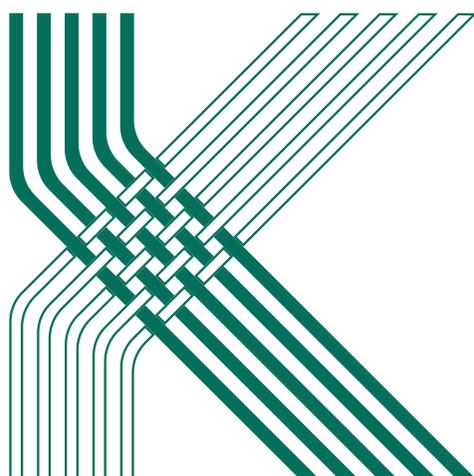


KOHINOOR MILLS LIMITED



**HALF YEARLY REPORT
31 DECEMBER 2025**

www.kohinoormills.com

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COMPANY INFORMATION

Board of Directors

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Ms. Imrat Aamir Fayyaz	Director
Mrs. Hajra Arham	Director
Mr. Taimur Afzal	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Mills

8 K.M. Manga Raiwind Road, District Kasur, Pakistan.
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Lines: (92-42) 36369340
Fax: (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website: www.kohinoormills.com

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd
HM House, 7 Bank Square, Lahore.
Land Lines: (92-42) 37235081 & 82
Fax: (92-42) 37358817

Committees of the Board

Audit Committee

Mrs. Hajra Arham	Chairperson
Mr. Rashid Ahmed	Member
Mr. Taimur Afzal	Member

HR & Remuneration Committee

Mr. Taimur Afzal	Chairman
Mr. Rashid Ahmed	Member
Mrs. Hajra Arham	Member

Chief Financial Officer

Mr. Kamran Shahid

Head of Internal Audit

Mr. Waheed Amainat Ali

Legal Advisor

Raja Mohammad Akram & Co.,
Advocate & Legal Consultants, Lahore

Company Secretary

Mr. Muhammad Rizwan Khan

Auditors

Riaz Ahmad & Company
Chartered Accountants

Other Corporate Information

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The Registration Number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML.

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com.

DIRECTORS' Review

The Directors of the company are pleased to present the interim financial statements for the half year ended 31 December 2025.

Global Economic Review

Global growth remained resilient in 2025 at 3.3% and is expected to hold at 3.3% in 2026, before moderating slightly to 3.2% in 2027. This steady headline performance reflects the combined impact of opposing factors. On one hand, evolving trade policies and related uncertainty have weighed on business confidence, disrupted planning cycles, and moderated trade and investment activity. On the other hand, stronger capital spending on technology, particularly in artificial intelligence and digital transformation, has supported productivity improvements, strengthened competitiveness, and helped sustain overall growth despite these headwinds. By region, advanced economies are projected to grow by 1.8% in 2026, led by the United States at 2.4% and the Euro area at 1.3%, while emerging market and developing economies are expected to expand by 4.2%. Global trade volumes are forecast to slow from 4.1% growth in 2025 to 2.6% in 2026, before improving to 3.1% in 2027, reflecting front-loading effects and trade-flow adjustments in response to policy changes.

Global headline inflation stood at 4.1% in 2025 and is projected to decline to 3.8% in 2026 and 3.4% in 2027, although the pace of disinflation varies across countries. The moderation is expected to be driven mainly by softer demand and lower energy prices, while tariff-related pass-through continues to shape outcomes, particularly in the United States relative to many other economies. Despite the gradual improvement in inflation, risks to the outlook remain skewed to the downside, reflecting rising protectionism, the potential for supply-chain disruptions, and heightened geopolitical tensions. Elevated public debt and fiscal pressures, especially in major and low-income economies, could further tighten financial conditions and add to market volatility.

Pakistan Economic Review

Pakistan's economy is well positioned to sustain its growth momentum in FY-26, supported by improving performance in large-scale manufacturing and other high-frequency indicators. This progress is being underpinned by prudent economic management, ongoing structural reforms, and gradually easing monetary conditions as inflation moderates. On the external side, while the current account is likely to stay in deficit, strong remittance inflows and steady growth in IT and services exports should help contain pressure on the balance of payments. Continued improvements in fiscal discipline are also expected to reinforce macroeconomic stability.

One of the key achievements of FY-25 was improved price stability. Average CPI inflation during Jul-Dec FY-26 eased to 5.2%, compared with 7.2% over the same period last year. This disinflationary trend was supported by tighter macroeconomic management, including fiscal discipline, a restrictive monetary stance, targeted relief measures, and greater stability in the exchange rate. Although some supply-side pressures persisted, lower inflation provided room for policy calibration and helped support household purchasing power.

The current account recorded a deficit of USD 1.17 billion during 1H-FY26, compared with a surplus of USD 957 million in the corresponding period last year. Goods and services exports remained broadly flat at USD 20.3 billion, compared with USD 20.4 billion in the preceding period last year, while goods and services imports increased to USD 37.8 billion from USD 33.5 billion. As a result, the trade deficit widened to USD 17.6 billion in 1H-FY26, up from USD 13.1 billion a year earlier. However, the impact on the external position was partly offset by stronger workers' remittances, which rose to USD 19.7 billion from USD 17.8 billion in the comparable period, helping to contain the overall current account gap.

Textile Industry Outlook

Pakistan's textile exports reached USD 9.10 billion in 1H-FY26, representing a 5.2% increase from USD 8.65 billion in the same period last year. This performance was achieved despite ongoing challenges, including high energy tariffs, policy uncertainty, and continued softness in external demand. Growth was primarily driven by value-added segments that continue to gain share, while traditional cotton-based intermediate products remained relatively subdued. Overall, the trend points to a gradual shift toward higher-margin products and deeper integration into global apparel value chains.

However, the industry continues to grapple with uncompetitive energy tariffs in the region, high costs of imported raw materials, and increasing global competition. Despite these obstacles, Pakistan's textile sector has maintained its dominant position, accounting for 58.7% of the country's total exports, reinforcing its critical role in the national economy.

Operating & Financial Results

During the period under review, despite ongoing global and domestic headwinds, your Company recorded a revenue of Rs. 13.07 billion, compared to Rs. 14.51 billion in the same period last year. This resulted in a gross profit of Rs. 1.95 billion, down from Rs. 1.99 billion in the comparative period. Inflation in raw materials and conversion costs, together with higher utility tariffs following the withdrawal of the Export-Oriented Units (EOU) subsidy, continued to compress margins. Consequently, the Company reported a net profit of Rs. 136.3 million (EPS: Re. 0.27 per share), compared to Rs. 171.2 million (EPS: Re. 0.34 per share) in the corresponding period of the previous financial year.

Performance Overview

A brief overview of performance of your company for the half year ended 31 December 2025 is discussed below:

Weaving Division

Through disciplined cost control, improved operating efficiencies, and gradually stabilizing macroeconomic conditions, the weaving division reported a gross profit of Rs. 979 million in the first half of FY-26, broadly in line with Rs. 972 million in the corresponding period last year. This outcome reflects continued operational stability and a modest improvement in profitability despite a largely unchanged gross profit level.

Management has also adopted a more flexible, market-responsive approach, with greater emphasis on the domestic market to build volumes and capture better margin opportunities. This shift has supported improved capacity utilization, broadened revenue streams, and reduced reliance on any single demand segment.

Looking ahead, continued macroeconomic stability, particularly inflation remaining within a manageable range, should improve cost visibility and predictability. Further alignment of the State Bank of Pakistan's policy rate with prevailing inflation would also help lower financing costs and ease margin pressure. Combined with ongoing efficiency initiatives and prudent working capital management, these measures are expected to support sustainable growth in profitability going forward.

Dyeing Division

In 2025, the global fashion retail industry continued to operate in a low-growth, high-volatility environment. Consumers remained value-conscious, keeping demand sensitive to pricing and promotions, while many brands prioritized tighter inventory and faster replenishment to reduce markdown risk and protect margins. At the same time, supply chain and trade policy uncertainty continued to influence sourcing decisions, with companies balancing cost, speed, and resilience. Investment in technology, including AI, accelerated as retailers looked to improve demand forecasting, merchandising, and productivity, while sustainability focus increasingly shifted from optional initiatives to compliance-driven requirements and traceability expectations.

Against this backdrop, Pakistan's dyeing and processing industry faced a challenging operating environment during 1H-FY26. Export sentiment was pressured by soft demand in key markets and heightened competition, while structural constraints such as elevated energy costs and policy uncertainty continued to weigh on competitiveness and delivery economics. In addition, international buyers increasingly emphasized chemical compliance, wastewater management, and supply-chain transparency, requiring ongoing investment and process discipline at a time when margins across the value chain remained under pressure.

Despite these headwinds, the dyeing division managed a difficult market and delivered gross turnover of Rs. 8,093 million, compared with Rs. 9,223 million in the same period last year. Gross profit decreased from Rs. 1,020 million to Rs. 878 million, mainly due to weaker contribution margins amid higher utility costs, raw material price pressures, and a more competitive pricing environment.

In response, management maintained focus on cost control, process optimization, and disciplined production planning, with emphasis on improving yields, reducing reprocessing, and optimizing energy and chemical consumption. Looking ahead, prospects will depend on continued macroeconomic stabilization, clearer and more predictable energy and tax policies, and a gradual recovery in external demand. At the same time, sustained competitiveness will increasingly hinge on compliance readiness, reliable lead times, and continued shift toward higher-value programs aligned with international buyers' evolving requirements.

Genertek Division

During the period under review, the Company undertook key initiatives focused on energy conservation and the adoption of alternative energy sources. Under its approved 7.2 MW renewable energy program, the Company successfully commissioned a solar photovoltaic (PV) plant at its manufacturing facility in November 2025. On-site solar generation is currently meeting more than 20% of the Company's operational electricity requirements.

The Board has also approved the installation of an additional 3.0 MW solar PV capacity. This project is under implementation and is expected to be commissioned by the end of the third quarter of the current financial year, further increasing the share of renewable energy in the Company's overall energy mix.

In parallel, the Company has upgraded its process heat generation by transitioning from natural gas-fired heaters to a biomass-fired thermal oil heater, which was successfully commissioned in September 2025. The system has been integrated with existing thermal oil circuits and control infrastructure to ensure stable operations and consistent product quality. This initiative is expected to deliver recurring fuel cost savings, reduce exposure to gas tariff volatility and supply constraints, and support the Company's decarbonization objectives through the use of locally sourced, sustainable biomass.

Collectively, these measures have reduced energy intensity, improved cost efficiency, and reinforced the Company's commitment to environmental sustainability and long-term operational resilience.

Apparel Division

The newly established apparel division commenced commercial operations in December 2025 with an initial production capacity of 5,000 pieces per shift per day. This initiative supports the Company's strategic shift toward higher value-added products and export-led growth. The division is focused on quality, design-led offerings and modern manufacturing practices, supported by targeted investments in production efficiency, compliance, and supply-chain optimization to ensure competitive pricing and consistent quality standards.

Future Outlook

Pakistan's textile sector continues to present a balanced mix of opportunity and risk. Demand for value-added categories is expected to remain relatively resilient, supporting deeper penetration in key export markets and further progress up the value chain through an improved product mix, shorter lead times, and stronger compliance standards. However, profitability remains under pressure due to elevated energy and other input costs, reliance on imported raw materials and chemicals, delays in sales-tax refunds that strain working capital, and policy uncertainty that complicates long-term planning and capacity expansion. Going forward, sustainable growth will depend on a stable and supportive policy framework, timely refund processing, competitive and reliable energy pricing, and stronger supply-chain resilience.

Subsequent to the period end, the Government announced a support package for industry and exporters, including a 300 basis point reduction in the Export Finance Scheme (EFS) rate to 4.5% from 7.5% and proposed reductions in power tariffs. Given the sector's high utilization of concessionary export financing, the textile industry is expected to be a key beneficiary of these measures, which should help ease financing costs and improve liquidity. While this policy direction is encouraging, the operating environment remains competitive and export markets may face further pressure, including in the EU in the context of the announced EU-India FTA. Accordingly, sustained competitiveness will continue to require structural reforms, particularly in the energy sector, to bring production costs closer to regional benchmarks.

Against this backdrop, the Company is executing a focused set of operational and strategic initiatives to strengthen its value-added positioning. Management is enhancing traceability, compliance, and environmentally responsible manufacturing practices in line with evolving buyer requirements, alongside investments in digital planning, tighter procurement and production controls, and disciplined working-capital management. In parallel, forward integration through the newly established Apparel Unit is expected to deepen the value-added mix, expand participation in higher-margin categories, and support growth in both revenues and profitability. Together with the Company's energy initiatives and ongoing product-mix improvement, these actions are expected to reinforce competitiveness and support sustainable performance in the period ahead.

Acknowledgement

The board places on record its profound gratitude for its esteemed shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have empowered the company to make progress towards consistent improvement. During the period under review, relations between the management and employees remained cordial and we wish to put on record our appreciation for the dedication, perseverance and steadiness of the employees of the company

For and on behalf of the Board



Aamir Fayyaz Sheikh
Chief Executive



Rashid Ahmed
Director

Kasur:
February 18, 2026

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Kohinoor Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of KOHINOOR MILLS LIMITED as at 31 December 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 condensed interim financial statements for the half year then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed 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 condensed 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 condensed 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 condensed 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 half year, presented in 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 31 December 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor’s review report is Mubashar Mehmood.



RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 19 February 2026

UDIN: RR202510158UqTMPVCnw

CONDENSED INTERIM FINANCIAL STATEMENTS

for the half year ended 31 December 2025

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
2,200,000,000 (30 June 2025: 220,000,000) ordinary shares of Rupee 1 (30 June 2025: Rupees 10) each		2,200,000,000	2,200,000,000
300,000,000 (30 June 2025: 30,000,000) preference shares of Rupee 1 (30 June 2025: Rupees 10) each		300,000,000	300,000,000
		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up share capital			
509,110,110 (30 June 2025: 50,911,011) ordinary shares of Rupee 1 (30 June 2025: Rupees 10) each	4	509,110,110	509,110,110
Capital reserves			
Share premium reserve		213,406,310	213,406,310
Fair value reserve FVTOCI investment		92,315,212	100,097,275
Surplus on revaluation of operating fixed assets - net of tax		4,611,119,046	4,633,442,877
Revenue reserves			
General reserve		788,199,282	788,199,282
Accumulated profit		4,186,810,011	4,028,174,177
Total equity		<u>10,400,959,971</u>	<u>10,272,430,031</u>
LIABILITIES			
Non-current liabilities			
Long term financing - secured	5	1,885,144,640	1,638,347,898
Lease liabilities		73,705,314	14,208,427
Deferred liabilities		437,798,770	469,911,292
Deferred income - Government grant		82,125,961	97,029,653
		<u>2,478,774,685</u>	<u>2,219,497,270</u>
Current liabilities			
Trade and other payables		5,751,993,221	5,822,325,340
Accrued mark-up		149,250,037	133,176,343
Short term borrowings - secured		8,522,085,979	7,409,319,105
Current portion of non-current liabilities		642,493,043	568,405,174
Provision for taxation and levy payable - net		50,718,333	51,037,272
Unclaimed dividend		8,423,728	8,423,728
		<u>15,124,964,341</u>	<u>13,992,686,962</u>
Total liabilities		<u>17,603,739,026</u>	<u>16,212,184,232</u>
Contingencies and commitments	6		
TOTAL EQUITY AND LIABILITIES		<u>28,004,698,997</u>	<u>26,484,614,263</u>

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR

	Note	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
ASSETS			
Non-current assets			
Fixed assets	7	13,727,320,826	12,809,245,927
Right-of-use assets		94,837,796	20,842,187
Intangible asset		4,997,036	5,728,310
Long term investment		152,040,582	164,798,062
Long term loans		4,244,999	5,758,328
Long term security deposits		241,381,781	134,195,599
		<u>14,224,823,020</u>	<u>13,140,568,413</u>
Current assets			
Stores, spares and loose tools		1,283,706,085	991,501,873
Stock-in-trade		5,577,539,688	5,308,117,799
Trade debts		3,786,114,901	4,096,690,353
Loans and advances		409,453,628	350,643,616
Short term deposits and prepayments		54,857,866	24,439,079
Sales tax recoverable		1,422,757,390	1,325,293,888
Other receivables		54,643,109	55,033,870
Short term investments	8	113,057,970	374,618,127
Cash and bank balances		1,077,745,340	815,725,638
		<u>13,779,875,977</u>	<u>13,342,064,243</u>
Non-current asset classified as held for sale		-	1,981,607
		<u>13,779,875,977</u>	<u>13,344,045,850</u>
TOTAL ASSETS		<u>28,004,698,997</u>	<u>26,484,614,263</u>



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Half year ended		Quarter ended	
		31 December 2025 Rupees	31 December 2024 Rupees	31 December 2025 Rupees	31 December 2024 Rupees
REVENUE	9	13,073,991,708	14,512,470,719	6,799,968,008	7,492,381,352
COST OF SALES	10	(11,122,923,461)	(12,513,473,682)	(5,723,318,528)	(6,423,258,293)
GROSS PROFIT		1,951,068,247	1,998,997,037	1,076,649,480	1,069,123,059
DISTRIBUTION COST		(675,949,535)	(715,983,746)	(362,853,983)	(374,367,523)
ADMINISTRATIVE EXPENSES		(487,751,305)	(368,747,511)	(281,880,517)	(199,859,732)
OTHER EXPENSES		(67,505,443)	(40,775,724)	(31,165,236)	(29,372,274)
		(1,231,206,283)	(1,125,506,981)	(675,899,736)	(603,599,529)
		719,861,964	873,490,056	400,749,744	465,523,530
OTHER INCOME		86,556,901	94,165,315	54,008,261	51,573,765
PROFIT FROM OPERATIONS		806,418,865	967,655,371	454,758,005	517,097,295
FINANCE COST		(531,091,566)	(666,545,973)	(276,162,132)	(301,331,601)
PROFIT BEFORE LEVY AND TAXATION		275,327,299	301,109,398	178,595,873	215,765,694
LEVY		(166,152,401)	(147,969,129)	(118,179,566)	(77,662,397)
PROFIT BEFORE TAXATION		109,174,898	153,140,269	60,416,307	138,103,297
TAXATION		27,137,105	18,105,051	19,295,961	22,266,275
PROFIT AFTER TAXATION		136,312,003	171,245,320	79,712,268	160,369,572
			Restated		Restated
EARNINGS PER SHARE					
- BASIC AND DILUTED		0.27	0.34	0.16	0.31

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31 December 2025 Rupees	31 December 2024 Rupees	31 December 2025 Rupees	31 December 2024 Rupees
PROFIT AFTER TAXATION	136,312,003	171,245,320	79,712,268	160,369,572
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified to profit or loss:				
Fair value adjustment arising on remeasurement of investment at fair value through other comprehensive income	(12,757,480)	-	(12,757,480)	-
Deferred income tax relating to this item	4,975,417	-	4,975,417	-
	(7,782,063)	-	(7,782,063)	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive loss for the period - net of tax	(7,782,063)	-	(7,782,063)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	128,529,940	171,245,320	71,930,205	160,369,572

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	RESERVES							TOTAL EQUITY	
	Capital Reserves			Revenue Reserves					
	Share premium reserve	Fair value reserve FYTOCI investment - net of tax	Surplus on revaluation of operating fixed assets - net of tax	Sub Total	General reserve	Accumulated profit	Sub Total		
Balance as at 30 June 2024 - (audited)	509,110,110	213,406,310	13,222,441	4,680,440,417	4,907,069,168	788,199,282	3,747,664,119	4,535,863,401	9,952,042,679
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(23,498,769)	(23,498,769)	-	23,498,769	23,498,769	-
Profit for the half year ended 31 December 2024	-	-	-	-	-	-	171,245,320	171,245,320	171,245,320
Other comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	171,245,320	171,245,320	171,245,320
Balance as at 31 December 2024 - (Un-audited)	509,110,110	213,406,310	13,222,441	4,656,941,648	4,883,570,399	788,199,282	3,942,408,208	4,730,607,490	10,123,287,999
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(23,498,771)	(23,498,771)	-	23,498,771	23,498,771	-
Profit for the half year ended 30 June 2025	-	-	-	-	-	-	62,267,198	62,267,198	62,267,198
Other comprehensive loss for the half year ended 30 June 2025	-	-	86,874,834	-	86,874,834	-	-	-	86,874,834
Total comprehensive income for the half year ended 30 June 2025	-	-	86,874,834	-	86,874,834	-	62,267,198	62,267,198	149,142,032
Balance as at 30 June 2025 - (audited)	509,110,110	213,406,310	100,097,275	4,633,442,877	4,946,946,462	788,199,282	4,028,174,177	4,816,373,459	10,272,430,031
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(22,323,831)	(22,323,831)	-	22,323,831	22,323,831	-
Profit for the half year ended 31 December 2025	-	-	-	-	-	-	136,312,003	136,312,003	136,312,003
Other comprehensive loss for the half year ended 31 December 2025	-	-	(7,782,063)	-	(7,782,063)	-	-	-	(7,782,063)
Total comprehensive income for the half year ended 31 December 2025	-	-	(7,782,063)	-	(7,782,063)	-	136,312,003	136,312,003	128,529,940
Balance as at 31 December 2025 - (Un-audited)	509,110,110	213,406,310	92,315,212	4,611,119,046	4,916,840,568	788,199,282	4,186,810,011	4,975,009,293	10,400,959,971

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Note	Half year ended	
		31 December 2025 Rupees	31 December 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated From Operations	11	530,108,835	564,110,058
Income tax and levy paid		(166,471,340)	(228,354,485)
Finance cost paid		(484,430,665)	(823,821,364)
Net decrease in long term loans to employees		1,513,329	1,724,805
Net increase in long term security deposits		(107,186,182)	(27,578,963)
		(756,574,858)	(1,078,030,007)
Net cash used in operating activities		(226,466,023)	(513,919,949)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,216,719,489)	(155,386,685)
Right-of-use assets initial direct cost		(2,720,955)	-
Proceeds from disposal of operating fixed assets		36,224,060	53,740,499
Proceeds from disposal of investment property		10,500,000	-
Dividend received		3,218,535	12,888,833
Proceeds from disposal of short term investment		1,164,500,001	1,275,352,677
Short term investment made		(892,001,181)	(1,574,405,476)
Net cash used in investing activities		(896,999,029)	(387,810,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		646,195,000	24,060,000
Repayment of long term financing		(363,519,108)	(237,771,301)
Lease rentals paid		(9,958,012)	-
Short term borrowings - net		1,112,766,874	1,284,052,363
Net cash from financing activities		1,385,484,754	1,070,341,062
Net increase in cash and cash equivalents		262,019,702	168,610,961
Cash and cash equivalents at the beginning of the period		815,725,638	473,500,537
Cash and cash equivalents at the end of the period		1,077,745,340	642,111,498

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2025

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited (“the Company”) is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. Manufacturing units (dyeing, weaving, power generation and apparel) and registered office of the Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. Marketing office of the Company is situated at Office No. 815, 8th Floor, Uni Centre, Serai Quarters, I.I Chundrigar Road, Karachi. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate and supply electricity.

2. BASIS OF PREPARATION

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
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

4. During the period, the Company announced a subdivision of its shares in a ratio of 10 shares for every 1 share held, reducing the nominal (face) value of each share from Rupees 10 to Rupee 1 per share and same was approved in extraordinary general meeting held on 09 September 2025. As a result, the total number of issued shares has been increased from 50,911,011 ordinary shares of Rupees 10 each to 509,110,110 ordinary shares of Rupee 1 each. However, the total paid-up share capital amount of the Company remained unchanged. The share split is intended to enhance the liquidity of the Company's shares in the equity market, attract a broader investor base, and strengthen the Company's market presence. Accordingly, the earnings per share (EPS) figures for all periods presented in these condensed interim financial statements have been adjusted to reflect the revised number of shares post-split, as required under IAS 33 "Earnings per Share".

5. LONG TERM FINANCING - SECURED

	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
Opening balance	2,094,188,761	1,793,320,514
Add: Obtained during the period / year	646,195,000	744,042,913
Less: Repaid during the period / year	(363,519,108)	(482,933,582)
Less: Other non-cash movements	-	(18,872,123)
Add: Adjustment due to impact of IFRS - 9 during the period / year	9,124,761	20,397,642
Add: Deferred income amortised during the period / year (Note 5.1)	17,465,567	38,233,397
	<u>2,403,454,981</u>	<u>2,094,188,761</u>
Less: Current portion shown under current liabilities	518,310,341	455,840,863
	<u>1,885,144,640</u>	<u>1,638,347,898</u>

- 5.1 This represents net impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

6. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025 except for the following:

- (i) The Company received notice from the Collector of Customs (Appraisalment), Dryport, Lahore, during the year ended 30 June 2023 alleging non-payment of advance income tax at the time of import of goods during the period from 2008 to 2011, thereby raising a demand of Rupees 26.195 million along with a penalty of Rupees 0.50 million. The matter was decided against the Company by the Collector of Customs (Adjudication), who directed payment of the aforesaid amount along with penalties. Being aggrieved, the Company has filed an appeal before the Customs, Excise and Sales Tax Appellate Tribunal, which is pending adjudication. Based on legal advice, management is of the view that the Company has reasonable grounds to defend its position and accordingly, no provision has been recognized in these condensed interim financial statements.
- (ii) The Company received notices from SNGPL to pay an amount of Rupees 18.437 million of account of adjustments and late payment surcharge on retrospective redetermination of tariff of RLNG for the period from April 2015 to June 2022. Currently, the Company's appeal is in Lahore High Court, Lahore which is pending adjudication. Based on legal advice, management is of the view that the Company has reasonable grounds to defend its position and accordingly, no provision has been recognized in these condensed interim financial statements.

Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 69.070 million and Rupees 209.160 million (30 June 2025: Rupees 396.077 million and Rupees 224.303 million) respectively.
- (ii) Post dated cheques amounting to Rupees 346.024 million (30 June 2025: Rupees 134.039 million) are issued to creditors of the Company and sui northern gas pipeline limited.
- (iii) Outstanding foreign currency forward contracts are of Rupees 637.171 million (30 June 2025: Rupees 268.796 million).

	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
7. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 7.1)	12,767,738,947	11,338,078,217
Capital work-in-progress (Note 7.2)	959,581,879	1,471,167,710
	<u>13,727,320,826</u>	<u>12,809,245,927</u>
7.1 Operating fixed assets		
Opening net book value	11,338,078,217	11,535,325,319
Add: Cost of additions during the period / year (Note 7.1.1)	1,728,305,320	379,665,075
	<u>13,066,383,537</u>	<u>11,914,990,394</u>
Less: Book value of deletions during the period / year (Note 7.1.2)	23,134,411	44,391,533
Less: Depreciation charged during the period / year	275,510,179	532,520,644
Closing net book value	<u>12,767,738,947</u>	<u>11,338,078,217</u>
7.1.1 Cost of additions		
Freehold land	-	19,530,725
Factory building	213,868,265	33,120,272
Plant and machinery	1,318,734,967	230,640,785
Electric installations	156,484,900	17,225,429
Furniture, fixtures and equipment	34,330,441	10,405,096
Computers	-	11,919,149
Motor vehicles	4,886,747	56,823,619
	<u>1,728,305,320</u>	<u>379,665,075</u>
7.1.2 Book value of deletions		
Plant and machinery	13,591,014	41,763,130
Motor vehicles	9,543,397	2,628,403
	<u>23,134,411</u>	<u>44,391,533</u>
7.2 Capital work-in-progress		
Plant and machinery	546,463,031	656,011,863
Electric installations	143,772,415	175,064,732
Furniture fixtures and equipment	642,263	22,178,516
Buildings	1,375,798	36,637,925
Advance for purchase of land	10,000,000	-
Stores held for capital expenditures	91,991,040	472,075,477
Unallocated capital expenditure	165,337,332	109,199,197
	<u>959,581,879</u>	<u>1,471,167,710</u>

8. SHORT TERM INVESTMENTS

At fair value through profit or loss

Mutual funds:

	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
MCB Cash Management Optimizer 910,821.3539 (30 June 2025: 3,520,348.139) units	95,946,979	359,554,277
NBP Money Market Fund 1,441,459.049 (30 June 2025: 1,441,459.049) units	14,461,870	14,427,035
NBP Islamic Daily Dividend Fund 117.1869 (30 June 2025: Nil) units	1,171	-
	110,410,020	373,981,312
Add: Fair value adjustment	2,647,950	636,815
	<u>113,057,970</u>	<u>374,618,127</u>

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Rupees	Rupees	Rupees	Rupees
10. COST OF SALES				
Raw material consumed	7,589,105,311	8,887,587,485	3,912,897,349	4,328,425,392
Chemical consumed	923,451,445	905,494,342	487,772,292	464,175,805
Salaries, wages and other benefits	686,854,174	650,395,765	373,991,638	317,243,532
Employees' provident fund contributions	43,925,796	40,037,930	25,154,338	19,951,638
Cloth conversion and processing charges	375,217,080	201,430,331	276,902,739	128,115,175
Fuel, oil and power	1,374,484,448	1,473,580,239	620,067,142	719,410,466
Stores, spares and loose tools consumed	180,008,286	179,980,560	61,705,295	75,509,017
Packing material consumed	75,314,061	84,038,632	41,806,384	44,707,810
Repair and maintenance	60,541,087	49,649,461	32,533,773	29,033,356
Insurance	27,053,334	24,799,990	13,997,016	12,370,718
Other manufacturing expenses	94,761,018	86,095,611	54,328,689	41,579,621
Depreciation on operating fixed assets	264,650,119	246,554,861	145,092,749	123,565,182
	11,695,366,159	12,829,645,207	6,046,249,404	6,304,087,712
Work-in-process inventory				
Opening stock	486,084,056	506,883,363	710,387,161	756,678,468
Closing stock	(749,499,337)	(711,348,188)	(749,499,337)	(711,348,188)
	(263,415,281)	(204,464,825)	(39,112,176)	45,330,280
Cost of goods manufactured	11,431,950,878	12,625,180,382	6,007,137,228	6,349,417,992
Finished goods inventory				
Opening stock	2,898,093,192	3,056,904,216	2,923,301,909	3,242,451,217
Closing stock	(3,207,120,609)	(3,168,610,916)	(3,207,120,609)	(3,168,610,916)
	(309,027,417)	(111,706,700)	(283,818,700)	73,840,301
	11,122,923,461	12,513,473,682	5,723,318,528	6,423,258,293

	Un-audited Half year ended	
	31 December 2025 Rupees	31 December 2024 Rupees
11. CASH GENERATED FROM OPERATIONS		
Profit before levy and taxation	275,327,299	301,109,398
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	275,510,179	261,565,629
Depreciation on right of-use assets	8,363,633	-
Amortization of intangible assets	731,274	731,274
Dividend income	(3,218,535)	(12,888,833)
Gain on sale of operating fixed assets - net	(13,089,649)	(9,328,678)
Gain on sale of non-current assets classified as held for sale	(8,518,393)	-
Gain on sale of mutual fund	(8,290,715)	-
Unrealized gain on remeasurement of FVTPL investments	(2,647,950)	(2,352,678)
Unrealized gain on forwards exchange contracts	(1,262,190)	(4,254,215)
Adjustment due to impact of IFRS-9 on long term financing	26,590,328	30,605,221
Interest on lease liabilities	3,996,879	-
Provision for slow moving, obsolete and damaged store items	2,541,319	16,838,838
Reversal of allowance for expected credit losses	(7,563,464)	(10,598,767)
Reversal of provision for advance to staff against expense	(111,500)	-
Amortization of deferred grant	(17,465,567)	(19,852,365)
Provision for doubtful export rebate	16,924	1,716,008
Provision for doubtful sales tax recoverable	33,683,291	-
Finance cost	500,504,359	635,940,752
Working capital changes (Note 11.1)	(534,988,688)	(625,121,526)
	530,108,835	564,110,058
11.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(294,745,531)	(189,951,249)
Stock-in-trade	(269,421,889)	(354,467,372)
Trade debts	318,138,916	(126,343,787)
Loans and advances	(58,698,512)	(1,188,298)
Short term deposits and prepayments	(30,418,787)	(40,916,423)
Other receivables	1,636,027	8,015,436
Sales tax recoverable	(131,146,793)	(758,594,258)
(Decrease) / Increase in current liabilities		
Trade and other payables	(70,332,119)	838,324,425
	(534,988,688)	(625,121,526)

12. SEGMENT INFORMATION

12.1 The Company has four reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving

Production of different qualities of greige fabric using yarn.

Dyeing

Processing of greige fabric for production of dyed fabric.

Power Generation

Production and distribution of power and steam using gas, oil and coal.

Apparel

Production of garments using processed fabric.

	Weaving		Dyeing		Power Generation		Apparel		Elimination of inter-segment Transactions		Total - Company	
	Half year ended 2025	Half year ended 2024	Half year ended 2025	Half year ended 2024	Half year ended 2025	Half year ended 2024	Half year ended 2025	Half year ended 2024	Half year ended 2025	Half year ended 2024	Half year ended 2025	Half year ended 2024
Sales	5,368,173,651	5,300,187,292	7,677,708,165	9,212,283,427	-	-	28,109,892	-	(5,227,762,795)	-	13,073,991,706	14,512,470,719
External Intersegment	3,393,601,409	4,423,719,126	415,680,733	10,894,257	1,476,270,653	1,957,063,601	854,039	854,039	(5,792,621,023)	-	13,073,991,706	14,512,470,719
Cost of sales	8,701,775,060	9,723,906,416	8,093,899,836	9,223,267,694	1,476,270,653	1,367,063,601	28,109,892	854,039	(5,227,762,795)	(5,792,621,023)	(11,725,993,461)	(12,513,473,682)
Gross profit / (loss)	(7,222,553,146)	(8,751,796,852)	(2,215,634,450)	(6,202,962,619)	(1,389,122,388)	(1,306,280,522)	(23,316,272)	(43,034,712)	5,227,762,795	5,792,621,023	1,951,088,247	1,998,997,037
Distribution cost	979,221,914	972,109,566	877,904,448	1,020,285,065	88,148,265	48,783,079	4,793,620	(42,180,673)	-	-	(675,949,535)	(715,983,746)
Administrative expenses	(243,089,913)	(228,053,141)	(406,802,564)	(487,899,750)	(17,560,098)	(14,239,340)	(26,057,058)	(30,855)	-	-	(487,751,305)	(368,747,511)
Profit / (loss) before levy, taxation and unallocated income / expenses	(446,846,822)	(395,582,206)	(637,066,062)	(672,963,617)	(17,560,098)	(14,239,340)	(62,228,838)	(1,944,034)	-	-	(1,163,700,840)	(1,084,731,257)
Unallocated income and expenses:	532,376,092	576,827,360	240,838,386	347,319,448	71,588,167	34,543,739	(57,435,238)	(44,124,767)	-	-	781,367,407	914,265,780
Finance cost	-	-	-	-	-	-	-	-	-	-	(531,091,566)	(666,545,973)
Other expenses	-	-	-	-	-	-	-	-	-	-	(67,505,443)	(40,775,724)
Other income	-	-	-	-	-	-	-	-	-	-	86,556,315	94,165,315
Levy	-	-	-	-	-	-	-	-	-	-	(166,152,401)	(147,969,129)
Taxation	-	-	-	-	-	-	-	-	-	-	27,137,105	18,105,051
Profit after taxation	-	-	-	-	-	-	-	-	-	-	136,312,003	171,245,320

12.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Apparel		Total - Company	
	Un-audited 31 December 2025	Audited 30 June 2025	Un-audited 31 December 2025	Audited 30 June 2025	Un-audited 31 December 2025	Audited 30 June 2025	Un-audited 31 December 2025	Audited 30 June 2025	Un-audited 31 December 2025	Audited 30 June 2025
Segment assets	12,340,460,701	12,366,570,192	8,691,667,242	8,728,610,876	3,004,452,500	2,510,985,496	2,298,482,786	1,367,515,592	26,335,063,229	24,973,680,126
Unallocated assets	-	-	-	-	-	-	-	-	-	-
Right of use-assets	-	-	-	-	-	-	-	-	-	-
Sales tax recoverable	-	-	-	-	-	-	-	-	94,837,796	20,842,187
Long term investment	-	-	-	-	-	-	-	-	1,422,757,390	1,232,293,888
Total assets as per condensed interim statement of financial position	-	-	-	-	-	-	-	-	28,004,698,997	26,484,614,263
Segment liabilities	3,191,539,503	3,088,435,580	2,056,227,631	2,294,703,651	289,621,647	309,047,334	130,773,660	239,281,567	5,678,162,441	5,701,468,122
Unallocated liabilities:	-	-	-	-	-	-	-	-	-	-
Long term financing - secured	-	-	-	-	-	-	-	-	2,403,454,981	2,094,188,761
Lease liabilities	-	-	-	-	-	-	-	-	94,764,333	21,087,179
Deferred liabilities	-	-	-	-	-	-	-	-	437,998,770	469,911,292
Deferred income - Government grant	-	-	-	-	-	-	-	-	11,937,426	130,402,994
Accrued mark-up	-	-	-	-	-	-	-	-	149,250,037	133,176,343
Short term borrowings - secured	-	-	-	-	-	-	-	-	8,522,085,979	7,409,319,105
Unclaimed dividend	-	-	-	-	-	-	-	-	8,423,728	8,423,728
Taxes and other payables	-	-	-	-	-	-	-	-	146,142,998	193,169,468
Provision for taxation and levy payable - net	-	-	-	-	-	-	-	-	50,718,333	51,037,272
Total liabilities as per condensed interim statement of financial position	-	-	-	-	-	-	-	-	17,603,739,026	16,212,194,232

13. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 31 December 2025 - un-audited	Level 1	Level 2	Level 3	Total
 Rupees			
Financial assets				
Investments at fair value through profit and loss	113,057,970	-	-	113,057,970
Investment at fair value through other comprehensive income	-	-	152,040,582	152,040,582
Derivative financial assets	-	1,262,190	-	-
Total financial assets	113,057,970	1,262,190	152,040,582	265,098,552

Recurring fair value measurements At 30 June 2025 - audited	Level 1	Level 2	Level 3	Total
 Rupees			
Financial assets				
Investments at fair value through profit and loss	374,618,127	-	-	374,618,127
Investment at fair value through other comprehensive income	-	-	164,798,062	164,798,062
Derivative financial assets	-	701,354	-	701,354
Total financial assets	374,618,127	701,354	164,798,062	540,117,543

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There was no transfer in and out of level 1 and level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the half year ended 31 December 2025:

	Unlisted equity security Rupees
Balance as on 30 June 2024 - Audited	22,380,302
Add: / (less) Fair value adjustment recognized in other comprehensive income	-
Balance as on 31 December 2024 - Unaudited	22,380,302
Add: Fair value adjustment recognized in other comprehensive income	142,417,760
Balance as on 30 June 2025 - Audited	164,798,062
Less: Fair value adjustment recognized in other comprehensive income	(12,757,480)
Balance as on 31 December 2025 - Unaudited	<u>152,040,582</u>

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value as at		Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	Un-audited 31 December 2025	Audited 30 June 2025		31 December 2025	
	Rupees	Rupees			

Investment

Security General Insurance Company Limited	152,040,582	164,798,062	Terminal growth rate Risk adjusted discount rate	2.00% 14.56%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +24.305 million / -17.733 million.
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There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuation of non-property item required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the chief financial officer. Discussions of valuation processes and results are held between the chief financial officer and the valuation team at least once every six month, in line with the Company's half yearly reporting period.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instrument is determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity security is estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each half yearly reporting period during the valuation discussion between the chief financial officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

14. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2025 Un-audited	Level 1	Level 2	Level 3	Total
 Rupees			
Property, plant and equipment:				
- Freehold land	-	4,426,954,725	-	4,426,954,725
- Buildings	-	-	2,545,761,354	2,545,761,354
Total non-financial assets	-	4,426,954,725	2,545,761,354	6,972,716,079

At 30 June 2025 Audited	Level 1	Level 2	Level 3	Total
 Rupees			
Property, plant and equipment:				
- Freehold land	-	4,426,954,725	-	4,426,954,725
- Buildings	-	-	2,392,577,645	2,392,577,645
Total non-financial assets	-	4,426,954,725	2,392,577,645	6,819,532,370

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the half year ended 31 December 2025. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property, plant and equipment carried at revalued amounts every three years. The management updates the assessment of the fair value of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's items of property, plant and equipment carried at revalued amounts at the end of every three years. As at 30 June 2024, the fair values of the items of property, plant and equipment (land and buildings) were determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties are as follows:

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2025 Rupees	31 December 2024 Rupees	31 December 2025 Rupees	31 December 2024 Rupees
Repayment of loan to:				
Chief executive officer	3,500,000	4,200,000	2,500,000	3,200,000
Close relatives of chief executive officer	6,000,000	-	6,000,000	-
Remuneration to Chief executive officer, directors and executives	278,855,407	216,282,652	165,115,393	122,246,716
Contribution to employees' provident fund trust	61,224,459	54,362,559	34,933,980	27,809,590
Dividend received from Security General Insurance Company Limited.	3,218,535	3,862,002	-	-
Insurance expense - Security General Insurance Company Limited.	1,134,066	1,125,365	594,033	552,574
			Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees

Period end balances

Loan from:		
Chief executive officer	30,300,000	33,800,000
Close relatives of chief executive officer	21,532,490	27,532,490
Director	17,282,000	17,282,000
Payable / (Receivable) to / from employees' provident fund trust	3,535,415	(151,992)
Payable to Security General Insurance Company Limited	449,572	430,000

16. FINANCIAL RISK MANAGEMENT

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

17. DISCLOSURE REQUIREMENT FOR COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS ACTIVITIES

Description	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		
Short term	300,000,000	900,000,000
Interest or mark-up accrued on any conventional loan or advance	438,006,225	950,933,951
Long-term and short-term Shariah compliant Investments	-	-
Shariah-compliant bank deposits, bank balances, and TDRs	44,908,248	112,606,916

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Rupees	Rupees	Rupees	Rupees
Revenue earned from				
Shariah-compliant business segment	13,073,991,708	14,512,470,719	6,799,968,008	7,492,381,352
Break-up of late payments				
liquidated damages	-	-	-	-
Gain or loss or dividend earned on				
Shariah compliant investments or share				
of from Shariah-compliant associates	-	-	-	-
Profit earned from Shariah-compliant bank				
deposits, bank balances, or TDRs	-	-	-	-
Exchange gain earned from actual currency	-	-	-	-
Exchange gains earned using conventional				
derivative financial instruments	1,262,190	4,254,215	1,262,190	4,254,215
Profit paid on islamic mode of financing	7,364,384	14,367,123	5,720,548	7,183,562
Total Interest earned on any				
conventional loan or advance	-	-	-	-
Source and detailed breakup of other				
income, including breakup of other or				
miscellaneous portions of other income into				
Shariah-compliant and non-compliant				
income				
Shariah-compliant:				
Reversal of allowance for expected credit losses	7,563,464	10,598,767	7,563,464	10,598,767
Reversal of provision for advances to staff against expenses	111,500	-	111,500	-
Scrap sales	20,452,065	19,129,546	11,031,187	11,521,031
Net exchange gain	-	5,019,036	-	5,019,036
Gain on sale of investment property	8,518,393	-	-	-
Gain on sale of operating fixed assets	13,089,649	10,025,557	9,073,147	6,500,000
Non-shariah compliant income:				
Dividend income	3,218,535	12,888,833	3,218,535	6,378,947
Unrealized gain on forward exchange contracts	1,262,190	4,254,215	1,262,190	4,254,215
Unrealized gain on remeasurement of FVTPL investments	2,647,950	2,352,678	2,647,950	2,352,678
Gain on sale of mutual funds	8,290,715	237,815	3,172,912	237,815
Profit on deposits with banks	3,936,873	9,806,503	1,818,437	4,972,263
Amortization of deferred grant	17,465,567	19,852,365	8,575,102	9,789,275

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

Name	Relationship
Meezan Bank Limited	Bank balance
MCB Islamic Bank Limited	Bank balance and short term borrowings
Al-Baraka Islamic Bank Pakistan Limited	Bank balance

18. AUTHORIZED FOR ISSUE

These condensed interim financial statements were authorized for issue on February 18, 2026 by the Board of Directors of the Company.

19. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”, the unconsolidated condensed interim statement of financial position and unconsolidated condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

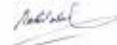
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

20. GENERAL

Figures have been rounded off to the nearest of Rupees unless otherwise stated.



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONTACT US

We'd love to hear from you!

For inquiries, orders, or more information, reach out to us at:



+92 42 111 941 941



info@kohinoormills.com



www.kohinoormills.com



8 KM Manga - Raiwind Road, Raiwind, 55050, Pakistan

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