



SSGC/CS/2026-037
26 February 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

SUBJECT: FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER, 2025

Dear Sir,

We have to inform you that the Board of Directors in its meeting held on 26th February, 2026 at 2:00 p.m., at SSGC Board Room, Head Office Building, Gulshan-e-Iqbal, Karachi (through Zoom) recommended the following:

I. Cash Dividend	Nil
II. Bonus Shares	Nil
III. Right Shares	Nil
IV. Any Other Entitlement / Corporate Action	Nil
V. Any Other Price-Sensitive Information	Nil

The financial results of the Company for the half year ended 31 December 2025 approved by the Board of Directors are attached as Annexure **A and B**.

As disclosed in Note 3.2, the Company had previously been granted exemption from compliance with IFRS 14 by the Securities and Exchange Commission of Pakistan (SECP) until 30 June 2024. Thereafter, SECP has communicated that SSGC is classified as a State-Owned Enterprise (SOE) and SECP do not have any powers to grant exemptions from the applicability of any provision of the Act. Consequently, the Company has approached the Ministry of Energy (Petroleum Division), which in turn consulted the Ministry of Finance. The Ministry of Finance, vide its letter dated 06 August 2025, advised that the matter be placed before the Cabinet Committee on State-Owned Enterprises (CCoSOEs) for consideration under sub-section (2) of Section 3 of the State-Owned Enterprises (Governance and Operations) Act, 2023.

The Company, through the Petroleum Division, is now in the process of seeking the requisite exemption from the CCoSOEs for the applicability of IFRS 14 (and IFRS 9, where relevant) in respect of State-Owned Gas Utilities.

Sui Southern Gas Company Limited

SSGC House, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi

Auditors' Review Report:

The Auditors in their review report on the Interim Financial Statements for half year ended 31 December 2025 have stated:

"Basis for Qualified Conclusion

- a) As disclosed in notes 7.1 and 7.2 to these condensed unconsolidated interim financial statements, trade debts include receivables of Rs. 26,289 million and Rs. 21,770 million from K-Electric Limited (KE) and Pakistan Steel Mills Corporation (Private) Limited (PSML), respectively. Significant portion of such receivables include overdue amounts, which have been considered good by management and classified as current assets in the condensed unconsolidated interim financial statements. Further, KE and PSML have disputed the Late Payment Surcharge (LPS) on their respective outstanding balances, as disclosed in the notes to the condensed unconsolidated interim financial statement as unrecognized LPS. As a result, management has decided to recognize LPS from these entities on a receipt basis, effective July 01, 2012.

Due to the adverse operational and financial conditions of PSML and disputes with KE and PSML with the Company on LPS, and large accumulation of their respective overdue amounts, we were unable to determine the extent to which the total amounts due from KE and PSML were likely to be recovered including the timeframe over which such recovery will be made.

- b) As disclosed in note 3. 2 to the condensed unconsolidated interim financial statements, the Company was exempt to comply with the requirements of IFRS 14- Regulatory Deferral Accounts in relation to the preparation of the financial statements till June 30, 2024 by the Securities and Exchange Commission of Pakistan (SECP) vide its letter SMD/PRDD/Comp/(4)/2021/168 dated December 03, 2024. The Company has taken up the matter with concerned authorities to seek further exemption from the applicability of the aforesaid IFRS vide its letter MD/MoE/12/2025 dated June 17, 2025. In the absence of the related exemption for the current reporting period, the Company has not complied with the requirements of IFRS 14 including necessary accounting adjustments, presentation and related disclosure requirements necessary to be incorporated in these condensed unconsolidated interim financial statements. Had the Company incorporated the consequential accounting effects including related disclosures, the reported balances of the Tariff adjustment in other receivable and trade and other payable (note 9.1 and 13.3), Tariff adjustment amount in net revenue (note 17) and Earnings /loss per share (note 23) would have required adjustments, effect of which remains indeterminable.

Sui Southern Gas Company Limited

SSGC House, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi

Qualified Conclusion

Except for the adjustments, to the condensed unconsolidated interim financial statements that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements as at and for the half year ended December 31, 2025 are 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

1. note 16.1 to the condensed unconsolidated interim financial statements which inter alia describe that the Company is subject to various material litigations and claims pending adjudication in different courts and forums. The outcome of these cases is uncertain and beyond management's control;
2. note 13.2 to the condensed unconsolidated interim financial statements which describe that the Company has not recognized the accrued markup up to December 31, 2025 amounting to Rs. 428,977 million relating to Government Controlled E&P Companies based on Government advice and a legal opinion

Our conclusion is not modified in respect of the above stated matters."

Thanking you.

Yours Sincerely,

Fawad Ahmed Khan
Company Secretary

Encl: aa

CC: **Executive Director / HOD**

Offsite -II Department, & Supervision Division,
Securities and Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad

Annexure - A

SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
	5	240,226,365	228,656,118
Property, plant and equipment		216,488	255,948
Intangible assets		91,571	87,460
Right of use assets		14,931,715	11,160,804
Deferred taxation		1,606,973	1,556,387
Long term investments	6	450,895	518,309
Long term loans		23,944	23,030
Long term deposits		257,547,951	242,258,056
Total non-current assets			
Current assets			
Stores, spares and loose tools		5,279,287	4,350,843
Stock-in-trade		3,446,087	3,214,955
Customers' installation work in progress		269,671	249,970
Trade debts	7	130,795,274	130,704,773
Loans and advances		431,632	1,017,033
Advances, prepayments and deposits		865,090	664,034
Interest accrued	8	721,502	690,544
Other receivables	9	689,603,899	681,401,627
Taxation - net		46,502,808	48,768,689
Cash and bank balances		2,057,463	1,187,075
Total current assets		879,972,713	872,249,543
Total assets		1,137,520,664	1,114,507,599

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised Share Capital	10,000,000	10,000,000
Issued, subscribed and paid-up capital	8,809,163	8,809,163
Reserves		
Capital Reserves		
Surplus on revaluation of property plant and equipment	59,835,137	59,835,137
Other reserves	234,868	234,868
Revenue Reserves	(60,710,836)	(60,610,718)
	8,168,332	8,268,450
LIABILITIES		
Non-current liabilities		
Long term financing	8,028,354	11,049,039
Security deposit	41,554,479	39,086,356
Employee benefits	10,315,997	9,623,940
Payable against transfer of pipeline	381,300	430,722
Deferred credit	5,280,222	5,612,881
Contract liabilities	13,164,405	12,248,838
Lease liability	18,734	11,732
Long term advances	3,566,670	3,610,466
Total non-current liabilities	82,310,161	81,673,974
Current liabilities		
Current portion of:		
Long term financing	33,687,851	42,354,518
Payable against transfer of pipeline	96,681	92,447
Deferred credit	622,237	573,451
Contract liabilities	323,936	334,269
Lease liabilities	75,679	78,527
Trade and other payables	900,032,866	895,653,702
Short term borrowings	109,083,682	82,806,374
Unclaimed dividend	603,686	341,320
Interest accrued	2,515,553	2,330,568
Total current liabilities	1,047,042,171	1,024,565,176
Total liabilities	1,129,352,332	1,106,239,150
Total equity and liabilities	1,137,520,664	1,114,507,600
CONTINGENCIES AND COMMITMENTS	16	

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025 (UNAUDITED)

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		------(Rupees in '000)-----			
Revenue from contracts with customers - Gas sales	17	189,106,024	244,091,531	91,204,421	111,150,475
Less: Tariff adjustments	18	(7,592,151)	(19,746,570)	2,934,299	(1,793,807)
Net revenue		181,513,873	224,344,961	94,138,720	109,356,668
Cost of revenue	19	(178,068,004)	(217,022,469)	(90,743,689)	(106,654,856)
Gross Profit		3,445,869	7,322,492	3,395,031	2,701,812
Administrative and selling expenses		(3,922,408)	(3,614,337)	(2,042,458)	(1,806,850)
Other operating expenses	20	(165,058)	(496,772)	(147,281)	(828,450)
Allowance for expected credit loss		(6,677,704)	(2,383,832)	(4,091,019)	(593,236)
		(10,765,170)	(6,494,941)	(6,280,758)	(3,228,536)
		(7,319,301)	827,551	(2,885,727)	(526,724)
Other income	21	16,616,507	12,835,484	7,485,207	5,859,955
Operating profit		9,297,206	13,663,035	4,599,480	5,333,231
Finance cost		(8,055,957)	(6,713,701)	(4,760,540)	(3,298,351)
Profit / (loss) before levy and taxation		1,241,249	6,949,334	(161,060)	2,034,880
Levy					
Minimum tax differential		(949,839)	(258,007)	110,065	(217,707)
Final tax		(1,656)	(2,966)	(1,371)	(194)
		(951,495)	(260,973)	108,694	(217,901)
Profit / (loss) before taxation		289,754	6,688,361	(52,366)	1,816,979
Taxation	22	-	-	-	-
Profit / (loss) for the period		289,754	6,688,361	(52,366)	1,816,979
Earning / (loss) per share - basic and diluted (Rupees)	23	0.33	7.59	(0.06)	2.06

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



330

SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025 (UNAUDITED)

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----			
Profit / (Loss) for the period	289,754	6,688,361	(52,366)	1,816,979
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods:				
Remeasurement gain / (loss) on investment through other comprehensive income	50,586	198,489	(36,859)	192,845
Total comprehensive income / (loss) for the period	<u>340,340</u>	<u>6,886,850</u>	<u>(89,225)</u>	<u>2,009,824</u>

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



350

SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves			Total Equity
		Other Reserves	Surplus on revaluation of property plant and equipment	Other Reserves	Surplus on re- measurement of FVTOCI investments	Accumulated losses	
----- (Rupees in '000) -----							
Balance as at July 1, 2024 (Audited)	8,809,163	234,868	59,835,137	4,672,533	220,178	(67,854,673)	5,917,206
Total comprehensive income for the period ended December 31, 2024							
Profit for the period	-	-	-	-	-	6,688,361	6,688,361
Other comprehensive income for the period	-	-	-	-	198,489	-	198,489
	-	-	-	-	198,489	6,688,361	6,886,850
Balance as at December 31, 2024	8,809,163	234,868	59,835,137	4,672,533	418,667	(61,166,312)	12,804,056
Balance as at July 1, 2025 (Audited)	8,809,163	234,868	59,835,137	4,672,533	417,582	(65,700,833)	8,268,450
Transactions with the owners in their capacity as owners							
Final dividend for the fiscal year 2024-25 @ Rs. 0.50 per share	-	-	-	-	-	(440,458)	(440,458)
Total comprehensive income for the period ended December 31, 2025							
Profit for the period	-	-	-	-	-	289,754	289,754
Other comprehensive income for the period	-	-	-	-	50,586	-	50,586
Total comprehensive income for the period	-	-	-	-			340,340
Balance as at December 31, 2025	8,809,163	234,868	59,835,137	4,672,533	468,168	(65,851,537)	8,168,332

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

	Half Year ended	
	December 31, 2025	December 31, 2024
Note	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,241,249	6,949,334
Cash generated from operations	10,271,833	13,833,067
Financial charges paid	(8,300,046)	(7,558,542)
Employee benefits - post-retirement medical benefit	(99,127)	(111,260)
Payment for retirement benefits	(407,994)	(1,534,731)
Long term deposits	2,467,209	7,101,785
Loans and advances to employees	652,815	352,231
Interest income received	67,394	313,090
Income taxes paid	(2,456,526)	(9,014,090)
Net cash from operating activities	3,436,807	10,330,884
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition for property, plant and equipment	(16,903,024)	(16,262,712)
Payments against transfer of pipeline	(67,866)	(67,866)
Proceeds from sale of property, plant and equipment	53,149	39,600
Dividend received	11,039	19,774
Net cash (used in) investing activities	(16,906,702)	(16,271,204)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of loans	(11,708,333)	(3,839,365)
Proceeds from consumer finance	3,978	-
Repayment of consumer finance	(115)	(137)
Dividend paid	(178,092)	-
Repayment of lease liability	(54,463)	(56,901)
Net cash (used in) financing activities	(11,937,025)	(3,896,403)
Net decrease in cash and cash equivalents	(25,406,920)	(9,836,723)
Cash and cash equivalents at beginning of the period	(81,619,299)	(36,651,604)
Cash and cash equivalents at end of the period	(107,026,219)	(46,488,327)

The annexed notes 1 to 33 form an integral part of these condensed unconsolidated interim financial statements.



330

Annexure - B

SUI SOUTHERN GAS COMPANY LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		----- (Rupees in '000) -----	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	5	243,680,032	232,203,374
Intangible assets		216,486	255,948
Right of use assets		104,802	101,639
Deferred taxation		14,846,007	11,067,233
Long term investments	6	504,695	454,109
Long term loans		175,895	193,309
Long term deposits		24,952	24,038
Total non-current assets		259,552,869	244,299,650
Current assets			
Stores, spares and loose tools		5,287,195	4,357,324
Stock-in-trade		4,032,197	3,915,698
Customers' installation work in progress		269,671	249,970
Trade debts	7	130,854,190	130,763,860
Loans and advances		142,890	620,604
Advances, prepayments and deposits		1,018,610	810,794
Interest accrued	8	715,211	682,659
Other receivables	9	689,867,570	681,809,187
Taxation - net		48,770,071	51,327,204
Short term investments		129,223	129,223
Cash and bank balances		4,146,496	2,925,655
Total current assets		885,233,324	877,592,178
Total assets		1,144,786,193	1,121,891,828

The annexed notes 1 to 32 form an integral part of these condensed consolidated interim financial statements.

