



TRG PAKISTAN LIMITED

**QUARTERLY REPORT
SEPTEMBER 30, 2016**

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.

Contents

Corporate Information	04
Report of the Directors	05
Condensed Interim Unconsolidated Financial Information of TRG Pakistan Limited	11

Corporate Information

Board of Directors

Peter H.R. Riepenhausen
Chairman

Muhammad Ziaullah Khan Chishti
CEO

Zafar Iqbal Sobani

Muhammad Ali Jameel

John Leone

Mohammedullah Khan Khaishgi

Patrick McGinnis

Ameer S. Qureshi

Rafiq K. Dossani

Hassan Farooq

Audit Committee

Patrick McGinnis - Chairman

Ameer S. Qureshi

Rafiq K. Dossani

HR Recruitment &

Remuneration Committee

John Leone - Chairman

Peter H.R. Riepenhausen

Zafar Iqbal Sobani

Chief Financial Officer

Hassan Farooq

Legal Advisor

Lexium - Attorneys at Law

Auditors

KPMG Taseer Hadi & Co.

Chartered Accountants

Shares Registrar

THK Associates (Pvt.) Ltd.

Share Department,

2nd Floor, State Life Bldg. No.3,

Dr. Ziauddin Ahmed Road, Karachi.

UAN: (021) 111-000-322

FAX: (021) 35655595

Registered Office

Centre Point Building, Level 18, Plot No. 66/3-2, Off.

Shaheed-e-Millat Expressway, Near KPT Interchange

Flyover, Karachi-74900, Pakistan.

UAN: (021) 111-874-874

FAX: (021) 35805893

Report of the Directors

For the quarter ended September 30, 2016

Your Directors are pleased to present the standalone Financial Statements of TRG Pakistan Limited for the period ended September 30, 2016. We would like to note that we have applied to the Securities and Exchange Commission of Pakistan (SECP) for exemption from the requirement of preparing consolidated financials for this current quarter. The reason for this exemption is that two of our investee companies (IBEX Global Solutions and Digital Globe Services) which are listed on the London Stock Exchange in AIM Market, do not release their financial information in the first and third quarter of the year, as their financial calendar is on a half-yearly basis. We are in the process of delisting both the companies from the London Stock Exchange and the entire delisting process will take a couple of months therefore, we are confident that we shall be in a position to report the consolidated financials for the next quarter.

Key Developments

On a standalone basis, TRG Pakistan Limited serves as a holding company that holds equity interest in various operating companies through its TRG International Limited subsidiary. TRG Pakistan Limited has a 57.32% stake in TRG International Limited, and our financial statements reflect that stake at a book value of Rupees 13,137 million (June 30, 2016: Rupees 12,919 million). This is a result of continued efforts of the management to create value in our subsidiaries and we are confident that the value of our subsidiaries will increase further as we approach closer to their listing.

We will provide a more detailed update on our subsidiary-by-subsidary operations at the time of our consolidated financial statements release for the period ending December 31, 2016.

TRG Pakistan Limited Standalone Financial Statements

TRG Pakistan Limited essentially serves as a holding company, with its sole material asset being its investment in The Resource Group International Limited (TRGIL).

The Company recognized standalone income of Rupees 56.0 million consisting of return on its cash balances and loans whereas it incurred expenses of Rupees 2.9 million associated with its holding company activities. As a result, TRG Pakistan Limited realized a profit before tax of Rupees 53.2 million for the quarter ended September 30, 2016.

Outlook

We continue to execute on our strategic plan on enhancing the value of our operating assets and preparing for the realization of this value. Central to this plan is the continued increase in value of our Afiniti subsidiary and the consequent assessment of value realization options. Our upcoming increase in scale of our eTelequote subsidiary would allow us to attain the scale associated with investor interest from both the private and public markets. With respect to our listed subsidiaries, we continue to consider ways in which the company valuations would better reflect the powerful operational results realized to date.

Acknowledgments

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

Karachi
Dated: October 31, 2016

For and on behalf of the Board of Directors
Muhammad Ziaullah Khan Chishti
Chief Executive

اظہار تشکر :

اس رپورٹ کے اختتام میں ڈائریکٹرز آپ کے مستقل اعتماد اور کمیٹی کی انتظامیہ کو امین کے طور پر خدمات فراہم کرنے کا موقع دینے پر آپ کے تہہ دل سے مشکور ہیں۔

کراچی۔

تاریخ: 31 اکتوبر 2016

بورڈ آف ڈائریکٹرز کی جانب سے

محمد ضیاء اللہ خان چشتی
چیف ایگزیکٹو

ڈائریکٹرز کی رپورٹ

برائے سہ ماہی اختتام پزیر 30 ستمبر 2016

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ 30 ستمبر 2016 کو اختتام پزیر ہونے والے سہ ماہی کیلئے ٹی آر جی پاکستان لمیٹڈ کے انفرادی معاشی بیانیے پیش کر رہے ہیں۔ ہم یہ بیان کرنا چاہیں گے کہ ہم نے موجودہ سہ ماہی کیلئے مجموعی معاشی بیانیوں کی تیاری کے تقاضے سے استثنیٰ کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو درخواست دی ہوئی ہے۔ اس رعایت کی وجہ یہ ہے کہ دو کمپنیاں جن میں ہمارا سرمایہ لگا ہوا ہے (آئی بیس گلوبل سولیوشن اور ڈیجیٹل گلوبل سروسز) اور وہ لندن اسٹاک ایکسچینج کی AIM مارکیٹ میں لسٹڈ ہیں، نے سال کے پہلے اور تیسرے سہ ماہی کی معاشی معلومات شائع نہیں کی ہیں کیونکہ ان کا معاشی کیلنڈر ششماہی کی بنیاد پر ہوتا ہے۔ ہم ان دونوں کمپنیوں کو لندن اسٹاک ایکسچینج سے ڈی لسٹ کرنے کے عمل سے گزر رہے ہیں اور ڈی لسٹنگ کے مکمل عمل میں کچھ ماہ کا عرصہ درکار ہوگا، لہذا ہم پر امید ہیں کہ آئندہ سہ ماہی میں ہم مجموعی معاشی بیانیے تیار کر سکیں گے۔

اہم ترقیات :

انفرادی بنیاد پر، ٹی آر جی پاکستان لمیٹڈ جو کہ ہولڈنگ کمپنی کے طور پر کام کرتی ہے اور مختلف آپریٹنگ کمپنیوں میں اپنے ذیلی ادارے ٹی آر جی انٹرنیشنل لمیٹڈ کے ذریعے سرمایہ کاری کرتی ہے۔ ٹی آر جی پاکستان لمیٹڈ کا ٹی آر جی انٹرنیشنل لمیٹڈ میں 657.32% حصہ ہے اور ہمارے معاشی بیانیے میں اس حصے کو 13,137 ملین روپے (جو 30 جون 2016 کو 12,919 ملین روپے تھا) کے طور پر ظاہر کیا گیا ہے۔ یہ ہمارے ذیلی اداروں کی قدر بڑھانے کیلئے انتظامیہ کی انتھک کوششوں کا ثمر ہے اور ہم پر امید ہیں کہ اس کی قدر میں مزید اضافہ متوقع ہے کیونکہ ہم ان کی لسٹنگ کروانے کے بہت قریب ہیں۔

ہم اپنے تمام ذیلی اداروں کی کارکردگی کا تفصیلی خلاصہ 31 دسمبر 2016 کی مدت کے اختتام پر جاری ہونے والے مجموعی معاشی بیانیوں کے اجراء کے موقع پر بیان کریں گے۔

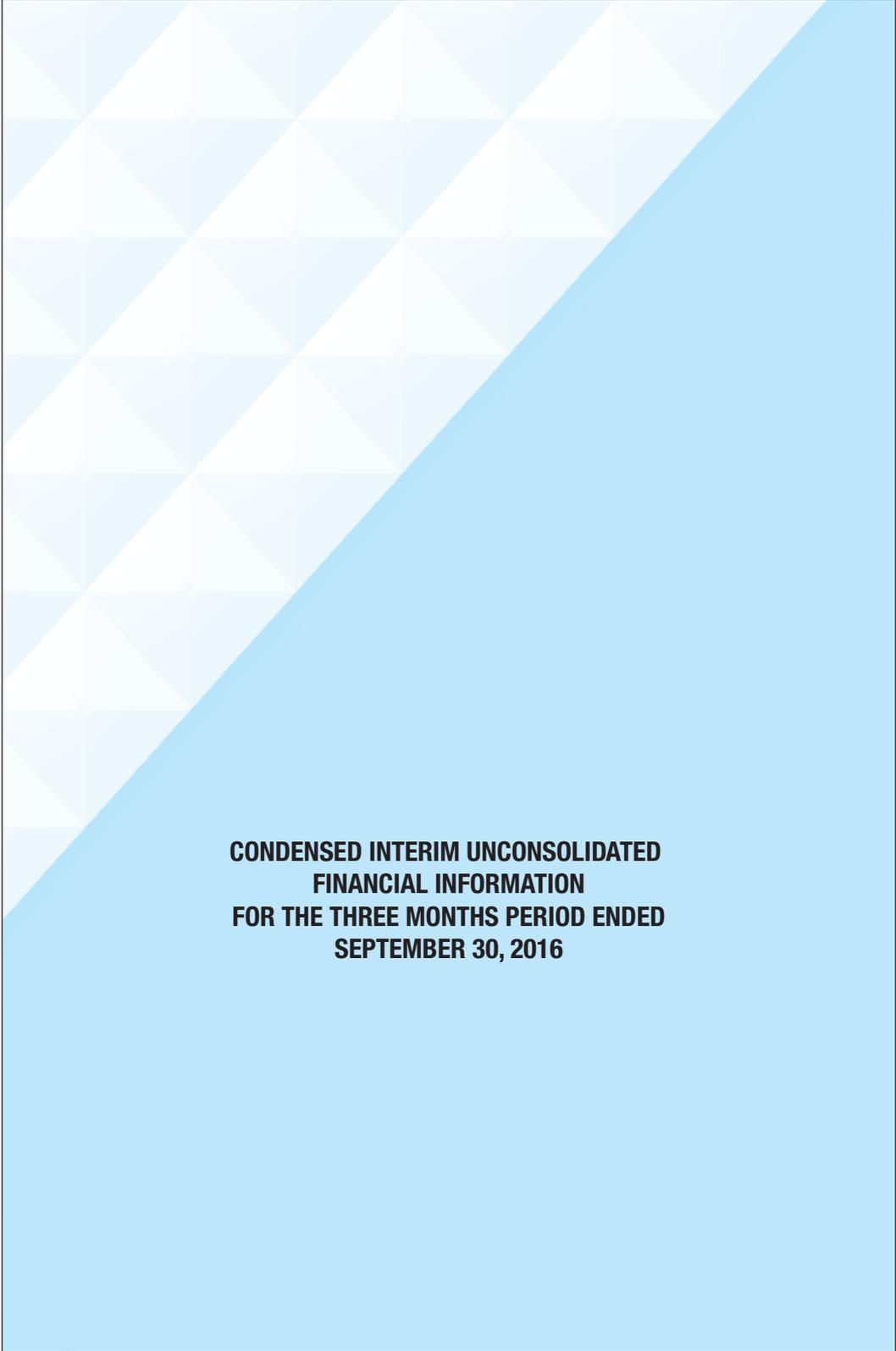
ٹی آر جی پاکستان لمیٹڈ کے انفرادی معاشی بیانیے :

ٹی آر جی پاکستان لمیٹڈ بنیادی طور پر ہولڈنگ کمپنی کے طور پر کام کرتی ہے اور اس کے تمام باہمی ہائے ڈی ریورس گروپ انٹرنیشنل لمیٹڈ (ٹی آر جی آئی ایل) میں اس کی سرمایہ کاری کے طور پر ہیں۔

کمپنی نے اپنے کیش بیلنس اور قرضوں کے نفع سے 56 ملین روپوں کی آمدنی حاصل کی جبکہ ہولڈنگ کمپنی کی سرگرمیوں کے لیے 2.9 ملین روپے کے اخراجات برداشت کئے۔ نتیجتاً ٹی آر جی پاکستان لمیٹڈ نے 30 ستمبر 2016 کو اختتام پزیر سہ ماہی کے دوران قبل از ٹیکس 53.2 ملین روپے کی آمدنی حاصل کی۔

امکانات :

ہم اپنے تعاملاتی ہائٹوں کی بہتری اور اس کی قیمت کے حصول کی تیاری کیلئے اپنے تزویراتی منصوبوں پر عملدرآمد جاری رکھیں گے۔ اس منصوبہ کا بنیادی نکتہ ہمارے ذیلی ادارے انٹرنیٹی کی قدر میں مستقل اضافہ اور اس کے نتیجے میں منافع کے مواقع کی شخصیت ہے۔ ہمارے ذیلی ادارے ای ٹیلی کوٹ کے دائرہ کار میں آئندہ ہونے والی توسیع کے نتیجے میں ہم پرائیویٹ اور پبلک دونوں قسم کی مارکیٹ سے اپنے مطلوبہ دائرہ کار کے مطابق سرمایہ کاری کا نفع حاصل کر سکیں گے۔ ہمارے لسٹڈ ذیلی اداروں کے حوالے سے ہم مستقل ان طریقوں پر غور کرتے رہیں گے جن سے آج تک حاصل ہونے والے منصوبہ تعاملاتی نتائج سے کمپنی کی بہتری ظاہر ہو سکے۔



**CONDENSED INTERIM UNCONSOLIDATED
FINANCIAL INFORMATION
FOR THE THREE MONTHS PERIOD ENDED
SEPTEMBER 30, 2016**

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2016

	September 30, 2016 (Un-audited)	June 30, 2016 (Audited)
	(Rupees in thousand)	
ASSETS		
NON-CURRENT ASSETS		
Operating fixed assets	252	300
Long term investment	4 13,136,782	12,919,989
Long term loan to related party	5 929,551	929,551
Long term deposits	75	75
	14,066,660	13,849,915
CURRENT ASSETS		
Accrued markup	255,325	202,484
Receivable from related parties	6 15,776	16,856
Current maturity of long term loan	468,325	468,325
Cash and bank balances	7 1,876	3,758
	741,302	691,423
	14,807,962	14,541,338
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised share capital	8 7,330,000	7,330,000
Issued, subscribed and paid-up capital	8 5,453,907	5,453,907
Foreign currency translation reserve	3,042,745	3,127,483
Fair value reserve - net of deferred tax	4,337,329	4,087,773
Accumulated losses	(267,484)	(315,477)
	12,566,497	12,353,686
NON-CURRENT LIABILITY		
Deferred tax liability	2,155,114	2,106,344
CURRENT LIABILITIES		
Accrued and other liabilities	64,572	64,722
Payable to related parties - current account	9 2,901	2,901
Taxation - net	18,878	13,685
	86,351	81,308
	14,807,962	14,541,338
TOTAL EQUITY AND LIABILITIES		
CONTINGENCIES AND COMMITMENTS		
	10	

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two Directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Note	Three months period ended	
		September 30, 2016	September 30, 2015 Restated
(Rupees in thousand)			
Interest and other income	11	56,036	21,048
Other expenses		(2,856)	(10,806)
Finance cost		-	(4,440)
Profit before taxation		53,180	5,802
Taxation		(5,187)	(1,857)
Profit for the period		47,993	3,945
Other comprehensive income			
<i>items that may be reclassified to profit or loss subsequently</i>			
Foreign currency translation difference - net of related tax		(84,738)	172,208
Available for sale investments - change in fair value net of deferred tax		249,556	279,331
		164,818	451,538
Total comprehensive income for the period		212,811	455,484
(Rupee)			
Earnings per share - basic and diluted		0.088	0.008

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two Directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Issued, subscribed and paid-up capital	Foreign currency translation reserve	Fair value reserve- net of deferred tax	Accumulated losses	Total
	(Rupees in thousand)				
Balance as at July 1, 2015	4,453,907	997,934	-	(1,655,035)	3,796,806
Impact of change in accounting policy (refer note 3)	-	1,818,852	3,956,745	1,242,396	7,017,993
Restated balance as at July 1, 2015	4,453,907	2,816,786	3,956,745	(412,639)	10,814,799
Total comprehensive income for the three months period					
Profit for the three months period ended September 30, 2015	-	-	-	3,945	3,945
Available for sale investments change in fair value - net of deferred tax	-	-	279,331	-	279,331
Foreign currency translation difference - net of related tax	-	172,208	-	-	172,208
	-	172,208	279,331	3,945	455,484
Balance as at September 30, 2015	4,453,907	2,988,994	4,236,076	(408,694)	11,270,283
Balance as at July 1, 2016	5,453,907	3,127,483	4,087,773	(315,477)	12,353,686
Total comprehensive income for the three months period					
Profit for the three months period ended September 30, 2016	-	-	-	47,993	47,993
Available for sale investments change in fair value - net of deferred tax	-	-	249,556	-	249,556
Foreign currency translation difference - net of related tax	-	(84,738)	-	-	(84,738)
	-	(84,738)	249,556	47,993	212,811
Balance as at September 30, 2016	5,453,907	3,042,745	4,337,329	(267,484)	12,566,497

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two Directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

	Three months period ended	
	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	53,180	5,802
Adjustments for:		
Depreciation	48	27
Interest income from loan and return on bank balance	(52,877)	(21,048)
Exchange (gain) / loss	(3,159)	5,367
	(55,988)	(15,654)
Decrease / (increase) in current assets		
Receivable from related parties - current account	1,080	(8,914)
(Decrease) / increase in current liabilities		
Accrued and other liabilities	(150)	604,259
Payable to related parties - current account	-	(26,160)
	(150)	578,099
Cash (used in) / generated from operations	(1,878)	559,333
Markup income received	36	335
Taxes paid	(2)	(34)
	34	301
Cash (used in) / generated from operating activities	(1,844)	559,634
CASH FLOW FROM INVESTING ACTIVITIES		
Long term loan to related party	-	(235,355)
Purchase of operating fixed assets	-	(43)
Net cash used in investing activities	-	(235,398)
Effects of exchange rate difference	(38)	(558)
Net (decrease) / increase in cash and cash equivalents	(1,882)	323,678
Cash and cash equivalents at beginning of the period	3,758	9,610
Cash and cash equivalents at end of the period	1,876	333,288

The annexed notes 1 to 13 form an integral part of this condensed interim unconsolidated financial information.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two Directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2016

1. 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 Companies Ordinance, 1984 and is listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 18th Floor, Centre Point, Off Shaheed-e-Millat Expressway, 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 is to act as holding company and acquire, invest and manage operations relating to business process outsourcing, online customer acquisition, marketing of medicare related products, and contact centre optimisation services through its subsidiary, The Resource Group International Limited.
- 1.3** This condensed interim financial information is unconsolidated financial information of the Company in which investment in subsidiary is accounted for in accordance with the accounting policy as stated in note 3. The company has applied to the Securities and Exchange Commission of Pakistan ("SECP") for exemption from the requirement of preparing consolidated financial statements for the quarter ended September 30, 2016. Accordingly, the consolidated financial statements of the group comprising the Company and its subsidiary, TRGIL, have not been attached with these financial statements.

2. BASIS OF PREPARATION

This condensed interim unconsolidated financial information has been prepared in accordance with the requirements of International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim unconsolidated financial information does not include all of the information required for full financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2016.

This condensed interim unconsolidated financial information comprises the condensed interim unconsolidated balance sheet as at September 30, 2016, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes thereto for the three months period then ended.

The comparative condensed unconsolidated balance sheet, presented in this condensed interim unconsolidated financial information, as at June 30, 2016 has been extracted from the annual audited unconsolidated financial statements of the Company for the year then ended whereas the comparative condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity for the three months period ended September 30, 2015 were neither audited nor reviewed.

Judgments and estimates

The preparation of this condensed interim unconsolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2016.

Risk Management

Risk management policies are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended June 30, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim unconsolidated financial information are consistent with those followed in the preparation of the Company's annual audited unconsolidated financial statements for the year ended June 30, 2016.

In previous years the Company has measured its investment in subsidiary at cost. However, during the year ended June 30, 2016, the Company changed its accounting policy with respect to accounting for its investment in subsidiary. As per new policy, investment in subsidiary is carried at fair value under IAS 39 'Financial Instruments: Recognition and Measurement' and classified as available for sale as allowed under IAS 27 'Separate Financial Statements'. Management considers that such change provides more relevant and reliable information with respect to financial position and financial performance of underlying investee company.

The change has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', resulting in restatement of financial information of prior periods. Resultantly, the cumulative effect of adjustments that arose for the earliest period has been presented and disclosed as part of the condensed interim unconsolidated statement of changes in equity, while the corresponding period adjustment through other comprehensive income is restated and disclosed as part of the condensed interim unconsolidated statement of comprehensive income respectively.

	September 30, 2015		
	As previously reported	Impact due to change in policy	As restated
Effect on other comprehensive income			
Foreign currency translation reserve - net of related tax	62,015	110,193	172,208
Available for sale investments change in fair value - net of deferred tax	-	279,331	279,331
			July 01, 2015
Effect on condensed interim unconsolidated statement of changes in equity			
Fair value reserve - net of deferred tax	-	3,956,745	3,956,745
Foreign currency translation reserve	997,934	1,818,852	2,816,786
Accumulated losses	(1,655,035)	1,242,396	(412,639)

4. LONG TERM INVESTMENT - available for sale	September 30, 2016 (Un-audited) (Rupees in thousand)	June 30, 2016 (Audited)
---	---	--

In unquoted subsidiary		
The Resource Group International Limited (TRGIL)		
60,450,000 (June 30, 2016: 60,450,000) ordinary shares	13,136,782	12,919,989

This represents investment in a subsidiary incorporated in Bermuda. Par value of each share is US\$ 0.01 and the additional paid up capital per share amounts to US\$ 0.99. The percentage of the Company's holding in TRGIL's ordinary shares is 57.32% (June 30, 2016: 57.18%) whereas the percentage of voting interest of the Company is 58.66% (June 30, 2016: 58.51%).

5. LONG TERM LOAN TO RELATED PARTY

This represents loan to TRG (Private) Limited, an indirect subsidiary of the Company, for working capital and operational needs. The loan has a maturity period of two years. The loan carries a minimum markup of 15% per annum.

6. RECEIVABLE FROM RELATED PARTIES - considered good	September 30, 2016 (Un-audited) (Rupees in thousand)	June 30, 2016 (Audited)
---	---	--

Name of related party	Nature of relationship		
TRG Holdings LLC	Indirect subsidiary	15,177	16,256
TRG Marketing Solutions, UK	Indirect subsidiary	599	600
		<u>15,776</u>	<u>16,856</u>

7. CASH AND BANK BALANCES	September 30, 2016 (Un-audited) (Rupees in thousand)	June 30, 2016 (Audited)
----------------------------------	---	--

Balance with bank in		
- current account	625	625
- saving account	1,235	3,133
	<u>1,860</u>	<u>3,758</u>
Cash in hand	16	-
	<u>1,876</u>	<u>3,758</u>

8. SHARE CAPITAL

	September 30, 2016		June 30, 2016	
	Number of shares	Rupees in thousand	Number of shares	Rupees in thousand
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 (refer note 8.1)	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>

8.1 These shares were issued in exchange of share of 1,636,000 shares of The Resource Group International Limited of US\$ 1 each in 2003.

8.2 On October 4, 2005, TRGIL entered into a Preferred Stock Purchase Agreement (subsequently redesignated as Series A Preferred Stock following the merger) with a consortium of related investors, comprised of AIG Global Emerging Markets Fund II, L.P., AIG Annuity Insurance Company, American General Life Insurance Company and Variable Annuity Life Insurance Company (the PineBridge Investors; formerly AIG Investors). Under the agreement, PineBridge investors purchased 26,785,714 shares of Preferred Stock for an initially determined purchase price of US\$ 1.12 per share. The total amount invested was US\$ 30,000,000. The PineBridge investors have the right to have their preference shares purchased back at the original issue price (US\$ 1.12 per share) or force liquidation of TRGIL's assets or to require TRGIL's ordinary shares to be sold, for redemption of their investment. Alternatively, the investors have a right to convert these preference shares into ordinary shares. To date, PineBridge investors have not exercised either of these rights.

The Series A preferred stock is entitled to the same voting rights as other voting securities of TRGIL (namely Series B Preferred Shares and Class A Common Shares), but rank higher in the event of liquidation. The Series A preferred stock is also entitled to trigger event dividends at the rate of 8% per annum which accrue only if certain conditions precedent and covenants are not met and only for the duration that the Company remains in breach of such conditions and covenants. There were no triggering events for the period ended September 30, 2016, requiring such an accrual or payment.

The holders of Series A Preferred Shares will be entitled to an aggregate preference equal to the greater of (A) US\$ 46.5 million prior to payment of any liquidating distribution in respect of Series B Preferred Shares or Common Shares, subject to reduction for any non-liquidating distributions received and (B) the amount such Series A Preferred Shares received upon conversion to Series B Preferred Shares. Secondly, the holders of Series B Preferred Shares will be entitled to an aggregate preference of US\$ 104,862,250, less any amount paid as the preference to the holders of Series A Preferred Shares or Series B Preferred Shares on liquidating or non-liquidation distributions, prior to payment of any distribution in respect of Common Shares, subject to reduction for any non-liquidating distributions received.

As of September 30, 2016, PineBridge Investors have invested the full US\$ 30 million committed to TRGIL.

9. PAYABLE TO RELATED PARTIES - current account - unsecured

September 30, 2016 (Un-audited) **June 30, 2016 (Audited)**
(Rupees in thousand)

Name of related party	Nature of relationship	September 30, 2016 (Un-audited)	June 30, 2016 (Audited)
Trakker (Private) Limited	Associated company	2,178	2,178
TRG (Private) Limited	Indirect subsidiary	723	723
		<u>2,901</u>	<u>2,901</u>

10. CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments as reported in note 12 to the annual audited unconsolidated financial statements for the year ended June 30, 2016.

11. INTEREST AND OTHER INCOME

Three months period ended
September 30, 2016 **September 30, 2015**
(Rupees in thousand)

	September 30, 2016	September 30, 2015
<i>Interest income</i>		
- return on bank balances	26	1,265
- interest income from loan to related party	52,851	19,783
	<u>52,877</u>	<u>21,048</u>
<i>Other income</i>		
- Exchange gain	3,159	-
	<u>56,036</u>	<u>21,048</u>

12. RELATED PARTY DISCLOSURES

Related parties comprise of associated companies, staff retirement benefit fund and key management personnel of the Company. Transactions with related parties are carried out on agreed basis. Transactions with related parties during the period, other than those which have been disclosed elsewhere in this condensed interim unconsolidated financial information, are as follows:

Three months period ended
September 30, 2016 **September 30, 2015**
(Rupees in thousand)

	September 30, 2016	September 30, 2015
TRG (Private) Limited - (Indirect subsidiary)		
Loan disbursed	-	235,355
Interest income on long term loan	52,851	19,783
	<u>52,851</u>	<u>19,783</u>
TRG Pakistan Limited Staff Provident Fund		
Contributions to the fund	20	125
	<u>20</u>	<u>125</u>

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim unconsolidated financial information was authorised for issue on October 31, 2016 by the Board of Directors of the Company.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

The Chief Executive Officer of the Company being presently out of Pakistan, this condensed interim unconsolidated financial information has been signed by two Directors as required under provisions of section 241(2) of the Companies Ordinance, 1984.

Director

Director



TRG PAKISTAN LIMITED

CENTRE POINT BUILDING, LEVEL 18, PLOT NO. 66/3-2,
OFF. SHAHEED-E-MILLAT EXPRESSWAY, NEAR
KPT INTERCHANGE FLYOVER, KARACHI-74900, PAKISTAN.
UAN # +92.21.111.TRG.TRG.
www.trgworld.com