

DEWAN FAROOQUE SPINNING MILLS LIMITED

EXTRACTS FROM THE RESOLUTIONS PASSED IN THE ANNUAL GENERAL MEETING HELD ON OCTOBER 27, 2025

"Resolved That the Minutes of the preceding General Meeting of the Company, held on Thursday, November 28, 2024, be and are hereby Confirmed, Approved and Adopted; and that the Chairman of this meeting be and is hereby authorized to sign the same as a token of approval of this confirmation, approval and adoption by the Company."

"Further Resolved That the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Report thereon, be and are hereby approved and adopted"

"Further Resolved That M/s. Feroze Sharif Tariq & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors' of the Company for the ensuing year."

"Further Resolved That the Chief Executive Officer of the Company be and is hereby Authorized to negotiate and fix the remuneration of the Auditors for the ensuing year."



Company Secretary



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DEWAN FAROOQUE SPINNING MILLS LIMITED

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DEWAN FAROOQUE SPINNING MILLS LIMITED

MINUTE BOOK OF THE 22ND ANNUAL GENERAL MEETING

HELD AT	ON	TIME
Dewan Cement Limited, Factory Site, At Deh Dhando, Dhabeji District Malir, Karachi, Pakistan	Monday, October 27, 2025	03:00 P.M.

The Members present in Person and by Proxies were as per List attached.

Mr. Mehmood-ul-Hassan Asghar, Director of the Company, occupied the chair to conduct the proceedings. The Company Secretary confirmed the quorum and asked for the meeting to be commenced with religious recitals. After this, the Company Secretary presented the agenda to the members of the meeting and the resolution required to be passed by the members, the following ordinary business were conducted, and resolved at the meeting:

1. To confirm the minutes of the preceding General Meeting of the Company, held on Thursday, November 28, 2024.

Chairman read the draft minutes of the preceding General Meeting of the Company and sought the member's comments on the same. There being no comments, the members proposed that the same may be taken as read and confirmed. Mr. Kashif Kamal (10629-244437) proposed following resolution which was seconded by Mr. Saif Ali (10629-556921) and resolved by the meeting:

"Resolved That the Minutes of the preceding General Meeting of the Company, held on Thursday, November 28, 2024, be and are hereby Confirmed, Approved and Adopted; and that the Chairman of this meeting be and is hereby authorized to sign the same as a token of approval of this confirmation, approval and adoption by the Company."

2. To receive, consider and approve and adopt the Annual Audited Financial Statements of the Company for the financial year ended June 30, 2025, together with the Directors' and Auditors' Reports thereon.

The Company Secretary circulated the Annual Audited Financial Statements of the Company to the members of the meeting for their approval. Chairman informed that the Auditors' Report concerning the subject financial statements was open for inspection for the members and asked the Secretary to read the same before the members of the meeting. The members proposed that the same be taken as read. The Chairman asked the members of the meeting for any query on the captioned business.

Mr. Saif Ali (10629-556921) inquired about the performance of the Company the Chairman replied that during the year ended 30th June 2025, Company's net revenue has decreased to Rs.219.249 million from Rs. 446.380 million of last year. Company has suffered gross loss of Rs. 239.680 million, against Rs. 441.078 million of last year, whereas operating expenses of the company marked at Rs. 34.460 million as compared to Rs. 41.495 million of corresponding year. During the year company has replaced outdated ring spinning technology with Auto Coro Spinning, aiming to enhance production efficiency, cost competitiveness, increased productivity. Autocoro spinning is designed for high-speed operation with comparatively low manufacturing cost, allowing for efficient production of quality yarn much faster than traditional ring spinning. Your company has also planned for further addition / replacement of high-speed automated machines to strengthen the Company's position in the market, driving growth and sustainability in upcoming years to profitable unit. Due to working capital constraints, the company continued the production of yarn on contract basis to keep the company

Signatures/ Initial: Company Secretary



Chairman

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operational. In financial year ended 2012, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long term loans had been rescheduled in the form of long term loans, however certain lenders having suits of Rs.37.405 million, did not accept the restructuring proposal at that time. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for executions of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

He further informed that the Auditors of the company have expressed qualified opinion in their report on default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their report. They have also added matter of emphasis paragraph in their report regarding doubt about company's ability to continue as going concern. Company has approached its lenders for further restructuring of its obligations without markup, which is in advance stage and expected to be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.208.531 million, for which the company would be liable to pay in the event of default of terms of agreement, the management is confident that upon finalization of revised restructuring this amount will remain eligible for waiver, the Company has not made any provision for markup as the markup will not be payable in accordance with the terms of restructuring. The conditions referred by auditors are temporary and would reverse in foreseeable future, as the management is taking measures for reduction of its cost of production. Further, sponsors also provide the support as and when required to meet the working capital requirements and Company is in active negotiations with lenders for restructuring of its liabilities and is quiet hopeful that the same will be finalized soon. Accordingly, these financial statements have been prepared on a going concern basis.

Chairman asked the members of the meeting if they have any other query; but there was none. In this regard, the majority of the members confirmed and approved the Annual Audited Financial Statements of the Company Mr. Muhammad Abid (04804-46879) proposed the following resolution which was seconded by Mr. Saif Ali (10629-556921), and it was:

"Resolved That the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Report thereon, be and are hereby approved and adopted"

3. To appoint the Statutory Auditors' of the Company for the ensuing year.

Chairman informed members of the meeting that the present Auditors of the Company, M/s. Feroze Sharif Tariq & Co., Chartered Accountants, are retiring and being eligible, have offered themselves to be re-appointed as the Auditors of the Company for the ensuing year. Chairman advised that the Board of Directors of the Company has recommended the re-appointment of the present Auditors as advised by the Audit Committee of the Board. Chairman further informed that the Company had not received any proposal for change of the said Auditors. He asked the members to empower the Chief Executive Officer to negotiate and fix the remuneration of the Auditors for the ensuing year. Mr. Muhammad Abid (04804-46879) proposed

Signatures/ Initial: Company Secretary



Chairman

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the following resolution, which was seconded by Mr. Abdul Aziz Khan (10629-97454), and a number of other members, it was:

"Resolved That M/s. Feroze Sharif Tariq & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors' of the Company for the ensuing year."

"Further Resolved That the Chief Executive Officer of the Company be and is hereby Authorized to negotiate and fix the remuneration of the Auditors for the ensuing year."

4. To consider any other business with the permission of the Chair.

There being no other business, the meeting ended with a vote of thanks to the Chair, and joint prayers by the members for a prosperous future of the Company.

Signatures/ Initial: Company Secretary



Chairman

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