DIRECTORS' REPORT

The Board of Directors of SFL Limited have pleasure in presenting their report together with audited financial statements of the company for the year ended June 30, 2012.

OPERATIONS

The company has earned dividend income of Rs.12,163,500 and interest on treasury bills of Rs.91,960 during the year. After meeting operational expenses and provision for taxation net profit after tax comes to Rs.10,217,393 for the year.

DIVIDEND

The Board of Directors of the Company is pleased to recommend stock dividend @2% already issued during the year as final dividend for the year ended June 30, 2012.

EARNING PER SHARE

The earning per share for the year ended June 30, 2012 is Rs.0.51 per share as compared to (Rs.0.09) in the comparable period of last year.

FUTURE OUTLOOK

Profitability of the company depends during next year on the return on investments.

SUBSIDIARY OF SFL LIMITED

The Company acquired 100% shareholding of SFL Corporation (Private) Limited during the year making it a 100% subsidiary of the Company. SFL Corporation (Private) Limited has not carried out any operational activity during the year.

PATTERN OF SHAREHOLDING:

The pattern of share holding of the company as at June 30, 2012 is annexed. This statement is prepared in accordance with the Companies Ordinance, 1984.

AUDITORS

The present Auditors, M/s Hameed Chaudhri & Company, Chartered Accountants, retires and being eligible offer themselves for re-appointment for the year 2012-2013. Board of Director have also recommended their appointment as Auditor for the year ended June 30, 2013.

ON BEHALF OF THE BOARD

SHAHID ABDULLAH
CHIEF EXECUTIVE

Karachi
Dated : 14th September, 2012