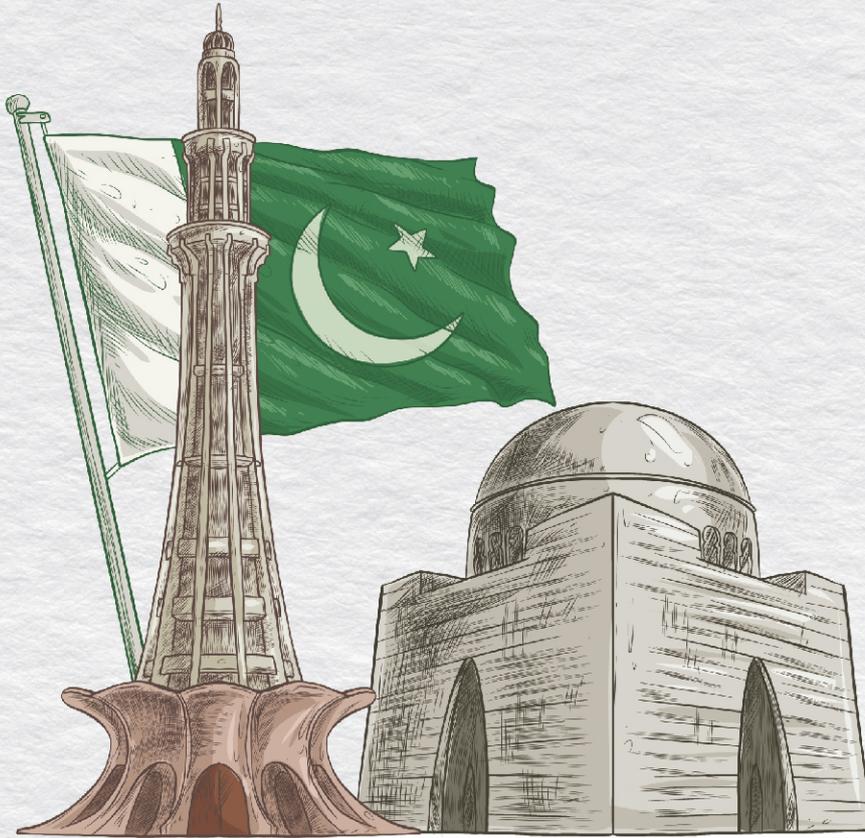




Security Papers
LIMITED



**60 YEARS OF SERVICE,
QUALITY AND RELIABILITY**

HALF YEARLY REPORT | DECEMBER 31, 2025



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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman

Mr. Mohammad Aftab Manzoor - Non-executive

Directors

Mr. Jamal Nasim - Non-executive
Mr. Hamid Bazargan - Non-executive
Ms. Pernur Alaybeyoglu - Non-executive
Hafiz Mohammad Yousaf - Non-executive
Mr. Shafqaat Ahmed - Non-executive
Mr. Munir Ahmed - Non-executive - Independent
Mr. Arshad Mehmood Bhatti - Non-executive

Chief Executive Officer

Mr. Imran Qureshi - Executive

BOARD AUDIT COMMITTEE

Mr. Munir Ahmed - Chairman
Mr. Jamal Nasim - Member
Mr. Hamid Bazargan - Member
Hafiz Mohammad Yousaf - Member
Mr. Shafqaat Ahmed - Member
Mr. Yasir Ali Quraishi - Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Munir Ahmed - Chairman
Mr. Mohammad Aftab Manzoor - Member
Mr. Jamal Nasim - Member
Mr. Arshad Mehmood Bhatti - Member
Mr. Shafqaat Ahmed - Member
Mr. Yasir Ali Quraishi - Secretary

CHIEF FINANCIAL OFFICER

- Mr. Muhammad Noman Farooq

COMPANY SECRETARY & CHIEF LEGAL OFFICER

- Mr. Yasir Ali Quraishi

BANKERS

Bank Al Habib Limited
National Bank of Pakistan
Meezan Bank Limited
Habib Metropolitan Bank Limited
Bank Alfalah Limited
Khushhali Microfinance Bank Limited
MIB Bank Limited



Security Papers
LIMITED

AUDITORS

PwC A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

MCA Law Associates

REGISTERED OFFICE

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PwC A. F. Ferguson & Co.
Chartered Accountants

KPMG Taseer Hadi & Co.
Chartered Accountants

SHARE REGISTRAR

FAMCO Share Registration Services (Pvt.) Limited
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S, Shakra-e-Faisal, Karachi.
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WEB SITE

<http://www.security-papers.com>



DIRECTORS' REPORT

The Directors of your Company are pleased to present the un-audited financial information for six months period ended December 31, 2025.

BUSINESS AND PERFORMANCE REVIEW

In a period marked by operational adjustments and market-led demand realignments, the Company navigated external challenges while maintaining its commitment to operational discipline and strategic preparedness for future growth.

During the half year, the Company produced 1,776 tons of paper representing a reduction of 285 tons compared to same period last year. This variation in output was primarily due to operational modifications implemented in response to customer requirements and preparations for the upcoming paper machine upgradation along with some disruptions in August 2025 due to unprecedented rains in Karachi. Despite these constraints, management successfully maintained production costs at an optimal level through enhanced price negotiations for key raw materials.

Net Sales for the period were recorded at PKR 3,741 million, compared to PKR 4,168 million in the corresponding period last year. Although sales volumes decreased to 1,825 tons from 2,087 tons owing to reasons cited above, the Company fulfilled all delivery commitments to its customers.

The Company reported gross profit of PKR 844 million, a decrease of PKR 323 million from PKR 1,167 million reported in the same period last year. Other income also declined to PKR 332 million from PKR 508 million, largely due to sharp reduction in the monetary policy rate from 13% in December 2024 to 10.5% in December 2025. This impact was partially mitigated by the strategic reprofiling of the Company's investment portfolio undertaken in prior year.

Profit before Tax (PBT) for the period amounted to PKR 833 million. A decrease of 37% compared to PKR 1,328 million in the same period last year. Profit after Tax (PAT) also declined by 37% to PKR 502 million from PKR 802 million. Consequently, Earnings per Share (EPS) were recorded at PKR 8.47 per share, compared to PKR 13.54 per share in the corresponding period of last year.

FUTURE PROSPECTS

Your Company remains focused on strengthening its resilience and competitive positioning through continued emphasis on innovation, strategic planning, cost optimization and disciplined financial management.

The current year is anticipated to present challenges in volumes as owing to inventory adjustments to align with the upcoming launch of the new banknote series and planned operational outages in preparation for the forthcoming Balancing, Modernization, and Replacement (BMR) project. However, post BMR completion, the Company is well positioned to capitalize on anticipated demand growth driven by the launch of new banknote series, which will incorporate advanced security features.



DIRECTORS' REPORT

The management remains dedicated to fostering sustainable growth, enhancing productivity and delivering long-term shareholder value through the successful implementation of the BMR initiative and ongoing operational improvements.

The Directors extend their sincere appreciation to all employees for their dedication and to our stakeholders for their continued trust, support and confidence in your Company.

We also acknowledge, with gratitude, the blessings of Almighty in the continued success journey of your Company.

On behalf of the Board of Directors

Imran Qureshi

Imran Qureshi
Chief Executive Officer

Munir Ahmed

Munir Ahmed
Director

Karachi
Dated: January 29, 2026



Security Papers
LIMITED



A.F.FERGUSON&CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Security Papers Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Security Papers Limited** as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six months, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Junaid Mesia**.

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: February 13, 2026
UDIN: RR202510611bZT1rBom7

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Condensed Interim Statement of Financial Position

As at December 31, 2025

		December 31, 2025 (Unaudited)	June 30, 2025 Audited
ASSETS			
Non-current assets	Note	----- (Rupees in '000) -----	
Property, plant and equipment	5	2,417,471	1,998,938
Intangible assets		11,640	13,520
Long-term investments	6	3,822,890	3,807,752
Total non-current assets		6,252,001	5,820,210
Current assets			
Stores, spares and loose tools		393,323	391,641
Stock-in-trade		623,990	861,084
Trade debts - considered good		1,851,805	1,299,514
Loans, advances, deposits, prepayments and other receivables		48,614	51,862
Short-term investments	7	1,414,318	2,722,086
Cash and bank balances		437,815	203,488
Total current assets		4,769,865	5,529,675
TOTAL ASSETS		11,021,866	11,349,885
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 70,000,000 (June 30, 2025: 70,000,000) ordinary shares of Rs. 10 each		700,000	700,000
Issued, subscribed and paid-up capital 59,255,985 ordinary shares of Rs.10 each		592,559	592,559
Revenue reserves			
General reserves		7,875,291	7,035,181
Unappropriated profits		501,766	1,373,408
TOTAL EQUITY		8,969,616	9,001,148
Non-current liabilities			
Deferred taxation - net		272,566	314,875
Staff retirement benefits		25,060	7,620
Total non-current liabilities		297,626	322,495
Current liabilities			
Trade and other payables		924,242	1,232,887
Unpaid dividend		711,054	615,952
Unclaimed dividend		3,852	3,523
Taxation - net		115,476	173,880
Total current liabilities		1,754,624	2,026,242
TOTAL LIABILITIES		2,052,250	2,348,737
TOTAL EQUITY AND LIABILITIES		11,021,866	11,349,885
CONTINGENCIES AND COMMITMENTS	8		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

IMRAN QURESHI
Chief Executive Officer

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

MUNIR AHMED
Director



Condensed Interim Statement of Profit or Loss (Unaudited)
For The Six Months and Three Months Ended December 31, 2025

	Note	Six Months Ended		Three Months Ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
(Rupees in '000)					
Revenue from contracts with customers	9	3,740,969	4,168,245	1,898,146	2,109,108
Cost of sales		(2,896,951)	(3,001,136)	(1,528,326)	(1,518,557)
Gross profit		844,018	1,167,109	369,820	590,551
Administrative expenses		(275,033)	(245,033)	(139,753)	(121,318)
Other income		332,386	508,463	153,465	262,979
Other expenses		(66,358)	(101,323)	(28,139)	(50,917)
Finance costs		(1,744)	(1,151)	(544)	(679)
Profit before taxation		833,269	1,328,065	354,849	680,616
Taxation					
- Current		(375,565)	(509,355)	(144,002)	(249,373)
- Prior		1,753	3,334	1,753	3,334
- Deferred		42,309	(19,922)	683	(18,642)
		(331,503)	(525,943)	(141,566)	(264,681)
Profit after taxation		501,766	802,122	213,283	415,935
----- Rupees -----					
Earnings per share - basic and diluted		8.47	13.54	3.60	7.02

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Imran Qureshi

IMRAN QURESHI
Chief Executive Officer

Muhammad Noman Farooq

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

Munir Ahmed

MUNIR AHMED
Director



**Condensed Interim Statement of
Comprehensive Income (Unaudited)**
For The Six Months and Three Months Ended December 31, 2025

	Six Months Ended		Three Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----			
Profit after taxation	501,766	802,122	213,283	415,935
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>501,766</u>	<u>802,122</u>	<u>213,283</u>	<u>415,935</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

IMRAN QURESHI
Chief Executive Officer

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

MUNIR AHMED
Director



Condensed Interim Statement of Changes in Equity
For The Six Months Ended December 31, 2025

	Issued subscribed and paid-up share capital	Revenue Reserves		Total equity
		General reserves	Unappropriated Profit	
----- Rupees in '000 -----				
Balance as at June 30, 2024 (Audited)	592,559	6,246,411	1,381,328	8,220,298
Total comprehensive income for the period				
Profit after taxation	-	-	802,122	802,122
Transactions with owners				
Final cash dividend @ Rs.10 per ordinary share for the year ended June 30, 2024	-	-	(592,558)	(592,558)
Transfer to general reserves	-	788,770	(788,770)	-
Balance as at December 31, 2024 (Unaudited)	592,559	7,035,181	802,122	8,429,862
Balance as at June 30, 2025 (Audited)	592,559	7,035,181	1,373,408	9,001,148
Total comprehensive income for the period				
Profit after taxation	-	-	501,766	501,766
Transactions with owners				
Final cash dividend for the year ended June 30, 2025 at the rate of Rs. 9 per share	-	-	(533,298)	(533,298)
Transfer to general reserves	-	840,110	(840,110)	-
Balance as at December 31, 2025 (Unaudited)	592,559	7,875,291	501,766	8,969,616

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

Imran Qureshi

IMRAN QURESHI
Chief Executive Officer

Muhammad Noman Farooq

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

Munir Ahmed

MUNIR AHMED
Director



Condensed Interim Statement of Cash Flows (Unaudited)
For The Six Months Ended December 31, 2025

	Note	Six Months Ended	
		December 31, 2025	December 31, 2024
----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	49,061	987,003
Taxes paid		(432,216)	(466,260)
Finance cost paid		(1,744)	(1,637)
Staff retirement benefits paid		(6,881)	(16,733)
Net cash (used in) / generated from operating activities		(391,780)	502,373
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(569,377)	(247,534)
Acquisition of intangible assets		-	(5,085)
Proceeds from sale of operating fixed assets		10,650	21,963
Investments made during the period		(1,463,202)	-
Investments matured / redeemed during the period		1,833,920	1,473,100
Gain received on reverse repo transactions		14,728	40,264
Mark-up received		287,531	245,361
Net cash generated from investing activities		114,250	1,528,069
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(437,867)	(549,739)
Net cash used in financing activities		(437,867)	(549,739)
Net (decrease) / increase in cash and cash equivalents during the period		(715,397)	1,480,703
Cash and cash equivalents at beginning of the period		1,153,212	842,829
Cash and cash equivalents at end of the period	11	437,815	2,323,532

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

IMRAN QURESHI
Chief Executive Officer

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

MUNIR AHMED
Director



Notes to and Forming Part of the Condensed Interim Financial Statements For The Six Months Ended December 31, 2025

1 THE COMPANY AND ITS OPERATION

- 1.1 Security Papers Limited (the "Company") is incorporated and domiciled in Pakistan as a public company limited by shares. The address of its registered office and factory is Jinnah Avenue, Malir Halt, Karachi, Pakistan. The Company is listed on the Pakistan Stock Exchange.

The principal activity of the Company is manufacturing and sale of specialised paper for banknote and non-banknote security documents.

- 1.2 The Securities and Exchange Commission of Pakistan (SECP) vide its Order dated January 26, 2024 ("SECP Order") had determined the Company as Public Sector Company (PSC). Subsequently, a communication was received from the SECP dated February 12, 2024, containing directions to bring the Company in conformity with the provisions of State-Owned Enterprises (SOE) Act, 2023. The SECP Order, read with the said directions, created uncertainty as to the applicable provisions of law to be followed for the purposes of election of directors and composition of the Board. The Company contested this adjudication and had challenged the determination in Appeal No. 14 of 2024, before the Appellate bench of SECP. The Appellate Bench passed an Order dated February 7, 2025 on the said appeal whereby, it had upheld the SECP Order and reiterated that Security Papers Limited (SEPL) is a listed PSC, based upon the shareholding by certain entities. The Company had challenged the Order of the Appellate Bench in Miscellaneous Appeal No. 27 of 2025 before the Honourable Sindh High Court (SHC).

During the pendency of Misc. Appeal No. 27 of 2025, the SHC after hearing the preliminary arguments, passed an Ad-Interim order dated February 26, 2025, whereby the operation of both i.e. SECP order and Appellate Bench Order was suspended thereby, maintaining status-quo on the legal status of the Company as Public Listed Company. The Company then decided to proceed with the elections of directors for the third time at the 8th Reconvened Extraordinary General Meeting (EOGM), which was scheduled for March 27, 2025. However, on an application dated March 25, 2025 filed by SECP in Misc. Appeal No. 27, the SHC restrained the Company from holding its elections until the legal status matter is adjudicated upon. Therefore, 8th EOGM was reconvened on March 27, 2025 and as the matter was subjudice, before taking up the agenda for elections, the said EOGM was concluded without the elections being held. The Company has already filed its counter affidavit in response to SECP's application in the said appeal.

As mentioned above, the issue of one-third independent directors on the Board of the Company had to be addressed at the 8th EOGM related to election of directors, which was due to be held on November 29, 2023. However, the said EOGM got suspended / adjourned twice owing to the matters related to the Company's legal status. SECP had granted three extensions on the due date for holding elections, owing to impediments being faced by the Company and its Board related to its legal status. The Company applied for an extension for the fourth time, on the ground of the same impediments and that it was practically impossible to fulfil the statutory requirements of holding an EOGM within the prescribed timeframe but the same was rejected by SECP. The Company appealed the rejection with the Registrar of Companies, SECP. An online hearing was held on June 19, 2025 with the Registrar of Companies, SECP, which was



attended by the Company Secretary and Legal Counsel of the Company. Thereafter, SECP had requested the Company to provide them with the CRO Order dated November 12, 2024, related to the rejection of extension in due date for holding elections and a chronological summary / synopsis of the Company's legal status case. The said information was provided to SECP on June 23, 2025, and since then there has been no update from Registrar of Companies, SECP, on the appeal related to extension in due date for holding the elections.

A Constitutional Petition No. 4504 of 2024 was filed by a few shareholders of the Company, holding 1.426% shares before the Sindh High Court on September 19, 2024 seeking enforcement of the SOE Act. However, the determination of the Company's status as a PSC or not, is sub-judice in the statutory appeal against the SECP's order dated February 7, 2025.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as 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; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements of the Company do not include all of the information and disclosures required for annual audited financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

2.3 These condensed interim financial statements are presented in Pakistani rupees which is also the Company's functional and presentation currency and all financial information presented has been rounded off to the nearest thousand rupee, except otherwise stated.

2.4 The comparative statement of financial position presented in these condensed interim financial statements as at June 30, 2025 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period ended December 31, 2024 have been extracted from the unaudited condensed interim financial statements of the Company for the six months period ended December 31, 2024.



2.5 These condensed interim financial statements are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended June 30, 2025.

3.2 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain new and amended standards, interpretations and amendments that became mandatory for the Company during the current accounting period but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore, have not been detailed in these condensed interim financial statements.

3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standards, interpretations and amendments	Effective date (annual periods beginning on or after)
- IFRS 1 - 'First-time Adoption of International Financial Reporting Standards' (amendments)"	January 1, 2026
- IFRS 9 and IFRS 7 - 'Classification and Measurement of Financial Instruments' (amendments)"	January 1, 2026
- IAS 7 - 'Statement of Cash Flows' (amendments)'	January 1, 2026
- IFRS 18 - 'Presentation and Disclosure in Financial Statements'	January 1, 2027

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Company.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan for interim financial reporting requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended June 30, 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2025.

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
5	PROPERTY, PLANT AND EQUIPMENT		
Operating assets	5.1	1,779,458	1,856,624
Capital work-in-progress (CWIP)	5.4	638,013	142,314
		<u>2,417,471</u>	<u>1,998,938</u>
5.1	Operating assets		
Opening net book value		1,856,624	1,700,151
Direct additions to operating assets	5.2.1	65,486	137,142
Transfer from capital work-in-progress (CWIP)	5.2.2	8,192	274,340
Disposals / write off during the period / year - net book value	5.3	(12,083)	(4,701)
Depreciation charge for the period / year		(138,761)	(250,308)
		<u>1,779,458</u>	<u>1,856,624</u>
		December 31, 2025	December 31, 2024
		----- (Unaudited) -----	
		----- (Rupees in '000) -----	
5.2	Additions during the period		
5.2.1	Direct addition to operating assets		
- Plant and machinery		2,955	4,254
- Spare parts and stand-by equipment		34,540	14,698
- Laboratory equipment		366	-
- Electric, water and gas installations		5,687	5,318
- Office and security equipment		549	1,085
- Computers & computer accessories		7,133	315
- Motor vehicles		14,256	38,523
		<u>65,486</u>	<u>64,193</u>



	December 31, 2025	December 31, 2024
	----- (Unaudited) -----	
	----- (Rupees in '000) -----	
5.2.2 Transfer from capital work-in-progress (CWIP)		
- Building on freehold land	-	1,331
- Plant and machinery	8,192	84,987
- Spare parts and stand-by equipment	-	584
- Furniture & fittings	-	2,897
- Electric, water and gas installations	-	13,230
- Computers & computer accessories	-	2,147
- Motor vehicles	-	16,418
	<u>8,192</u>	<u>121,594</u>
5.3 Disposals / write off		
- Plant and machinery	592	-
- Spare parts and stand-by equipment	3	-
- Laboratory equipment	2	-
- Furniture & fittings	467	-
- Electric, water and gas installations	2,879	-
- Office and security equipment	4	-
- Motor vehicles	8,136	4,696
	<u>12,083</u>	<u>4,696</u>
	December 31, 2025	June 30, 2025
	(Unaudited)	(Audited)
5.4 Capital work-in-progress (CWIP)	Note	----- (Rupees in '000) -----
Opening balance	142,314	128,136
Additions during the period / year	503,891	288,518
Transferred to operating assets	(8,192)	(274,340)
	<u>638,013</u>	<u>142,314</u>
6 LONG-TERM INVESTMENTS		
At amortised cost		
Pakistan Investment Bonds	6.1 & 6.2 3,822,890	5,025,498
Less: current maturity	-	(1,217,746)
	<u>3,822,890</u>	<u>3,807,752</u>
6.1	These carry profit / yield with a range of 10.05% to 15.18% (June 2025: 10.05% to 15.18%) per annum with maturities ranging from February 2027 to September 2034. The profit payments are made semi annually.	



- 6.2 The market value of securities classified at amortised cost as at December 31, 2025 amounted to Rs. 3,822.56 million (June 30, 2025: Rs. 4,945.38 million).

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	Note	----- (Rupees in '000) -----	
7	SHORT-TERM INVESTMENTS		
	At amortised cost		
	Government securities - Treasury Bills	7.1 & 7.2 1,414,318	552,883
	Reverse repo transactions	-	951,457
	Pakistan Investment Bonds - current maturity	-	1,217,746
		<u>1,414,318</u>	<u>2,722,086</u>

- 7.1 These carry yield with a range of 10.78% to 11.60% (June 2025: 11.60%) per annum with maturities ranging from January 2026 to August 2026.

- 7.2 The market value of securities classified at amortised cost as at December 31, 2025 amounted to Rs. 1,416.54 million (June 30, 2025: Rs. 554.38 million).

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There have been no changes in the status of contingencies as reported in the audited annual financial statements of the Company for the year ended June 30, 2025, except for the following:

- 8.1.1 Security Papers Limited (SEPL) entered into an agreement with Aquatech Infrastructures Limited (AIL) for the development of an alternate source of water supply on Built, Operate and Transfer (BOT) basis on August 15, 2005 for a period of five years from the date of commissioning. The agreement remained enforce through supplemental agreements signed in subsequent years. Due to poor maintenance of bores by AIL, the output of ground water reduced. AIL informed the Company to discontinue the contract and was of the view that SEPL should purchase the RO Plant. AIL then unilaterally decided to shut down the RO plant on March 2018 and therefore, SEPL took over the plant to continue its operations in accordance with provisions of the agreement. SEPL received letter from AIL's financier Saudi Pak Leasing Company Limited (SPLC) in which they had informed that they were the owners of the RO Plant and asked SEPL not to allow AIL to dismantle the R.O. Plant.

AIL filed a civil suit before the Honourable Sindh High Court (SHC) against SEPL for recovery of Rs. 177.88 million in respect of RO Plant. AIL moved an application to restrain SEPL from utilising or operating the RO Plant. As the matter was under adjudication, SHC decided that this matter should be referred to a mediation, however, the mediation did not succeed and the case was referred back. This case was transferred to District Court, Malir and the Court had allowed AIL's application for inspection of dismantled RO Plant in the premises of SEPL. The inspection of RO Plant was carried out by the Nazir of the Court and his team along with Plaintiff's counsel on September 23, 2025. The compliance report of the Nazir was submitted in Court on November 24, 2025, which stated that inspection and examination of the RO plant was carried out, which was in a non-functional condition. Thereafter, both the parties filed their proposed issues and the said issues were then settled by the Court. The parties then filed their respective lists of witnesses and documents and this case is now fixed for the evidence of AIL at the next hearing date.



Based on the facts of the case and legal advisor's advice, the Company is confident that the outcome of the case would be in favour of the Company. Accordingly, no provision has been recognised in these financial statements.

- 8.1.2** The Suits No. 814 and 815 have been filed by two ex-employees of SEPL for seeking declaration against their termination of employment. The Court, through an order vacated the stay orders, thereby validating their termination in accordance with the applicable simplicitor rules. Subsequently, the two ex-employees filed an appeal before the Divisional Bench of SHC, which were also dismissed in favour of SEPL. These cases have been transferred to the District & Sessions Court, Malir. The proposed issues filed in the Court have been settled and both SEPL and the two ex-employees have submitted their respective lists of documents and witnesses. This case is currently fixed for recording of evidence of the parties.

Both the ex-employees had also filed an appeal before the Supreme Court of Pakistan, in which they have challenged the orders of the SHC dated October 9, 2023 and October 23, 2023, in effecting challenging their termination under the simplicitor rule. This appeal was fixed for hearing on December 15, 2025, before the Supreme Court, Karachi Registry. However, the said appeal was not taken up for hearing by the Division Bench due to possible conflict of interest and it was directed that this appeal should be re-fixed for hearing before a different bench of the Supreme Court, Karachi Registry and the matter was adjourned, accordingly.

SEPL's legal counsel is optimistic that, based on the merits of the case, both the suits and the appeal would be decided in favour of SEPL. Accordingly, no provision has been recognised in these condensed interim financial statements.

- 8.1.3** An ex-employee had filed Civil Suit No. 1123 of 2024, dated July 8, 2024 in the Civil Court, Karachi challenging his termination, which was as per simplicitor rules. The ex-employee had prayed for reinstatement to service and damages worth Rs. 40 million. This matter was adjourned several times due to the non-appearance of the ex-employee. Despite repeated instructions by the Court, the ex-employee on multiple hearings failed to appear before the Court and also did not comply with the Court's order for submission of Court fees. The Court vide its order dated November 25, 2025, dismissed the said suit in favour of SEPL.
- 8.1.4** Subsequent to the June 30, 2025, ATIR has remanded back the demand raised by DCIR for the tax year 2018. ATIR vide its order dated October 27, 2025, remanded certain issues back to the DCIR, while dismissing the appeal on issues relating to initial allowance and depreciation, which represent timing differences expected to be recovered in subsequent years. Pursuant to the remand back order of the ATIR, DCIR has recommenced proceeding and issued a notice dated December 8, 2025. Based on advice from the tax consultant, the Company is confident of a favorable outcome.

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
----- (Rupees in '000) -----		
8.2 Commitments		
Capital commitments	<u>261,258</u>	<u>10,015</u>
Commitments against letters of credit	<u>2,364,926</u>	<u>2,836,619</u>



9 REVENUE FROM CONTRACT WITH CUSTOMERS

	Note	Six Months ended		Three Months ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
----- (Unaudited) -----					
----- (Rupees in '000) -----					
Banknote paper	9.2	4,106,888	4,538,256	2,146,682	2,267,585
Others		307,456	380,273	93,131	221,162
		<u>4,414,344</u>	<u>4,918,529</u>	<u>2,239,813</u>	<u>2,488,747</u>
Sales tax		(673,375)	(750,284)	(341,667)	(379,639)
		<u>3,740,969</u>	<u>4,168,245</u>	<u>1,898,146</u>	<u>2,109,108</u>

9.1 Pakistan is the primary geographical market of the Company. Revenue is disaggregated by major product lines and timing of revenue recognition for each product line is at a point in time when risk and reward is transferred to the customer.

9.2 The trade agreement executed between the Company and Pakistan Security Printing Corporation (Private) Limited (PSPC) for determining the pricing of banknote paper expired on June 30, 2025 and the renewal of the agreement is currently in process. In these condensed interim financial statements, the Company has continued to recognise revenue in respect of sale of banknote paper based on purchase orders received from PSPC on last prices agreed for the year ended June 30, 2025.

	Note	Six Months ended (Unaudited)	
		December 31, 2025	December 31, 2024
----- (Rupees in '000) -----			
10 CASH GENERATED FROM OPERATIONS			
Profit before taxation		833,269	1,328,065
Adjustments for:			
Depreciation on property, plant and equipment	5.1	138,761	118,923
Provision against staff retirement benefits		24,321	20,196
Amortisation of intangible assets		1,880	1,865
Finance costs		1,744	1,151
Mark up on investments in Pakistan Investment Bonds		(220,317)	(215,081)
Amortisation of discount on Government securities - Treasury Bills		(61,475)	(169,129)
Mark up on bank deposits and saving accounts		(13,284)	(25,669)
Mark up on loan to employees		(1)	-
Income from reverse repo transactions		(12,982)	(27,317)
Amortisation of discount on Pakistan Investment Bonds		(22,011)	(42,302)
Loss / (gain) on sale / write-off of property, plant and equipment		1,432	(17,264)
Working capital changes:			
- Stores, spares and loose tools		(1,682)	(48,669)
- Stock-in-trade		237,094	(5,950)
- Trade debts - considered good		(552,291)	268,165
- Loans, advances, deposits, prepayments and other receivables		3,248	84,749
- Trade and other payables		(308,645)	(284,731)
		<u>49,061</u>	<u>987,003</u>



		<u>Six Months ended (Unaudited)</u>	
		<u>December 31,</u>	<u>December 31,</u>
		<u>2025</u>	<u>2024</u>
11	CASH AND CASH EQUIVALENTS	Note	----- (Rupees in '000) -----
	Short term investment in reverse repo transactions	-	2,066,113
	Cash and bank balances	<u>437,815</u>	<u>257,419</u>
		<u><u>437,815</u></u>	<u><u>2,323,532</u></u>
12	FINANCING STRUCTURE / MODE	December 31,	June 30,
		2025	2025
		(Unaudited)	(Audited)
	Conventional mode:	----- (Rupees in '000) -----	
	Assets		
	Long-term investments	<u>3,822,890</u>	3,807,752
	Short-term investments	<u>1,414,318</u>	2,722,086
	Cash and bank balances	<u>436,287</u>	202,717
		<u><u>5,673,495</u></u>	<u><u>6,732,555</u></u>
	Shariah compliant mode:		
	Assets		
	Cash and bank balances	<u>1,528</u>	<u>771</u>

		<u>December 31, 2025</u>			<u>June 30, 2025</u>		
		<u>Conventional</u>	<u>Shariah Compliant</u>	<u>Total</u>	<u>Conventional</u>	<u>Shariah Compliant</u>	<u>Total</u>
	Note	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Statement of Financial Position							
Long-term investments	6	3,822,890	-	3,822,890	3,807,752	-	3,807,752
Short-term investments	7	1,414,318	-	1,414,318	2,722,086	-	2,722,086
Cash and bank balances		<u>436,287</u>	<u>1,528</u>	<u>437,815</u>	<u>202,717</u>	<u>771</u>	<u>203,488</u>
		<u><u>5,673,495</u></u>	<u><u>1,528</u></u>	<u><u>5,675,023</u></u>	<u><u>6,732,555</u></u>	<u><u>771</u></u>	<u><u>6,733,326</u></u>

		<u>December 31, 2025</u>			<u>December 31, 2024</u>		
		<u>Conventional</u>	<u>Shariah Compliant</u>	<u>Total</u>	<u>Conventional</u>	<u>Shariah Compliant</u>	<u>Total</u>
	Note	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Statement of Profit or Loss							
Revenue from contracts							
with customers	9	-	3,740,969	3,740,969	-	4,168,245	4,168,245
Other income		334,710	2,324	337,034	483,920	27	483,947
Finance costs		<u>1,744</u>	-	<u>1,744</u>	<u>1,151</u>	-	<u>1,151</u>
		<u><u>336,454</u></u>	<u><u>3,743,293</u></u>	<u><u>4,079,747</u></u>	<u><u>485,071</u></u>	<u><u>4,168,272</u></u>	<u><u>4,653,343</u></u>



14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise of associated companies, directors, key management personnel and staff retirement funds. All the transactions with related parties are entered into at agreed terms as approved by the Board of Directors of the Company. The aggregate value of transactions and outstanding balances as at December 31, 2025 with related parties are as follows:

14.1 Balances as at period / year end

Name	Nature of relationship	Note	Nature of transactions	December 31, 2025 (Unaudited)	June 30, 2025 Audited
----- (Rupees in '000) -----					
Pakistan Security Printing Corporation (Private) Limited	Associated undertaking		Trade debts	1,851,679	1,267,916
			Other payables	40,045	38,781
Sumer Holdings, A.S.	Director on Board of Company		Dividend payable	57,922	12,592
National Security Printing Company (Pvt) Limited	Common directorship		Trade debts	-	27,075
Industrial Development & Renovation Organisation of Iran	Director on Board of Company		Dividend payable	595,140	549,809
Elcott Spinning Mills Limited	Common directorship		Trade payable	176	-
Employees retirement fund	Other related party		Payable to the fund - net	31,565	12,986

14.2 Transactions during the period

Name	Nature of relationship	Note	Nature of transactions	December 31, 2025 (Unaudited)	December 31, 2024
----- (Rupees in '000) -----					
Pakistan Security Printing Corporation (Private) Limited	Associated undertaking	14.3	Sales - net	3,740,969	3,845,980
			Purchases	1,587	3,997
			Shared expenses allocated to the Company	41,471	38,271
			Dividend paid	181,471	201,635
Sumer Holdings, A.S.	Director on Board of Company		Dividend paid	-	62,959
KSB Pumps Limited*	Common directorship		Purchases	-	1,392
Elcott Spinning Mills Limited	Common directorship		Purchases	133,610	42,760
Employees retirement funds	Other related party	14.5	Contribution made	40,937	35,204
Key management personnel	Key management	14.6	Remuneration and benefits	132,621	113,963

*This entity was not classified as a related party of the Company during the current period.



- 14.3** All sales transactions with Pakistan Security Printing Corporation (Private) Limited are carried out by the Company using the "Cost Plus Mark-up Method". Other expenses are reimbursements of shared expenses.
- 14.4** All other transactions are based on commercial terms and at market prices which are approved by the Board of Directors. Remuneration of key management personnel are in accordance with their terms of appointments.
- 14.5** Contributions to the staff retirement benefit fund are made in accordance with the terms of staff retirement benefit scheme and actuarial advice.
- 14.6** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors of the Company.

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

There were no transfers between levels of the fair value hierarchy during the period.



December 31, 2025 (Unaudited)

Note	Carrying amount				Fair value			
	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

On-balance sheet financial instruments

Financial assets not measured at fair value

Investments								
- Pakistan Investment Bonds	-	3,822,890	-	3,822,890	-	3,822,560	-	3,822,560
- Government securities - Treasury Bills	-	1,414,318	-	1,414,318	-	1,416,548	-	1,416,548
Loans, advances, deposits, prepayments and other receivables								
15.2	-	31,003	-	31,003	-	-	-	-
Trade debts								
15.2	-	1,851,805	-	1,851,805	-	-	-	-
Cash and bank balances								
15.2	-	437,815	-	437,815	-	-	-	-
	-	7,557,831	-	7,557,831	-	5,239,108	-	5,239,108

Financial liabilities not measured at fair value

Trade and other payables								
15.2	-	-	692,203	692,203	-	-	-	-
Unclaimed dividend								
15.2	-	-	3,852	3,852	-	-	-	-
Unpaid dividend								
15.2	-	-	711,054	711,054	-	-	-	-
	-	-	1,407,109	1,407,109	-	-	-	-

June 30, 2025 (Audited)

Note	Carrying amount				Fair value			
	Fair value through profit or loss	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

On-balance sheet financial instruments

Financial assets not measured at fair value

Investments								
- Pakistan Investment Bonds	-	5,025,498	-	5,025,498	-	4,945,383	-	4,945,383
- Reverse repo transactions	15.2	951,457	-	951,457	-	-	-	-
- Government securities - Treasury Bills	-	552,883	-	552,883	-	554,379	-	554,379
Loans, advances, deposits, prepayments and other receivables								
15.2	-	21,557	-	21,557	-	-	-	-
Trade debts								
15.2	-	1,299,514	-	1,299,514	-	-	-	-
Cash and bank balances								
15.2	-	203,351	-	203,351	-	-	-	-
	-	8,054,260	-	8,054,260	-	5,499,762	-	5,499,762

Financial liabilities not measured at fair value

Trade and other payables								
15.2	-	-	805,669	805,669	-	-	-	-
Unclaimed dividend								
15.2	-	-	3,523	3,523	-	-	-	-
Unpaid dividend								
15.2	-	-	615,952	615,952	-	-	-	-
	-	-	1,425,144	1,425,144	-	-	-	-



- 15.2 The Company has not disclosed the fair value for some financial assets and financial liabilities, as these are either short term in nature or are repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

Valuation techniques used in determination of fair values

Item	Valuation approach and input used
Government Securities - Treasury Bills	The fair value of Market Treasury Bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.
Pakistan Investment Bonds	The fair value of Pakistan Investment Bonds are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.
Pakistan Investment Bonds - Floating Rate Bond (FRB)	The fair value of Pakistan Investment Bonds - Floating Rate Bond (FRB) are derived using PKRFV rates. The PKRFV rates are announced by FMA (Financial Market Association) through Reuters.

The fair values of financial assets which are not measured at fair value have been disclosed in note 6.2 and 7.2 of these condensed interim financial statements using level 2 basis.

16 GENERAL

16.1 Corresponding figures

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No significant rearrangements or reclassifications were made in these condensed interim financial statements.

17 DATE OF AUTHORISATION

These condensed interim financial statements were approved for issue and authorised by the Board of Directors of the Company on January 29, 2026.

IMRAN QURESHI
Chief Executive Officer

MUHAMMAD NOMAN FAROOQ
Chief Financial Officer

MUNIR AHMED
Director



ATTENTION SHAREHOLDERS

Attention of shareholders is invited to the following legal requirements:

1. Notice to Shareholders who have not provided their IBAN

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, the shareholders are requested to provide their bank details by filling up the Electronic Credit Mandate Form available at: <https://famcosrs.com/downloads> and send the duly filled form along with a copy of CNIC to Company's Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited.

Explanation _ For the purpose of these regulations identification number includes the Computerized National Identity Card Number (CNIC) of the registered shareholder or the authorized person, child registration certificate number or juvenile card number in case of a minor, where applicable and registration number or national tax number of the shareholder is a person other than a natural person.

In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of a non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).

Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or its Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited.

2. Deduction of Income Tax from Dividends under Section 150 of the Income Tax Ordinance, 2001 (Mandatory)

The rates of deduction of Withholding Income Tax from dividend payments under the Income Tax Ordinance, 2001 shall be as follows:

- Persons appearing in Active Taxpayers List (ATL) ---- 15%.
- Persons not appearing in Active Taxpayers (ATL) ----- 30%.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers' List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Persons not appearing in the Active Taxpayers' List: The rate of tax required to be deducted/collected, as the case may be, is increased by 100% (as specified in the Tenth Schedule to the Income Tax Ordinance, 2001).



Withholding Tax will be determined separately on 'person names appearing on ATL/person names not appearing on ATL' status of Principal Shareholder as well as Joint holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by the Principal Shareholder and Joint Holder(s).

As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30 June 2010 and C. No. 1 (43) DG (WHT)/2008- Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part - IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide a valid Tax Exemption Certificate to our Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.

For any query/problem/information, the investors may contact the Company Secretary at phone: 021-99248285 and email address yasir@security-papers.com and/or M/s. FAMCO Share Registration Services (Pvt.) Limited at phone 021-34380101-5 and email address: info.shares@famcosrs.com.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or M/s. FAMCO Share Registration Services (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

3. Unclaimed / Unpaid Shares and Dividends

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall give ninety days notices to the shareholders to file claim if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares / Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.



In this regard, a Notice dated December 28, 2017, was sent by Registered Post acknowledgment due on the last known addresses of the shareholders to submit their claims within 90 days to the Company. In compliance with Section 244(1)(b) of the Companies Act, 2017 a Final Notice had also been published on March 30, 2018, in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Jang in English and Urdu respectively.

In case no claim is received within the given period from the aforesaid Notice, the Company shall proceed to deposit the unclaimed/unpaid amounts with the Federal Government (as and when the account detail is provided) pursuant to the provisions of sub-section (2) of Section 244 of the Companies Act, 2017.

4. Conversion of Shares from Physical Form to Book-Entry-Form

The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all the then-existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.

In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.

5. Placement of Financial Accounts on Website

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated: 10th July 2014 the financial statements of the Company have been placed on Company's website: <http://www.security-papers.com>.

6. Updation of shareholder addresses / other particulars

Members holding shares in physical form are requested to promptly notify Share Registrar, M/s FAMCO Share Registration Services (Pvt.) Limited of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address or any other particulars updated with their participant or CDC Investor Accounts Service.

Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account, as the case may be.

Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Company / Share Registrar.

Karachi
January 29, 2026


Yasir Ali Quraishi
Company Secretary & Chief Legal Officer



Security Papers
LIMITED

ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018, ISO/IEC 27001:2013 Certified

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