QUARTERLY FINANCIAL STATEMENTS

1st QUARTER

September 30, 2025

(UN-AUDITED)

PAKISTAN PAPER PRODUCTS LIMITED

CONTENTS

CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Abbas Sayeed	- Chairman	Non-Executive
Mr. Abid Sayeed	- Chief Executive	Executive
Dr. Asadullah Sayeed		Non-Executive
Mrs. Muleika Sayeed		Non-Executive
Mr. Mohsin Safdar		Independent Director
Ms. Aisha Fariel Salahuddin		Independent Director
Mr. Khurram Aftab	NIT	Director

AUDIT COMMITTEE

Ms. Aisha Fariel Salahuddin	- Chairperson
Mr. Abbas Sayeed	- Member
Dr. Asadullah Sayeed	- Member
Mr. Khurram Aftab	- Member

HR AND REMUNERATION COMMITTEE

Mr. Mohsin Safdar	- Chairman
Mr. Abbas Sayeed	- Member
Mrs. Muleika Sayeed	- Member

MANAGEMENT COMMITTEE

Mr. Abbas Sayeed	- Chairman
Mr. Abid Sayeed	- Chief Executive
Mr. Muhammad Yusuf	- Chief Financial Officer

CHIEF FINANCIAL OFFICER

Mr. Muhammad Yusuf

COMPANY SECRETARY

Mr. Dawood Ahmed Mapara

AUDITORS

Faruq Ali & Co.
Chartered Accountants

SHARE REGISTRAR

F.D.Registrar Services (SMC-Pvt) Ltd

BANKERS

Bank Al Habib Limited
Habib Bank Limited
National Bank of Pakistan
Meezan Bank Limited

REGISTERED OFFICE AND FACTORY

D-58, Estate Avenue, S.I.T.E, Karachi.
Website : www.pakpaper.com

DIRECTORS' REVIEW

On behalf of the Board of Directors, we have pleasure in presenting review of performance together with the unaudited accounts of the company for the first quarter ended September 30, 2025.

The Company performed well as Turnover increased by 20.91% to Rs 505.6 million with Pro Labels leading the way with an increase of 23.79%, Exercise Books also increased by 6.12% while Sensitized paper and Photocopy paper sales declined by 14.92%. The increase in sales translated all the way down with GP rising to 78.07 million, and NP before tax and after tax increased to 41.07 million, and Rs 30.17 million respectively.

Ex Books sales had another sluggish Q1 in terms of sales due to the continuing issue of the market being flooded with Ex Books made by the unorganized sector using cheap quality paper. In the last couple of years, we maintained our dominant position due to regular supply from Century Paper Mills while there was a severe shortage of paper in the market. The increased supply of paper has badly affected our PPP brand sales and in spite of us reducing our prices we have not been able to increase sales in the market but we cannot continue to chase the competition. Therefore, we will continue to focus more on institutional sales where we also have better margins.

Pro Labels had a robust and record quarter in terms of sales and volumes as demand for labels increased due to economic stability in the country. The FMCG sector rebounded very sharply in the last two quarters and all other sectors have shown positive growth, and it is hopeful that this will continue. We managed our supply chain very smartly also to cater to this high demand which was more than expected. The stable exchange rate and declining interest rates contributed to an improvement in our margins also.

Overall, we are satisfied with the Q1 performance of your company. Ex Books sales decline is a very worrisome issue as it is a big part of the company's overall performance and also has the heaviest fixed cost factor which results in this segment losing money due to the decline in sales. Rest assured that your management is leaving no stone unturned to try and increase our Ex Books sales and also the overall sales.

The Board would like to thank all our staff, stakeholders including the financial institutions for their continued support. In addition, the Directors also record their sincere appreciation for the cooperation received from the Regulators i.e. Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited.

On behalf of the Board of Directors

ABBAS SAYEED
Chairman

ABID SAYEED
Chief Executive

Karachi, October 27, 2025

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 2025

	Notes	(Un-audited) 30 Sep 2025	(Audited) 30 June 2025
ASSETS		--------------- (Rupees)	---------------
NON-CURRENT ASSETS			
Property, plant and equipment	4	**1,369,494,248**	1,371,735,655
Long term deposits		**1,989,572**	1,989,572
		1,371,483,820	1,373,725,227
CURRENT ASSETS			
Stores and spares		**10,631,749**	9,046,509
Stock-in-trade		**278,557,011**	387,930,940
Trade debts - unsecured		**338,449,664**	304,203,342
Advances and other receivables		**178,266,709**	156,126,150
Deposits, advances and short term prepayments		**8,948,803**	7,858,586
Cash and bank balances		**5,235,363**	5,613,309
		820,089,300	870,778,836
		2,191,573,120	2,244,504,063
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 (June 2025: 15,000,000) Ordinary shares of Rs. 10/- each		**150,000,000**	150,000,000
Issued, subscribed and paid-up share capital		**80,000,000**	80,000,000
Revenue reserves		**748,062,780**	717,894,048
Capital reserve			
Surplus on revaluation of property, plant and equipment		**952,855,207**	952,855,207
		1,780,917,987	1,750,749,255
NON-CURRENT LIABILITIES			
Deferred tax liability - net		**58,105,085**	57,469,486
Deferred liability for staff gratuity		**24,666,840**	23,593,266
Long term loans - secured		**63,402,168**	72,145,535
Deferred grant		**1,934,661**	2,163,455
		148,108,754	155,371,742
CURRENT LIABILITIES			
Current portion shown of Long term loans		**38,169,624**	38,889,624
Current portion of deferred government grant		**995,910**	1,026,155
Short term borrowings - secured		**142,022,494**	85,742,481
Creditors, accrued and other liabilities		**68,711,545**	200,078,000
Unclaimed dividend		**12,646,806**	12,646,806
		262,546,379	338,383,066
CONTINGENCIES AND COMMITMENTS	6		
		2,191,573,120	2,244,504,063

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

Abbas Sayeed	Muhammad Yusuf	Abid Sayeed
Chairman	Chief Financial Officer	Chief Executive

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the Period ended Septmber 30, 2025

	Notes	SEPTEMBER 2025	SEPTEMBER 2024
		----------- (Rupees) -----------	
Sales - net		**439,138,590**	364,542,162
Cost of sales		**(361,066,602)**	(303,090,821)
Gross profit		**78,071,988**	61,451,341
Administrative expenses		**(19,542,889)**	(14,839,320)
Selling and distribution expenses		**(5,702,197)**	(5,979,580)
Other operating expenses		**(2,916,198)**	(1,995,113)
		(28,161,284)	(22,814,013)
Operating profit		**49,910,704**	38,637,328
Other income		**87,308**	8,400
Finance cost		**(8,937,168)**	(11,726,164)
Profit before taxation		**41,060,844**	26,919,564
Taxation - net		**(10,892,112)**	(14,202,089)
Profit for the period		**30,168,732**	12,717,475
Earnings per share - basic and diluted		**3.77**	1.59

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

Abbas Sayeed	**Muhammad Yusuf**	**Abid Sayeed**
Chairman	**Chief Financial Officer**	**Chief Executive**

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the Period ended Septmber 30, 2025

	Notes	SEPTEMBER 2025	SEPTEMBER 2024
		----------- (Rupees) -----------	
Profit for the period		**30,168,732**	12,717,475
Other comprehensive income		--	--
Total comprehensive income for the period		**30,168,732**	12,717,475

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

Abbas Sayeed	**Muhammad Yusuf**	**Abid Sayeed**
Chairman	Chief Financial Officer	Chief Executive

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the Period ended Septmber 30, 2025

	Issued, subscribed and paid-up share capital	Revenue reserves			Surplus on revaluation of property, plant and equipment	Total equity
		General reserve	Unappropriate d profit	Total revenue reserves		
	------------------ (Rupees) ------------------					
Balance as on 1 July 2024	80,000,000	143,900,000	478,042,028	621,942,028	959,399,936	1,661,341,964
Profit for the period ended September 2024	--	--	12,717,475	12,717,475	--	12,717,475
Other comprehensive income	--	--	--	--	--	--
Total comprehensive income for the period	--	--	12,717,475	12,717,475	--	12,717,475
Balance as at September 2024	80,000,000	143,900,000	490,759,503	634,659,503	959,399,936	1,674,059,439
Balance as on 1 July 2025	**80,000,000**	**143,900,000**	**573,994,048**	**717,894,048**	**952,855,207**	**1,750,749,255**
Profit for the period ended September 2025	**--**	**--**	**30,168,732**	**30,168,732**	**--**	**30,168,732**
Other comprehensive income	**--**	**--**	**--**	**--**	**--**	**--**
Total comprehensive income for the period	**--**	**--**	**30,168,732**	**30,168,732**	**--**	**30,168,732**
Balance as at September 2025	**80,000,000**	**143,900,000**	**604,162,780**	**748,062,780**	**952,855,207**	**1,780,917,987**

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

Abbas Sayeed
Chairman

Muhammad Yusuf
Chief Financial Officer

Abid Sayeed
Chief Executive

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Period ended Septmber 30, 2025

	Notes	SEPTEMBER 2025	SEPTEMBER 2024
		--------------- (Rupees) ---------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**41,060,844**	26,919,564
Adjustments:			
Depreciation		**12,005,011**	11,156,295
Amortization		--	35,312
Provision for gratuity		**1,073,574**	1,114,461
Provision for Sindh Workers' Profit Participation Fund		**2,198,852**	1,445,734
Provision for Sindh Workers' Welfare Fund		**717,346**	549,379
Finance cost		**8,937,168**	11,735,002
Exchange loss		**176,091**	(8,838)
		25,108,042	26,027,345
Changes in working capital:			
Stores and spares		**(1,585,240)**	(210,008)
Stock-in-trade		**109,373,929**	642,174
Trade debts		**(34,246,322)**	66,055,063
Advances and other receivables		**4,187,274**	(520,213)
Deposits and short term prepayments		**(1,090,217)**	(3,467,617)
		76,639,424	62,499,399
Creditors, accrued and other liabilities		**(126,220,888)**	(34,766,701)
Cash generated from operations		**16,587,422**	80,679,607
Payments for:			
Income taxes net of refund received		**(36,351,366)**	(31,837,923)
Sindh Workers' Welfare Fund		**(3,559,708)**	--
Sindh Workers' Profit Participation Fund		**(8,899,270)**	(3,999,210)
Gratuity		--	(1,070,487)
Finance cost		**(5,952,891)**	(10,865,853)
		(54,763,235)	(47,773,473)
Net cash (used in) / generated from operating activities		**(38,175,813)**	32,906,134
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		**(8,759,740)**	(28,686,085)
Net cash used in investing activities		**(8,759,740)**	(28,686,085)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term loans		**(9,722,406)**	(6,400,200)
Dividend paid		--	(224,465)
Net cash used in financing activities		**(9,722,406)**	(6,624,665)
Net decreased in cash and cash equivalents		**(56,657,959)**	(2,404,616)
Cash and cash equivalents at the beginning of the period		**(80,129,172)**	(130,674,234)
Cash and cash equivalents at the end of the period	5	**(136,787,131)**	(133,078,850)

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

Abbas Sayeed	**Muhammad Yusuf**	**Abid Sayeed**
Chairman	**Chief Financial Officer**	**Chief Executive**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
For the Period ended Septmber 30, 2025

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated and domiciled in Pakistan as a private limited company in July 1962. It was converted into public company and listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) in July 1964. The main business activity of the Company is the production and sale of exercise books, pro-labels and

The geographical location and address of Company's business units including plant is as under:

- The registered office of the Company along with its plant is situated at D-58, SITE, Estate Avenue, Karachi.
- The Company also have a sales office in Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 These condensed interim financial statements of the Company for the period ended September 2025 have been prepared in accordance with the accounting and reporting standards 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 (the Act); and
- Provisions of and directives issued under the Act.

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 2025.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 2025.

	Note	(Un-audited) SEPTEMBER 2025	(Audited) JUNE 2025
		(Rupees)	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**1,368,490,384**	1,371,735,655
Capital work in progress - At cost		**1,003,864**	--
		1,369,494,248	1,371,735,655
4.1 Operating fixed assets			
Opening net book value (NBV)		**1,371,735,655**	1,313,671,838
Addition (at cost) during the period / year	4.1.1	**8,759,740**	111,942,690
		1,380,495,395	1,425,614,528
Disposal (NBV) during the period / year		**--**	(3,286,394)
Depreciation charged for the period / year		**(12,005,011)**	(50,592,479)
Closing net book value (NBV)		**1,368,490,384**	1,371,735,655

4.1.1 **Details of additions (at cost) during the period / year are as follows:**

	(Un-audited) SEPTEMBER 2025	(Audited) JUNE 2025
	--------------- (Rupees) ---------------	
Factory building on leasehold land	**802,820**	--
Plant and machinery	**2,492,148**	89,774,555
Factory and other equipment	**1,223,912**	1,316,545
Electric equipment and fitting	--	1,077,160
Computers	**201,860**	174,500
Vehicles	**4,039,000**	12,903,425
Solar power system	--	6,696,505
	8,759,740	111,942,690

5 CASH AND CASH EQUIVALENTS

	(Un-audited) SEPTEMBER 2025	(Un-audited) SEPTEMBER 2024
	--------------- (Rupees) ---------------	
Cash and bank balances	**5,235,363**	7,157,913
Short term borrowings - Secured	**(142,022,494)**	(140,236,763)
	(136,787,131)	(133,078,850)

6 CONTINGENCIES AND COMMITMENTS

	(Un-audited) SEPTEMBER 2025	(Audited) JUNE 2025
	--------------- (Rupees) ---------------	
Commitments under letter of credits	**107,800,341**	132,444,377

7 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on 27th October 2025 by the Board of Directors of the Company.

8 SUBSEQUENT EVENT

Subsequent to year ended 30 June 2025, the Board of Directors in its meeting held on 12 September 2025, proposed final cash dividend @ Rs. 5.00 per share amounting to Rs. 40 million. The same was approved by the members of the Company at the Annual General Meeting held on 9 October 2025. Being a non-adjusting subsequent event, it has not been accounted for in these condensed financial statements.

9 GENERAL

These condensed interim financial statements is presented in rupees and figures have been rounded off to nearest rupee.

Abbas Sayeed	**Muhammad Yusuf**	**Abid Sayeed**
Chairman	**Chief Financial Officer**	**Chief Executive**