the Company's indirect economic interest in the portfolio company, through TRGIL, is expected to be substantially retained in percentage terms, on an as-converted, fully-diluted basis, subject to certain adjustments from rights issue subscription and the future value of unvested warrants. With a restructured balance sheet, the Business will be able to better focus on sharpening its go-to-market efforts in line with investment in its product base.

TRG Pakistan Limited Financial Review:

The most significant item on our balance sheet is the value of the Company's share in its associate TRGIL, its sole operating asset. As of December 31, 2024, the value of such share in TRGIL is Rupees 46.0 billion, compared to Rupees 40.5 billion on June 30, 2024 and Rupees 43.4 billion on September 30, 2024 representing an increase of Rupees 5.4 billion and Rupees 2.5 billion respectively. This increase is due to a net profit earned by TRGIL during the financial period, due to reasons explained in the ensuing paragraph. In addition to the Company's stake in TRGIL, it also has other assets of Rupees 0.04 billion and liabilities of Rupees 8.4 billion (primarily relating to deferred taxes), resulting in net assets of Rupees 37.6 billion.

Our income statement is primarily driven by the changes in value of our share in TRGIL. Our share of the net profit in our equity accounted investee, TRGIL, was Rupees 5.4 billion. This is primarily due to the mark-to-market gain booked on Ibox shares held by TRGIL and also on account of gain in the shares held by Greentree Holdings Limited. The Company recognized interest income of Rupees 1.1 million in its income statement, whereas it incurred expenses of Rupees 282.4 million. Deferred tax amounting to Rupees 0.8 billion was booked during the period. Consequently, the Company posted an overall net profit of Rupees 4.3 billion for the six-month period ended December 31, 2024.

On a quarterly basis, for the quarter ended December 31, 2024, our net profit was Rupees 1.9 billion compared to net loss of Rupees 1.5 billion in the corresponding quarter last year.

Earnings per share

The earnings per share of the Company was Rupees 7.9 per share for the six-month period ended December 31, 2024, and Rupees 3.5 per share for the three months period ended December 31, 2024.

Outlook

We remain focused on enhancing the value of our remaining portfolio assets and then monetizing them in due course to maximize value and liquidity to shareholders of the Company.

Acknowledgments

Your Directors close this report by thanking you of your continued confidence in the Company, and for the opportunity to serve you as your fiduciaries in the management of your Company.

For and on Behalf of the Board of Directors



Mohammedulla Khan Khaishgi
Chairman

Karachi
February 27, 2025



Hasnain Aslam
Chief Executive

بنیادی طور پر ٹی آر جی آئی ایل کے پاس آئی ٹیکس حصص پر بک کیے گئے مارک ٹومارکیٹ گین اور گرین ٹری ہولڈنگز لمیٹڈ کے حصص میں اضافے کی وجہ سے ہے۔ کمپنی نے اپنی آمدنی کے بیان میں ۱۰۱ ملین روپے کی سود کی آمدنی کو تسلیم کیا، جب کہ اس نے ۲۸۲.۴ ملین روپے کے اخراجات کیے ہیں۔ اس عرصے کے دوران ۰.۸ بلین روپے کا موثر ٹیکس بک کیا گیا۔ نتیجتاً، کمپنی نے ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی چھ ماہ کی مدت کے لیے مجموعی طور پر ۴.۳ بلین روپے کا منافع کمایا۔

سہ ماہی بنیاد پر، ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی سہ ماہی کے لیے ہمارا خالص منافع ۱.۹ ارب روپے رہا، جو کہ پچھلے سال کی اسی سہ ماہی میں ہونے والے ۱.۵ ارب روپے کے خالص نقصان کے مقابلے میں نمایاں بہتری ہے۔

فی حصص آمدنی:

کمپنی کی فی حصص آمدنی ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی چھ ماہ کی مدت کے لیے ۷.۹ روپے فی حصص رہی، جبکہ ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی تین ماہ کی مدت کے لیے ۳.۵ روپے فی حصص ریکارڈ کی گئی۔

نقطہ نظر:

ہم اپنے باقی ماندہ پورٹ فولیو اثاثوں کی قدر میں اضافے پر توجہ مرکوز رکھے ہوئے ہیں اور مناسب وقت پر انہیں مونیٹائر کرنے کے لیے کوشاں ہیں، تاکہ کمپنی کے شیئر ہولڈرز کے لیے زیادہ سے زیادہ قدر اور لیکویڈٹی کو یقینی بنایا جاسکے۔

اظہار تشکر:

اس رپورٹ کے اختتام پر ڈائریکٹرز آپ کے مستقل اعتماد اور کمپنی کی انتظامیہ کو امین کے طور پر خدمات کا موقع دینے پر آپ کے تہ دل سے مشکور ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

Hassan Ali

حسین اسلم

چیف ایگزیکٹو

Muhammad Ali

محمد اللہ خان خٹک

چیئر مین

کراچی

تاریخ: ۲۷ فروری ۲۰۲۵

ہمارے بالواسطہ پورٹ فولیو کی کمپنی، جو مصنوعی ذہانت پر مبنی انٹرپرائز سافٹ ویئر فراہم کرتی ہے (اے آئی سافٹ ویئر برنس "یا" برنس")، نے اپنے سینئر قرض دہندگان کے ساتھ کامیابی سے مالیاتی تنظیم نو اور دوبارہ سرمایہ کاری کا لین دین مکمل کر لیا ہے۔ یہ سینئر قرض دہندگان تنظیم نو کے بعد کی کمپنی کے کنٹرولنگ شیئر ہولڈرز بن گئے ہیں، جبکہ دیگر شیئر ہولڈرز میں موجودہ ترجیحی شیئر ہولڈرز، بشمول ٹی آر جی آئی ایل، اور برنس کی مینجمنٹ ٹیم شامل ہیں۔

یہ لین دین ابتدائی طور پر ستمبر ۲۰۲۳ میں اعلان کیا گیا تھا اور دسمبر ۲۰۲۳ میں برمودا اور امریکہ میں عدالتی منظور یوں کے بعد مکمل ہوا۔ اس تنظیم نو کا مقصد برنس کے قرضوں کی میچورٹی اور ۲۰۱۹ سے ۲۰۲۱ کے دوران حاصل کیے گئے غیر مستحکم سینئر قرضوں کے مسائل کو حل کرنا تھا۔ لین دین کے اختتام پر، کمپنی کا بالواسطہ اقتصادی مفاد، ٹی آر جی آئی ایل کے ذریعے، بنیادی طور پر اسی تناسب میں برقرار رہنے کی توقع ہے، مکمل طور پر تبدیل شدہ اور مکمل طور پر کم شدہ بنیادوں پر، اگرچہ حقوق کے اجراء کی رکنیت اور غیر مستحق وارنٹس کی مستقبل کی قدر جیسے عوامل کی بنا پر کچھ ایڈجسٹمنٹس ممکن ہیں۔ ایک از سر نو مستحکم شدہ بیلنس شیٹ کے ساتھ، برنس اپنی مارکیٹ میں رسائی کی حکمت عملی کو مزید موثر طریقے سے ترتیب دینے اور اپنی پروڈکٹ میں سرمایہ کاری کے مطابق ترقی پر بہتر طور پر توجہ مرکوز کر سکے گا۔

ٹی آر جی پاکستان لمیٹڈ مالیاتی جائزہ:

ہماری بیلنس شیٹ پر سب سے اہم چیز اس کے ساتھی ٹی آر جی آئی ایل میں کمپنی کے حصہ کی قدر ہے، جو اس کا واحد آپریٹنگ اثاثہ ہے۔ ۳۱ دسمبر ۲۰۲۳ تک، ٹی آر جی آئی ایل میں اس طرح کے شیئر کی مالیت ۳۶۰.۰ بلین روپے ہے، جو کہ ۳۰ جون ۲۰۲۳ کو ۳۰۰.۵ بلین روپے اور ۳۰ ستمبر 2024 کو ۳۳۰.۴ بلین روپے تھی جو بالترتیب ۵.۰۴ بلین روپے اور ۲۰.۵ بلین روپے کے اضافے کی نمائندگی کرتی ہے۔ یہ اضافہ مالیاتی مدت کے دوران ٹی آر جی آئی ایل کی طرف سے کمائے گئے خالص منافع کی وجہ سے ہے، جس کی وجہ آئندہ پیراگراف میں بیان کی گئی ہے۔ ٹی آر جی آئی ایل میں کمپنی کے حصص کے علاوہ، اس کے پاس ۰.۰۴ بلین روپے کے دیگر اثاثے اور ۸.۰۴ بلین روپے کی واجبات (بنیادی طور پر موخر ٹیکسوں سے متعلق) ہیں، جس کے نتیجے میں ۳۷.۰۶ بلین روپے کے خالص اثاثے ہیں۔

ہماری آمدنی کا بیان بنیادی طور پر ٹی آر جی آئی ایل میں ہمارے حصص کی قدر میں ہونے والی تبدیلیوں سے چلتا ہے۔ ہماری ایکویٹی اکاؤنٹنٹیٹی، ٹی آر جی آئی ایل میں خالص منافع میں ہمارا حصہ ۵.۰۴ بلین روپے تھا۔ یہ

ڈائریکٹرز کی رپورٹ

چھ ماہ کی مدت کے لیے جو ۳۱ دسمبر ۲۰۲۳ کو ختم ہوئی

آپ کے ڈائریکٹرز ۳۱ دسمبر ۲۰۲۳ کو ختم ہونے والی چھ ماہ کی مدت کے لیے ٹی آر جی پاکستان لمیٹڈ ("کمپنی") کی مختصر عبوری مالیاتی معلومات انتہائی مسرت کے ساتھ پیش کر رہے ہیں۔

اہم پیشرفت:

نومبر ۲۰۲۳ کے آخر میں، ہماری الحاق شدہ کمپنی، دی ریورس گروپ انٹرنیشنل لمیٹڈ ("ٹی آر جی آئی ایل") نے اپنی پورٹ فولیو کمپنی آئی بیکس لمیٹڈ (آئی بیکس) میں اپنے دو تہائی ایکویٹی حصص کو موٹو پیکر کیا۔ یہ ایکویٹی حصص آئی بیکس نے دوبارہ خرید لیے، جس کی مجموعی قیمت ۷۰ ملین امریکی ڈالر تھی۔ یہ ادا ایسی گئی نومبر ۲۰۲۳ اور جنوری ۲۰۲۵ میں نقد رقم کی صورت میں کی گئی۔ یہ لین دین آئی بیکس کے حصص کی این اے ایس ڈی اے کیو مارکیٹ میں اسی تاریخ کے اختتامی قیمت \$19.۶۵ فی شیئر پر انجام پایا۔ یہ قیمت آئی بیکس کے حصص کی ۲۰۲۱ کے آخر کی قیمت کے مقابلے میں ۶۰% سے زائد پر ایم پرتھی، حالانکہ اسی مدت کے دوران آئی بیکس کے دیگر عوامی طور پر درج ہم منصبوں کے حصص کی قیمت میں ۷۵% سے زائد کمی واقع ہوئی۔ اس کمی کی بنیادی وجہ مصنوعی ذہانت اور خود کار نظاموں کے اثرات سے متعلق سرمایہ کاروں کی غیر یقینی صورتحال تھی۔ چنانچہ، یہ موٹو پیکریشن ٹی آر جی آئی ایل اور کمپنی کے لیے ایک انتہائی کامیاب مالی نتیجہ ثابت ہوئی۔ اس لین دین کے بعد، ٹی آر جی آئی ایل اب بھی آئی بیکس میں تقریباً ۱۲% حصص کا مالک ہے اور آئی بیکس کا سب سے بڑا شیئر ہولڈر برقرار ہے۔

عملی نقطہ نظر سے، آئی بیکس نے اپنے تجارتی صلاحیتوں میں کی گئی سرمایہ کاری کو مزید مستحکم کیا ہے اور صنعت میں جاری چیلنجز کے باوجود مالی سال ۲۰۲۵ کی پہلی ششماہی میں دوبارہ ریونیو میں ترقی حاصل کی ہے۔ اس کے ساتھ، کمپنی نے اپنے آئی بیکس اور جنریٹو مصنوعی ذہانت (آئی بیکس) حلوں میں بھی سرمایہ کاری جاری رکھی ہے اور کئی بڑے اداروں کے لیے ان خدمات کا آغاز کیا ہے۔ ہم توقع کرتے ہیں کہ آئی بیکس اپنی ٹیکنالوجی اور عملی سرمایہ کاری کو مزید فروغ دے گا تاکہ روایتی آؤٹ سورسنگ انڈسٹری میں درپیش چیلنجز سے آگے نکل سکے اور اپنے کاروباری ماڈل کو ٹیکنالوجی پر مبنی حکمت عملی کی طرف منتقل کر سکے۔



TRG PAKISTAN
LIMITED

Condensed Interim Financial Statements

For the six months period ended

December 31, 2024

**HALF YEARLY REPORT
DECEMBER 2024**

Independent Auditor's Review Report

To the members of TRG Pakistan Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **TRG Pakistan Limited** ("the Company") as at 31 December 2024 and the related condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to:

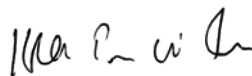
- Note 13.1 of the interim financial statements wherein status of the matters pending with the regulatory bodies and courts are disclosed.
- Note 14 of the interim financial statements wherein it is explained that the financial statements of the Company for the years ended 30 June 2022, 30 June 2023 and 30 June 2024 have not yet been adopted by the shareholders of the Company due to pending Annual General Meetings.

Our conclusion is not modified in respect of these matters.

Other matter

The figures for the three months ended 31 December 2024 and 31 December 2023 in the condensed interim statement of profit or loss account and other comprehensive income have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the review engagement resulting in this independent auditors' report is **Zeeshan Rashid**.



KPMG Taseer Hadi & Co.
Chartered Accountants

Date: February 27, 2025

Karachi

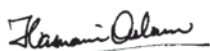
UDIN: RR202410188SRtNHc6GI

Condensed Interim Statement of Financial Position

As at December 31, 2024

		December 31, 2024 (Unaudited)	June 30, 2024 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Operating fixed assets		947	1,292
Long term investment	4	45,963,878	40,544,488
Long term deposit		75	75
		45,964,900	40,545,855
Current assets			
Accrued interest		299	235
Prepayment		2,213	887
Taxation - net		4,498	3,399
Cash and bank balances	5	32,146	31,654
		39,156	36,175
Total assets		46,004,056	40,582,030
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	6	7,330,000	7,330,000
<i>Share capital</i>			
Issued, subscribed and paid-up capital	6	5,453,907	5,453,907
<i>Revenue reserves</i>			
Foreign currency translation reserve		28,136,800	28,127,185
Unappropriated profit / (loss)		4,019,336	(295,075)
		37,610,043	33,286,017
Non-current liabilities			
Deferred tax liabilities - net		7,556,962	6,744,053
Current liabilities			
Payable to related parties	7	802,834	520,106
Accrued and other liabilities		18,649	16,284
Unclaimed dividend		15,207	15,259
Payable to provident fund		361	311
		837,051	551,960
Total equity and liabilities		46,004,056	40,582,030
Contingencies and commitments	8		

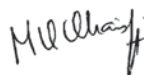
The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



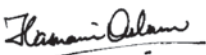
Director

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the six months period ended December 31, 2024

Note	Six months period ended		Three months period ended		
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	
	(Rupees in '000)				
Interest income	9	1,136	1,320	629	731
Administrative and other expenses		(282,438)	(135,112)	(146,707)	(46,179)
Operating loss		(281,302)	(133,792)	(146,078)	(45,448)
Share of profit / (loss) in equity accounted investee	4.2	5,408,077	(12,311,553)	2,415,335	(1,719,708)
Profit / (Loss) before taxation		5,126,775	(12,445,345)	2,269,257	(1,765,156)
Taxation		(812,364)	1,846,733	(362,300)	257,956
Profit / (Loss) after taxation		4,314,411	(10,598,612)	1,906,957	(1,507,200)
Other comprehensive income					
<i>Items that may be reclassified to statement of profit or loss in subsequent periods</i>					
Effect of translation of net investment in foreign associate - net of tax		9,615	(875,569)	108,890	(1,428,143)
Total comprehensive income / (loss)		4,324,026	(11,474,181)	2,015,847	(2,935,343)
----- (Rupees) -----					
Earnings / (Loss) per share - basic and diluted		7.91	(19.43)	3.50	(2.76)

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Condensed Interim Statement of Changes in Equity

For the six months period ended December 31, 2024

	Issued, subscribed and paid-up capital	Revenue Reserves		Total
		Foreign currency translation reserve	Unappropriated profit	
----- (Rupees in '000) -----				
Balance as at July 1, 2023 - audited	5,453,907	29,492,506	30,553,025	65,499,438
Total comprehensive income				
for the period ended December 31, 2023				
Loss for the period	-	-	(10,598,612)	(10,598,612)
Other comprehensive income				
Foreign currency translation difference - net of tax	-	(875,569)	-	(875,569)
	-	(875,569)	(10,598,612)	(11,474,181)
Balance as at December 31, 2023 - unaudited	5,453,907	28,616,937	19,954,413	54,025,257
Balance as at June 30, 2024 - audited	5,453,907	28,127,185	(295,075)	33,286,017
Total comprehensive income				
for the period ended December 31, 2024				
Profit for the period	-	-	4,314,411	4,314,411
Other comprehensive income				
Foreign currency translation difference - net of tax	-	9,615	-	9,615
	-	9,615	4,314,411	4,324,026
Balance as at December 31, 2024 - unaudited	5,453,907	28,136,800	4,019,336	37,610,043

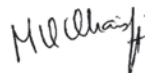
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Chief Executive Officer



Chief Financial Officer



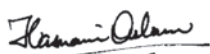
Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended December 31, 2024

		December 31, 2024	December 31, 2023
	Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash generated from operations	10	1,724	2,700
Interest income received		1,072	1,242
Income tax paid		(2,252)	(186)
Net cash generated from operating activities		544	3,756
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to fixed assets		-	(546)
Net cash used in investing activities		-	(546)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(52)	(56)
Net cash used in financing activities		(52)	(56)
Net increase in cash and cash equivalents during the period		492	3,154
Cash and cash equivalents at the beginning of the period		31,654	22,347
Cash and cash equivalents at end of the period		32,146	25,501

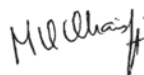
The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended December 31, 2024

I. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 TRG Pakistan Limited ("the Company") was incorporated in Pakistan as a public limited company on December 2, 2002 under the repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 24th Floor, Sky Tower, West Wing, Dolmen, HC-3, Block- 4, Marine Drive, Clifton, Karachi, Pakistan. On May 14, 2003 the Company obtained a license from the Securities and Exchange Commission of Pakistan ("SECP") to undertake venture capital investment as a Non-Banking Finance Company in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). On January 18, 2012 the Company exited from NBFC regime and continues to operate as a listed company.
- 1.2 The principal activity of the Company, through its associate, The Resource Group International Limited (TRGIL) is to invest in a portfolio of investments primarily in the Technology and IT enabled services sectors.

2. BASIS OF PREPARATION

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all of the information required for full financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

These condensed interim financial statements comprises the condensed interim statement of financial position as at December 31, 2024, condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes thereto for the six months period then ended.

The comparative condensed interim statement of financial position, presented in these condensed interim financial statements as at June 30, 2024 has been extracted from the annual audited financial statements of the Company for the year then ended, whereas the comparative condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from the unaudited condensed interim financial statements for the six months period ended December 31, 2023.

2.1 Judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to annual audited financial statements of the Company for the year ended June 30, 2024.

2.2 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are effective for annual periods beginning on or after July 01, 2024 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim financial statements.

2.3 Risk management

Risk management policies are consistent with those disclosed in the annual audited financial statements of the Company for the year ended June 30, 2024. With reference to the liquidity risk, a major portion of the Company's financial liabilities are obligations due to the Company's associate, TRGIL, whose 100% net assets are factually owned by the Company as at December 31, 2024, TRGIL has assured the Company that it will not demand payments of its payable in the next 12 months as it has sufficient liquidity to meet its financial obligations as they fall due, unless the Company's financial position permits and will provide sufficient funds support to the Company to operate smoothly.

2.4 Basis of measurement

This condensed interim financial information have been prepared under going concern basis and under the historical cost convention except for the investments which are stated at fair value.

2.5 Functional and presentation currency

These condensed interim financial statements is presented in Pakistani Rupees which is the Company's functional and presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2024. Further, accounting policies related to material class of accounts does not necessarily mean it is material.

4. LONG TERM INVESTMENT

	Note	December 31, 2024 (Un-audited) ---- (Rupees in '000) ----	June 30, 2024 (Audited)
The Resource Group International Limited (TRGIL) Unquoted 60,450,000 (June 30, 2023: 60,450,000) Series B Preferred Shares			
- Equity accounted investee	4.1 & 4.2	45,963,878	<u>40,544,488</u>

- 4.1 This represents investment in TRGIL, an associate incorporated in Bermuda having par value and additional paid up share capital of US\$ 0.01 and US\$ 0.99 per share respectively. The registered office of TRGIL is situated at Crawford House 50, Cedar Avenue, Hamilton HM 11, Bermuda. The Company holds 60,450,000 shares in TRGIL representing 68.8% of the total shares in issue (June 30, 2024: 68.8%), but with voting power of 45.3% (June 30, 2024: 45.3%). Furthermore, the Company does not control the composition of the board, i.e. it does not have the power to appoint majority of directors on TRGIL's board nor does it exercise or control more than fifty percent of TRGIL's voting power as per the contractual arrangements in place, thereby making TRGIL an associate. The percentage holding for share of associate accounting is calculated after taking into account the features of each class of shares and assets that have been earmarked for respective shareholders, which has resulted in 100% effective beneficial interest over its residual net assets after taking into account the interest accruing to other shareholders (June 30, 2024: 100%).

4.2 Reconciliation of carrying amount of investment

	December 31, 2024 (Un-audited) ---- (Rupees in '000) ----	Jun 30, 2024 (Audited)
Opening balance	40,544,488	78,057,512
Share of profit / (loss)	5,408,077	(35,906,764)
Exchange translation impact	11,313	(1,606,260)
Closing balance	<u>45,963,878</u>	<u>40,544,488</u>

5. CASH AND BANK BALANCES

Balance with bank in		
- Current accounts	11,995	12,034
- Current account - Shariah Compliant	4,517	6,282
- Savings account	15,613	13,335
	<u>32,125</u>	<u>31,651</u>
Cash in hand	21	3
	<u>32,146</u>	<u>31,654</u>

6. SHARE CAPITAL

	December 31, 2024 (Un-audited)		June 30, 2024 (Audited)	
	Number of shares	(Rupees in '000)	Number of shares	(Rupees in '000)
Authorized share capital				
- Ordinary class 'A' shares of Rs.10 each	720,000,000	7,200,000	720,000,000	7,200,000
- Ordinary class 'B' shares of Rs.10 each	13,000,000	130,000	13,000,000	130,000
	<u>733,000,000</u>	<u>7,330,000</u>	<u>733,000,000</u>	<u>7,330,000</u>
Issued, subscribed and paid-up capital				
Ordinary class 'A' shares of Rs. 10 each				
- allotted for consideration paid in cash	535,765,687	5,357,657	535,765,687	5,357,657
- allotted for consideration other than cash (note 6.1)	9,624,978	96,250	9,624,978	96,250
	<u>545,390,665</u>	<u>5,453,907</u>	<u>545,390,665</u>	<u>5,453,907</u>

6.1 These shares were issued in exchange of 1,636,000 shares of TRGIL of US\$ 1 each in 2003.

7. PAYABLE TO RELATED PARTIES

7.1 This includes payable to TRGIL, an associate of the Company, for funds advanced by TRGIL to the Company for meeting its day to day operational expenses. During the period, funds amounting to US\$ 0.462 million (2023: US\$ 0.35 million) equivalent to Rs.128.466 million (2023: Rs. 100.85 million) were advanced by TRGIL. Furthermore, expense incurred by TRGIL on behalf of the Company amounted to US\$ 0.551 million (2023: US\$ 0.16 million) equivalent to Rs. 153.132 million (2023: Rs. 48.11 million), whereas, foreign exchange loss recognised in respect of this foreign liability amounted to Rs. 0.327 million (2023: foreign exchange gain of Rs. 6.30 million).

7.2 This also includes payable to TRG (Private) Limited, an associate of the Company, for shared administrative expenses incurred by TRG (Private) Limited on behalf of the Company amounting to Rs. 1.60 million (June 30, 2024: Rs. 0.798 million). During the period, an amount of Rs. 1.60 million (2023: Rs. 1.28 million) has been charged in this respect by the associated company.

8. CONTINGENCIES AND COMMITMENTS

- 8.1 There is no change in contingencies and commitments as reported in note 13 to the annual audited financial statements for the year ended June 30, 2024 other than the following:

During the period, deemed assessment for the tax year 2021 has amended by the Taxation Officer whereby deductions claimed were questioned and a tax demand of Rs. 9.38 million has been raised. Being aggrieved by the said order, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) and paid 10% of the demanded income tax in order to restrict recovery proceedings. The appeal is currently pending and is yet to be heard. Based on the views of tax advisor of the Company, the management believes that the matter will ultimately be decided in the Company's favour. Accordingly, no provision has been made in these condensed interim financial statements and 10% paid tax demand has been recorded as advance tax at period end.

9. INTEREST INCOME

This represents interest income earned on conventional bank deposit.

10. CASH FLOW FROM OPERATIONS

	December 31, 2024	December 31, 2023
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Note		
Net profit / (loss) before taxation	5,126,775	(12,445,345)
Adjustments for:		
Depreciation	345	321
Interest income on bank balances	(1,136)	(1,320)
Share of (profit) / loss in equity accounted investee	(5,408,077)	12,311,553
Effect on cash flows of working capital changes	283,817	137,491
	10.1	
	(5,125,051)	12,448,045
	1,724	2,700

10.1 Working capital changes

<i>Increase in current assets</i>		
Prepayments	(1,326)	(1,825)
<i>Increase in current liabilities</i>		
Accrued and other liabilities	2,415	(2,117)
Payable to related parties	282,728	141,433
	285,143	139,316
	283,817	137,491

11. FAIRVALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. As the accompanying the condensed interim financial statements are prepared under the historical cost method, differences may arise between the book values and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values since all of the financial instruments of the Company are classified as amortized cost or are repriced frequently.

12. RELATED PARTY DISCLOSURES

Related parties comprise of associates, subsidiaries, directors and their close family members, staff retirement benefit fund and key management personnel of the Company. Transactions with related parties are carried out on agreed basis and are settled in ordinary course of business. Remuneration and benefits to executives of the Company are in accordance with the terms of the employment while contribution to the provident fund is in accordance with Staff Service Rules.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and departmental heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement.

Related party transactions and balances other than those disclosed elsewhere in these condensed interim financial statements are as follows:

Transactions with related parties

Description of related parties	Nature of transaction	December 31,	December 31,
		2024	2023
		----- (Un-audited) -----	
		----- (Rupees in '000) -----	
Directors	Board and other meeting fees	18,400	13,400
Key management personnel	Remuneration	33,250	28,113
Staff retirement fund - TRGP Staff Employees Provident Fund	Company's Contribution	2,168	1,621
		53,818	43,134

No remuneration was paid to the Chief Executive Officer of the Company during the period (December 31, 2023: Nil).

- 12.1 The investments out of provident fund of the Company have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

13. UPDATE ON LITIGATION AND REGULATORY CASES

- 13.1 There is no change in status of litigation and regulatory cases as reported in note 26.1 to the annual audited financial statements for the year ended June 30, 2024 except for the following:

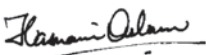
With reference to Chishti arbitration, on October 9, 2024, the District Court entered an order on the preliminary injunction motion filed by Mr. Chishti on April 29, 2024, holding on a provisional basis that Chishti's derivative claims are subject to the Release, and that at least two of the Claims, as alleged, are not covered by the Release because certain purchases of Company shares commenced after January 10, 2022, which is after the date of the Release. The parties in the arbitration submitted briefing on the issues of leave to amend and arbitrability of Chishti's Second Amended Demand. On November 30, 2024, Mr. Chishti moved the arbitrator for a preliminary injunction to prevent or otherwise limit the voting of shares in the Company held by Greentree Holdings Limited. The arbitrator denied Mr. Chishti's preliminary injunction request on December 9, 2024. On January 9, 2025, the Company and its co-plaintiffs submitted a letter to the District Court with a proposed briefing schedule for the District Court to adjudicate the applicability of the Release to the remaining claims in the Chishti Arbitration. On January 28, 2025, Mr. Chishti moved the arbitrator for another preliminary injunction to halt a tender offer by non-party Greentree Holdings Limited to purchase Company shares and require the Company to conduct immediate Board elections. On February 20, 2025 the arbitrator, in connection with Chishti's proposed Second Amended Demand, ruled that it lacks jurisdiction to join Chishti's proposed additional claimants and new respondents, and it denied Chishti from asserting any derivative claims, but ordered Mr. Chishti to file a new second amendment demand consistent with its rulings. As the matter is in its early stage of arbitration, no reasonable estimation of contingency, if any, can be given at this time. The Company has consulted legal counsel and believes that it has meritorious claims, arguments, and defenses in each matter.

In addition, there are a number of cases filed in different courts surrounding the election of directors which were due at the end of the term of current Board on January 13, 2025. Separate suits were filed by two shareholders of the Company before the Senior Civil Judge at Lahore, whereby the Honorable Civil Judge issued ad-interim orders dated December 2, 2024, and December 10, 2024, respectively, to restrain the Company in respect of its board elections and directed it to maintain status quo till further orders. The Additional District Judge in Lahore disposed of an appeal filed by Mr. Chishti, to suspend the order of Senior Civil Judge. Mr. Chishti then joined these proceedings and received a stay before the Lahore High Court challenging the dismissal of his appeal against the Senior Civil Judge's ad-interim orders to stay the elections. Similarly, in one of the cases filed by a shareholder of the Company in the Islamabad District Court, an ad-interim order was passed on February 11, 2025, to restrain the Company from conducting election till next hearing. Mr. Chishti has received a stay before the Islamabad High Court challenging the Senior Civil Judge's ad-interim orders to stay the elections. The Company has consulted legal counsel and believes that it has good arguable cases and no loss is likely to arise from the above cases.

13.2 In addition, there are a few other proceedings and cases related to previous litigation as well as litigation filed during the period, which the Company believes carry no merits.

14. DATE OF AUTHORISATION FOR ISSUE

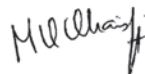
These condensed interim financial statements were authorised for issue on February 27, 2025 by the Board of Directors of the Company. As more fully explained in note 26 and 28.2 to the annual audited financial statements for the year ended June 30, 2024 due to the pending Annual General Meetings of the Company for June 30, 2022, June 30, 2023 and June 30, 2024 respectively, the financial statements of the Company for the years ended June 30, 2022, June 30, 2023 and June 30, 2024 have not been adopted by the shareholders of the Company.



Chief Executive Officer



Chief Financial Officer



Director

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TRG PAKISTAN LTD.

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