



LOTTE CHEMICAL
PAKISTAN LTD

RESET. REVIVE. RISE.

Reshaping the Business, Strengthening the Future.

Annual Report 2025

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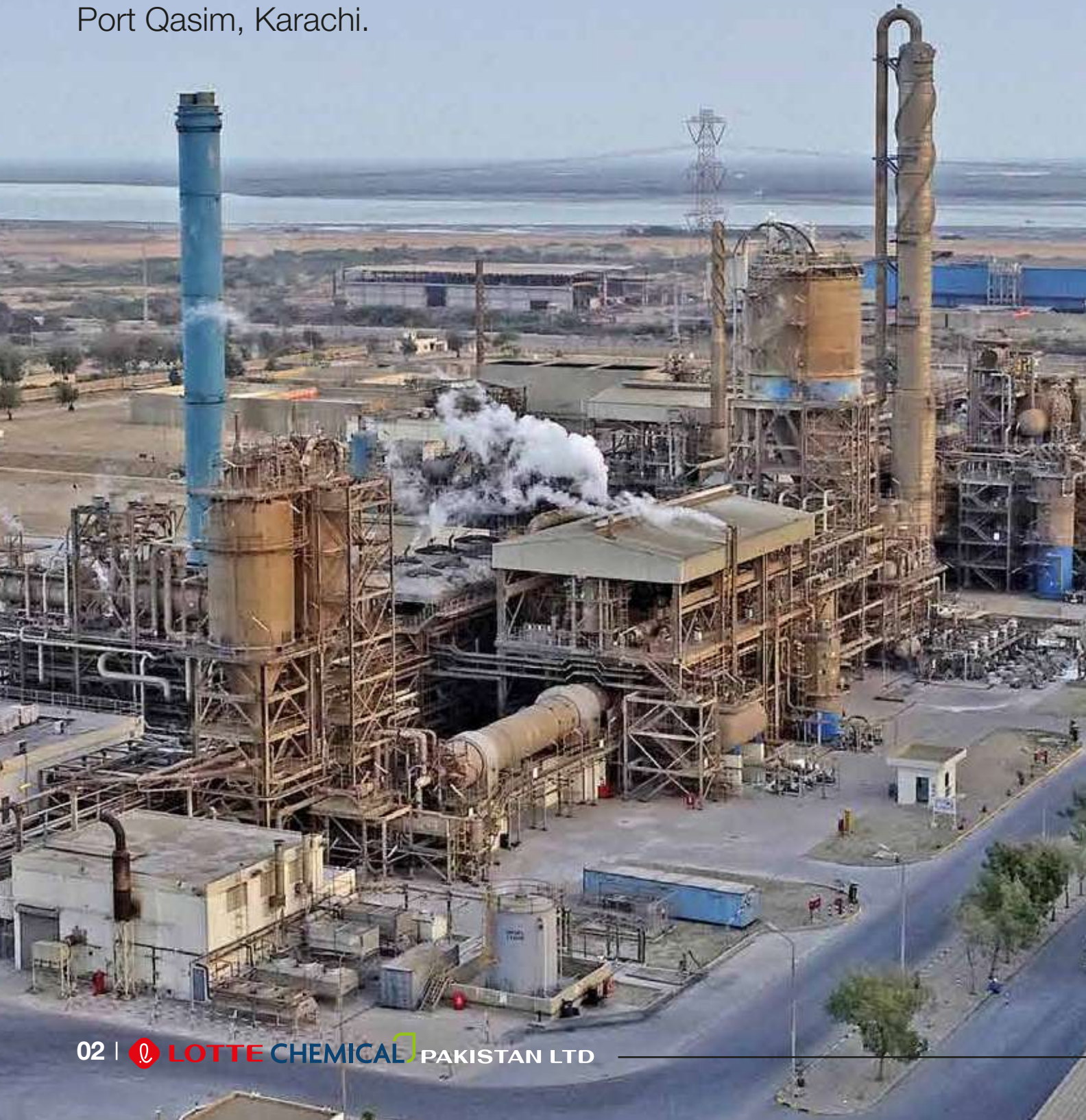


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About Us

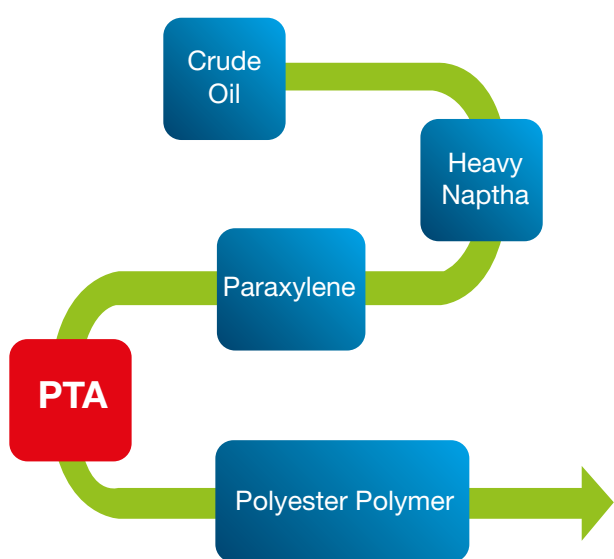
Lotte Chemical Pakistan Limited (LCPL) is the only world-class manufacturer and supplier of Purified Terephthalic Acid (PTA) in Pakistan. The Company has the capacity to produce 500,000 tonnes of PTA per year through its state-of-the-art plant located at Port Qasim, Karachi.



Purified Terephthalic Acid (PTA)

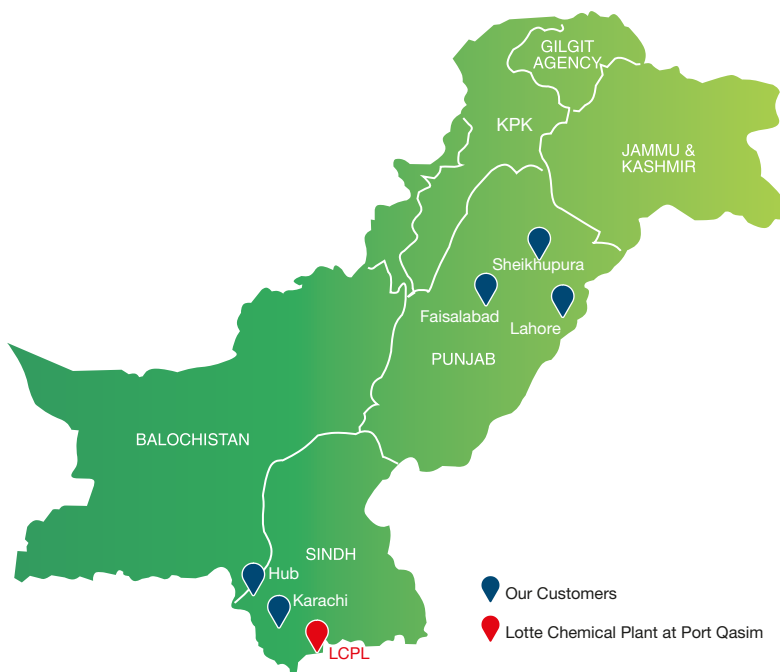
LCPL holds the foundation of the polyester chain in Pakistan and retains its edge by being a local PTA manufacturer and major supplier for the domestic Polyester and PET industries. We maintain major share of the domestic market, and remain the supplier of choice based on our short delivery time, consistent quality and excellent customer service.

For producing PTA we import our feedstock (Paraxylene) from reputable suppliers based in Asia and Middle-East region. Our plant operates under a technology license with IPT (Invista Performance Technologies) which is currently the leading global supplier of PTA technology.



Our Customers

Since its inception, the Company has focused on meeting Pakistan's PTA demand. However, if domestic demand slows down, the Company is well placed to export to other countries. Our product meets all international quality standards and is well accepted by Customers in Asia and Middle-East region. Our domestic Customers are located across Pakistan.



Our Mission

To be supplier
of choice to
PTA customers
in Pakistan and
to maximize
long-term
business value.



Our Vision

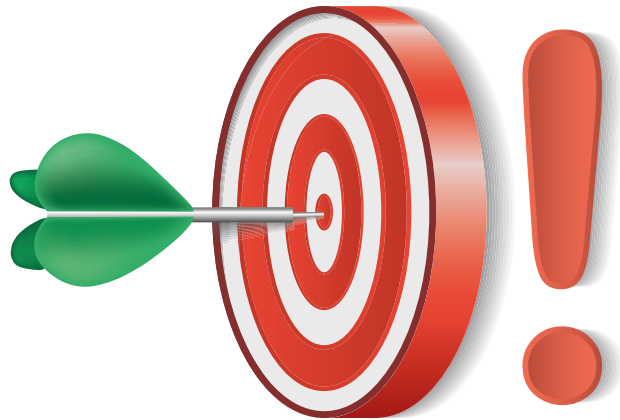
The Spirit to Make a Difference through Value, Quality and Excellence

At Lotte Chemical Pakistan Limited, our customer's satisfaction is the driving force behind our spirit to meet challenges and achieve excellence in everything we do. We maximise operating efficiencies and demonstrate best practices in Safety, Health and Environment that add value to our quality product and make a difference in letter and in spirit.



Our Key Strategic Objectives

Maintain a high standard of HSE performance



Develop and retain talent and improve employee engagement



Deliver business improvement and cost optimization targets



Achieve more than 95% availability of PTA plant



Optimize and ensure availability of critical feedstock



Maximize domestic sales and market share

Our Code of Conduct

From the inception of the Company it has been and continues to be a policy that the Company and all its employees maintain the highest ethical standards in the conduct of the Company's business. Our Code of Conduct constitutes a set of standards and rules which form an integral part of our corporate culture and is a statement of who we are and how we work. They highlight business principles, the Company's responsibilities towards its employees, and employee responsibilities towards your Company. All standards ensure both management and staff work in cohesion towards the smooth functioning of the organisation.

Business Principles

These define our management principles, core values and other specific policy areas which help in creating long-term value with all stakeholders. Specific policy areas include supporting the principles of free enterprise, ethics, integrity and fairness in all aspects of operations, supporting community activities as a socially responsible corporate citizen, communications in an open, factual and timely manner, compliance with the laws in which we operate and protecting the environment with the commitment to contribute to sustainable development. It is the responsibility of the Board through the Chief Executive to ensure that the business principles are communicated to all employees and to oversee implementation thereof.

Company Responsibilities

These define specific policy areas which include adopting a spirit of open communication, providing equal opportunities, a healthy, safe and secure environment, ensuring employee rights are exercised such as freedom to join unions and associations, protecting employees' personal data and engaging in an active performance management system.

Employee Responsibilities

The Code provides guidance to employees on their responsibilities towards media relations, disclosures, inside information, protecting intellectual property, information technology, code of conduct, compliance with business policies which ensure highest ethical standards in the conduct of the Company's business.

Company Information

As at 03 March 2026

Board of Directors

Imtiaz Ahmed	Chairman	Faisal Ahmed Siddiqui	Non-Executive
Adnan Afridi	Chief Executive	Shabbir Diwan	Non-Executive
Muhammad Zahoor Ilahee Cheema	Non-Executive	Osman Asghar Khan	Independent
Fehmina Khan	Non-Executive	Shahid Ul Hassan Chattha	Independent

Audit Committee

Osman Asghar Khan	Chairman
Muhammad Zahoor Ilahee Cheema	Member
Faisal Ahmed Siddiqui	Member
Shahid Ul Hassan Chattha	Member
Faisal Abid	Secretary

HR & Remuneration Committee

Shahid Ul Hassan Chattha	Chairman
Faisal Ahmed Siddiqui	Member
Muhammad Zahoor Ilahee Cheema	Member
Adnan Afridi	Member
Waheed U Khan	Secretary

Executive Management Team

Adnan Afridi	Chief Executive
Muhammad Adnan Ali Rizvi	Director, Strategy and Business Development
Tariq Nazir Virk	Director, Manufacturing
Waheed U Khan	Director Admin, HR & IT
Ashiq Ali	Chief Financial Officer
Muhammed Talha Khan	General Manager Commercial

Chief Financial Officer

Ashiq Ali

Company Secretary

Faisal Abid

Bankers

Allied Bank Limited	Industrial and Commercial Bank of China
Askari Bank Limited	MCB Bank Limited
Bank Alfalah Limited	MCB Islamic Bank Limited
Citibank NA	Meezan Bank Limited
Dubai Islamic Bank Pakistan Limited	National Bank of Pakistan
Faysal Bank Limited	Soneri Bank Limited
Habib Bank Limited	Standard Chartered Bank (Pakistan) Limited
Habib Metropolitan Bank Ltd	United Bank Limited

Internal Auditors

KPMG Taseer Hadi & Co., Chartered Accountants

External Auditors

A.F. Ferguson & Co., Chartered Accountants

Legal Advisor

Naz Toosy
148, 18th East Street, Phase 1, DHA, Karachi

Registered Office

EZ/I/P-4, Eastern Industrial Zone,
Port Qasim, Karachi

Shares Registrar

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

Chief Executive's Message

Dear Stakeholders,

The year 2025 represented a period of both challenge and opportunity for the Company, as we operated within a dynamic and evolving market environment. Sustained competitive pressure from low priced imports tested the resilience of the domestic industry while an unexpected operational disruption presented the team with an onerous challenge – one they navigated with exceptional performance, reinforcing the robustness of our operational and strategic foundations. Despite these headwinds, the Company demonstrated strong adaptability while working towards implementation of timely remedial measures to address cheaper imports from China. The year 2025 ended with positive financial performance along with a successful ownership change which reflects on collective dedication of our team and the unwavering commitment towards the business.

As we reflect on 2025, we recognize it as a year defined by both adversity and resilience for businesses in Pakistan and across global markets. Shifts in national energy policies and pricing structures significantly influenced operational planning and cost management. At the same time, the influx of lower-priced imports across the value chain intensified competitive pressures, placing sustained strain on margins and profitability. Elevated inventory levels within the polyester chain further reflected cautious market sentiment, adding complexity to an already challenging operating environment. Encouragingly, the latter part of the year signaled a measure of stabilization. A steady exchange rate and the gradual easing of interest rates provided much-needed relief to domestic industry, contributing to a more constructive economic outlook. Internationally, evolving policy positions in Western economies and ongoing geopolitical conflicts continued to shape global trade flows and market dynamics, requiring agility, disciplined execution, and strategic foresight. Amid these fluctuating conditions, our organization's resilience, adaptability, and unwavering commitment have enabled us to navigate uncertainty with focus and determination. As we look ahead, we remain confident in our strategic direction and our ability to capitalize on emerging opportunities, strengthen operational excellence, and consistently deliver sustainable value to our shareholders, customers, and broader stakeholder community.

Operationally, the Company experienced an unexpected equipment failure in August 2025 that temporarily affected production. Through swift technical intervention, disciplined execution, and close cross-functional coordination, we were able to minimize disruption and restore operational stability. Throughout the year, we maintained a strong focus on plant reliability, efficiency enhancement, and process optimization, while upholding the highest standards of health, safety, and environmental performance. Our unwavering commitment to



Health, Safety, Environment, & Security (HSE&S) continues to be a foremost priority, as evidenced by the successful achievement of 74.57 million man-hours as of December 31, 2025, with no reported injuries to either employees or contractor staff. These efforts underscore the professionalism and capability of our workforce.

Looking ahead, we remain cautiously optimistic about the outlook for the domestic petrochemical sector. Strengthened anti-dumping protections against Chinese PTA imports, alongside targeted investments in energy optimization and green initiatives that will structurally reduce operating costs while embedding long term sustainability into our business model are expected to reinforce the competitiveness of the business. The recovery in domestic demand further supports our confidence in the market's long-term growth potential. While global economic uncertainties and competitive pressures persist, our strategic focus on operational excellence, cost efficiency, and customer reliability positions the Company to capture emerging opportunities and deliver sustainable value.

On behalf of the management team, I extend my sincere appreciation to our employees for their dedication, to our customers and suppliers for their continued trust, and to our stakeholders for their enduring support. Their partnership remains central to our ability to navigate challenges and achieve long-term success. We look forward to building on the progress made in 2025 and advancing our shared objectives in the years ahead.

Sincerely,

A handwritten signature in black ink, appearing to read 'Adnan Afridi', written over a white background.

Adnan Afridi

SWOT Analysis

S TRENGTHS



- **Exclusive Domestic Production:** Sole producer of PTA in the country.
- **Robust Maintenance & HSE Systems:** Well-established systems for maintenance and Health, Safety, and Environment (HSE) standards.
- **Competitive Sourcing:** Strong ability to source raw materials competitively
- **Superior Service Offering:** Capability to offer better services to customers compared to imported alternatives.
- **Skilled Workforce:** A highly experienced and proficient team.

W EAKNESSES



- **Limited Product Range:** Single product business model.
- **Raw Material Dependence:** Reliance on imported raw materials.
- **Market Overcapacity:** Overcapacity in the Asian market, resulting in compressed margins.

O PPORTUNITIES



- **Packaging Trends:** Growing trends in packaging directly driving downstream demand.
- **Logistical Advantage:** Competitive edge over imports amid the global supply chain crisis.
- **Booming Sector:** Anticipated growth in downstream sectors, supporting capacity enhancements.

T HREATS



- **Price Volatility:** Fluctuations in crude oil and raw material prices.
- **Import Tariff Changes:** Potential reduction in import tariffs.
- **Intensified Price Competition:** Increased competition from imports due to regional oversupply.
- **Foreign Exchange Limitations:** Limited access to foreign exchange in Pakistan for importing raw materials.
- **Economic Instability:** Uncertainty in Pakistan's economic situation.

Awards & Accreditations

ISO 9001 – 2015, 14001:2015 & 45001:2018 Re-Certification

We are an ISO 9001: 2015, 14001: 2015 & 45001: 2018 certified company. Accreditation to this system has provided the foundation for better customer satisfaction, staff motivation and continual improvement of our processes. The company re-certifies their certification after the surveillance audit conducted in 2024 during which no major Non-Conformity reported by the auditors.

Women Empowerment & Gender Equality Recognition Award 2025

In a proud and inspiring achievement, LOTTE Chemical Pakistan Limited has been honored with the Women Empowerment & Gender Equality Recognition Award 2025 by the Employers' Federation of Pakistan (EFP). This recognition highlights LCPL's unwavering commitment to fostering an inclusive, diverse and empowering workplace for all employees.

3rd EFP Skills Development Employer's Recognition Award 2025

LOTTE Chemical Pakistan Limited (LCPL) has been honored with the 3rd EFP Skills Development Employer's Recognition Award 2025 under the Diamond Category for excellence in the On-the-Job Training Apprenticeship Program. This prestigious recognition reflects LCPL's strong commitment to developing skilled talent and contributing to sustainable workforce growth.

14th International Summit and Award on CSR 2025

4th International CSR Award was organized by The Professionals Network, The evaluation was carried out by an independent panel of TPN governing body and they acknowledged the efforts in the category for Sustainability Innovation.

17th International CSR Summit and Award 2025

The National Forum for Environment Health honored the Company with a prominent award for its continuous efforts in contributing towards corporate social responsibility and engaging employees in corporate CSR activities.



Financial Calendar

13 February 2025
Announcement of
results for the
Year ended
31 December 2024

17 April 2025
27th Annual General
Meeting was held

17 April 2025
Announcement of
results for the
1st Quarter ended
31 March 2025

21 August 2025
Announcement of
results for the
2nd Quarter ended
30 June 2025

29 October 2025
Announcement of
results for the
3rd Quarter ended
30 September 2025

3 March 2026
Announcement of
results for the
Year ended
31 December 2025

Tentative dates for the announcement of 2026 financial results

20 April 2026
28th Annual General
Meeting will be held

April 2026
Announcement of
results for the
1st Quarter ending
31 March 2026

August 2026
Announcement of
results for the
2nd Quarter ending
30 June 2026

October 2026
Announcement of
results for the
3rd Quarter ended
30 September 2026

March 2027
Announcement of
results for the
Year ending
31 December 2026

All annual / quarterly reports are regularly posted at the Company's website: www.lottechem.pk



Annual General Meeting

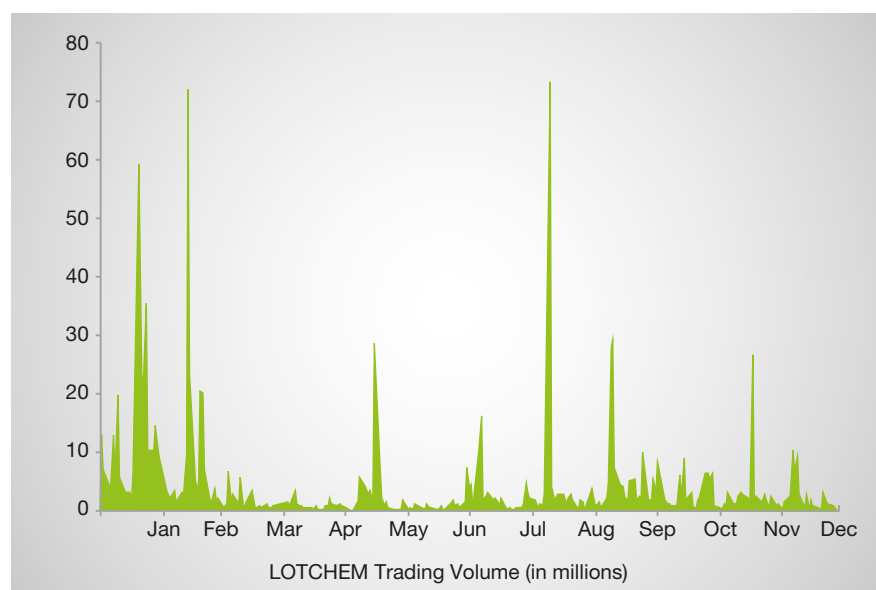
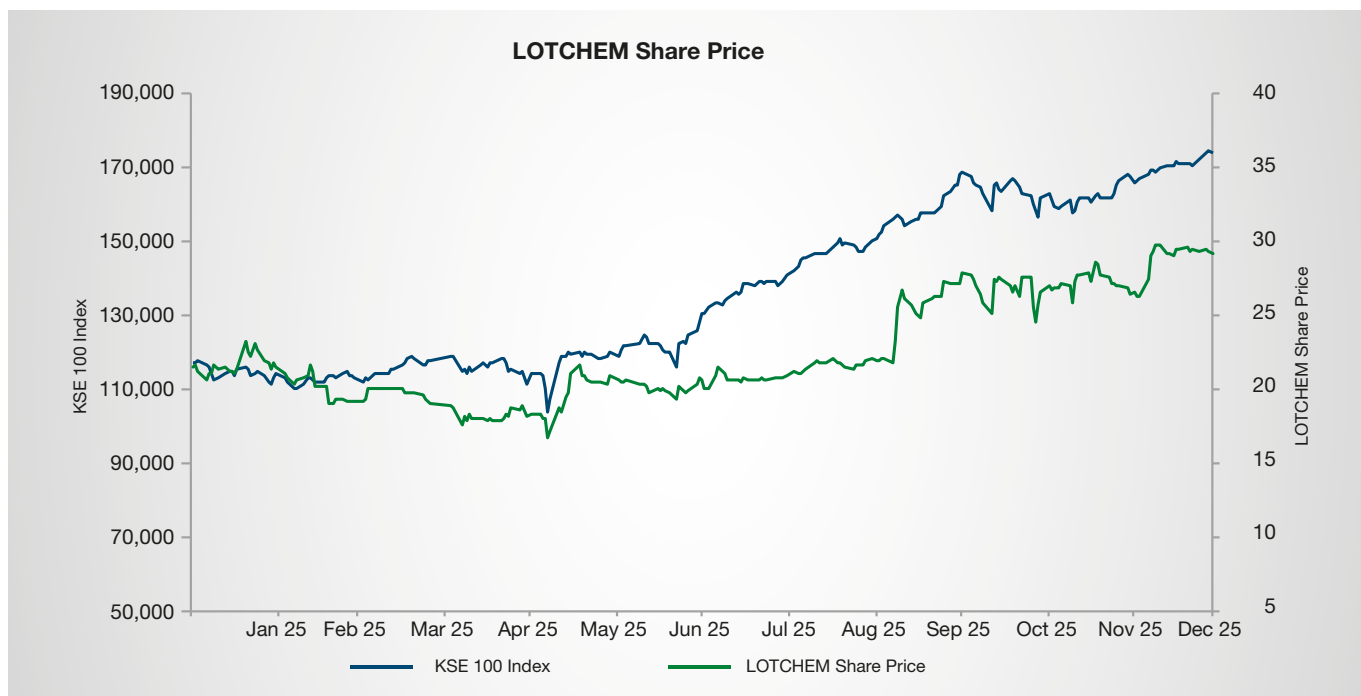
The 28th annual shareholders meeting will be held at 11:00 a.m on 20 April 2026 at the Institute of Chartered Accountants of Pakistan (ICAP) auditorium, Chartered Accountants Avenue, Clifton, Karachi.

Share Price Analysis

On 31 December 2025 there were 14,259 members on the record of the Company's ordinary shares. Market capitalization of the company's stock as at 31 December 2025 was recorded at Rs. 44.18 billion (2024: Rs 31.66 billion) with the price per share fluctuating from a high of Rs 30.15 to a low of Rs 15.06 and closing the year at Rs 29.18.

Trading volumes for the Company's shares remained consistently high during the year and 1,153.18 million shares were traded at the Pakistan Stock Exchange. The Stock posted a gain of 39.55% during the year as against 51.18% gain of PSX 100 index.

Closely held shares (i.e. those held by the sponsors, investment companies, financial institutions, foreign investors and other corporate bodies) amounted to 82.62% of the total share capital including 75.01% held by the PTA Global Holding Limited.



Investor Relation Contact

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 (Manager Legal, Shares & Secretarial)
 Email: waseem.siddiqui@lottechem.pk
 UAN: +92(0)21 111-568-782
 Fax: +92(0)21 34169126

Enquiries concerning cost of share certificate, dividend payments, change of address, verification of transfer deeds and shares transfers should be directed to the Shares Registrar at the following address:

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

Pattern of Shareholding

As at 31 December 2025

No. of Shareholders	Size of Holding		No. of Shares held
	From	To	
3,850	1	100	122,680
4,091	101	500	1,153,100
1,902	501	1,000	1,542,184
2,712	1,001	5,000	6,928,407
633	5,001	10,000	5,007,864
211	10,001	15,000	2,707,197
138	15,001	20,000	2,539,827
105	20,001	25,000	2,477,216
80	25,001	30,000	2,265,384
32	30,001	35,000	1,062,664
44	35,001	40,000	1,681,063
22	40,001	45,000	955,659
65	45,001	50,000	3,221,709
15	50,001	55,000	808,270
16	55,001	60,000	940,650
11	60,001	65,000	697,773
20	65,001	70,000	1,362,386
17	70,001	75,000	1,259,216
12	75,001	80,000	930,660
4	80,001	85,000	333,611
9	85,001	90,000	799,851
3	90,001	95,000	277,620
46	95,001	100,000	4,599,763
5	100,001	105,000	511,279
4	105,001	110,000	434,359
5	110,001	115,000	567,304
9	115,001	120,000	1,077,000
4	120,001	125,000	496,322
4	125,001	130,000	508,469
1	130,001	135,000	132,376
8	135,001	140,000	1,101,115
4	140,001	145,000	573,000
11	145,001	150,000	1,642,254
2	150,001	155,000	305,637
7	160,001	165,000	1,136,585
1	165,001	170,000	167,525
2	170,001	175,000	346,424
3	175,001	180,000	535,592
4	185,001	190,000	759,370
3	190,001	195,000	579,853
13	195,001	200,000	2,600,000
4	200,001	205,000	807,241
2	205,001	210,000	416,000
4	210,001	215,000	851,505
1	215,001	220,000	217,000
1	220,001	225,000	225,000

Pattern of Shareholding

As at 31 December 2025

No. of Shareholders	Size of Holding		No. of Shares held
	From	To	
1	225,001	230,000	230,000
2	245,001	250,000	500,000
2	250,001	255,000	506,000
1	255,001	260,000	259,100
3	260,001	265,000	792,000
3	270,001	275,000	822,649
1	275,001	280,000	275,532
1	290,001	295,000	295,000
3	295,001	300,000	900,000
1	310,001	315,000	315,000
2	320,001	325,000	648,500
1	330,001	335,000	335,000
3	335,001	340,000	1,012,500
2	340,001	345,000	690,000
1	345,001	350,000	345,669
1	355,001	360,000	357,500
2	370,001	375,000	744,160
1	390,001	395,000	394,499
1	395,001	400,000	400,000
1	400,001	405,000	405,000
1	420,001	425,000	425,000
1	445,001	450,000	450,000
1	450,001	455,000	455,000
1	460,001	465,000	460,923
1	470,001	475,000	475,000
1	485,001	490,000	490,000
1	490,001	495,000	490,565
8	495,001	500,000	4,000,000
1	505,001	510,000	508,000
1	510,001	515,000	515,000
1	515,001	520,000	516,000
1	520,001	525,000	522,500
1	565,001	570,000	567,000
1	570,001	575,000	575,000
1	580,001	585,000	584,619
1	595,001	600,000	600,000
1	605,001	610,000	605,514
1	645,001	650,000	650,000
1	660,001	665,000	665,000
1	665,001	670,000	666,791
1	675,001	680,000	676,320
1	695,001	700,000	700,000
1	745,001	750,000	750,000
1	785,001	790,000	790,000
1	795,001	800,000	800,000
1	880,001	885,000	883,000

Pattern of Shareholding

As at 31 December 2025

No. of Shareholders	Size of Holding		No. of Shares held
	From	To	
1	890,001	895,000	891,350
1	900,001	905,000	902,281
1	905,001	910,000	906,366
2	955,001	960,000	1,917,787
1	970,001	975,000	970,711
5	995,001	1,000,000	5,000,000
1	1,025,001	1,030,000	1,025,157
1	1,110,001	1,115,000	1,112,391
1	1,150,001	1,155,000	1,150,998
2	1,180,001	1,185,000	2,365,894
1	1,190,001	1,195,000	1,193,089
1	1,285,001	1,290,000	1,288,580
1	1,370,001	1,375,000	1,372,028
1	1,395,001	1,400,000	1,400,000
1	1,410,001	1,415,000	1,411,986
1	1,480,001	1,485,000	1,482,782
2	1,495,001	1,500,000	3,000,000
1	1,525,001	1,530,000	1,528,573
1	1,755,001	1,760,000	1,756,500
2	1,800,001	1,805,000	3,605,547
2	1,995,001	2,000,000	3,997,321
1	2,075,001	2,080,000	2,076,575
1	2,245,001	2,250,000	2,250,000
1	2,645,001	2,650,000	2,649,480
1	2,995,001	3,000,000	3,000,000
1	3,160,001	3,165,000	3,163,500
1	3,275,001	3,280,000	3,279,500
1	3,305,001	3,310,000	3,306,731
1	3,485,001	3,490,000	3,485,135
1	3,605,001	3,610,000	3,608,000
1	4,995,001	5,000,000	5,000,000
1	5,680,001	5,685,000	5,684,901
1	6,995,001	7,000,000	7,000,000
1	7,135,001	7,140,000	7,137,038
1	7,910,001	7,915,000	7,913,278
1	8,700,001	8,705,000	8,701,109
1	9,400,001	9,405,000	9,401,500
1	14,065,001	14,070,000	14,066,211
1	17,900,001	17,905,000	17,900,070
1	19,995,001	20,000,000	20,000,000
1	23,740,001	23,745,000	23,740,331
1	41,560,001	41,565,000	41,563,233
1	56,425,001	56,430,000	56,425,865
1	1,135,860,001	1,135,865,000	1,135,860,105
14,259			1,514,207,208

Categories of Shareholding

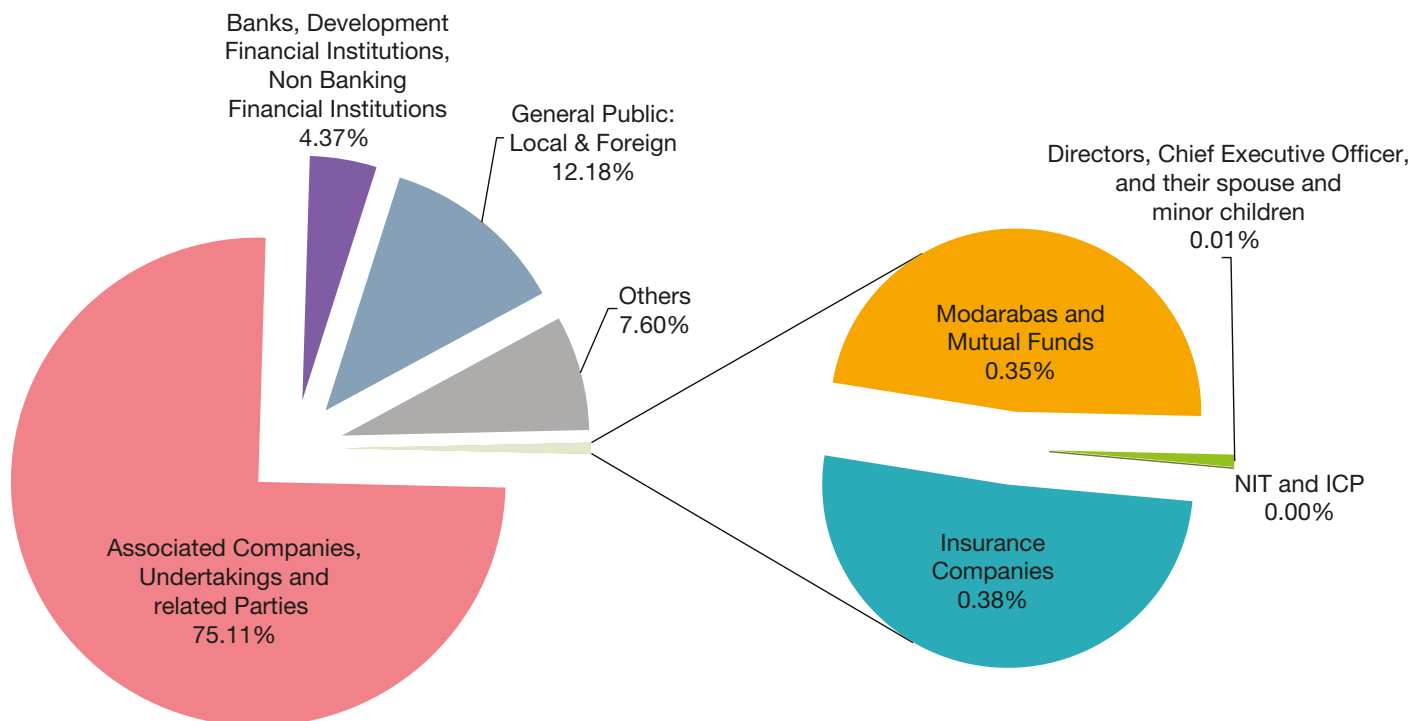
As at 31 December 2025

S.No	Shareholders Category	No. of Shareholders	No. of Shares	Percentage (%)
1	Directors, Chief Executive Officer, and their spouse and minor children	8	120,007	0.01
2	Associated Companies, Undertakings and related Parties	3	1,137,360,105	75.11
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	20	66,192,961	4.37
5	Insurance Companies	5	5,688,446	0.38
6	Modarabas and Mutual Funds	12	5,320,961	0.35
7	General Public : a. local b. Foreign	14,054 1	184,405,933 1,594	12.18 0.00
8	Others	156	115,117,201	7.60
	Total	14,259	1,514,207,208	100.00

Shareholders holding ten percent or more voting rights

PTA Global Holding Limited	1	1,135,860,105	75.01
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Shareholders Categorisation



Board of Directors

As at 03 March 2026



Imtiaz Ahmed Chairman

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026.

Outside Interests

- CEO, International Petrochemicals (Pvt) Limited
- CEO, PACHEM Global (Pvt) Limited
- CEO, Faras Fertilizer Company (Pvt) Limited

Career

Dr. Imtiaz Ahmed is a seasoned professional with over 28 years of leadership experience in the petrochemical industry. As the Chief Executive Officer of International Petrochemicals (Pvt) Limited (IPC), PACHEM Global Pvt Limited, and Faras Fertilizer Company Pvt Limited, Dr. Ahmed has been instrumental in driving innovation and growth across these organizations.

Dr. Ahmed began his career as an Assistant Professor at St. Joseph's University in Philadelphia, where he taught for four years. He later pursued

and completed his Ph.D. in Business Administration from the University of Mississippi in 1990. With a strong academic foundation and entrepreneurial spirit, Dr. Ahmed went on to establish and lead several successful ventures in the petrochemical industry.

Under his leadership, IPC has achieved remarkable milestones, expanding its global footprint and fostering partnerships that deliver value to clients worldwide. His commitment to excellence, innovative mindset, and dedication to sustainability position him as a leader poised to make a lasting impact in the petrochemical and allied industries.



Adnan Afridi Chief Executive

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026.

Outside Interests

- Director, Dynea Pakistan Ltd
- Director, Siemens (Pakistan) Engineering Company Ltd
- Director, Biafo Industries Ltd
- Chairman Board of Governors, The Kidney Centre Institute
- Member Board of Governors, Shaukat Khanum Memorial Trust

Career

Mr. Adnan Afridi has over 30 years' international experience in Change Management, business transformation, innovation and profitability enhancement in blue chip companies, public sector and high growth situations. He has led a distinguished career in financial services and capital markets including serving as, Chairman and Managing Director of National Investment Trust Limited, Managing Director of the Karachi Stock Exchange, CEO, Overseas Chamber of Commerce and Industry (OICCI), CEO Tethyan Copper Company, Chairman of National Clearing Corporation of Pakistan (NCCPL) and Board of Directors of Central Depository Company (CDC). Mr. Afridi was also nominated by the Government of Pakistan as private sector nominee to the SECP Policy Board for a 4-year term that concluded in November 2022.

Mr. Afridi has a degree in Economics (A.B, Magna Cum Laude, 1992) from Harvard

University and a degree in Corporate Law (JD, Magna Cum Laude in 1995) from Harvard Law School.

Mr. Afridi is an active supporter of charitable organizations. He has served as the President of the Old Grammarians Society & Trust and is currently Chairman of the Board of Governors of the Kidney Center and a member of the Board of Governors of Shaukat Khanum Memorial Trust. He is also a Member of YPO Pakistan since 2008 and currently serving on the board of YPO- Gold Pakistan (former Chapter Chair). Mr. Afridi has also served as Founder & President of the Harvard Club of Pakistan.

He has served as Independent Director on the Company's Board from June 2020 to April 2023.

He is a certified Director of Corporate Governance from Pakistan Institute of Corporate Governance (PICG).



Muhammad Zahoor Ilahee Cheema Non-Executive Director

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026.

Outside Interests

- Managing Director, International Petrochemicals (Pvt) Limited
- Managing Director, PACHEM (Pvt) Limited

Career

Mr. Zahoor Ilahee Cheema has been an integral part of International Petrochemicals (IPC) since 1995. With a deep understanding of operations, marketing, finance, and corporate strategy, he quickly established himself as a key leader within the organization.

As Managing Director, Mr. Cheema leverages his extensive experience and strategic vision to position IPC as a global leader in the petrochemical industry. Under his leadership, the company has expanded its footprint, strengthened its market presence, and

consistently delivered value to stakeholders.

Mr. Cheema's dedication and expertise continue to drive IPC's growth, innovation, and commitment to excellence in the international petrochemical sector.



Fehmina Khan Non-Executive Director

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026.

Outside Interests

- Director, Daewoo Pakistan Express Bus Service Ltd

Career

Ms Fehmina Khan is currently a director and board member of Pakistan Furniture Council (PFC) which is a non-profit organization aimed at improving furniture manufacturing and exports. She is also Creative Director of all PFC ventures.

Ms. Khan founded Tina Khan Interiors (TKID) in 2007 and has a prestigious client base including interior advise for President's Office of Pakistan, Foreign

Office Islamabad, as well as various private residences in Pakistan, United Kingdom, and Dubai.

Ms. Khan holds a degree in Business Management from King's College London, has read art history at the Corcoran Museum Institute in Washington D.C, followed by a professional diploma in interior design from KLC at Chelsea Harbour Design Centre, London UK.



Faisal Ahmed Siddiqui
Non-Executive Director

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026

Outside Interests

- Director, Daewoo Pakistan Express Bus Service Ltd
- Director, North South Travel (Pvt) Ltd
- Director, Sammi Mart (Pvt) Ltd
- Director, Daewoo Cab (Pvt) Ltd
- Director, Daewoo Real Estate Holding Company (Pvt) Ltd
- Director, Daewoo Adda (Pvt) Ltd
- Director, Daewoo Karachi City Bus Service (Pvt) Ltd

- Director, Freightix Technologies (Pvt) Ltd
- Director, East West Transport (Pvt) Ltd
- Director, Liberty Daharki Power Ltd
- Director, Liberty Oil and Gas (Pvt) Ltd
- Director, Urbaser Daewoo Sanitation Company (Pvt) Ltd

Career

Mr. Faisal Ahmed Siddiqui is the Executive Chairman of the Board of Directors of Daewoo Pakistan Express Bus Service Limited. Previously, as CEO of Daewoo Express, Mr. Siddiqui was responsible for leading and managing all business segments which include Express Bus Service (Intercity), Urban Transport Division (Intracity), Cargo and Waste Management.

Mr. Siddiqui is also Managing Director of AsiaPak Investments Limited where he oversees investments related to energy, mining and transport. He is a member of the Board of Directors of Liberty Daharki Power Limited and the Heavy Electrical Complex (HEC).

Mr Siddiqui started his career in the financial services industry in New York in 1997 and held various positions in investment banking and financial consulting.

He has a Masters in Business Administration from Columbia University. Prior to that he completed his undergraduate education with a dual degree in Finance, Accounting and Electrical Engineering from the University of Pennsylvania.



Shabbir Diwan
Non-Executive Director

Tenure

Appointed to the Board on 23 June 2023 for the term to expire on 22 June 2026.

Outside Interests

- Chief Executive, Gatron (Industries) Limited
- Chief Executive, Gatro Power (Pvt) Ltd
- Director, Novatex Limited

- Director, Global Synthetics Limited
- Director, G-Pac Energy (Pvt) Ltd
- Director, Nova Frontiers Limited
- Director, Nova Care (Pvt) Ltd
- Chief Governor, Gatron Foundation
- Member, Board of Governors – Patients Aid Foundation
- Member, Board of Governors – Memon Health & Education Foundation

Career

Mr. Shabbir Diwan is an MBA from Institute of Business Administration,

University of Karachi. He is a member of the Board of Governors of Patients Aid Foundation of JPMC, the 2nd largest Government Hospital in Karachi. In addition, he is a member of the Board of Governors of Memon Health and Education Foundation. He has also served as Chairman and Director of the Pakistan Business Council.

He is also an Executive Director of Novatex Limited – producer and exporter of PET Resin, PET Preforms, and BOPET Films.



Osman Asghar Khan
Independent Director

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026

Outside Interests

- MD & GM Pakistan, Afiniti Software Solution Pvt Ltd
- Director, Bank of Khyber
- Director, Bahria Foundation
- Director, TPL REIT Management Company Ltd

Career

Currently Mr. Khan is serving as Managing Director & GM Pakistan of Afiniti Software Solutions Pvt Ltd, a leading AI unicorn and is also serving as the Honorary Consul of Ireland in Pakistan.

Mr. Khan has held various key positions in finance and operations both in local and foreign jurisdictions. He is currently serving on the Boards of a number of Companies namely Faysal Asset Management, Bahria Foundation, IBL Unisys, Pakistan Stock exchange/commodities exchange/NCCPL, Pakistan Steel Mills limited, EMEA North and Eastern Europe where he served as CFO and Operations Director.

Mr. Osman Asghar Khan holds a bachelor's degree from Brown University (USA) in Economics and IR and an MBA in Accounting and Finance from Boston University. He is a Certified Public Accountant (CPA) from (Massachusetts, USA) and a qualified Chartered Accountant from (Ontario, Canada) and Pakistan. He is also a member of American Institute of Certified Public Accountants, Member of Canadian Institute of Chartered Accountants and Member of Institute of Chartered Accountants of Pakistan.

He is a certified Director of Corporate Governance from Pakistan Institute of Corporate Governance (PICG).



Shahid Ul Hassan Chattha
Independent Director

Tenure

Appointed to the Board on 12 November 2025 for the term to expire on 22 June 2026.

Outside Interests

- None

Career

Mr. Shahid currently working as a visiting faculty at the Inland Revenue Services Academy (IRSA), FBR, Lahore, Pakistan. Prior to this, he has served as Commissioner, Inland

Revenue, Federal Board of Revenue (FBR), Pakistan.

He holds an EMBA from Lahore University of Management Sciences (LUMS), Lahore.

Board Committees with brief terms of reference

As at 03 March 2026

Audit Committee

Members:

Osman Asghar Khan - Chairman
Muhammad Zahoor Ilahee Cheema
Faisal Ahmed Siddiqui
Shahid Ul Hassan Chattha

The Audit Committee assists the Board in effectively discharging its responsibilities with regard to corporate governance, financial reporting and corporate control. The Board draws up the terms of reference of the Audit Committee, which comply with relevant legislations.

The Board acts in accordance with the Committee's recommendations on matters forming its responsibilities. The Audit Committee reviews the system of internal controls, risk management and the financial audit process, as well as assists the Board in reviewing financial statements and announcements to shareholders. In carrying out its duties, the Audit Committee has the authority to discuss any issues within its remit with management, internal auditors or external auditors. If it deems necessary, it may also obtain legal advice on it. The Committee controls and monitors the scope of the internal audit function, including powers and responsibilities encompassing its charter.

The Chairman of the Audit Committee is an Independent Non-Executive Director, while its members include two Non-Executive Director and one Independent Director. The

Company Secretary acts as the Secretary of the Committee.

The Audit Committee meets at least once every quarter of the financial year. Its members meet at least once a year with external auditors, without the CFO and the Head of Internal Audit being present. In addition, Committee members also meet Head of Internal Audit and internal auditors at least once a year, without the CFO and external auditors being present.

HR and Remuneration Committee

Members:

Shahid Ul Hassan Chattha - Chairman
Faisal Ahmed Siddiqui
Muhammad Zahoor Ilahee Cheema
Adnan Afridi

The HR and Remuneration Committee assists the Company's Board of Directors to administer and develop a fair and transparent procedure for establishing human resource management policies. The Committee is responsible for reviewing the remuneration and benefits of the Chief Executive, Executive Directors and senior managers. Consisting of three Non-Executives and one Executive Director, the Committee is also responsible for reviewing the remuneration budget. The Chairman of the Committee is an Independent Director.

The Director Admin, HR & IT acts as the Secretary and the Committee meets at least once a year.

Management Committees

with brief terms of reference

Executive Committee

The Executive Committee, chaired by the Chief Executive (CE), supports the Executive Management Team in achieving its objectives and is responsible for smooth operations on an ongoing basis. It comprises of the various heads of departments including the Executive Management Team. The Committee reviews all operational and financial aspects, advises improvements to operational policies / procedures and monitors implementation of the same.

BCP Committee

The BCP Committee's objective is to steer the Business Continuity Plan (BCP) by establishing a fit-for-purpose strategic and operational framework to respond to major business interruption situations.

The CE as Business Continuity Manager (BCM) leads the BCP process along with Director Manufacturing and Chief Financial

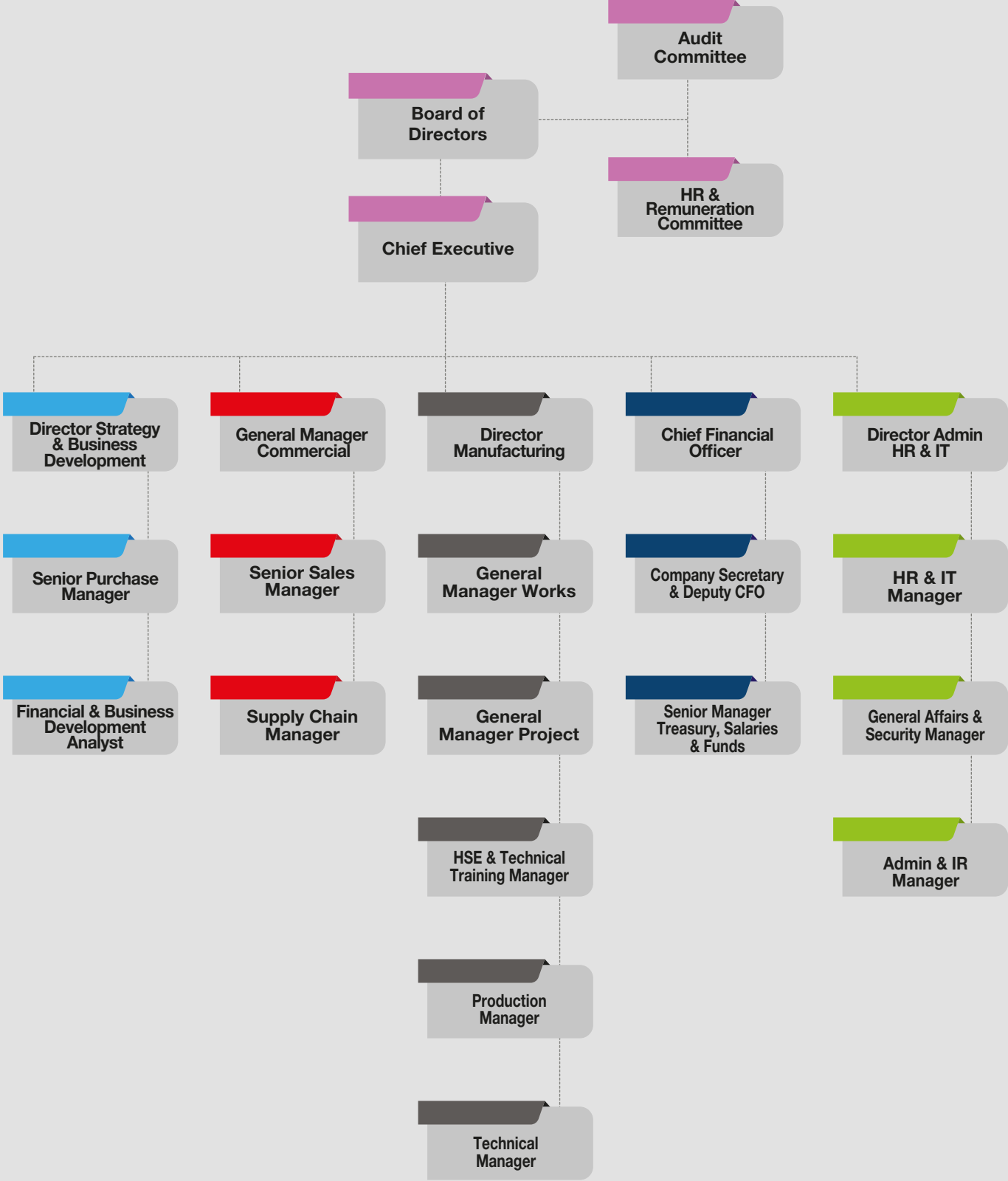
Officer (CFO). A working level BCP Committee, headed by Director Manufacturing is responsible for stewarding the BCP Programme and comprises of representatives of all functions / departments. Each functional head is responsible for current and comprehensive Business Continuity Planning in his respective sphere of operations.

HSE&S Management Committee

The HSE&S Committee, chaired by the CE, periodically reviews and monitors Company-wide practices. It oversees the Health, Safety, Environment and Security functions of the Company and is responsible for ensuring that all operations are safe, environment-friendly and compliant with regulatory framework.

The Committee received regular reports from the HS&E function, including quarterly reports prepared for Executive Committee on Company's Health, Safety and Environmental performance and operational integrity. These included quarter-by-quarter measures of personal and process safety, environmental and regulatory compliance and audit findings. Operational risk and performance forms a large part of the Committee's agenda.

Organisational Structure



Executive Management Team

The Executive Management Team consists of functional heads, operating under the Board and the Chief Executive, to ensure smooth operations and achieve strategic objectives. The Team conducts its business under the chairmanship of the Chief Executive with other senior managers. The Team is responsible for strategic business planning, decision-making, establishing adequacy of the Company's operational, administrative and control policies adopted by the Board and monitoring compliance thereof.

Adnan Afridi

Chief Executive
Profile on page 18

Muhammad Adnan Ali Rizvi

Director Strategy and Business Development



Muhammad Adnan Ali Rizvi is a seasoned business leader with over 35 years of diversified experience across power generation, utilities, investment banking, and management consulting. He holds an MBA from the Institute of Business Administration (IBA), Karachi, and has built deep expertise in strategy, business development, M&A, regulatory frameworks, and financial structuring.

He has held several senior leadership roles, some of which included CFO at Liberty Daharki Power Limited, Vice

President Strategy & BD at AsiaPak Investments, Head of BD & IPP Business at K-Electric, Senior Vice President at BMA Capital Management Ltd., and Vice President at Elixir Securities. Over his career, he has led complex transactions involving mergers & acquisitions, project development, tariff negotiations, power purchase agreements, fuel supply agreements and large-scale infrastructure investments. His experience includes executing multi-megawatt power generation projects involving solar, coal and gas technologies, structuring commercial agreements, and driving regulatory approvals with key stakeholders.

When AsiaPak Investments acquired Liberty Daharki Power Ltd. from Tenaga of Malaysia, Adnan joined it as CFO. He was part of the management team that re-energized human resources of the company and solved legacy issues in plant operations and maintenance, commercial contracts, financial discipline, human resource engagement, IT and admin domains. He played a pivotal role in translating several engineering proposals into financial benefits for a smooth understanding and decision making by the Board of Directors.

Adnan has led power purchase negotiations, obtained regulatory approvals, facilitated projects executions and commercial operations of a total of five power generation assets across solar, coal and gas technologies totaling 250 MW and developed by Independent Power Producers. These five IPPs were the first ones connected with K-Electric grid after a gap of two decades. Unlike CPPA, the power purchase agreement for these IPPs were executed without having any Implementation Agreement from the Government by providing innovative payment security solutions and protecting the interest of the IPPs under Force Majeure and any undue termination of PPAs by K-Electric. He negotiated the first RLNG contract with Pakistan LNG Limited and led renewal of Tapal and Gul Ahmed PPAs. He also headed IPP contract management at K-Electric.

In his current role as Director Strategy and Business Development at Lotte Chemical Pakistan, he is responsible for driving business growth, delivering cost optimization initiatives, developing strategic opportunities, and supporting long-term value creation for the Company. He leads key initiatives at the Company involving business

expansion through acquisitions and mergers and has been instrumental in the levy of provisional anti-dumping duty on dumped imports by National Tariff Commission.

Tariq Nazir Virk

Director Manufacturing



Tariq Nazir Virk is a vastly experienced multi skilled professional in Plant maintenance, Operations, Process, and Project management. He has more than 34 years of hands on operational experience with the Petrochemical Industry. He completed his Bachelor's degree in Mechanical Engineering from the University of Engineering and Technology, Lahore in 1990. He started off his career as a maintenance engineer with Dawood Hercules Chemical, one of the most reputable Fertilizer plants of the country.

He joined the Company in 1997 and was the key member of the original team which led to the successful commissioning of the plant. He has served in various roles over the last 29 years of his association with the company. He has delivered some of the most challenging projects to the Business such as Ox Dryer replacement, DCS up-gradation, Process Air Compressor control system up-gradation, Oxidation Reactor agitator modification, Anaerobic effluent treatment project, etc.

Tariq stamped his mark on every function through his leadership that he was assigned to look over, whether it was HSE, Projects, Planning, Workshop, Operations, or Process. Over the years, he has been a major contributor towards enhancing Plant production capacity with reduction in operational costs. He has a special passion to hone young talent and thus has successfully developed a proficient team which is a great mix of youth and old. In the light of his contributions and skills, Tariq was promoted as General Manager Manufacturing in 2016 and was appointed as Director Manufacturing in 2022. He never looked back since then and continued to make huge contributions to reduce fixed costs, enhance safety, reliability, and operational efficiencies of the plant which are second to none vis a vis any International plant of this nature.

He is a certified Director of Corporate Governance from Pakistan Institute of Corporate Governance (PICG).

Waheed U Khan

Director Admin, HR & IT



Waheed U Khan with over three decades of versatile experience commenced his career with Computer-Aided Engineering Services in Descon Engineering Ltd as a designing engineer and progressed to the team responsible for the major BMR project in Dawood Hercules Chemicals to enhance its Production Capacity, Reliability & Efficiency. Commissioned Haldor Topsoe Ammonia Reactor and completed the project successfully. He joined the Company in the PTA commissioning phase. Since then, he has been challenged to deliver in various fields, including Production, Technical, HSE, Product Quality, ISO & Technical Training before becoming HR, Administration & Public Affairs Manager. Based on his continued commitment and experience, he grew with the business and became Director Admin, HR & IT.

He played a pivotal role in nurturing an open, caring & performance oriented culture based on the strong values of the organization. Closely worked with ICI, AkzoNobel and LOTTE Group during the business acquisitions and kept the teams engaged. Implemented strategies to reduce rising employee attrition and increase employee engagement. Over the years, he has established strong talent succession programs to reduce business risks, introduced a job evaluation process to rightly position each role in its competitive range, and initiated HR Audits for benchmarking & improvements. He synergized IT with business processes to enhance their efficiency and effectiveness. Developed new systems to bring speed & convenience to the employees, Drives HR strategic planning with business requirements. He is also driving the CSR program for the Company and has delivered various initiatives in the areas of health, education and a green environment. He played a key role in the establishment of LOTTE Pakistan Foundation. Under his leadership, the Company won several awards in recognition of the business HR, HSE, Productivity & CSR endeavors.

He holds a Master's degree in Business from LUMS and a second Master's degree in Engineering from the University of Punjab with the roll of honour & distinction.

Ashiq Ali

Chief Financial Officer



Ashiq Ali currently holds the position of Chief Financial Officer and also oversees the Legal Function at LOTTE Chemical Pakistan Limited. He has over 38 years of career with the Company and has also served as Head of Internal Audit, Company Secretary and Financial Controller.

He began his career in the corporate sector with Habib Arkady Limited and later joined ICI Pakistan Limited back in 1988. He has an extensive experience in corporate & financial strategy, taxation, internal audit, corporate governance, restructuring and mergers & acquisitions, systems and controls implementation, legal and regulatory matters, commercial and trainings related to internal controls and corporate governance.

During his diverse professional career, he attended various extensive Management and Leadership programs and trainings from local and international institutions. He is also a certified trainer on Corporate Governance from LOTTE Academy South Korea. He is also representing the Company as a member of taxation and legal committees at Overseas Investors Chamber of Commerce and Industry (OICCI) and Pakistan Business Council (PBC) and at various professional forums and Government bodies.

Community service has always been a passion – he currently serves as Trustee of the LOTTE Pakistan Foundation and also as Secretary to the five Trusts of LOTTE Pakistan employee Retirement funds.

Mr. Ali is a Commerce graduate, an M.B.A Finance, Certified Accountant from London Chamber of Commerce and Industry, London (LCCI, UK) and is a Certified Director from Pakistan Institute of Corporate Governance (PICG).

Muhammed Talha Khan

General Manager Commercial



Muhammed Talha Khan is a multi-skilled professional and has a diversified professional experience in plant maintenance, design, Project management, Procurement, Supply Chain and Sales. He completed his Bachelor degree in Mechanical Engineering from NED University of Engineering and Technology Karachi in 1997. He has more than 28 years of hands on experience mostly with Oil & Gas and Petrochemical Industry. He started off his career as a Design and

front line Engineer with ENAR, one of the most reputable Process and Engineering design firms of the country and worked on several mega projects in the Oil Gas industry at different remote locations in Pakistan.

He joined the PTA business in Dec 2001. He served in various key roles over the last 25 years of his long association with the company. He was involved in various major projects of the Business such as PTA Dryer replacement, DH Column up-gradation, all the main buildings construction at plant, Catalyst Recovery Project, Co-gen Power Project etc.

A major change came in his professional career, when based on his performance and diversity in the career, the company offered him a position in procurement in 2004 and since then he progressed his career in Commercial function, He worked in different roles in purchase function and delivered several mega saving projects for the business and also saved significant value in entire procurement, Contracts and major feed stock. He established several key systems along with IT related to procurement, Contracts supply chain and Sales to improve the processes and efficiency of each section of Commercial function. Under his leadership he not only brought more strength on the quality relationship with all customers but also improved the profitability of the business. His hard work in the entire commercial function has been highly appreciated on several occasions by the business top management.

Based on his tremendous contributions, commitment, dedication for the business and exceptional leadership skills, he was chosen for one of the most sensitive and key roles in the business as Commercial Manager in 2018 and then promoted as General Manager Commercial in 2023.

Corporate Governance and Compliance

Board Governance

The Company's Corporate Governance Structure is based on the requirements of the Companies Act 2017, along with the guidelines issued by the Securities and Exchange Commission of Pakistan (SECP), regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, and the Company's Articles of Association. This is further strengthened by several internal procedures, which include a risk management assessment and control system, as well as a system of assurances of compliance with the applicable laws, regulations and the Company's Code of Conduct.

The Company is a public limited company established under the laws of Pakistan. The shares of the Company are listed on the Pakistan Stock Exchange (G) Limited.

Role of the Board

The Board of Directors provides oversight in the governance, management and control of the Company and is responsible for setting the goals, objectives and strategies of the Company and for formulating the policies and guidelines towards achieving those goals and objectives. The Board is accountable to the shareholders for the discharge of its fiduciary function. The Management is responsible for the implementation of the aforesaid goals and strategies in accordance with the policies and guidelines laid down by the Board of Directors. In order to facilitate the smooth running of the day-to-day affairs of the Company, the Board entrusts the Chief Executive with necessary powers and responsibilities who in turn is assisted by an Executive Management Team. The Board is also assisted by Sub Committees comprising mainly Non-Executive / Independent Directors. Specific tasks are delegated to the board sub committees and the Board seeks to set the 'tone from the top' by working with the management to agree on the values of the Company.

The activities of the Board are based on the requirements and duties laid down under relevant laws and the Company's Memorandum and Articles of Association. This compliance assists the Board in safeguarding the interests of all the stakeholders.

Board Composition, Size and Tenure

The structure of the Board reflects an optimum combination of Executive, Non-Executive and

Independent Directors. The current Board comprises eight directors which include one Executive Director, five Non-Executive Directors and two Independent Directors. The Chairman of the Board is a Non-Executive Director. The positions of Chairman and Chief Executive are held by separate individuals with clearly defined roles and responsibilities.

All the Directors are appointed for a term of three years on completion of which they are eligible for re-election under the Company's Articles of Association through a formal election process.

Consent to act as director is obtained from each candidate prior to election. The Company has had an Audit Committee and a HR & Remuneration Committee of the Board much before the introduction of the Code of Corporate Governance.

Roles and Responsibilities of the Chairman and Chief Executive

There is a clear segregation of roles between the Chairman of the Board and the Chief Executive for smooth running of the business. The Company's Articles of Association, relevant laws and the duties assigned by the Board outline the responsibilities and the power of the Chairman of the Board.

The key role and responsibilities of the Chairman includes;

- Provides leadership of the Board.
- Acts as main point of contact between the Board and management.
- Speaks on Board matters to shareholders and other parties.
- Is responsible for the integrity and effectiveness of the Board's system of governance.
- Ensures that systems are in place to provide directors with accurate, timely and clear information to enable the Board to operate effectively.

The Chief Executive functions in accordance with the powers vested in him by law, the Company's Articles of Association and the authorities delegated to him by the Board. The Chief Executive is responsible for framing strategic proposals and formulating business plans for the Board approval. Moreover, the Chief Executive is also responsible for ensuring smooth functioning of the business with optimum utilisation of the Company's resources and effective implementation of internal controls.

Board Meetings

The Board determines the key items for its consideration for the coming financial year. The agenda is set by the Chairman in consultation with the Chief Executive and with support of the Company Secretary. A similar process is used for meetings of Board Committees.

Meetings of the Board of Directors and Sub Committees are held in accordance with an annual schedule circulated before each year end to ensure maximum participation of the directors.

Discussions at Board meetings are open and constructive. All discussions of the Board and their records are maintained in confidence unless there is a specific decision or legal requirement to make disclosure.

When participating in Board discussion, Executive Directors are expected to discharge their responsibilities as directors of the Company and not to act solely as the representatives of that activity for which they bear executive responsibility.

Board Meetings held outside Pakistan

During the year, no meeting of the Board was held outside Pakistan.

Security Clearance of Foreign Directors

All foreign directors are required to submit relevant documents to facilitate security clearance undertaken by the Ministry of Interior and SECP.

Independence and Conflict of Interest

The Non-Executive and Independent directors are expected to be independent in character and judgment and free from any business or other relationship which would materially interfere with the exercise of that judgment.

The Board is satisfied that there is no compromise to the independence of, and nothing to give rise to conflicts of interest for, those directors who serve together as directors on the boards of outside entities or who have other appointments in outside entities.

Board Induction and Education

All Directors, including foreign resident Directors, as part of their induction package, are provided with sufficient information of their duties and responsibilities under respective laws and the Company's Memorandum and Articles of Association. Directors, being senior professionals and possessing experience of managing various responsibilities, have adequate exposure to corporate matters.

On joining Company's Board, Non-Executive and Independent Directors are given a tailored induction programme. This includes meetings with the management and site visit. Moreover, the Board received briefings on Company's Code of Conduct, Company's values and key business developments including legal updates, the economic outlook and the necessary information under respective laws and the Company's Memorandum and Articles of Association.

Board Evaluation

A comprehensive evaluation with respect to the effectiveness of the Board own performance, members of the board and its committees was carried out in-house in 2025. The Board evaluation assessment covered specific areas of Board performance including Board Composition, Board Role and Responsibilities, Board Information, Board Committees, Independent Directors, Control Environment, Chairman and Chief Executive Oversight. The findings of the evaluation were discussed in detail with the Board of Directors.

The Board also regularly reviews the developments in Corporate Governance to ensure that the Company always remains aligned with the best practices.

CE Performance Review

The Board of Directors of Lotte Chemical Pakistan Limited regularly evaluates performance of the CE based on agreed financial and non-financial KPIs.

The Board has reviewed the performance of the CE for the current financial year and is satisfied with the achievements for the year. The Board has full confidence in his abilities to manage the affairs of the Company in the most professional and competent manner. The CE is also responsible for setting the objectives for his management team and regularly updates the Board about the performance of the management in achieving the desired goals.

Material Interests of Board Members

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporations. This is in pursuance with Section 205 of the Companies Act 2017, which also requires them to disclose all material interests.

This information is used to help maintain an updated list of related parties. In case any conflict of interest arises, the matter is referred to the Board's Audit Committee.

None of the directors are either members of any stock exchanges in Pakistan or engaged in the business of stock brokerage. Moreover, they are not involved in external audit and have had no relationship with the Company's external auditors during the preceding two years. Remuneration and benefits of the Board, including the Chief Executive and Executive Directors, are disclosed in note 39 to the financial statements as determined under provisions of the Articles of Association of the Company.

Board & Management Committee

The Board may at any time establish Committees of the Board to assist in carrying out its responsibilities. Any Committee will be subject to the Board Principles and will speak or act for the Board only when and to the extent so authorised.

The permanent Committees of the Board include the Audit Committee and HR & Remuneration Committee.

Each permanent Committee is comprised of those directors the Board considers best suited to serve on that Committee and in accordance with the Code of Corporate Governance.

The Board and Management Committees brief details are covered elsewhere in the Report.



Financial Statements

Periodic financial statements of the Company are circulated to the directors duly endorsed by the Chief Executive and the Chief Financial Officer for approval by the Board before publication, in compliance with the Listed Companies (Code of Corporate Governance) Regulations. After consideration and approval, the Board authorizes the signing of financial statements for issuance and circulation. The half-yearly and annual financial statements are initialed by the external auditors before presentation to the Audit Committee and the Board for their respective approvals.

The publication and circulation to the shareholders, stock exchange and regulators of quarterly unaudited financial statements along with Directors' Review is done within one month and half-yearly financial statements reviewed by the external auditors within two months, of the respective period end dates.

Annual financial statements together with the Directors' Report, Auditors' Reports and other Statutory Statements / Information are circulated for consideration and approval by the shareholders, within four months from the end of the financial year. These statements are also made available on the Company's website. All other important information considered sensitive for share price determination is transmitted to stakeholders and regulators on a timely basis.

Adequate Disclosure

We believe in best practices in corporate governance by adopting transparency and disclosure as a policy with our stakeholders. This is achieved through disclosure of communications to our shareholders and other stakeholders, including our financial statements. All critical accounting estimates, rules and procedures governing extraordinary transactions, or any changes in accounting policies along with their financial impact, are disclosed in the notes to the financial statements. We follow the Companies Act, 2017 and applicable IAS and IFRS (International Accounting Standards and International Financial Reporting Standards). In addition, we endeavour to provide as much relevant supplementary information in the financial statements as possible.

Annual General Meeting

The Company holds its Annual General Meeting of the shareholders in light of the Companies Act, 2017, Code of Corporate Governance and our Articles of Association. We request all our shareholders to participate. We also ensure that a copy of the Annual Report containing the agenda and notice of AGM is accessible to every shareholder.

Presence of the Chairman at General Meetings: The Chairman of the Board and the Chairman of the Board Audit Committee attended the 27th AGM.

Issues raised in last AGM: During the 27th AGM of the Company held on 17 April 2025, general clarifications were sought by the shareholders on the financial statements and the market. No significant issues were raised.

Investor Relations

The Company seeks to keep all stakeholders informed on a regular basis. This is done by means of publication on Company's website containing complete financial reports

on a quarterly basis and the publication of the annual and interim reports. In addition, the Company communicates with all its shareholders / investors and analysts through organizing or attending meetings such as AGMs. Meetings are held with stakeholders to ensure that the investment community receives a balanced and complete view of the Company's performance and the issues faced by the business, while always observing applicable rules concerning selective disclosure, equal treatment of shareholders and insider trading.

Pattern of Shareholding

Disclosure of Company's shareholding structure is given in the pattern pursuant to the Companies Act and the Code of Corporate Governance in the printed accounts of the Company. The share capital is comprised of ordinary shares. No other class of shares is issued by the Company. PTA Global Holding Limited holds 75.01% shares, while the balance 24.99% shares are held by individuals and domestic and foreign institutions. The Pattern of Shareholding in the Company, as at 31 December 2025, is given on page 18 of the Annual Report.

Code of Conduct

Even before the introduction of the requirement in the Code of Corporate Governance, the Company had a comprehensive Code of Conduct. In order to apprise the employees of the Code of Conduct, the Company organizes training sessions and induction programmes on a regular basis to ensure compliance at all levels. Besides this, every employee of the Company is required to sign, on an annual basis, a statement to the effect that he or she understands the Code of Conduct and that he or she abides by it at all times while doing business for the Company. Salient features of the Code of Conduct are covered earlier in the Report.

Speak Up

A separate 'Speak Up' policy has been formulated in order to facilitate strict adherence to the Code of Conduct, whereby any Company employee can raise concerns, expose irregularities and help management of the Company in identifying financial malpractices and potential frauds without any fear of reprisal or adverse consequences on a confidential basis through various modes of communication. Complete anonymity of the person using this facility is assured and all complaints are thoroughly investigated either by the Company internally or by assigning it to the Internal Auditors.

Employees of the Company are encouraged to use the guidance provided by the Speak Up Policy for reporting wrongdoing / improper conduct. A separate Speak Up Committee has been formed with a direct reporting line to the Board Audit Committee.

Insider Trading

The Company has a stringent policy on insider trading and securities transactions. The policy paper which is circulated to all the employees of the Company from time to time prohibits all employees of the Company from making use of inside information for direct or indirect transactions in Company shares. Closed periods during which Directors, Chief Executive (CE), Chief Financial Officer (CFO), Company Secretary (CS) and designated Executives, as determined by the Board, and their spouse and minor children were precluded from dealing in Company shares are duly determined. No trading in Company shares is allowed during the closed period announced by the Company.

Related Party Transactions

A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. After review by the Audit Committee, the transactions are placed before the Board for their consideration and approval.

Internal Control

The Company has a sound system of internal control and risk management. The internal audit function, mainly responsible for internal controls, has been outsourced to a Chartered Accountants firm and reports directly to the Chairman of the Audit Committee. As a consequence of regular review over several years, the Company now has an extremely robust system of internal controls which was further strengthened in 2005 when the Company had to go through a comprehensive implementation of the Sarbanes-Oxley Act (SOX) due to listing of its previous parent company's shares on the New York Stock Exchange. Although this requirement is no longer applicable to the Company, the Company continued with the control framework then adopted.

Internal and External Audit

Internal Audit function plays a key role in providing the management and the Board an objective view and reassurance of the effectiveness of the risk management and related control systems throughout the entity. Internal Audits are carried out across all functions by the appointed Internal Audit firm and all findings are reported to the Management and the Audit Committee of the Board.

Action plans are followed up rigorously to ensure that timely corrective action is implemented for the effective functioning of controls. The Board, through the Audit Committee, reviews the assessment of risks, internal and disclosure controls and procedures and suggests remedial actions where applicable. The role of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of Company's financial statements, risk management and internal control, compliance with legal and regulatory requirements, the external auditors' performance, qualifications and independence, the performance of the internal audit function, and compliance with the Code of Conduct.

The external auditors are appointed by the shareholders on a yearly basis at the Annual General Meeting on the recommendation of the Audit Committee and Board of Directors. The partner in charge of our audit or the audit firm is rotated every five years as per the regulations.

HR Policy & Succession Planning

A comprehensive HR policy is part of terms of employment and is applicable to all the permanent employees. The key objective of the HR policy is to develop a high performance culture providing a critical link between an employee's performance and Company's goals. The policy also supports in maintaining the desired organisational culture. In order to ensure continued business performance, the Company has developed a robust Succession Plan for the positions of Chief Executive, his direct reports in Executive Management Team and business critical roles.

Quality Policy Statement

Lotte Chemical Pakistan Limited operates in an environment which is influenced by global trends. To remain competitive and retain its status as a preferred PTA supplier, it has to produce a world-class product that always meets the expectations of its customers, both local and overseas, in terms of price, product, quality and service.

The Company achieves the above mentioned objectives by delivering a quality service on the principle of "right first time every time".

To support the Quality Policy, the Company ensures ownership at all levels to continually improve the Quality System consistent with the latest standards and provides necessary training & resource to deliver added value to the business.

Risk Management

The Board has an overall responsibility for the risk management process and internal control procedures. The Audit Committee monitors the Company's risk management process and reviews the adequacy of the risk management framework. The Company's documented and regularly reviewed procedures are designed to safeguard our assets, address risks facing the business, and ensure timely reporting to the Board and senior management. A clear organizational structure with defined delegation of authorities is maintained and the senior management takes the day-to-day responsibility for implementation of procedures, ongoing risk monitoring, and effectiveness of controls.

The risk and control procedure is supported through a Business Continuity Plan and Crisis Management Plan.

Business Continuity Plan / Crisis Management Plan

The Company recognizes the importance of a comprehensive Business Continuity Planning Programme that allows it to plan for and manage major business disruptions. All significant risks, possibilities for control and reduction are identified. The plan is periodically tested in a simulated environment to ensure that it can be implemented in emergency situations and that the management and employees are aware of their respective roles. The range of events considered includes natural disasters, failure of equipment, terrorist action, government/political/legal actions, and changes in the financial and business climate. The controls identified are tested by internal auditors and action plans are followed rigorously to ensure timely corrective action is implemented for the effective functioning of controls. In addition, a Crisis Management Plan is also developed and is regularly reviewed and updated. This focuses on helping management to handle the immediate effects of a major incident and includes instructions on communications both within and outside the Company.



Business Risks & Challenges

The following risks are considered to be relevant in evaluating the overall outlook and business strategy of the Company.

	Risks	Mitigating Factors
STRATEGIC	Changing Economic Conditions & Government Policies	The Board and the Management strive to follow a defined strategy to overcome strategic risks and continuously seek dialogue with the policy makers through various business forums in the overall interest of the domestic industries.
	Non Compliance with Laws & Regulations	Changes in regulatory environment are monitored closely and all significant changes are adapted in a timely manner. We advertise and encourage use of 'Speak Up' policy to all our employees to report irregularities, if any, in relation to our Code of Conduct. We remain committed to compliance with all legal and regulatory requirements with special emphasis on our Code of Conduct.
OPERATIONAL	Critical Equipment Failure	Stringent control measures for all critical equipment are in place which includes, but is not limited to, exhaustive preventive maintenance regimes, availability of all adequate spares, upgrade of technologies and necessary training of related manpower.
	Power Failure	Being the sole producer of PTA in the country, it remains imperative that the PTA plant remains in operation on continuous basis throughout the year and as a result, alternate sources for all its key utility needs are in place. The Company in 1998/1999 invested heavily in the K-Electric network to ensure uninterrupted power supply to the Company and the Company entered into an evergreen power supply agreement with K-Electric based on its investment in the necessary infrastructure. All critical equipment remains connected to standby generators. In addition, the Company invested in a captive co-generation power facility, which became operational in July 2012, to improve the energy economics of the business and to ensure alternate uninterrupted power supply for continuous PTA operations.
	Risk to Health, Safety and Environment	We continue to uphold the highest safety standards, in line with ISO 45001:2018 & internal HSE policies, for both Company and contractor employees which is evident by an excellent safety record spread over 27 years without a Lost Time Injury – more than 74 million man-hours have been completed without a Lost Time Case.
	Inability to attract and retain Talent	The Board and the Management put great emphasis on attracting, educating, motivating and retaining staff and the Company continues to support the development of a winning culture through its human resources management policies. Engagement of all our employees remains our key priority.
COMMERCIAL	Key Supplier Failure	The Company aims to use its purchasing power and long-term relationships with the suppliers to ensure continuous availability of raw materials. Maintenance of optimum buffer inventory levels and ensuring alternative sources for key raw materials assists in partially mitigating the risk of abrupt supply interruptions.
	Key Customer Failure	The Company takes pride in the dependable relations developed with its customers over the years and aims to enter into long-term relationships to ensure continuous sale of its product. The Company has demonstrated its ability to export larger volumes, if required. Availability of locally produced PTA and excellent technical support present a strong incentive for local customers to retain the relationship with the Company on a long-term basis.
FINANCIAL	Liquidity Risk	The Company's sales strategy enables maximum volumes to be sold against sight letters of credit and purchasing strategy ensures optimum level of credit days. Adequate modes of financing are available in the form of committed bank facilities. This risk is also mitigated by continuous monitoring of cash flow needs and careful selection of financially strong banks with good credit ratings.
	Fluctuations in Foreign Currency Rates	The Company incurs foreign currency risk on sales, purchases and borrowings that are in a currency other than Pak Rupees. The Company's foreign currency risk arising on sales is minimised through a natural hedge resulting from the pricing mechanism of PTA whereby the price invoiced for PTA domestically is recalculated every month to derive a Rupee price from the international commodity price of PTA in US dollars. To hedge against its foreign currency risk arising on purchase transactions, the Company may enter into forward exchange contracts when considered appropriate. Also, the natural hedge on PTA sales minimises the impact of risk arising on purchase transactions.
	Credit Risk	The Company's exposure to credit risk is influenced by the individual characteristics of each customer. All sales are made against letters of credit and the Board has established a credit policy under which each new customer is analysed individually for credit worthiness. All the major customers have been transacting with the Company for over five years.

Chairman's Review Report

For the year ended 31 December 2025

On Board's overall performance U/S 192 of the Companies Act 2017

Dear Stakeholders,

It is my pleasure to present Chairman's review report for the year ended 31 December 2025.

A landmark achievement this year was the successful completion of the acquisition of Lotte Chemical Pakistan Limited (LCPL) by PTA Global Holding Limited, a joint venture between Montage Commodities FZCO and AsiaPak Investments.

The acquisition marks the beginning of an exciting new chapter in the Company's journey — one defined by innovation, operational excellence, and strategic growth, positioning Lotte Chemical Pakistan as a key industrial growth agent for PET and PSF customers in Pakistan.

Our vision is to take Lotte Chemical Pakistan to new heights of success. We are embarking on a series of high-impact modernization projects that will enhance performance, efficiency, and competitiveness of our PTA plant at Port Qasim. These investments will not only improve productivity but also position Lotte Chemical Pakistan as a benchmark for industrial excellence in the region.

The new management is committed to strengthening Pakistan's industrial foundation through sustainable growth, technological advancement, and export-driven competitiveness, ensuring that both shareholders and employees benefit from the planned investments in the Company.

A complete review of the business performance is described in the annexed Directors' Report. The Company has an effective governance and legal framework in place that ensures compliance with applicable laws and regulations and is instrumental in achieving long-term sustainability and growth. The Board remained actively engaged with the management to monitor the Company's performance against its established strategy, goals and targets. The Board carried out its fiduciary duties with a sense of objective judgment and in good faith in the best interests of the Company and its stakeholders. The Board and its committees played an active role to oversee critical aspects from governance perspective and adherence to high standards of ethical practices.



During the year, five meetings of the Board of Directors, four Audit Committee and one HR & Remuneration Committee meetings were held. All Directors fully participated and contributed in the decision-making process of the Board.

As required under the Code of Corporate Governance, an annual evaluation of the board's own performance, members of board and of its committees of the Lotte Chemical Pakistan Limited was carried out in-house for the financial year ended 31 December 2025. I am pleased to report that the overall performance of the Board was found satisfactory.

On behalf of the Board, I express my sincere appreciation to our customers, employees, suppliers, the Government and all stakeholders who have supported the Company's business performance.

Imtiaz Ahmed
Chairman

Directors' Report

To the shareholders for the year ended 31 December 2025

The Directors are pleased to present their report and the audited financial statements of the Company for the year ended 31 December 2025.

Board Changes

Effective 12 November 2025 PTA Global Holding Limited, a company jointly owned by AsiaPak Investments Limited (BVI) and Montage Commodities FZCO (UAE), completed its acquisition of 1,135,860,105 ordinary shares (representing approximately 75.01% of the total issued and paid-up share capital) of the Company from Lotte Chemical Corporation, South Korea.

Consequently, Mr. Jo Hyun Kwoun, Mr. Young Dae Kim, Mr. Seong Jun Park, Ms. Jae Sun Park, Mr. Cheolsoo Kim, Mr. Rashid Ibrahim and Mr. Khurram Rashid resigned with effect from 12 November 2025 and Mr. Imtiaz Ahmed, Mr. Adnan Afridi, Mr. Muhammad Zahoor Ilahee Cheema, Ms. Fehmina Khan, Mr. Faisal Ahmed Siddiqui, Mr. Osman Asghar Khan and Mr. Shahid Ul Hassan Chattha were appointed as Directors with effect from the same day to fill the casual vacancies for the remainder of the term to expire on 22 June 2026.

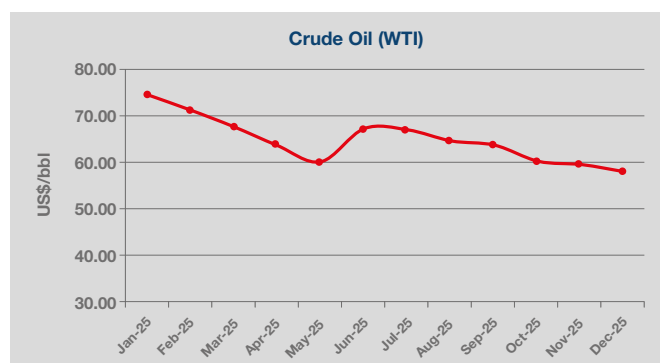
Following this, Mr. Imtiaz Ahmed has been appointed as Chairman and Mr. Adnan Afridi has been appointed as Chief Executive of the Company, with immediate effect, that is, from November 12, 2025.

Business Overview

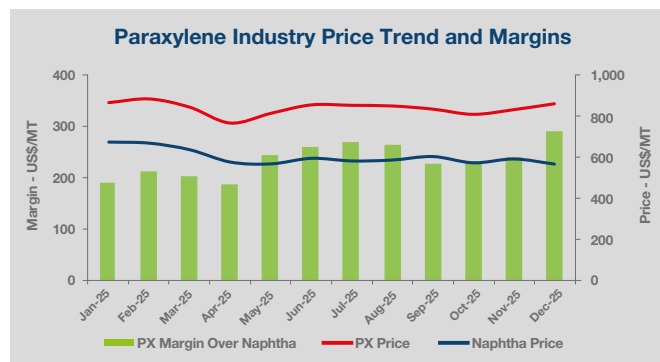
Crude Oil

Crude Oil (WTI) prices were marked by notable volatility throughout 2025. The year began on a firm footing, supported by higher winter heating demand in the Northern Hemisphere and improved sentiment stemming from stable economic indicators in Western markets. However, Crude Oil prices declined as OPEC+ confirmed plans to unwind production cuts as well as the negative impact on global demand outlook arising from newly imposed US tariffs. Prices briefly found support mid-year amid heightened geopolitical tensions in the Middle East and Europe, with risks surrounding the Strait of Hormuz contributing to a temporary rise in risk premiums. However, the rebound proved short-lived. In the second half of the year, persistent global demand softness and the gradual easing of OPEC+ cuts added supply to the market, reinforcing bearish pressure. Geopolitical risks and the sanctions on Russia &

Iran kept prices intermittently propped. Towards the end of the year, weakening macroeconomic indicators across major economies, combined with the absence of meaningful tightening in physical oil supply, continued to limit significant upside. With the bearish trend firmly intact, crude closed the year subdued, aligning with earlier expectations of tempered demand and stable supply fundamentals. By the close of the year Crude oil prices averaged at US\$ 64.74 per barrel, 14.4% lower than the previous year.



Paraxylene (PX) Industry

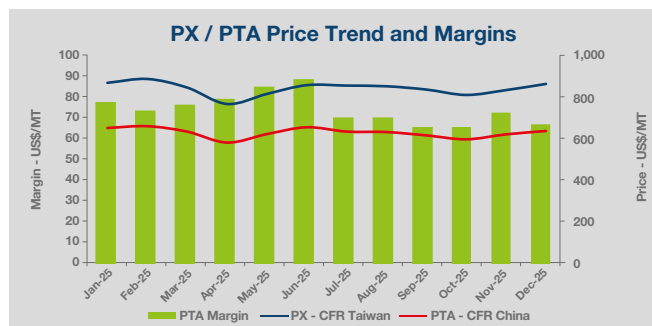
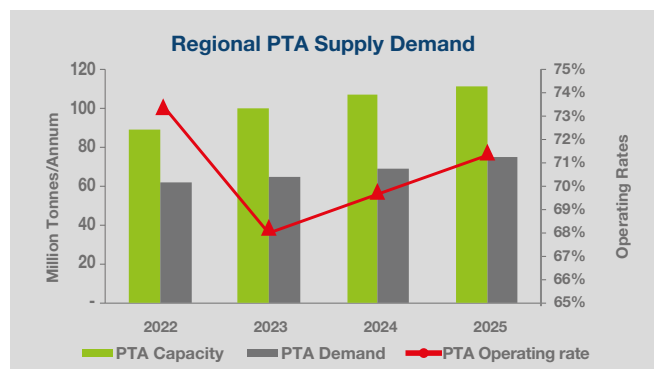


The Paraxylene (PX) market opened the year on a bullish note, moving counter to the broader weakness in upstream energy markets. Despite nominal oversupply, unplanned outages and scheduled turnarounds created temporary tightness in spot availability, further supported by strong pre-Lunar New Year demand from the downstream sector. As the year progressed, prices declined amid weakening sentiment

driven by uncertainty surrounding US import tariffs and potential disruptions to global trade flows, pushing PX–Naphtha spreads below breakeven levels. Mid-year, PX markets regained support as a combination of planned and unplanned shutdowns, along with increased diversion of reformate into the gasoline pool during the summer driving season, tightened supply fundamentals and helped producers recover earlier losses. In the second half of the year, prices began to stabilize as persistently narrow PX–PTA margins and the seasonal slowdown in PTA demand weighed on the market. Although strong gasoline blending margins continued to divert reformate away from PX production, this alone was insufficient to offset broader weak fundamentals. Toward year-end, PX prices recovered most of their earlier declines, supported by tight prompt availability against on-going planned outages in the region while downstream demand remained consistent. The average PX price for 2025 stood at US\$ 833.53 per metric tonne, reflecting a 13.5% decrease compared to the previous year. While the average PX Margin over Naphtha for the year was US\$ 234 per tonne as compared to US\$ 289 per tonne in 2024.

PTA Industry

PTA prices broadly mirrored movements in upstream PX markets through 2025, beginning the year on a relatively firm footing as post–Lunar New Year restocking tightened spot availability. This early strength eased once new capacities began ramping up and producers’ sustained high operating rates to maximize efficiency resulting in significant oversupply in the market and placing downward pressure on prices. As the year progressed, temporary support emerged when producers’ scaled back operations and downstream off-take improved during the peak textile and PET demand cycle, leading to modest inventory drawdowns. However, the momentum proved short-lived as weakening consumer demand escalating trade tensions prompted rationalization efforts from producers across the sector. Towards the end of the year, new capacity additions, narrowing PX-PTA margins prompted a collaborated intervention by Chinese producers and Government authorities with intentions to address oversupply concerns which provided stimulus to the weak market prices. This recovery was reinforced by tightening conditions in the upstream PX market, which provided cost support and helped lift PTA prices into the close of the year. The average price of PTA for the year was US \$ 624 per metric tonne whereas the average PTA Margin over PX for the year averaged at US\$ 74 per tonne compared to US \$85 per tonne in the previous year.



Domestic Downstream Industry

In 2025, the domestic polymer industry experienced a combination of growth opportunities and persistent challenges. The year began on a positive note, with demand strengthening in the first half, supported by higher off-take from the Textile and PET sectors ahead of the Ramadan festive season. However, momentum weakened by mid-year as uncertainty surrounding the Finance Bill 2025 led to a more cautious operating environment across the industry. In addition, upcountry logistical disruptions arising from civil unrest adversely impacted industry operations, forcing producers to rationalize operations. In the latter part of the year, operating conditions showed signs of improvement, supported by enhanced macroeconomic stability and sustained demand during the peak season for the Textile and PET sectors. Nevertheless, temporary operational disruptions caused by severe floods and uncertainty around energy costs along with the continued influx of competitively priced imports, constrained a full recovery in demand. As a result of which the average operating rate for the year in 2025 stood at 65% as compared to the 69% in the previous year.

Operations

Sales volume during the year at 380,245 tonnes was 16% lower than last year due to lower downstream demand for domestic product against increased consumption of cheaper imports.

Production volume during the year at 386,157 tonnes was 9% lower than last year due to lower sales and consequent reduction in plant operating rate.

The Company continued to make investments in its production facility, aimed at sustaining continuous reliable operations and to improve plant efficiencies.

Future Outlook

Crude oil (WTI) prices are likely to trend higher in the near term, supported by heightened uncertainty stemming from the United States' aggressive national security posture toward various countries. In addition, ongoing geopolitical tensions in the Middle East are expected to keep prices supported. However, structural oversupply and forecasts of weaker global economic growth are likely to re-emerge as the dominant drivers, potentially influencing price direction once the impact of these non-fundamental factors subsides.

Paraxylene (PX) prices are expected to trend in line with the upstream energy markets with gasoline margins anticipated to continue to remain strong into next year. Additionally, ongoing conflicts in the Middle East may continue to pose a significant risk to PX supply as producers in the region may divert product flows to other markets to minimize risks in their supply chain. Keeping in view no PX capacity addition in 2026 and higher demand expected from new PTA capacities in Turkey and India, prompt availability of PX is expected to remain tight. The PTA market is fundamentally expected to follow the trend of the upstream PX market; however significant oversupply in the market may prompt producers to rationalize operations. Keeping in view cost pressures in the PTA and the downstream Polyester industry and the inevitable inventory build-up, producers outside China may have to reconsider long-term operational strategies as Chinese PTA has once again made in-roads in the largest Asian market, India which has removed the mandatory BIS certification requirement for PTA imports.

Domestic polyester activity is expected to recover over the next year, supported by easing inflation and a continued downward trajectory in borrowing costs following policy actions by the State Bank of Pakistan. These developments have strengthened business confidence and improved expectations for an economic upturn. In addition, government efforts to reduce energy tariffs, coupled with tighter enforcement against low-priced dumped imports, are anticipated to provide further momentum to local production. Further, the imposition of Anti-Dumping Duty on PTA imports from China at the start of 2026 is expected to boost demand for domestic product.

Financial Performance

Amount in Rs million	Year ended 31 December	
	2025	2024
Revenue	80,907	109,299
Gross profit	3,076	5,186
Profit before taxation	1,838	4,323
Taxation	(719)	(1,681)
Profit after taxation	1,119	2,643
Earnings per share (in Rupees)	0.74	1.75

Revenue of Rs 80,907 million for the year was lower by 26% compared to Rs 109,299 million of previous year mainly due to lower volume sold. This, resulted in a lower gross profit of Rs 3,076 million for the year as compared to gross profit of Rs 5,186 million during last year. Distribution and selling expenses were 10% lower than last year due to export sales in Q3 2024 on which handling charges were borne by the Company. Administrative and general expenses were 10% higher than last year due to overall impact of inflation.

Other operating expenses were lower than last year mainly due to lower provision for Workers' Profit Participation and Workers' Welfare Funds on the back of lower profit. Other income for the year was lower than last year due to lower income earned on bank deposits. The taxation charge for the year is based on statutory income tax rate, tax under Final Tax Regime (FTR) and super tax as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the year stood at Rs 0.74 per share as compared to Rs 1.75 per share for last year.

Dividend

The Board of Directors approved an interim cash dividend of Rs. 5 per ordinary share (50%) for the year ended 31 December 2025, which has been duly paid to shareholders.

Sustainability

Sustainability remains a core element of LCPL's corporate philosophy and strategic direction. The Company recognizes regulatory and environmental challenges as key risks, while also identifying significant opportunities in the growing demand for sustainable and innovative solutions.

The Board of Directors and Executive Management Team remain committed to monitoring evolving sustainability risks and addressing them through effective policies, procedures, and governance frameworks. LCPL continues to reinforce its sustainability footprint through operational excellence, cost efficiency, responsible resource use, and active engagement with employees and communities.

Environmental stewardship is a central priority. Throughout the year, LCPL pursued initiatives focused on energy and water conservation, resource optimization, waste reduction, biodiversity, community development, and emissions management.

The Company is dedicated to minimizing its environmental impact and reducing its carbon footprint. LCPL operates a state-of-the-art deep shaft technology Effluent Treatment Plant (ETP) and an Anaerobic Reactor to treat liquid effluent and support efficient waste management. As an ISO 14001-certified organization, LCPL remains committed to responsible environmental practices and continuous improvement in resource conservation.

A detailed overview of sustainability initiatives undertaken in 2025 is provided on page 49 of the Annual Report.

Health, Safety and Environment (HSE)

Lotte Chemical continues to uphold the highest safety standards for its own employees as well as the contractor's staff. It ensures that HSE is embedded as a core value and continuously strives for a safe and secure workplace. This is evident by an outstanding safety record stretching over 25 years without a lost-time injury. The Directors are proud to report that your Company has maintained due focus on HSE and has achieved a major milestone by completing 74.6 million man-hours as of 31st December 2025, without any injury to own or to contractors' employees.

Your Company actively fosters a culture of training and capacity-building of its employees and invests in state-of-the-art equipments and techniques to ensure safety at all times. During the year, both internal and external audits were carried out to verify compliance with regulations and standards. No major concerns were reported in these audits. In addition to this, the Company's liquid effluent met national environmental quality standards and gaseous emissions also remained within regulatory limits.

A detailed report on HSE performance and development in 2025 is available on page 56 of the Annual Report.

Human Resources

Lotte Chemical Pakistan Limited (LCPL) remains steadfast in its commitment to fostering a culture grounded in employee engagement, inclusiveness, and collaboration. The Company believes that meaningful work, respect for employees, and the celebration of teamwork are fundamental pillars of organizational success. As a forward-looking enterprise, LCPL recognizes that attracting, retaining, and developing high-caliber talent across all functions is essential to maintaining a competitive edge in the market. This focus continues to guide the company's human capital strategy.

LCPL's commitment to equal opportunity employment remains unwavering. The Company not only complies with all applicable labor laws but continually seeks to exceed industry benchmarks in industrial relations. By doing so, LCPL ensures a productive, positive, and supportive work environment for its employees. Throughout 2025, the Company upheld strong HR standards by enhancing operational efficiency, strengthening accountability, and improving service delivery to internal and external customers, while further simplifying administrative processes.

For a detailed review of human resource performance and development initiatives undertaken during 2025, please refer to page 60 of the Annual Report.

Diversity, Equity and Inclusion (DE&I)

Diversity, equity, and inclusion form an essential part of LCPL's corporate philosophy. The Company celebrates diversity in all its dimensions—including gender, ethnicity, beliefs, skills, and life experiences—because it firmly believes that a diverse workforce fuels innovation, creativity, and sustainable progress. By embracing a broad spectrum of perspectives, LCPL is better positioned to understand the evolving needs of its customers, suppliers, and communities, while enhancing the overall impact of its Corporate Social Responsibility (CSR) initiatives.

A key area of focus is improving gender representation across the organization, particularly within the petrochemical industry, where women have historically been underrepresented. LCPL is committed to creating an inclusive, equitable, and supportive environment that encourages women to join the industry and thrive throughout their careers at the company.

LCPL's recruitment processes are designed to be fair, transparent, and free from bias, with the objective of attracting creative thinkers and innovators who bring fresh

ideas and unconventional problem solving approaches. The Company seeks individuals who demonstrate adaptability, strong multitasking abilities, and a passion for continuous improvement—qualities that are vital to LCPL's success and future growth.

To advance diversity and equal opportunity, LCPL continues to strengthen its strategic workforce planning and develop policies and programs that promote inclusivity across all levels of the organization. The company is proud to nurture a workplace culture built on respect, tolerance, and collaboration, where every employee feels valued, empowered, and encouraged to contribute their best.

Corporate Social Responsibility (CSR) Activities

As a socially responsible corporate entity, your Company remains deeply committed to the well-being, upliftment, and sustainable development of the communities it serves. Recognizing the profound impact that corporate initiatives can have on societal progress, the company has identified Health and Education as priority areas requiring consistent and meaningful intervention. Through strategic partnerships with reputable charitable organizations and community-based initiatives, your company continues to support and empower underserved populations across these critical sectors.

To further streamline, strengthen, and expand its CSR footprint, the Company established the LOTTE Pakistan Foundation (LPF). LPF serves as a dedicated platform for designing and executing impactful social development programs, enabling the company to deliver long-term value and measurable benefits to local communities. The Foundation reflects the Company's enduring commitment to responsible business practices and sustainable community development.

A comprehensive report on the CSR initiatives undertaken by the company during 2025 is presented on page 65 of the Annual Report.

Corporate Governance

The Directors are pleased to state as follows:

- The financial statements of the Company, prepared by the management fairly present its state of affairs, the results of its operations, cash flows and the changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgments.

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and departures there from, if any, have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts on the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance.

Principal Activities

The Company is engaged in the manufacture and sale of Pure Terephthalic Acid (PTA). There have been no changes in the nature of the principal activities during the financial year.

Risk Management

The Audit Committee monitors the Company's risk management process and reviews the adequacy of the risk management framework. The Board has an overall responsibility for the risk management process and internal control procedures. The Company's documented and regularly reviewed procedures are designed to safeguard our assets, address risks facing the business, and ensure timely reporting to the Board and senior management. A clear organizational structure with defined delegation of authorities is maintained and the senior management takes the day-to-day responsibility for implementation of procedures, ongoing risk monitoring, and effectiveness of controls.

A statement summarizing principal risk and uncertainties faced by the Company is given on page 29 of the Annual Report.

Composition of the Board

The total number of directors and composition of the board is as follows:

Total number of Directors	Nos
(a) Male	7
(b) Female	1
	8

Composition of the Board	
Independent Directors	2
Non-Executive Directors	4
Executive Directors	1
Female Director	1

Committees of the Board

The names of members of the Board's committees are given below:

Audit Committee	
Mr. Osman Asghar Khan	Chairman
Mr. Muhammad Zahoor Ilahee Cheema	Member
Mr. Faisal Ahmed Siddiqui	Member
Mr. Shahid Ul Hassan Chattha	Member

HR and Remuneration Committee	
Mr. Shahid Ul Hassan Chattha	Chairman
Mr. Muhammad Zahoor Ilahee Cheema	Member
Mr. Faisal Ahmed Siddiqui	Member
Mr. Adnan Afridi	Member

The names of the persons, who at any time during the financial year ended 31 December 2025, were Members of the Board and its Committees along with their attendance is as follows:

Name of Director	Appointed with effect from	Resigned with effect from	Board of Directors meetings	Audit Committee meetings	HR & Remuneration Committee meetings
Mr. Sung Soo Bae		3 February 2025			
Mr. IL Kyu Kim		3 February 2025			
Mr. Kyung Hoi Yoo		3 February 2025			
Mr. Jo Hyun Kwoun	3 February 2025	12 November 2025	5		1
Mr. Young Dae Kim		12 November 2025	5		1
Mr. Seong Jun Park	3 February 2025	12 November 2025	5	2	
Ms. Jae Sun Park		12 November 2025	5		
Mr. Cheolsoo Kim	3 February 2025	12 November 2025	5		
Mr. Shabbir Diwan			5		
Mr. Rashid Ibrahim		12 November 2025	5	4	1
Mr. Khurram Rashid		12 November 2025	5	4	
Mr. Imtiaz Ahmed	12 November 2025				
Mr. Adnan Afridi	12 November 2025				
Mr. Muhammad Zahoor Ilahee Cheema	12 November 2025				
Ms. Fehmina Khan	12 November 2025				
Mr. Faisal Ahmed Siddiqui	12 November 2025				
Mr. Osman Asghar Khan	12 November 2025				
Mr. Shahid Ul Hassan Chattha	12 November 2025				

Leave of absence was granted to directors who could not attend some of the Board meetings.

During the year, 5 (five) Board of Directors, 4 (four) Audit Committees and 1 (one) HR & Remuneration Committee meetings were held. All Board meetings were held in Pakistan.

Director's Remuneration

The Board of Directors has approved a policy for remuneration of Non-Executive Directors (excluding the nominees of major shareholder) in respect of attendance at each Board of Directors, its Committee and General meetings of the Company. The policy also provides for reimbursement of reasonable expenses incurred for attending required Board and General meetings of the Company.

A statement summarizing remuneration of Chief Executive and Directors is disclosed in note 39 to the financial statements.

Board Evaluation

As required under the Listed Companies (Code of Corporate Governance) Regulations, evaluation of the board's own performance, members of board and of its committees of the Lotte Chemical Pakistan Limited was completed in-house for the financial year ended 31 December 2025.

Key Operational and Financial Data

A statement summarizing key operating and financial data for the last six years of the Company is given on page 68 of the Annual Report.

Investment in Retirement Benefits

The value of net assets of the staff retirement funds as per their respective audited financial statements for the year ended 31 December 2024 is as follows:

	Value (Rs '000)
Lotte Chemical Pakistan Management Staff Provident Fund	849,391
Lotte Chemical Pakistan Management Staff Gratuity Fund	524,822
Lotte Chemical Pakistan Management Staff Defined Contribution Superannuation Fund	706,386
Lotte Chemical Pakistan Non-Management Staff Provident Fund	8,501
Lotte Chemical Pakistan Non-Management Staff Gratuity Fund	6,356

Pattern of Shareholding

The statement of Pattern of Shareholding in the Company as at 31 December 2025 is annexed to this Report.

Adequacy of Internal Financial Controls

The Company's system of internal control is sound in design and has been continually evaluated for

effectiveness and control. The Board, through the Audit Committee monitors and reviews the adequacy of the internal controls. The internal control framework has been effectively implemented through outsourcing the internal audit function to KPMG Taseer Hadi & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

Holding Company

PTA Global Holding Limited with 75.01% shareholding in Lotte Chemical Pakistan Limited is the Holding Company as at 31 December 2025.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company i.e. 31 December 2025 and the date of this report.

External Auditors

The present auditors M/s A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Board has recommended the re-appointment of the retiring auditors for the year ending 31 December 2026, as suggested by the Audit Committee, for approval of the shareholders in the forthcoming Annual General Meeting.

Acknowledgement

We acknowledge and are thankful for the continued support of our shareholders, customers, suppliers and employees.



Imtiaz Ahmed
Chairman

Date: 03 March 2026
Karachi



Adnan Afridi
Chief Executive

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Lotte Chemical Pakistan Limited Year ended 31 December 2025

The Company has complied with Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'the Regulations') in the following manner:

1. The total numbers of directors are eight (8) as per the following:
 - a. Male: 7
 - b. Female: 1
2. The composition of the Board is as follows:

Category	Names	DOA/E	DOE
Independent Director	Mr. Osman Asghar Khan Mr. Shahid Ul Hassan Chattha	November 12, 2025* November 12, 2025*	
Executive Director	Mr. Adnan Afridi	November 12, 2025*	
Non-Executive Director	Mr. Imtiaz Ahmed (Chairman) Mr. Muhammad Zahoor Ilahee Cheema Mr. Faisal Ahmed Siddiqui Mr. Shabbir Diwan	November 12, 2025* November 12, 2025* November 12, 2025* June 23, 2023	
Female Director	Ms. Fehmina Khan (Non-Executive Director)	November 12, 2025*	
Ceased to be directors during for the year 2025 till 3 February 2025	Mr. Sung Soo Bae Mr. IL Kyu Kim Mr. Kyung Hoi Yoo	February 14, 2024 June 23, 2023 February 14, 2024	February 3, 2025 February 3, 2025 February 3, 2025
Ceased to be directors during for the year 2025 till 12 November 2025	Mr. Seong Jun Park Mr. Cheolsoo Kim Mr. Jo Hyun Kwoun Mr. Rashid Ibrahim Mr. Khurram Rashid Mr. Young Dae Kim Ms. Jae Sun Park	February 3, 2025 February 3, 2025 February 3, 2025 June 23, 2023 June 23, 2023 June 23, 2023 June 23, 2023	November 12, 2025 November 12, 2025 November 12, 2025 November 12, 2025 November 12, 2025 November 12, 2025 November 12, 2025
DOA/E = Date of Appointment / Election DOE = Date of Exit * Following the change in ownership on 12 November 2025, the Board was reconstituted as a result of which these Directors were appointed immediately.			

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations.
9. The Directors have been apprised of their duties and responsibilities from time to time. Directors' training is encouraged under the Regulations. Following directors have attended the directors' training program:

Directors:

- i) Mr. Osman Asghar Khan
- ii) Mr. Adnan Afridi

Executive:

- i) Mr. Ashiq Ali (Chief Financial Officer)
- ii) Mr. Tariq Nazir Virk (Director Manufacturing)

Mr. Shabbir Diwan is exempt from the requirements of the Directors' Training Program as he possesses the prescribed qualification and experience as per the Regulations. Furthermore, training for the remaining directors not covered above, who were appointed on 12 November 2025, will be arranged as per the timeline prescribed in the regulations.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee
Mr. Osman Asghar Khan - Chairman
Mr. Muhammad Zahoor Ilahee Cheema
Mr. Faisal Ahmed Siddiqui
Mr. Shahid UI Hassan Chattha

HR and Remuneration Committee
Mr. Shahid UI Hassan Chattha - Chairman
Mr. Muhammad Zahoor Ilahee Cheema
Mr. Faisal Ahmed Siddiqui
Mr. Adnan Afridi

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the committees were as per following:

Committees	Frequency of meetings
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

15. The Board had outsourced the internal audit function to M/s KPMG Taseer Hadi & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with from the date of its applicability.
19. With regards to compliance of regulation 6, given the specialized nature of business whereas the Company is the sole manufacturer of Pure Terephthalic Acid (PTA) in the Country, it was critical to have on board the persons with relevant industry experience, knowledge and understanding to oversee the performance of the businesses and guide the strategy of the Company which needs a majority shareholder reasonable representation in the Board having international expertise in the PTA industry.

The Board was also guided by the fact that rounding up is not a mandatory requirement under regulation 6. The Board is confident that it comprises of a sound mix of executive, non-executive, female and independent directors enabling the Board to effectively guide the Company to achieve its strategic objectives.

20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:

Requirement	Explanation	Reg. No.
The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The board functions of Nomination Committee are already being performed by Board and its sub committees. The Board is therefore of the opinion that separate committee for Nomination is not required.	29
The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The board functions of Risk Management Committee are already being performed by Board and its sub committees. The Board is therefore of the opinion that separate committee for Risk Management is not required.	30



Imtiaz Ahmed
Chairman

Date: 03 March 2026
Karachi



Adnan Afridi
Chief Executive



Independent Auditors' Review Report

To the members of Lotte Chemical Pakistan Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of LOTTE Chemical Pakistan Limited for the year ended December 31, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

Date: 17 March 2026
Karachi
UDIN: CR202510059sEyXw4gmF

A.F.Ferguson & Co.,
Chartered Accountants

Gender Pay Gap Statement

Lotte Chemical Pakistan Limited Gender Pay Gap Statement Under SECP's Circular 10 of 2024

Following is gender pay gap calculated for the year ended 31 December 2025:

- i. Mean Gender Pay Gap: (9.62%)
- ii. Median Gender Pay Gap: (5.95%)
- iii. Any other data/details as deemed relevant: The pay gap mentioned above represents the difference in earnings between male and female employees who perform jobs that are either identical or comparable in terms of responsibilities, skills, and qualifications.



Adnan Afridi
Chief Executive

Date: 03 March 2026
Karachi

Manufacturing Excellence

At LCPL, the premier PTA manufacturer in Pakistan, we are committed to continuously elevating every aspect of our operations. We take immense pride in fostering a culture and establishing a system that harnesses the full potential of our employees, keeping them motivated to work with unparalleled dedication, commitment, and professionalism. Consequently, we consistently produce world-class quality products that exceed customer expectations and nurture robust relationships.

LCPL is dedicated to empowering its employees, granting them the freedom to work creatively and encouraging the introduction of new ideas and initiatives. Each year, we set ambitious targets that drive our team to strive for excellence and flawless execution in manufacturing.

With a focus on employee empowerment, growth, teamwork, and technical capacity-building initiatives, LCPL surpasses its targets, further inspiring our team to achieve superior manufacturing performance.

Moreover, LCPL's efficient plant operations and strict adherence to the highest international standards of safety, health, and environmental protection not only ensure high-quality products but also prioritize stakeholder well-being, thereby mitigating workplace hazards.

Plant Availability

The availability of plant operations serves as a vital indicator for assessing the success of maintenance strategies implemented in any manufacturing environment. Last year, maintaining high availability was particularly challenging due to external factors, including fluctuating downstream demand, and a major setback caused by the tripping and unavailability of the Process Air Compressor Expander.

Raw Material Conversion

With decreased demand, LCPL was forced to operate at a lower rate which is not an ideal scenario for variable cost however, LCPL is proud to announce that it has managed to produce the PTA at a favorable variable cost by means of innovations under the umbrella of Operational and Manufacturing excellence. This was achievable by effective planning and religious monitoring of critical activities during plant outages and maintaining a strict control on consumption of utilities mainly nitrogen.

Trainings

To enhance technical expertise and promote a safer, more efficient working environment, Specific Skill Enhancement Sessions were successfully conducted with strong employee participation. The sessions focused on plant equipment knowledge, operational understanding, and safety awareness.

Active involvement through employee-led presentations encouraged confidence, knowledge sharing, and practical learning. Overall, the initiative strengthened technical skills, improved safety awareness, and supported a culture of continuous improvement within the plant.



Operational Excellence

We are pleased to report that the plant's Operational Excellence (OpEx) drive continues to deliver significant value through the continuous improvement of operating philosophies and procedures. Our primary objective is to ensure that the plant operates at peak performance during both routine and non-routine activities. Notably, these improvements have been achieved primarily through process optimization rather than significant capital expenditure. Past operating practices and performance data are analyzed on a continuous basis. Through structured brainstorming sessions and detailed technical studies, improvement opportunities are identified to enhance performance by revising procedures and operating practices, and in some cases through minor modifications.

Plant shutdowns and startups are among the most critical phases of operations, requiring careful planning, disciplined execution, and close coordination. Operational excellence remained a key objective, with power efficiency



and utility consumption maintained well below benchmarks through detailed planning and coordination.

A key element of this success is the active involvement of the operating team at all levels. This diverse participation brings multiple perspectives into the decision-making process, ensuring that each aspect of plant operation is thoroughly reviewed and continuously improved. Our strategy is based on establishing a “new baseline” for performance. Each time a new efficiency milestone is achieved, it becomes the standard operating baseline for the following day. Performance is monitored daily at the senior management level to ensure that previous best results are consistently maintained or further improved.

Through the introduction of advanced operational concepts, we have successfully optimized the consumption of electricity by shutting down high-energy chillers for the effluent treatment plant by utilizing cooling water exchangers during the major portion of the year; and shutting down one high-pressure pump out of five while operating the plant load on four pumps by altering

the production target achievement strategy. Similarly, additional waste energy was recovered in the form of low-pressure steam by reducing the low-pressure steam header pressure, and operational excellence was driven at individual units such as the AMA filter to reduce raw material (PX) losses.

This year, we achieved a reduction of 1.8% in variable cost through improvements in the way we operate. Significant improvements were also made in plant trip response and recovery. Outage recovery time has been reduced by 50%, from approximately 50 minutes to 25 minutes, thereby maximizing plant availability and uptime. The operational excellence drive has consistently delivered year-on-year reductions in variable costs of 1.0%, 2.5%, 2.0%, and 1.81% for the current year. Since each achieved saving becomes the baseline, the effective saving for the current year represents the cumulative impact of the last four years.

By strictly adhering to this philosophy, the plant continues to lower its cost base while enhancing operational reliability and agility.

Localization and Cost Optimization Initiatives

Despite a challenging year marked by external pressures such as import restrictions and inflation, which increased maintenance costs, the LCPL team remained committed to supporting the company's bottom line by actively working to reduce fixed expenses. The team demonstrated exceptional dedication in identifying and completing cost-saving initiatives, successfully carrying out necessary repairs and maintenance without incurring significant additional costs.

New Benchmark Set for Plant Start-up in Minimum Time

Oxidation Plant is the fundamental unit of Terephthalic Acid production and functions as the heartbeat of overall operations. On emergency occasions or to facilitate planned activities, temporary HOLD of Oxidation Plant is a prerequisite to ensure operational safety. The prompt and coordinated response of the team ensured smooth handling of the situation. Well-coordinated and timely actions enabled the plant to be re initiated in ten minutes, minimizing downtime and maintaining operational stability.

Achievement of best-ever Acetic Acid Consumption

Acetic Acid is a key raw material in Terephthalic Acid production, with a typical consumption of around 54 tons per day at a high production rate of 63 t/h, corresponding to approximately 35.5 kg per ton of PTA under ideal conditions. Historically, even a single outage in a month would increase consumption to around 37 kg/ton of PTA due to efficiency losses.

Through effective control of 4-CBA at the oxidation reactor amongst other process optimizations, Acetic Acid consumption was reduced to a record level of 33.7 kg/ton of PTA in November. This performance was achieved despite the occurrence of an outage, which would otherwise have driven consumption upward.

New Milestone Set for Plant Decontamination in Minimum Time Duration

The plant was successfully shut down and decontaminated in a record 26 hours, setting a new operational benchmark. Earlier, the same process typically

required 48 hours to complete. This significant reduction highlights improved planning, coordination, and execution. Enhanced procedures and skilled teamwork played a key role in achieving this milestone. The achievement reflects the organization's commitment to efficiency, safety, and continuous improvement.

PTA Dryer Vent Plug Modification



PTA dryer vent plug's orifice diameter was increased to 0.5 mm to enhance the removal of non-condensable vapors. This change resulted in a reduction in steam pressure, allowing dryer to operate more efficiently and for extended periods. This modification also minimized the need for caustic wash, reducing both maintenance time and costs. As a result, PTA dryer became more reliable, with improved performance and lower operational expenses.

Batch Tank Load Cell Upgrade for Enhanced Production Accuracy

Purification Batch Tanks, that are used to store PTA product till final quality analysis are completed, were found to have load cells error, causing discrepancies and impacting the accuracy of production data which further required additional inventory reconciliation. The faulty load cells in both tanks were replaced following the same procedure. This upgrade has restored accurate mass measurements, ensured precise PTA calculations and improved overall production efficiency.

Limiting Demin Water Consumption in Reslurry Water

To enhance resource efficiency, Purification Plant has increased condensate utilization from E1-1505, redirecting an additional 2 ton/hr vent condensate into re-slurry water. This modification has lowered demineralized water (DMW) consumption and reduced operational costs.

Performance Improvement of M1-1603

M1-1603 is a filter with the function to recover particles of PTA from waste stream before it is fed to the Effluent Treatment Plant, where it is processed and then sent out.

This initiative focused on improving the performance and reliability of M1-1603. The key change was reducing the filter's operating cycle time from 40 minutes to 35 minutes. Shortening the cycle allows the filter to handle smaller amounts of solids per cycle while increasing the frequency of regeneration, which enhances long-term operation without introducing operational risks. With this initiative, the yearly outages are expected to drop from six to three, resulting in significant cost savings.

Record AETP Performance with Maximum Biogas Integration

For the first time since commissioning, the AETP load was successfully increased to 27.5 TPD, marking a significant operational milestone. Concurrently, maximum biogas generated from the AETP was utilized in the boiler, effectively reducing reliance on natural gas and contributing to substantial fuel cost savings. This achievement reflects enhanced process optimization, demonstrating the plant's ability to operate at higher capacity while making the most of available renewable resources. It also highlights a major step toward sustainable and cost-efficient operations, reinforcing our commitment to energy conservation and operational excellence. The successful integration of biogas into boiler operations sets a benchmark for future initiatives in maximizing resource utilization.



Total Productive Management (TPM)

TPM is a plant improvement methodology that facilitates continuous and rapid improvement by leveraging employee involvement, empowerment, and systematic measurement of results. It encourages individuals to work in small, organized teams to develop the most efficient work environment and processes, while strictly adhering to the highest safety standards.

With the goal to achieve global competitiveness through operational excellence, Total Productive Management (TPM) was launched at plant site in 30th October 2013.

Restructuring

In March 2025, TPM adopted a revised and more integrated approach supported by a new SOP and several process enhancements to improve the overall effectiveness of TPM initiatives and strengthen the plant improvement methodology. Under this restructured model, Autonomous Maintenance (AM) and Planned Maintenance (PM), which previously operated as separate pillars, were brought together to work collaboratively. This integration has played a key role in achieving operational excellence by improving production performance, optimizing maintenance practices, enabling cost savings, enhancing machine efficiency, and fostering stronger teamwork across departments.

5S Activities

The 5S process is one of the most fundamental and widely-applied methodologies around the world. It is the

foundation of TPM. The guiding principles underlining the 5S system include: organization, cleanliness, and standardization.

The concept behind 5S is simple: minimize waste and improve efficiency by ensuring that workers spend time on productive tasks rather than looking for misplaced tools and sort through waste material. 5S implementation ultimately improves workplace environment and creates a self-sustaining culture within the organization.

A total of 120 saplings were planted with the assistance of manufacturing staff members to create a greener and more sustainable plant site. A grand 5S activity was held at plant on 12th December 2025, where the complete Manufacturing team participated. All personnel were divided into 10 Small Group Teams (SGTs), each led by Production department combine (PMs, SSMs, and SMs, AMs & Managers). The objective was to work in sync and maximize the output to achieve best housekeeping of the plant.

TPM Autonomous Maintenance

The first pillar of TPM, Autonomous Maintenance (AM) is about maintaining one's equipment by oneself through cross functional team efforts. This pillar was started in mid-2016, and is a collaborative activity involving Production, and Technical teams working together to maintain basic conditions on shop floor, optimal performance of machines, and skill enhancement of the staff. The intent is to keep plant operation effective and stable to achieve production targets.



A new chapter of AM was started in 2022, where the core focus has now been shifted to the skill enhancement of the teams and review of routine activities and operating procedures. In the new AM phase teams are working on resolving long standing waste factors and concerns, and eliminating losses and potential risks.

TPM took an initiative last year to provide Fibre Reinforced Plastic Coating to the Cooling Tower's pipeline headers at the Utilities Plant Area. The corrosion-resistant coating will reduce maintenance costs in the long-run time period. The work started last year and is continuing to bring further improvements, including making the cooling tower area corrosion-free. TPM has also covered the remaining area of the cooling tower in 2025.

TPM Planned Maintenance

Planned Maintenance (PM) is the pillar of TPM that aims to achieve zero breakdowns and improve machine reliability. The objective of PM is to improve the effectiveness of operational equipment, in terms of increasing its reliability, maintainability, and performance and reducing maintenance costs and equipment failures. It is the deliberate methodical activity of building and continuously improving maintenance system.

Engineering team has been divided into 8 smaller groups for the implementation of this pillar. The pillar was started at the end of 2021 and all through 2025; we have been able to reap benefits of the system at various levels.

The TPM team has implemented 5S principles in the engineering department's usable material yard, metal scrap yard, useable fabrication yard and rubbish yard . This ensures that usable materials remain in the usable material yard through sorting, organized storage, regular cleaning, standardized procedures, and continuous improvement efforts. Significant progress has been made in the Mechanical and E&I workshops through equipment name tagging, proper line marking, painting, and effective implementation of 5S practices.

TPM Quality Maintenance

TPM Quality Maintenance (QM) was started at LCPL in September 2016. This pillar is aimed towards customer satisfaction by maintaining highest quality through defect free manufacturing and on eliminating non-conformances in a systematic manner.

During 2025 , the teams worked on developing operation and maintenance manuals of laboratory equipment, on skill enhancement of team members, and on development of training materials for individual laboratory equipment. Special focus was on efficient management of storage spaces in Laboratory and lab working area and test benches were improved. This year, the laboratory took major participation in the 5S implementation and also played a very active role in the TPM Grand 5S activity held on 12th December 2025.

Suggestion & Reward System (SRS)

To improve manufacturing functions at the Company's plant site, a suggestion and Reward System (SRS) was initiated in December 2014. With the help of the IT department, an SRS database was developed, allowing employees to input their suggestions related to plant or process improvement.

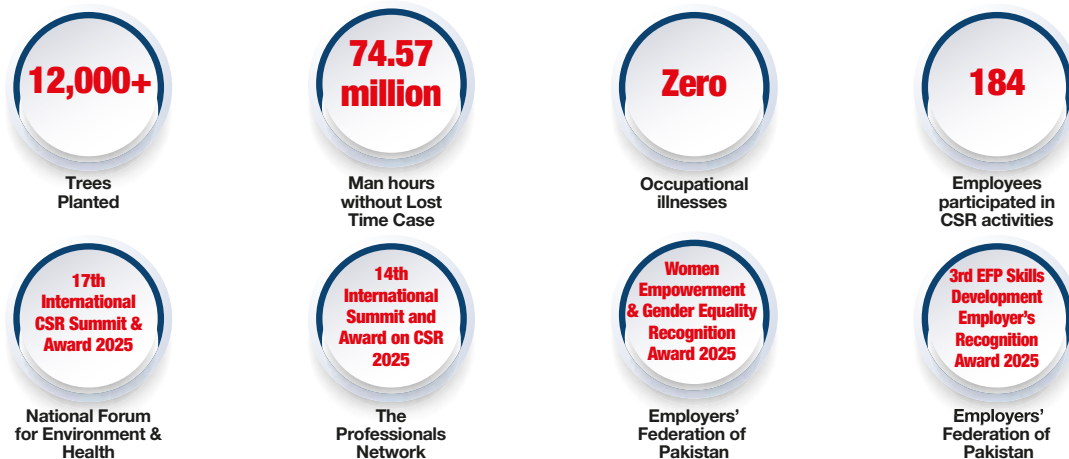
This year 317 suggestions were raised in the system, which is the highest ever number of suggestions raised in a year. In 2025, 96 suggestions were implemented, resulting in significant cost saving for business.



Sustainability

Sustainability initiatives stand as a cornerstone of Lotte Chemical Pakistan Limited's decision making. The management continues to deliver a sustainable footprint through community and employee engagement, cost optimization, operational excellence and resource conservation.

Highlights & Awards



Energy Conservation

To conserve energy, LCPL is always actively trying to optimize and further reduce its energy and resource consumption.

LCPL has integrated manufacturing process results in highly efficient operations, allowing waste heat from one chemical process to be used in a different process. Compared to other facilities which lack comprehensive integration of process and energy systems, LCPL integrated production process provides:

- Greater opportunities to beneficially use raw materials.
- Better use of thermal energy which would otherwise be lost into the environment.
- Significantly smaller emissions across the supply chain.

LCPL has always focused to operate all the equipment at its best efficiency to conserve energy and ultimately minimize the variable cost. LCPL is also following a company-wide energy saving plan by creating awareness among employees on switching off their office lights and electronic gadgets when out of office and give up the habit of keeping electronic items on standby mode when they go home. LCPL is gradually replacing fluorescent lights in its office buildings and plant site with energy efficient LED lights.

During the year, significant energy and variable cost savings were achieved through targeted operational initiatives. Energy efficiency gains were realized through process optimization and close monitoring of critical parameters, enabling the plant to operate at maximum load using four High Pressure Dissolver Feed Pumps instead of five resulting in Power, Steam, and Hydrogen savings.

The strategic shutdown of vent fin fans helped maintain tank levels and optimize overall energy usage. Electrical energy consumption was further reduced by stopping redundant degasser blowers and compressors, while maintaining process requirements through alternative and efficient equipment line-ups.

Steam system losses were minimized by rectifying drain isolation valves and eliminating leakages in high-pressure steam traps, resulting in improved thermal efficiency. During SSD operations, innovative use of gravity flow for deep shaft feed allowed several high-energy pumps to remain shut down, delivering substantial energy savings without compromising operations.

Renewable Energy and Waste Heat Recovery

To further reduce energy costs and strengthen its energy conservation agenda, LCPL has initiated three major energy

optimization projects. The Azeotropic Distillation Project is aimed at improving process efficiency and reducing specific energy consumption.

In parallel, the Battery Energy Storage System (BESS) project is designed to eliminate consumption of Diesel used at Diesel Generators, which are currently in service, will later be stopped after BESS commissioning. There will be a considerable cut of diesel consumption.

Additionally, LCPL is investing in the installation of a 6.5 MW solar power plant to increase the share of renewable energy in its power portfolio.

Strategic Water Makeup Reduces Diesel Dependency at RWPS

A significant optimization was implemented at the Raw Water Pumping Station (RWPS) to improve operational efficiency and reduce diesel consumption during the SSD period. Pump operation was aligned strictly with WAPDA power availability, eliminating the need for diesel usage while maintaining the required BPT level.

Water transfer to the plant is carried out only when WAPDA power is available at RWPS, with the main isolation valve opened as required and kept isolated otherwise to avoid unnecessary intake. With no makeup required to the MCT during SSD due to maintenance and reduced site water consumption, this coordinated approach resulted in a diesel saving of approximately 250–300 liters per day, reinforcing effective cost control and sustainable operations.

LCPL has consistently focused on optimizing its energy mix to ensure reliable operations while minimizing energy costs

and environmental impact. From year 2012 to early 2025, LCPL operated Gas Turbine Generator (GTG) for its power and steam generation. However, considering the substantial increase in natural gas prices for captive power generation, the continued operation of the GTG became economically unviable. Accordingly, the plant strategically discontinued GTG operations and transitioned to sourcing power from K-Electric, ensuring uninterrupted operations while aligning energy procurement with prevailing market conditions.

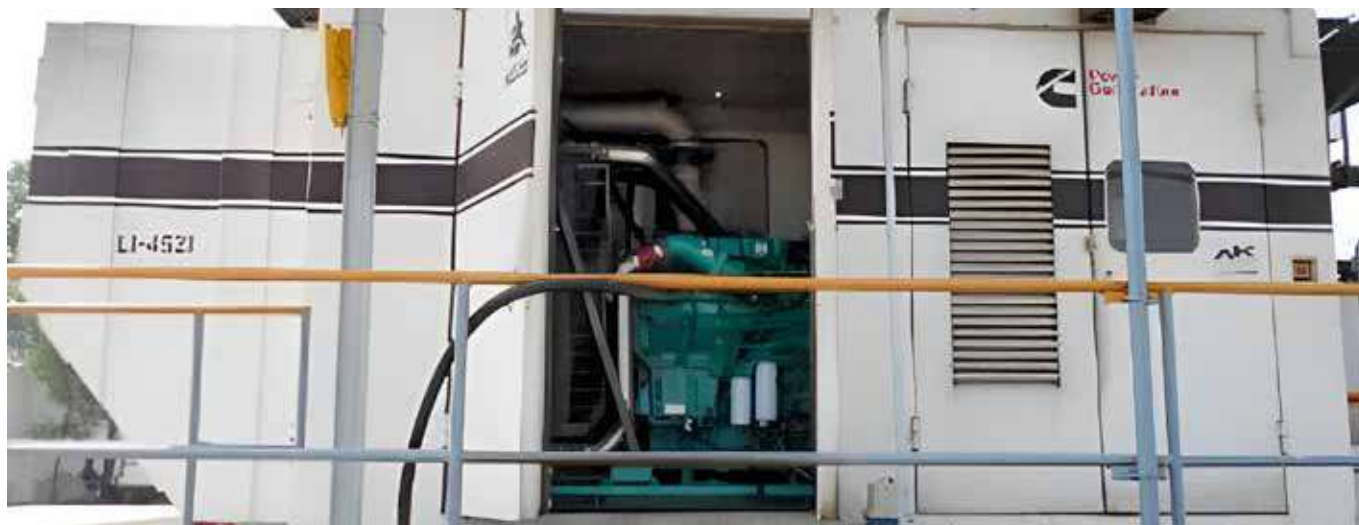
Efficient Use of Compressed Air

As part of the Energy Efficiency initiatives, an optimization step was implemented to improve compressed air utilization.

ETP Compressors (C1-2527 A/B), which were already in continuous operation with surplus capacity, were utilized to supply plant air and air to the Degasser, replacing the plant air previously supplied by Instrument Air Compressor (C1-2902A) and another dedicated compressor. After verification, it was confirmed that adequate and reliable air supply was maintained, allowing (C1-2902A) to be safely stopped.

This initiative improved asset utilization and reduced energy consumption while contributing to enhanced.

Collectively, these initiatives are expected to cut energy expense per tonne of PTA produced while also contributing to a reduction in the Company's carbon footprint. The integration of renewable energy, together with process optimization and advanced energy management solutions, reinforces LCPL's commitment to sustainable operations, long-term cost competitiveness, and responsible environmental stewardship.



Environmental Protection

Protection of the environment remains a critical component of LCPL sustainability vision. LCPL ongoing efforts to minimize any impact on the environment, whether it is through operational excellence or innovative plant optimization, remains crucial in minimizing environmental risks. Energy, water, waste and resource conservation; biodiversity enhancement; emissions management and regulatory compliance; are all essential areas of focus for us.

LCPL is committed to ensuring that its operations remain environment friendly - taking an avid interest in reducing its carbon footprint. In line with this belief, we have invested in a state-of-the-art deep shaft technology Effluent Treatment Plant to treat liquid emissions. Additionally, we continue to invest in its operation, believing that it will yield long-term economic and environmental benefits. Our Company has also installed the project of An-aerobic Reactor on Effluent Treatment Plant that generates biogas and hence reduces the natural gas consumption on the Plant Site. The project was carried out to convert aerobic effluent treatment plant to an-aerobic effluent treatment plant with the intent of conversion of waste into energy.

Being an ISO 14001 certified organization and believing that long-term economic sustainability depends on ecological sustainability, LCPL comply with the 3Rs of environment (reduce, recycle and reuse). LCPL focus remains on reducing waste generation, reusing generated waste within the processes, and lastly recycling so that waste output of any operation is minimized.

As part of its commitment to environmental protection, LCPL has implemented the Electronic Permit to Work (ePTW) system, replacing traditional paper-based permits. Permits are now stored securely in a centralized database, making them easy to access, track, and manage.

The ePTW system significantly reduces paper consumption, minimizes administrative effort, and frees up physical storage space previously required for paper permits. It also lowers printing and stationery costs, while providing greater flexibility by allowing permits to be edited and updated more efficiently than conventional paper-based systems.

Renewable Energy

LCPL has taken a significant step toward sustainable energy by initiating a 6.5 MW solar power project, aimed to reduce dependence on conventional electricity and

save a significant amount in variable cost, and lower the company's overall carbon footprint.

Once fully operational, the solar installation will supply a substantial portion of the plant's electricity needs, contributing to both energy cost savings. Beyond financial benefits, the project reflects LCPL's focus on integrating renewable technologies to support environmentally responsible and sustainable industrial practices.

Waste Handling

All types of wastes, be it liquid or solid are reported, controlled and monitored according to site procedures and are reported internally and to local authorities as per legal requirements. Organic waste produced in effluent treatment plant is passed to cement plants as a partial fuel replacement. Clinical waste, on the other hand, is incinerated in line with legal environmental standards.

Water Consumption

Due to a change in global climatic conditions, it is estimated that Pakistan will experience water scarcity in the coming years, making it imperative that water use be minimized, and water recycling initiatives implemented. LCPL water management practices are based on principles including, efficient usage, pollution prevention, and maximizing reusing and recycling.

LCPL continuously monitor its water intake and control its use. LCPL optimize water consumption through modern process optimization by recycling part of the wastewater within the plant, as well as using it for horticultural purposes and landscaping - which substantially minimizes water intake.

Another initiative was taken to recycle the Reverse Osmosis Plant reject water for resource conservation and financial benefit.

The industrial process that LCPL has in place helps minimize its water usage by treating it to meet specific purposes within the manufacturing cycle, and recycling water wherever possible.

LCPL wastewater treatment plants at its manufacturing facilities are designed and operated to meet and exceed environmental standards, securing the health of our employees, communities and the local eco-systems in which we operate.

LCPL water efficiency related best practices help reduce:

- Cost of water and wastewater treatment.
- Capital equipment costs.
- Handling and use of potentially hazardous chemicals.
- Carbon footprint by reducing energy consumption associated with water treatment and distribution.

Biodiversity

LCPL has systems and procedures in place for conserving biodiversity. To maintain a sustainable environment at its plant site, we aim to provide a conducive environment for fauna and flora in surrounding areas. Based on recommendations provided by WWF, we developed around 100,000 trees around the premises and within the vicinity to provide nesting grounds to local birds and enhance greenery. LCPL plantation was also carried out on a three-kilometre portion passing through the Eastern Industrial Zone in Port Qasim, where more than three hundred saplings were planted. Additionally, we have been involved in initiatives to establish organic farming by using wastewater from its reverse osmosis plant.

Special Recognition by OICCI

Lotte Chemical Pakistan Limited has been honored with a Special Recognition Award in Water Stewardship and Management at the 4th Pakistan Climate Conference, organized by the Overseas Investors Chamber of Commerce and Industry. This recognition forms part of the 2nd Climate Excellence Awards and marks the

Company's second consecutive achievement in this Climate awards, underscoring its sustained commitment to responsible water management and environmental sustainability. The accolade reflects Lotte Chemical Pakistan's proactive approach toward resource conservation, operational efficiency, and alignment with global best practices in climate resilience and stewardship. In the recent past, Lotte Chemical Pakistan has invested in multiple projects which reduce the water consumption by optimization of processes and recycling of waste water.

Emissions Management

LCPL operational strategy, post power generation, has reduced thousands of tons of carbon, NO₂ and SO₂, resulting in a substantial reduction in greenhouse gases. Diesel consumption will be cut to zero, hence eliminating generator emissions. When it comes to discharge, LCPL effluent quality meets NEQS limits through state of art deep shaft technology aerobic wastewater treatment plant coupled with recently commissioned new anaerobic wastewater treatment plant which reflect our dedication to conform to the highest environmental standards.

Regulatory Compliance

LCPL report its processes liquid and gaseous emissions to local authorities at SEPA defined frequency. Since commissioning of the plant in 1998, we continue to comply with all regulatory requirements related to the environment.



Labour Relations, Freedom of Association, and Collective Bargaining 2025-2026

At Lotte Chemical Pakistan Limited (LCPL), we prioritize fostering collaboration with employees while upholding freedom of association and collective bargaining to build robust industrial relations. Our culture instills individual accountability for understanding and adhering to all relevant statutory laws.

LCPL's unwavering commitment to ethical practices has built a strong reputation for honesty, integrity, and fair dealings with employees and government authorities. We maintain a harmonious workplace that minimizes misunderstandings and promotes transparency.

Management actively strengthens ties with non-management staff by removing barriers and encouraging open dialogue. The successful negotiation of the 2025-2026 Agreement exemplifies this collaborative

approach, yielding benefits for both the organization and its employees through mutual respect.

Core to our values are workplace security, social protection, personal development, and social integration. To support these, we hosted social activities such as a joint picnic and sports events, fostering teamwork and unity.

We also value our outsourcing service providers as key partners, ensuring their workforce's welfare aligns with company policies to reduce conflicts and discrimination.

A key event reinforcing employee well-being was our annual picnic, uniting workers and senior management to build solidarity and team spirit. LCPL remains dedicated to creating lasting value for all stakeholders in an environment of trust, collaboration, and shared success.



Product Stewardship

Like all our safety processes, we go above and beyond to ensure that we manufacture PTA that is safe for our employees to handle and for our customers to use. We consider Product Stewardship to be an integral part of our sustainability strategy. While maintaining our efforts to offer our customers more value and better performance, we aim to reduce the environmental impact of our product throughout its life cycle including during manufacturing, packaging, distribution, usage and eventual disposal.

In order to fulfill our Product Stewardship responsibilities, we ensure that appropriate training and information is provided to all our staff, contractors, haulers and customers for handling our products safely and responsibly. Additionally, we ensure compliance with all relevant laws, regulations and standards.

Product safety

Our product is safe when used as intended. All raw materials and finished product are subjected to numerous assessments and tests to ensure that safety is maintained during manufacturing, packaging distribution, usage and eventual disposal.

All customers and haulers are provided with MSDS (Material Safety Data Sheet) which consists of comprehensive information on the physical and chemical properties of the product, handling instructions, hazards, risks and precautionary measures in case of any mishaps during distribution and usage. This product literature is reviewed periodically and new information on adverse effects, types of use, and circumstances of misuse are taken into account.

Customer Satisfaction and Complaint Management

Customer satisfaction falls under our core value “Beyond Customer Expectation” and plays an integral role in our business. The business sales team conducts regular meetings to maintain business relationships and gauge customer satisfaction. Any concerns and issues are addressed on a priority basis, and systems are in place to ensure that occurrences are not repeated. Moreover, a comprehensive system is in place to handle all complaints, within a defined time frame. Information and status of all complaints are circulated at the highest levels of the organization.



Economic Contribution

A sustainable business plays a pivotal role in delivering economic and social progress. A business which generates substantial revenue to sustain people's quality of life and safeguard the planet is important, but one that ensures that its employees, owners and members of the community remain financially secure, is also critically important.

We contribute economically in a number of ways: we provide employment, buy from local, regional and global suppliers, distribute our products, and contribute to the National exchequer via direct and indirect taxes.

	Amounts in Rs '000	
	2025	2024
Suppliers		
Cost of material, services and facilities	75,088,392	102,171,386
Employees		
Cost of employees' salaries and benefits	1,633,451	1,506,686
Government		
Tax paid, including remittance taxes and excise taxes	17,120,708	22,815,395
Shareholders		
Dividend	-	757,104
To providers of finance		
Finance costs	34	2,569
Retained within Company		
Depreciation, amortisation and retained earnings	2,684,797	3,069,789
Total Economic Contribution	96,527,382	130,322,929

Transparent Approach to Taxation

We recognise the growing interest in the level of taxes paid by multinational companies. We remain transparent in our dealings and pay appropriate amount of taxes according to country-specific laws and regulations.

In the year, total taxes borne and collected by the Company amounted to Rs 17,120.7 million (2024: Rs 22,815.4 million). This figure includes excise taxes, transactional taxes and taxes incurred by employees. We consider the wider tax footprint to be an appropriate indication of tax contribution from our operations. Our presence in Pakistan is beneficial to the Country as it provides employment to people - affecting income levels and subsequently tax revenues.

Understanding our Role and Responsibilities in our Value Chain

The reach and scale of our business result in us playing a pivotal role in the economic development of the Country.

We remain aware of our influence on our suppliers and the importance of developing long-term relationships with them. Our goal remains to pay fairly for their products, materials and services. In addition, we often work in collaboration with them, to help improve their working practices and conditions, as well as their overall efficiency, which in turn, impacts their income levels.

Health, Safety and Environment

LCPL's performance of 74.57 million man-hours as at 31 December 2025 without LTC is a landmark achievement by global standards. It places LCPL amongst the best Petrochemical companies and is a testament to Company's commitment towards compliance to world class safe systems, practices, and core commitment of the employees and & contractors.

Health, Safety and Environment (HSE) management forms an integral part of LCPL's core values and Company remains committed to instill these values amongst its employees and contractors. To achieve world class standards, the Company has developed HSE management systems, which comply with international guidelines and local legislative requirements.

Throughout the years, LCPL has maintained exceptional safety records. Currently, amongst petrochemical industry, the LCPL is one of the leaders in terms of maintaining highest standards in Health, Safety and Environmental performance in all aspects of its operations. During its 27 years of operation, LCPL has sustained an excellent safety record. The Company crossed a milestone of 74 million man-hours without Lost Time Case (LTC) in 2025 and marching towards 75 Million man-hours in 2026. The long-term objective of "zero injury" remains unchanged because we believe that every occupational accident is preventable.

The continued success in HSE field is indicative of Company management's resolve and the commitment by the teams beneath at all levels. At LCPL, management, non management and contractor staff work together to ensure conformance to highest safety standards. The management's focus on Health, Safety and Environment defines Company's vision and success criteria for the future.

LCPL re-emphasizes the importance of safety within its staff by organizing capacity building workshops and hands on trainings to ensure its workforce conducts its business safely, correctly and in tune with world class safety standards. Use of first aid kits for medical emergencies and CPR are part of its routine training plans. Additionally, LCPL formulates health and hygiene monitoring plans at the beginning of the year that is religiously followed during the course of regular medical examinations in order to ensure occupational illness free environment for its employees and contractors.



HSE Highlights

- Completed 74.57 million man-hours without Lost Time Case (LTC) for our employees and all contractor staff.
- Met legislative requirements of sealed radiation sources (SRS) implemented by Pakistan Nuclear Regulatory Authority (PNRA).
- Successfully completed Surveillance of IMS standards (ISO 9001:2015, 14001:2015 & 45001:2018) without any non-compliance.

Occupational Health and Safety Management System

In 2012, Company embarked on aligning its comprehensive HSE&S Management System with the International OHSAS-18001(now ISO 45001:2018) Health & Safety Management System and ISO-14001 Environment Management System. Independent internal auditors along with HSE department, monitor compliance with the Integrated Management Systems annually.

An ISO 45001:2018 system provides the Company regular updates and benchmarking to Industry's best practices. The ISO 45001:2018 Occupational Health and Safety Management System reduces harm to employees and other personnel, therefore reducing overall liability.

The Company's ISO 45001:2018 Safety Management Systems focus on the following best practices in safety management:

Incident Prevention - Work-related incidents are prevented through several layers of protection, including safe design, work practices, use of personal protective equipment, safe behavior and by using appropriate engineering, operating and administrative controls.

Management Leadership and Accountability - Management establishes clear safety expectations and goals, providing resources, establishing processes and monitoring overall progress.

Employee Involvement - Employees are involved in all aspects of the safety programme, and remain committed to working safely and protecting the safety of others.

Regulatory Compliance - Complying with applicable laws and regulations is an integral part of the Company's safety programme.



Inclusive Scope - Our safety objective is to prevent workplace incidents, injuries and illnesses for employees, contractors, visitors, suppliers and customers. Our ultimate goal is to provide our employees with the skills and attitude to ensure safety remains the number one priority even in their personal lives.

Safety Education - Employees are provided with the knowledge and skills necessary to work safely.

Assessment - Assessment and benchmarking against the world's safety leaders drives continual improvement through adopting best practices.

Hazard Control - Hazard studies are a vital component of Company's engineering procedures, which are carried out for new plants, processes, buildings, services and operations. Company identifies assess, control and monitors various hazards at workplace. In 2025, LCPL carried out several hazard studies, including modifications and new projects for process improvement, variable cost reduction, system upgrade and new initiatives.

Accident Prevention

Industrial accidents not only cause suffering and distress amongst the workers and their families, but also represent a significant material loss to the society. Slips, trips and falls are leading causes of accidents within the workplace. Other hazards, which can lead to accidents, include falling objects, thermal and chemical burns, fires and explosions, dangerous substances and stress. To prevent accidents from occurring, Company has a comprehensive HSE system that incorporates training, risk assessment and monitoring.

LCPL identifies and prioritizes key risks, strengthens control over contractors working at site extends its safety programmes beyond manufacturing facility to the Sales, Administration and Distribution portfolios.

Internal Audits

Company has a thorough internal audit system that monitors possible safety violations and wrong practices and identifies corrective measures. Safety officers conduct daily field audits; ensuring workers are practicing safe working protocols. The safety officers work towards identifying and eliminating immediate safety concerns that could otherwise lead to incidents, or eventually to greater grave accidents.

The safe-unsafe act (SUSA) audit system on the other hand, is a more action-driven audit, involving a team of managers who visit the plant and identify both safe and unsafe acts that employees may engage in, while performing their duties. Company appreciates and acknowledges safe acts, which are highlighted in weekly communication meetings. Acts, which are deemed unsafe, are corrected on the spot by counseling the concerned individual. Unsafe acts are also brought up in weekly meetings so they serve as learning opportunities for others, in turn avoiding future occurrence.

Process Safety

Company's commitment to protect the environment and the communities begins with operational safety. The Company has extensive processes and procedures to prevent incidents from occurring and if they do occur, to reduce their impact.

Assessing risks and finding ways to reduce them is the prime objective in order to reduce exposure of the employees and communities. Company engages in risk assessment and management – right from design and construction to start-up and operation, to maintenance and training. LCPL measures performance, conduct audits, and improves conditions. This is an ongoing process, requiring advanced management systems and highly skilled manpower to continuously monitor and test equipment.

The Company maintains process safety programmes based on the principle that our facility is safe, designed and built according to effective engineering practices, and operated and maintained in accordance with the highest safety standards. Our comprehensive process safety programme includes the following:

Management of change: A documented process used at each chemical handling site to evaluate any potential hazard associated with process-related changes and incorporates controls in the design.

Root cause analysis: A structured approach to incident investigation allows us to learn from past incidents and prevent future incidents.

Chemical safety testing: A laboratory analysis of every chemical before use to identify potential hazardous properties.

Engineering standards: Using recognized engineering practices in designing and constructing facilities and equipment in accordance with global and local standards.

Management leadership and commitment: There is a Committee responsible for process safety which evaluates and controls hazards associated with reactive, flammable and toxic materials at the site.

Leading indicators: LCPL collects data to ensure safety management systems are consistently updated in order to ensure their efficacy.

Employee Training on HSE

Health and Safety training plays a pivotal role in ensuring that staff is equipped with the required skills and knowledge to conduct daily tasks in a safe manner so the workplace environment is conducive to safety. Our entire workforce is trained, supported and regularly assessed.



Training needs of employees and contractors are identified in consultation with relevant departments. Training schedules and programmes are then developed including ongoing mandatory and refresher trainings. The objective of these trainings is to enhance the knowledge and skills of individuals - enabling them to perform their jobs with minimum risk. Daily, weekly and monthly audit cycles, continuous trainings, effective communications of HSE incidents (learning events), daily tool box talks, which encompasses talks from supervisors to their staff on any safety topics or learning events from the previous week, all help to improve behavior-based safety and system compliance.



Training involves external as well as internal training. Company has developed its own internal faculty members who are vastly experienced in their respective fields. External subject specialists are also invited to conduct training as per requirement.

HSE Induction Program

The Company has a system to provide HSE induction to employees, contractors and new visitors to the site. HSE induction involves awareness pertaining to Company policy, systems and procedures, relevant hazards present on site, emergency handling, risk assessment, control, as well as behavior-based safety.

Behavior Based Safety Training

Successfully implementing sustainability strategy and HSE standards reflects Company's leadership behavior at the local level. This is why company is particularly concerned about

training site managers to detect hazards early and avoid potential accidents.

The programme content ranges from risk assessment, warehousing procedures to emergency management and management systems. Additionally, Company conducts training sessions for contractors' staff working at sites. During 2025, various trainings for LCPL and Contractors staff were conducted to enhance their awareness and understanding on HSE.

Computerized HSE System

LCPL has invested in a computerized HSE database system to report personal as well as process safety, incidents, accidents, injuries, occupational diseases and environmental accidents. This system is very helpful in analyzing data, determining the root cause of incidents and taking necessary preventative measures. The statistics compiled with the help of this advanced system are analyzed and reported to senior management at a pre-defined frequency.

Human Resources (HR)

At LCPL, we firmly believe that our employees are the cornerstone of our success and the driving force behind our future growth. We are committed to attracting, developing, and retaining talented individuals who contribute meaningfully to the achievement of our strategic objectives—both present and future.

We foster a learning-oriented culture where every employee receives the training, support, and opportunities necessary for personal and professional growth. Our modern and flexible HR policies empower individuals to realize their full potential while promoting fairness, meritocracy, and inclusiveness. We ensure competitive compensation and maintain a safe, respectful, and supportive working environment for all employees and service providers.

Training and Development

We recognize that the quality of training directly impacts employee performance and organizational effectiveness. Our structured and timely Training and Development programs are designed to equip employees with the technical, managerial, and leadership skills required for high performance.

Through our Performance Evaluation System, we systematically assess employees' current competencies against required standards to identify development gaps. These insights form the basis of our comprehensive Training Needs Analysis (TNA), ensuring targeted and strategic learning interventions. Our development initiatives remain closely aligned with the Company's long-term business objectives.

Talent Acquisition

LCPL strategically recruits high-potential graduates from reputable academic and professional institutions, recognizing them as the future leaders of the organization and the industry.

In 2025, multiple Management Trainee recruitment drives were conducted under stringent selection criteria to attract top engineering talent from leading universities across Pakistan. Selected trainees were provided with structured development pathways, exposure to senior leadership, and cross-functional learning opportunities to enhance their professional growth.

Beyond graduate recruitment, the Company continued its

Internship Program, offering placements in both technical and business disciplines. Despite operational challenges during the year, the program successfully provided students with meaningful exposure to corporate culture, professional practices, and hands-on learning experiences.

In compliance with the Government of Pakistan's regulations, our structured 24-month Apprenticeship Program remained a vital talent pipeline. Apprentices received comprehensive on-the-job training across plant functions, gaining technical expertise along with in-depth knowledge of occupational health and safety practices.

Digital HR Transformation

In 2025, the Company successfully developed and implemented a centralized Career Portal, enhancing transparency, efficiency, and analytics capability in recruitment.

Key benefits achieved:

- Reduced administrative processing time
- Enhanced applicant tracking and reporting
- Data-driven hiring decisions
- Increased line manager participation

Employee Engagement & Well-Being

Employee engagement remains integral to organizational stability and performance sustainability.

Communication & Dialogue

- Annual Young Engineers' and Trainee Engineers' dialogue sessions with senior leadership
- Open communication platforms to address employee concerns
- Structured feedback mechanisms

Wellness & Recreational Initiatives

During 2025, the Company organized:

- Eid Milan gathering
- Sports activities
- Comprehensive Health Drive campaign

The Health Drive focused on preventive healthcare awareness, lifestyle improvement, and long-term wellness promotion.

Dialogue Sessions

Interactive communication sessions were conducted to strengthen collaboration between employees and management. The annual Young Engineers' and Trainee Engineers' sessions provided early-career professionals with direct access to senior leadership, encouraging meaningful dialogue and engagement at the start of their careers.

Recreational Activities

Recognizing the importance of employee well-being, LCPL organized various recreational and social activities throughout the year, including the Eid Milan gathering and sports events, which witnessed enthusiastic participation.



A comprehensive Health Drive was also conducted in 2025 to promote awareness of preventive healthcare and encourage healthier lifestyle choices. These initiatives reflect our holistic approach to employee wellness, encompassing physical, emotional, and cognitive well-being.

Company Newsletter – Connect

Our corporate newsletter, Connect, continues to serve as an important communication platform for employees and stakeholders. It provides updates on HR initiatives, business performance, CSR activities, HSE achievements, and organizational developments. The newsletter plays a key role in strengthening internal communication and fostering a shared sense of purpose.

Employee Satisfaction

Employee satisfaction remains central to sustaining engagement and productivity. During 2025, targeted

surveys were conducted to gather feedback on food and transportation services. Based on employee input, corrective and improvement measures were implemented. Our proactive approach to addressing feedback reinforces trust and demonstrates our commitment to continuous improvement.

Talent Localization

LCPL is committed to strengthening local talent and contributing to national workforce development. In alignment with our vision to be the preferred employer and supplier, our talent management strategy emphasizes the recruitment and development of Pakistani professionals.

In 2025, a significant majority of our workforce comprised local talent. We continue to invest in advanced training and competency development programs to ensure our employees possess the expertise required to deliver operational excellence and meet customer expectations effectively.

Transparency and Ethics

Integrity, discipline, and ethical conduct are fundamental to our organizational values. Our Code of Conduct establishes clear standards for responsible business behavior and guides employees in maintaining the highest ethical practices.

To reinforce these standards, we implemented a formal “Speak Up” Policy, providing employees with a secure and confidential mechanism to report concerns or potential violations. Our governance framework ensures compliance with applicable laws and regulations, supporting transparent business practices and fostering a culture of accountability and trust.

HR Strategic Priorities – Outlook

The Human Resources function will focus on:

- Increasing female workforce participation
- Strengthening succession planning frameworks
- Expanding digital HR analytics capabilities
- Enhancing leadership development programs
- Integrating DE&I targets into performance metrics
- Building a data-driven HR decision-making environment

Diversity, Equity and Inclusion (DE&I)

Diversity, Equity, and Inclusion are fundamental pillars of our organizational culture. We are committed to fostering a workplace where every individual is respected, valued, and empowered—regardless of age, gender, race, ethnicity, or religion.

Our equal opportunity employment practices ensure fairness in recruitment, career progression, and compensation. We maintain a strong commitment to pay equity, ensuring remuneration is based solely on merit, experience, and contribution.

In 2025, we undertook several initiatives to promote inclusion and strengthen belonging within our workforce:

- Celebration of International Women’s Day to recognize and honor the contributions of our female employees.
- Participation in a Breast Cancer Awareness session in collaboration with a leading organization, reinforcing our commitment to health and well-being.
- Nomination of female employees to attend WIBCON (Women in Business Conference), hosted by PSTD, providing networking opportunities and exposure to leadership insights.

Through these initiatives, we continue to integrate DE&I into our corporate values and promote an inclusive workplace culture grounded in fairness and opportunity.

Women Empowerment & Gender Equality Recognition Award 2025

In a proud and inspiring achievement, LOTTE Chemical Pakistan Limited has been honored with the Women Empowerment & Gender Equality Recognition Award 2025 by the Employers’ Federation of Pakistan (EFP). This recognition highlights LCPL’s unwavering commitment to fostering an inclusive, diverse and empowering workplace for all employees.

Employee Distribution by Gender

As at 31 December 2025

Category	Male	Female	Total
Management	199	4	203
Non-Management	10	-	10
Total	209	4	213



Information Technology (IT)

IT Strategy & Business Alignment

The Information Technology function continues to serve as a strategic enabler of business growth, operational efficiency, and digital transformation. Our IT strategy is closely aligned with corporate objectives and focuses on delivering measurable business value through system optimization, cybersecurity enhancement, artificial intelligence integration, and enterprise automation.

In an increasingly digital and data-driven environment, technology plays a critical role in integrating business processes, enhancing decision-making capabilities, and promoting innovation. The IT function supports all operational areas by providing secure, reliable, and intelligent systems that:

- Improve productivity and operational performance
- Reduce costs through automation
- Enhance customer and employee experience
- Strengthen enterprise-wide communication
- Ensure regulatory compliance and governance

Artificial Intelligence & Emerging Technologies

In 2025, the Company made significant progress in integrating Artificial Intelligence (AI) into its digital ecosystem, reinforcing its commitment to innovation and future-readiness.

AI Interview Assistance

As part of our recruitment transformation, AI-assisted interview tools were introduced to support the hiring process. These tools help:

- Standardize interview assessments
- Improve evaluation consistency
- Enhance candidate screening efficiency
- Reduce recruitment cycle time

The integration of AI in talent acquisition strengthens objectivity and supports data-driven hiring decisions.

AI Learning & Enablement Platform

Recognizing the transformative potential of AI, the Company developed a dedicated AI Learning Platform for employees.

This platform provides:

- Foundational AI education
- Hands-on exposure to AI tools and applications
- Practical learning modules
- Responsible AI usage guidelines

This initiative empowers employees to understand, adopt, and responsibly utilize AI technologies within their respective functions, fostering a culture of digital literacy and innovation.

Through these initiatives, AI has transitioned from a conceptual tool to a practical enabler of operational excellence and workforce capability development.

Driving Digital Transformation

IT Operational Excellence Committee

The IT Operational Excellence Committee, led by the Director and senior IT leadership team, oversees digital governance and innovation initiatives.

The Committee focuses on:

- Aligning IT and AI initiatives with corporate strategy
- Prioritizing automation and digital transformation projects
- Monitoring cybersecurity and risk management
- Reviewing infrastructure resilience and performance metrics

This structured governance model ensures that technology investments deliver sustainable value and measurable returns.

Process Optimization & Automation

During 2025, the IT function intensified efforts to re-engineer and automate business processes across departments.

Key actions included:

- Mapping and digitizing core workflows
- Replacing manual processes with automated systems
- Strengthening internal controls through system-driven approvals
- Integrating AI tools where applicable to enhance efficiency



Structured implementation plans and user training ensured seamless system adoption and operational continuity.

Infrastructure & System Enhancements

Operational reliability remains a priority. In 2025, several infrastructure and system upgrades were successfully completed.

Technology Platforms Utilized:

- Oracle ERP
- Oracle APEX
- HCL Notes
- WordPress / php

Infrastructure Improvements:

- Server and network equipment upgrades
- Internet bandwidth enhancement
- Optimization of system uptime and performance
- Advanced video conferencing infrastructure

These improvements significantly reduced downtime, enhanced productivity, and improved collaboration across business functions.

IT Governance & Cybersecurity

Cybersecurity remains central to our IT framework. The Company maintains a comprehensive security architecture designed to protect the confidentiality, integrity, and availability of information assets.

Security Measures Include:

- Formal IT security policies and procedures
- Role-based access controls

- Network monitoring and threat detection
- Data protection protocols
- Business continuity safeguards

Cybersecurity Awareness

Regular employee training sessions were conducted to increase awareness regarding:

- Phishing and social engineering threats
- Secure password practices
- Safe internet usage
- Data protection responsibilities

Internal and external audits were conducted to assess compliance, security controls, and risk mitigation effectiveness, reinforcing cyber resilience and governance integrity.

Cross-Functional Digital Enablement

IT continues to collaborate closely with Finance, Commercial, Engineering, Production, and Human Resources functions. Beyond operational support, IT actively contributes to:

- Data-driven decision-making
- Performance analytics
- Process innovation
- Risk mitigation
- Enterprise automation initiatives

This partnership model enhances organizational agility and digital maturity.

Future Outlook

Looking ahead, the IT function will focus on:

- Expanding AI integration across business functions
- Enhancing advanced analytics and business intelligence
- Strengthening cybersecurity architecture
- Scaling enterprise automation initiatives
- Advancing digital governance frameworks

Our objective is to position IT as a strategic growth enabler—driving innovation, resilience, and long-term competitive advantage.

Corporate Social Responsibility (CSR)

Our mission is to prioritize the well-being of our people. We focus on improving healthcare, expanding access to education, and providing support during crises. We also work to create opportunities for economic growth, promote social welfare, and empower communities with the resources they need to thrive. By supporting underserved individuals and encouraging inclusive development, we strive to build a better and fairer future for everyone.

We are committed to social responsibility by building strong ties between industry and local communities. We support business growth, create job opportunities, and encourage community involvement to ensure shared success. By working together, we aim to create a positive partnership that benefits everyone and drives lasting progress and sustainable development.

Community Health Drive

Lotte Pakistan Foundation is dedicated to supporting communities through meaningful initiatives. As part of this commitment, we continue supporting to our health partners for free treatment.

Health Partners:

- LRBT – The Layton Rahmatulla Benevolent Trust
- Disable Welfare Association
- Good Samazitan Hospital Welfare Trust
- Dar-UI-Sukun



Green Energy Initiative – Solar System Installation

As part of our commitment to sustainability, Lotte Pakistan Foundation has taken a step toward promoting green energy. We installed a solar energy system at a charity school and Hospital, on the outskirts of Karachi. This project not only encourages the use of renewable energy but also provides a reliable and eco-friendly power source for the school, helping create a brighter and more sustainable future for the community.



Ongoing Support for Education

Lotte Pakistan Foundation (LPF) is committed to creating lasting positive change by championing education initiatives across underserved communities. Through sustained efforts and strategic partnerships, we enhance access to quality education, delivering long-term benefits such as improved literacy rates, skill development, and economic empowerment.

Our contributions provide essential educational resources—including scholarships, learning materials, and infrastructure upgrades—while opening doors to brighter futures for thousands of students. In the past year alone, LPF supported over a large numbers student through targeted programs.

A flagship initiative involves collaboration with FAST National University of Computer and Emerging Sciences (NUCES), Karachi. This effort focuses on advancing Artificial Intelligence (AI) studies, equipping students with hands-on learning experiences, practical training, and industry-relevant skills. By bridging academia and real-world applications, we empower the next generation of innovators to drive Pakistan's technological progress.

Education Partners:

- FAST National University of Computer Sciences
- The Citizen Foundation (TCF)
- The Holy Mountain School
- The Institute of Engineers Pakistan
- The ILM Foundation

LPF's holistic approach also includes teacher training workshops, digital literacy programs, and community

outreach, ensuring inclusive education for girls and rural youth. These endeavors reflect our vision of building a knowledgeable society that contributes to national development.

Environmentally Friendly – Lotte Chemical Pakistan's Go Green Initiative

At Lotte Chemical Pakistan Limited (LCPL), safeguarding the environment drives our Go Green initiative, a cornerstone of our sustainability strategy. Launched in 2008, this program champions eco-friendly practices, boosts awareness of conservation, and promotes mindful use of natural resources across our operations and surrounding communities.

We target meaningful impact by slashing carbon footprints and greening urban landscapes through widespread tree-planting drives. Our outreach engages diverse stakeholders—schools, universities, industries, and places of worship like mosques—fostering a shared culture of environmental stewardship and collective action.

Key achievements include planting thousands of trees annually, reducing waste through recycling programs. These efforts not only beautify spaces but also combat climate change and enhance biodiversity. A standout feature is our innovative waste management program, which diverts canteen waste—such as vegetable and fruit scraps—into compost bins. This process produces high-quality compost sludge, enriching soil for plantation drives and closing the loop on resource use.

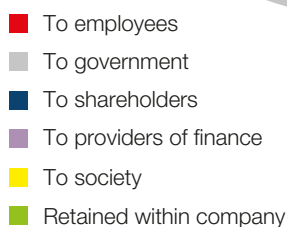
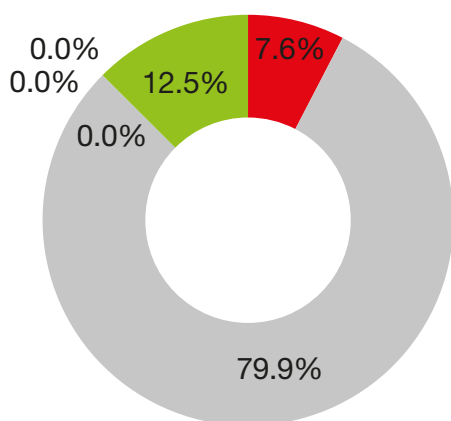
LCPL's dedicated team relentlessly advances eco-values internally while inspiring external partners to adopt sustainable habits. Together, we pave the way for a greener, more resilient future.



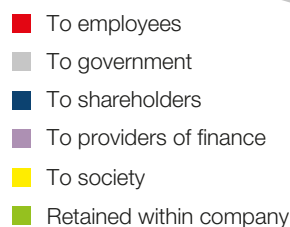
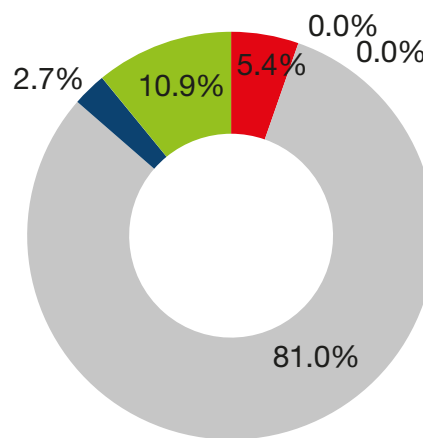
Statement of Value Addition and Its Distribution

	2025		2024	
	Rs ('000)	%	Rs ('000)	%
Wealth generated				
Total revenue (including other income)	96,527,382		130,322,929	
Bought-in material and services	(75,088,392)		(102,171,386)	
	21,438,990	100.0%	28,151,543	100.0%
Wealth distribution				
To employees				
Salaries, wages and other benefits	1,633,451	7.6%	1,506,686	5.4%
To government				
Income tax, sales tax, excise duty, WWF and WPPF	17,120,708	79.9%	22,815,395	81.0%
To shareholders				
Dividend	-	0.0%	757,104	2.7%
To providers of finance				
Finance costs	34	0.0%	2,569	0.0%
To society as donations				
Donations towards education, health and environment	-	0.0%	-	0.0%
Retained within company				
Depreciation, amortisation and retained earnings	2,684,797	12.5%	3,069,789	10.9%
	21,438,990	100.0%	28,151,543	100.0%

Wealth Distribution 2025



Wealth Distribution 2024



Key Operational and Financial Data

Six Years at a Glance

		2025	2024	2023	2022	2021	2020
Statement of Financial Position Summary							
Issued, subscribed & paid-up capital	Rs m	15,142	15,142	15,142	15,142	15,142	15,142
Capital reserves	Rs m	2	2	2	2	2	2
Revenue reserves	Rs m	8,388	7,269	6,868	7,869	3,832	2,605
Non-current liabilities	Rs m	204	523	1,104	1,859	1,690	3,432
Current liabilities	Rs m	24,066	19,105	20,460	18,460	14,909	10,315
Fixed assets	Rs m	5,828	6,546	6,137	7,409	7,263	6,439
Other non-current assets	Rs m	3,241	2,550	2,365	1,740	1,056	905
Current assets	Rs m	38,734	32,945	35,073	34,184	27,257	24,152
Statement of Profit or Loss Summary							
Revenue from contracts with customers - net	Rs m	80,907	109,299	81,619	100,266	67,165	38,965
Cost of sales	Rs m	(77,831)	(104,113)	(71,375)	(82,441)	(59,584)	(36,323)
Gross profit	Rs m	3,076	5,186	10,245	17,824	7,581	2,642
Distribution and selling expenses	Rs m	(199)	(222)	(183)	(158)	(120)	(107)
Administrative and general expenses	Rs m	(850)	(772)	(654)	(603)	(491)	(572)
Other operating expenses	Rs m	(270)	(334)	(927)	(1,193)	(488)	(236)
Other income	Rs m	636	1,199	2,567	1,841	990	1,422
Finance costs	Rs m	(555)	(731)	(1,540)	(1,954)	(974)	(150)
Profit before taxation and levies	Rs m	1,838	4,328	9,508	15,757	6,499	2,999
Levies	Rs m	(0)	(5)	(1)	-	-	-
Profit before taxation	Rs m	1,838	4,323	9,507	15,757	6,499	2,999
Taxation	Rs m	(719)	(1,681)	(4,429)	(5,639)	(1,856)	(874)
Profit after taxation	Rs m	1,119	2,642	5,078	10,118	4,643	2,125
EBITDA	Rs m	3,959	6,243	12,270	18,941	8,810	4,416
Statement of Cash Flow Summary							
Net cash (used in) / generated from operating activities	Rs m	(282)	13,514	(4,486)	4,404	6,172	5,186
Net cash (used in) / generated from investing activities	Rs m	(846)	(1,555)	2,177	(3,940)	(1,455)	1,520
Net cash generated from / (used in) financing activities	Rs m	122	(8,477)	(5,708)	(1,987)	(3,785)	(389)
Cash and cash equivalents at year end	Rs m	8,243	9,248	5,766	13,783	15,306	14,374
Key Ratios							
Gross profit ratio	%	3.80	4.75	12.55	17.78	11.29	6.78
EBITDA margin to sales	%	4.89	5.71	15.03	18.89	13.12	11.33
Net profit margin	%	1.38	2.42	6.22	10.09	6.91	5.45
ROE	%	4.75	11.79	23.07	43.97	24.47	11.97
ROCE	%	4.75	11.63	22.20	41.01	22.63	10.99
Inventory turnover	times	9.83	10.36	6.52	11.47	11.74	8.27
Inventory turnover in days	days	37.14	35.25	55.97	31.83	31.08	44.12
Debtors turnover	times	16.17	18.08	10.50	17.67	18.41	12.10
Average collection period	days	22.58	20.19	34.75	20.66	19.82	30.16
Creditors turnover	times	9.19	19.37	18.00	15.07	10.40	7.75
Payable turnover in days	days	39.71	18.84	20.28	24.22	35.08	47.11
Operating cycle	days	20.00	36.59	70.44	28.27	15.82	27.17
Total asset turnover	times	1.80	2.55	1.88	2.54	2.00	1.29
Fixed asset turnover	times	13.08	17.24	12.05	13.67	9.80	6.08
Current ratio	times	1.61	1.72	1.71	1.85	1.83	2.34
Quick ratio	times	1.13	1.25	0.96	1.31	1.35	1.83
Cash to current liabilities	times	0.28	0.46	0.06	0.24	0.00	0.00
Cash flow from operation to sales	times	(0.00)	0.12	(0.05)	0.04	0.09	0.13
Interest cover	times	9.75	14.83	19.70	55.75	27.88	12.44
Debt equity ratio	times	1.01	1.02	1.05	1.08	1.09	1.19
Price earnings ratio	times	39.49	11.98	8.05	3.88	4.45	10.73
EPS	Rs	0.74	1.75	3.35	6.68	3.07	1.40
Cash dividend per share	Rs	-	0.50	3.00	6.00	1.50	0.75
Dividend yield ratio	%	-	2.39	11.12	23.17	10.98	4.98
Dividend payout ratio	%	-	28.65	89.46	89.79	48.92	53.44
Dividend cover ratio	times	-	3.49	1.12	1.11	2.04	1.87
Breakup value per share	Rs	15.54	14.80	14.54	15.20	12.53	11.72
Market value per share - 31 December	Rs	29.18	20.91	26.99	25.90	13.66	15.06
Market value per share - High	Rs	30.15	28.56	30.24	35.24	17.48	16.25
Market value per share - Low	Rs	15.06	15.53	22.15	13.75	12.70	8.23
Market capitalization	Rs m	44,184.57	31,662.07	40,868.45	39,217.97	20,684.07	22,803.96

Vertical Analysis

	2025	2024	2023	2022	2021	2020
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Statement of Financial Position

Fixed assets	12.2	15.6	14.1	17.1	20.4	20.4
Other non-current assets	6.8	6.1	5.4	4.1	3.0	2.9
Current assets	81.0	78.4	80.5	78.8	76.6	76.7
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0
Shareholders equity	49.2	53.3	50.5	53.1	53.3	56.4
Non-current liabilities	0.4	1.2	2.5	4.3	4.8	10.9
Current liabilities	50.3	45.4	47.0	42.6	41.9	32.8
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Statement of Profit or Loss

Revenue from contracts with customers - net	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(96.2)	(95.3)	(87.4)	(82.2)	(88.7)	(93.2)
Gross profit	3.8	4.7	12.6	17.8	11.3	6.8
Distribution and selling expenses	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Administrative and general expenses	(1.1)	(0.7)	(0.8)	(0.6)	(0.7)	(1.5)
Other operating expenses	(0.3)	(0.3)	(1.1)	(1.2)	(0.7)	(0.6)
Other income	0.8	1.1	3.1	1.8	1.5	3.6
Finance costs	(0.7)	(0.7)	(1.9)	(1.9)	(1.5)	(0.4)
Profit before taxation and levies	2.3	4.0	11.6	15.7	9.7	7.7
Levies	(0.0)	(0.0)	(0.0)	-	-	-
Profit before taxation	2.3	4.0	11.6	15.7	9.7	7.7
Taxation	(0.9)	(1.5)	(5.4)	(5.6)	(2.8)	(2.2)
Profit after taxation	1.4	2.4	6.2	10.1	6.9	5.5

Horizontal Analysis

Year on Year

2025 over 2024	2024 over 2023	2023 over 2022	2022 over 2021	2021 over 2020	2020 over 2019
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Statement of Financial Position Analysis

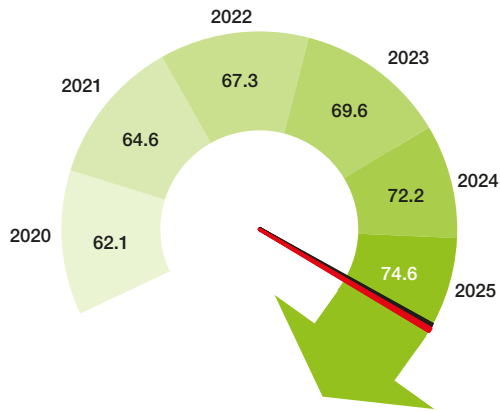
Fixed assets	(11.0)	6.7	(17.2)	2.0	12.8	0.9
Other non-current assets	27.1	7.8	34.0	67.1	16.7	16.4
Current assets	17.6	(6.1)	2.7	25.3	12.9	9.8
Total Assets	13.7	(3.5)	0.6	21.8	13.0	8.1
Shareholders equity	5.0	1.8	(4.4)	21.3	6.9	13.7
Non-current liabilities	(60.9)	(52.7)	(40.6)	10.0	(50.8)	86.7
Current liabilities	26.0	(6.6)	10.8	23.8	44.5	(11.8)
Total Equity and Liabilities	13.7	(3.5)	0.6	21.8	13.0	8.1

Statement of Profit or Loss

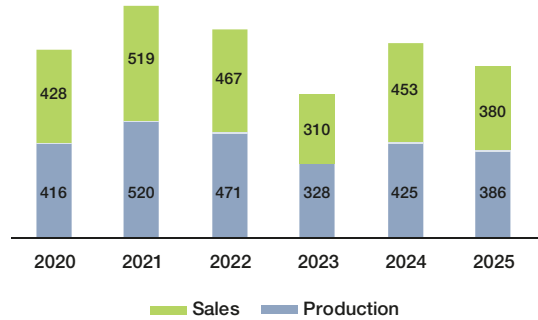
Revenue from contracts with customers - net	(26.0)	33.9	(18.6)	49.3	72.4	(35.6)
Cost of sales	(25.2)	45.9	(13.4)	38.4	64.0	(30.8)
Gross profit / (loss)	(40.7)	(49.4)	(42.5)	135.1	186.9	(67.1)
Distribution and selling expenses	(10.3)	21.3	15.4	32.3	11.6	3.6
Administrative and general expenses	10.1	17.9	8.6	22.7	(14.2)	35.4
Other operating expenses	(19.1)	(64.0)	(22.3)	144.7	107.0	(63.4)
Other income	(47.0)	(53.3)	39.5	86.0	(30.4)	15.7
Finance (costs) / income	(24.1)	(52.5)	(21.2)	100.6	548.3	(73.5)
Profit / (loss) before taxation and levies	(57.5)	(54.5)	(39.7)	142.5	116.7	(60.1)
Levies	(95.7)	324.9	-	-	-	-
Profit / (loss) before taxation	(57.5)	(54.5)	(39.7)	142.5	116.7	(60.1)
Taxation	(57.2)	(62.1)	(21.5)	203.8	112.4	(59.6)
Profit / (loss) after taxation	(57.7)	(48.0)	(49.8)	117.9	118.5	(60.4)

Graphical Presentation

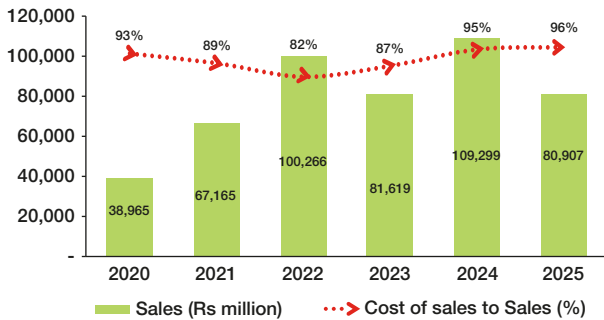
Million man-hours without Lost Time Case (employees + contractors)



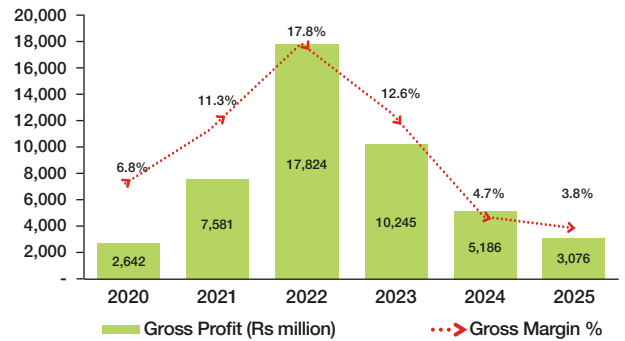
Production & Sales (000 tes)



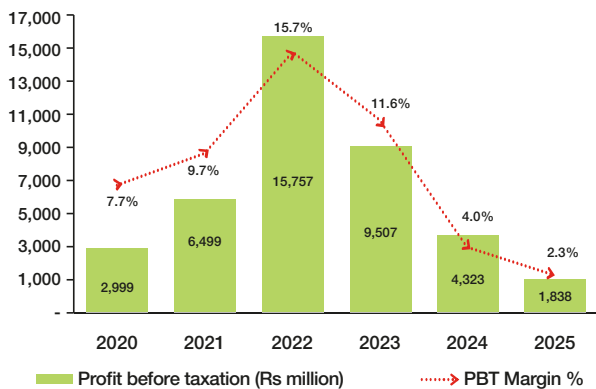
Sales (Rs million) & Cost of sales to Sales (%)



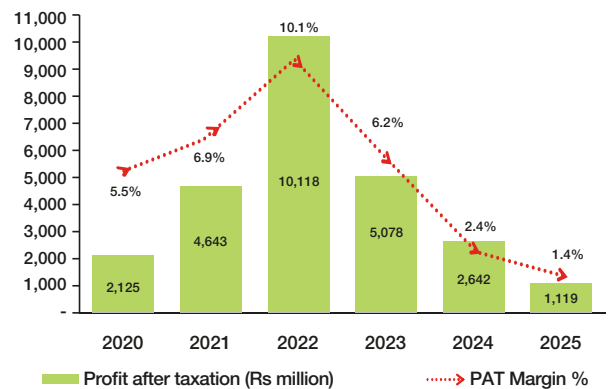
Gross Profit (Rs million) & Gross Margin (%)



PBT (Rs million) & PBT Margin (%)

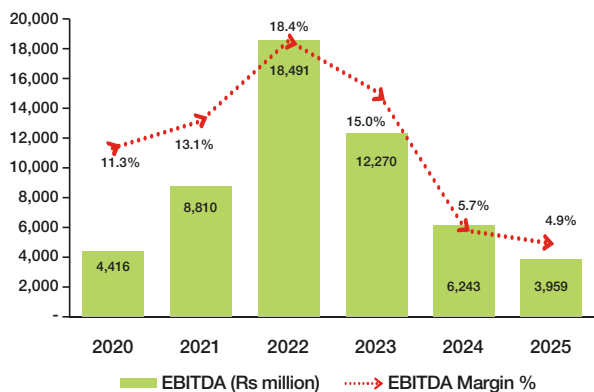


PAT (Rs million) & PAT Margin (%)

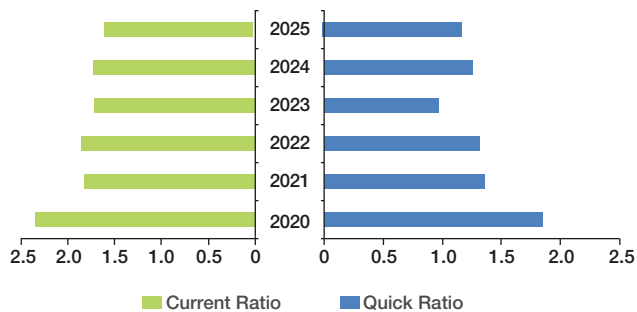


Graphical Presentation

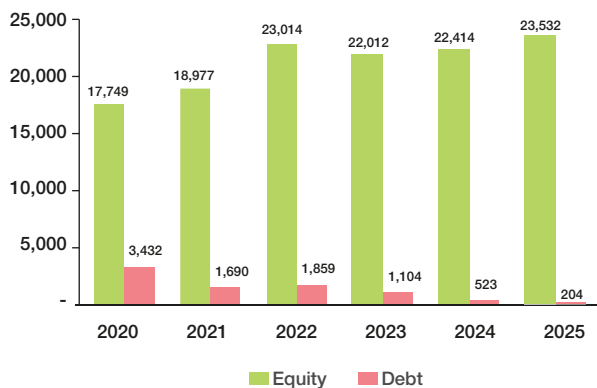
EBITDA (Rs million) & EBITDA Margin (%)



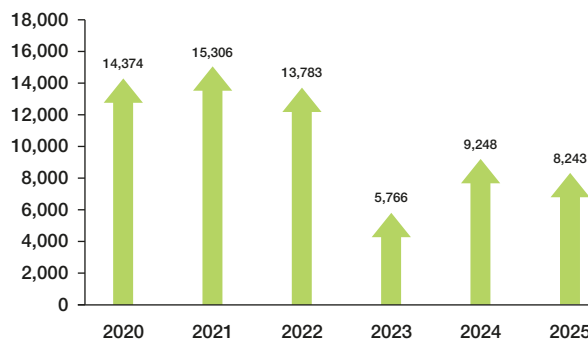
Liquidity Ratios (times)



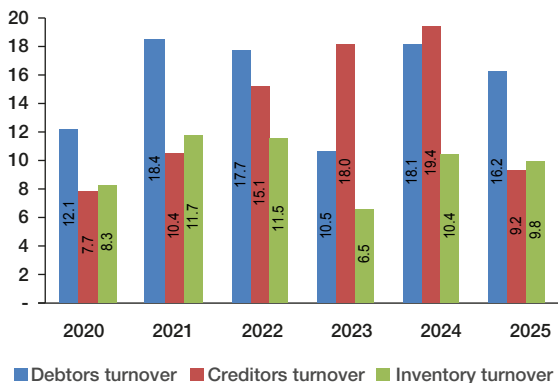
Debt to Equity (Rs million)



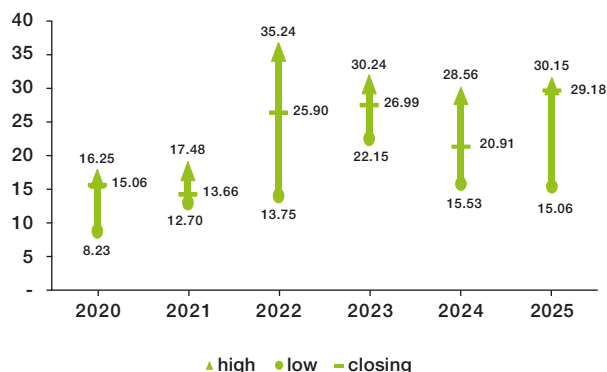
Cash & Cash Equivalents at Year End (Rs million)



Debtors, Creditors & Inventory Turnover (times)

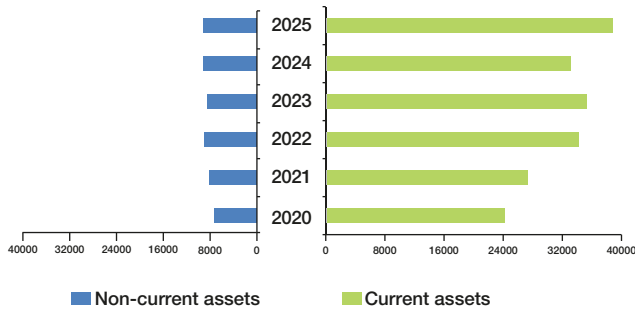


Market Price per Share (Rs)



Graphical Presentation

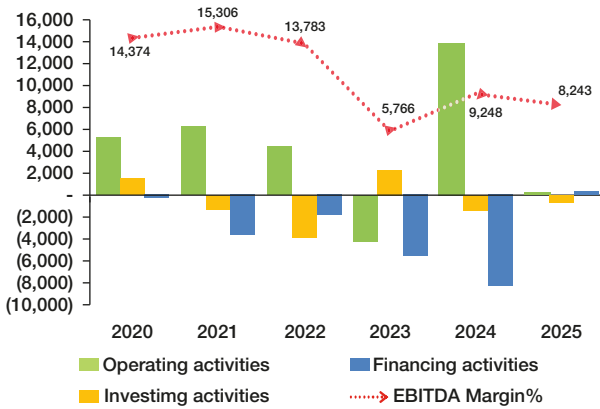
Statement of Financial Position Analysis - Assets (Rs million)



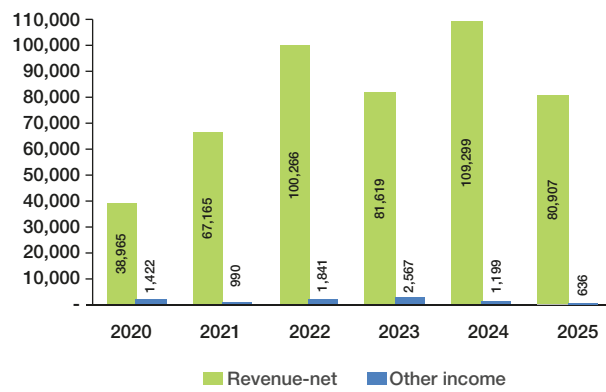
Statement of Financial Position Analysis Equity and Liabilities (Rs million)



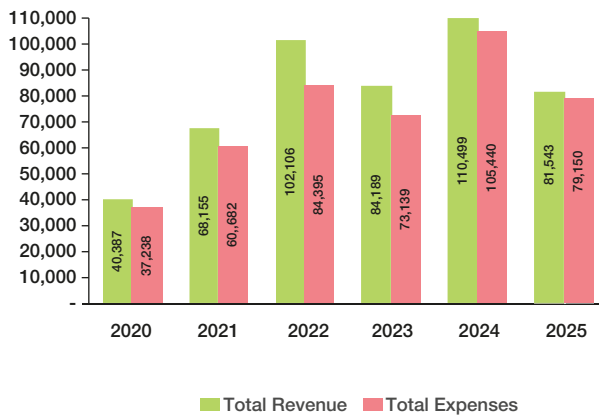
Cash Flow Analysis (Rs million)



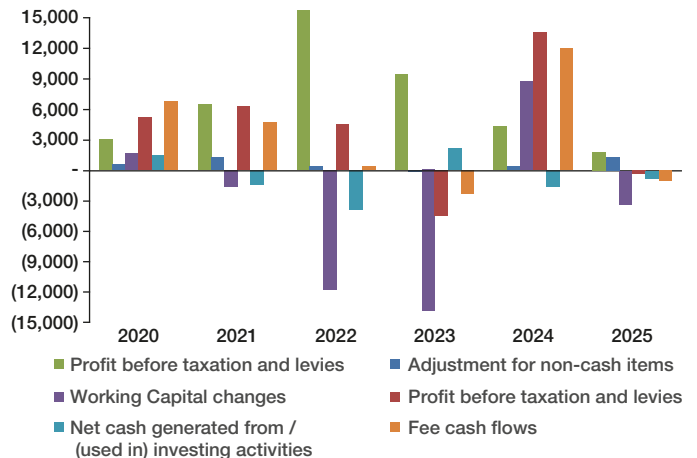
Revenue and Other Income (Rs million)



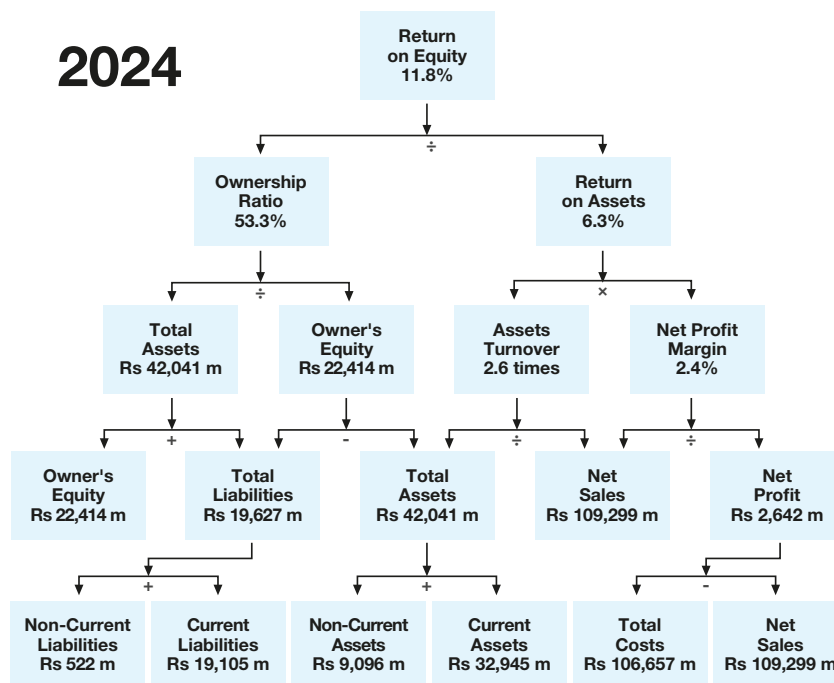
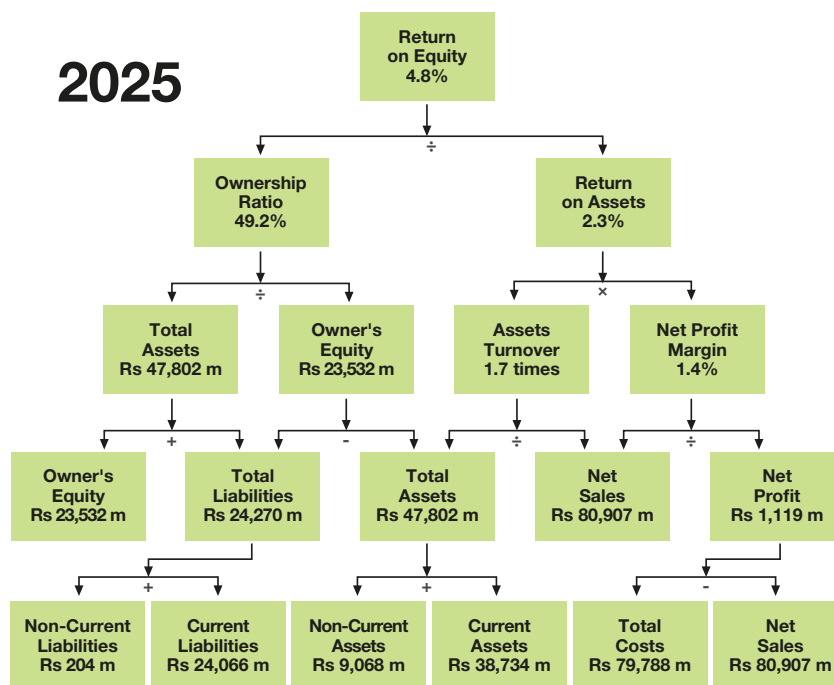
Total Revenue & Total Expenses (Rs million)



Free Cash Flows (Rs million)



DuPont Chart Analysis



Analysis:

Net Sales decreased by 26% mainly due to lower volume sold. However, with lower PTA margin over PX, the net margin decreased from 2.4% to 1.4%. Total assets increased by 14% due to higher stock-in-trade and trade debts at year end, which consequently decreased the return on assets from 6.3% to 2.3%. This resulted in 4.8% return on equity as compared to 11.8% in 2024.

Variation Analysis in Quarterly Results

Amounts in Rs '000

	Q1	Q2	Q3	Q4	2025
Revenue	21,505,196	18,670,744	20,365,180	20,365,801	80,906,921
Gross profit	1,332,234	445,282	570,372	727,843	3,075,731
Profit before taxation	1,085,900	146,684	141,798	463,757	1,838,139
Profit after taxation	661,901	79,878	94,089	283,064	1,118,932

Q1

- Crude Oil (WTI) prices initially gained support from higher winter heating demand in the Northern Hemisphere and positive economic indicators from Western markets. However, these gains were short-lived, as the market faced a fundamental oversupply. Expectations of OPEC+ unwinding production cuts, uninterrupted supply flows following a ceasefire in the Middle East, U.S. trade policy uncertainties, and persistent inflationary pressures merged to keep prices under pressure throughout the quarter.
- Paraxylene (PX) prices initially moved counter to the broader energy market trend. Despite an oversupplied market, tight spot availability from unplanned outages and scheduled maintenance, along with stable PTA production supporting downstream demand after the Lunar New Year, kept prices elevated early in the quarter. However, toward the end of Q1, sentiment weakened due to uncertainty over U.S. import tariffs and potential trade disruptions. PX prices fell alongside crude oil, leading to compressed PX–Naphtha margins.
- PTA prices broadly tracked the upstream Paraxylene market. Early restocking after the Lunar New Year helped keep spot availability tight despite a temporary demand dip during the holidays. Competitive supplier offers limited price gains, resulting in average margins of US\$75 per metric tonne for the quarter, 2.6% lower than the previous quarter. Even with roughly 4.6 million tonnes of new PTA capacity added to the market, producers maintained high operating rates to optimize energy efficiency, sustaining abundant supply. At the same time, global trade tensions and economic uncertainty restrained inventory accumulation and reinforced cautious buying, putting further downward pressure on prices.
- The domestic polyester industry operated at 75% capacity in Q1 2025, marking a notable improvement over the previous quarter. Higher operations were driven by increased demand from both the textile and PET sectors ahead of the Ramadan festival season. Despite this, overall demand remained below levels seen in previous years, weighed down by persistent high inflation and continued competition from cheaper imports entering under the EFS scheme.
- Production Volume during the quarter at 115,996 tonnes was 7.83% higher than the corresponding period last year.
- Sales Volume comprising domestic sales only at 99,671 tonnes, was 21.9% lower than the corresponding quarter last year due to increased consumption of cheaper imports.

Q2

- Crude oil (WTI) prices faced sustained pressure and declined through the first half of Q2 2025 due to an oversupplied market. Weak sentiment persisted as OPEC+ confirmed plans to phase out production cuts and new U.S. tariffs dampened the global demand outlook, pushing prices below US\$60 per barrel, levels last seen in April 2021. In the latter part of the quarter, sentiment improved as heightened geopolitical tensions in the Middle East and Europe, along with potential disruptions at the Strait of Hormuz, increased risk premiums.
- Paraxylene (PX) prices followed upstream energy trends, pressured by global demand uncertainties stemming from U.S. tariff reciprocity, which pushed PX–Naphtha spreads below break-even levels. Prices later recovered as planned and unplanned shutdowns, along with diversions of product to the gasoline pool for summer driving demand, tightened supply. Sustained seasonal demand from the downstream PTA sector further supported the market, prompting spot PX premiums.
- PTA prices started on a weaker note, following declines in crude and PX markets. Oversupply, cash flow constraints, and elevated inventories in China kept operating rates around 65% and limited price gains. As the quarter progressed, rationalized operations and stronger downstream demand from the textile and PET sectors during the peak season drew down inventories. With no new capacity additions, PTA prices eventually strengthened, leading to improved PX–PTA margins.
- The domestic polyester industry operated at an average 56% capacity in Q2 2025, down from the previous quarter. The slowdown was driven by uncertainty surrounding the Finance Bill 2025 and upcountry logistical disruptions due to civil unrest, which forced producers to scale back operations and manage inventories cautiously. End-use demand also remained subdued compared with previous years due to higher operating costs and continued competition from lower-priced imports.
- Production and Sales Volumes during the quarter were 90,626 tonnes and 89,517 tonnes respectively, lower than the corresponding period last year as the Company had suspended plant operations from 28 March 2025 to 17 April 2025 in order to efficiently manage inventories.

Q3

- Crude oil (WTI) prices trended lower throughout Q3 2025, pressured by oversupply and weak global demand. Cautious market sentiment persisted as OPEC+ gradually eased production cuts, increasing supply. Prices saw intermittent support early in the quarter from geopolitical risks in the Middle East and Eastern Europe, with sanctions on Russia and Iran and attacks on energy infrastructure maintaining moderate risk premiums. However, oversupply concerns and weak macroeconomic indicators in major Northern Hemisphere economies kept downward pressure on prices. Despite cut in interest rates by the US Federal Reserve, markets remained subdued as supply gluts and sluggish demand continued to dominate.
- Paraxylene (PX) prices generally followed upstream energy trends in Q3 2025 amid weak market sentiment. The quarter commenced with prices moving downward, persistently narrow PX–PTA margins limited price upside and putting pressure on PX–Naphtha spreads. Temporary support emerged from tight prompt supply due to planned turnarounds at several Chinese PX units. However, as downstream PTA demand entered its seasonal lull, prices remained subdued. Strong gasoline blending margins diverted reformate away from PX production, but this was insufficient to counter the overall weak fundamentals.
- PTA prices remained soft in Q3 2025, broadly tracking the downward trend in upstream energy and PX markets. Oversupply pressures persisted from the previous quarter, with trade tensions limiting consumer purchasing power and dampening demand for finished goods which prompted producers to rationalize operations. While some Chinese PTA units were offline for planned and unplanned turnarounds, the effect on supply was minimal due to significant recent capacity additions. Brief support was observed against a delay in U.S. reciprocal tariffs, but seasonal lulls in textile and PET demand offset gains.
- The domestic polyester industry operated at an average 65% capacity in Q3 2025, showing some improvement over the previous quarter. Operations were supported by greater macroeconomic stability following the Finance Bill 2025 and steady demand during the peak textile and PET season. However, severe floods in the country temporarily disrupted production. Overall demand remained constrained due to persistent inflation, higher energy costs, and continued competition from lower-priced imports.
- Production Volume during the quarter was 79,894 tonnes, 33.4% lower than the corresponding period last year due to a plant outage in August on account of an accidental failure of critical equipment.
- Sales Volume during the quarter was 94,672 tonnes, 9.4% lower than the corresponding quarter last year due to lower product availability.

Q4

- Crude Oil (WTI) prices remained subdued in Q4 2025 as sustained production levels, combined with weak global demand, reinforced concerns of oversupply in the market. While geopolitical tensions and ongoing sanctions on Russia and Iran intermittently supported prices through higher risk premiums, these factors proved insufficient to sustain any meaningful upward momentum. As a result, crude prices closed the year on a softer note amid persistent macroeconomic weakness and stable global supply fundamentals.
- Paraxylene (PX) prices stabilized and recorded a modest recovery during Q4 2025, supported by tight prompt availability amid ongoing regional turnarounds and the absence of new capacity additions. Despite relatively weak upstream energy market cues, constrained spot supply supported PX pricing dynamics. Consequently, PX–Naphtha margins improved toward the end of the year, reflecting tighter near-term supply conditions in the PX market.
- PTA prices showed a gradual recovery during Q4 2025, supported by firmer upstream Paraxylene (PX) fundamentals and coordinated production rationalization by Chinese producers to address ongoing oversupply concerns. Nevertheless, the recovery remained limited as additional capacity additions and persistently narrow PX–PTA margins continued to weigh on market sentiment. Seasonal moderation in downstream demand during the winter period also restrained stronger price momentum.
- During Q4 2025, the domestic polymer industry operated at around 63%, consistent in comparison to the previous quarter supported by enhanced macroeconomic stability and sustained demand from the Textile sector despite the ongoing structural weaknesses being felt by the country's economy. Additionally, lower operations were reported from the PET sector against the seasonal lull.
- Production Volume during Q4 was 99,641 tonnes, 40% higher than the corresponding quarter last year, mainly due to inventory management measures and planned maintenance performed during the same period.
- Sales Volume during Q4 was 96,385 tonnes, 2.2% higher than the previous year to meet downstream demand.



INDEPENDENT AUDITORS' REPORT

To the members of Lotte Chemical Pakistan Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Lotte Chemical Pakistan Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	Revenue from contract with customers (Refer note 3.19 and note 28 to the financial statements) The Company's revenue is principally generated from the sale of Pure Terephthalic Acid (PTA). The Company is in the business of sale of goods to customers under the contractual arrangement. Revenue from contracts with customers is recognised when the control of the goods is transferred to the customer at an amount that	Our audit procedures to assess the recognition of revenue included the following: <ul style="list-style-type: none">assessed the design, implementation and operating effectiveness of the key internal controls over the Company's systems which govern the revenue recognition;

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S. No. Key audit matter

reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements. Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer i.e. when goods are dispatched and invoice is raised.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and an area of significant audit risk.

How the matter was addressed in our audit

- inspected sales contracts with customers to understand and assess the terms and conditions therein which may affect the recognition of revenue;
- compared revenue transactions recorded during the current year, on a sample basis, with invoices, sales contracts and goods delivery notes to assess whether the related revenue was recognized in accordance with the Company's revenue recognition accounting policies;
- compared on a sample basis, revenue transactions recorded just before and after the year-end with the underlying goods delivery notes and other relevant documents to assess whether the revenue had been recognized in the appropriate accounting period;
- verified that the debit and credit notes issued for the settlement for the differential between provisional and settlement prices are incorporated in the correct and relevant period; and
- assessed the adequacy of the related disclosures in the notes to the financial statements in accordance with the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



A.F.FERGUSON & Co.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.

A. F. Ferguson & Co.,
Chartered Accountants

Karachi

Date: March 17, 2026

UDIN: AR202510059IRpU53Ykc

Statement of Financial Position

As at 31 December 2025

Amounts in Rs '000

	Note	2025	2024
Assets			
Non-current assets			
Property, plant and equipment	4	5,758,938	6,320,304
Intangible assets	5	2,246	13,542
Right-of-use assets	6	66,545	211,733
Long-term loans	7	254,041	169,738
Long-term deposits and prepayments	8	31,258	32,432
Deferred taxation - net	9	2,955,422	2,347,857
		9,068,450	9,095,606
Current assets			
Stores and spare parts	10	2,426,109	2,302,911
Stock-in-trade	11	9,091,174	6,746,190
Trade debts	12	6,406,906	3,602,907
Loans and advances	13	76,279	68,112
Trade deposits and short-term prepayments	14	94,011	115,552
Accrued interest		54,686	99,089
Other receivables	15	4,500	23,319
Short-term investments - at amortised cost	16	1,414,499	414,499
Sales tax refunds due from government	17	5,228,719	3,913,275
Taxation - payments less provision	18	7,108,886	6,826,435
Cash and bank balances	19	6,828,351	8,833,047
		38,734,120	32,945,336
Total assets		47,802,570	42,040,942

The annexed notes 1 to 49 form an integral part of these financial statements.

Amounts in Rs '000

	Note	2025	2024
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid up capital	20	15,142,072	15,142,072
Capital reserve	21	2,345	2,345
Revenue reserve - Unappropriated profit		8,387,696	7,269,198
Total equity		23,532,113	22,413,615
Liabilities			
Non-current liabilities			
Retirement benefit obligations	22	204,495	208,591
Lease liability	23	-	314,039
		204,495	522,630
Current liabilities			
Trade and other payables	24	22,452,450	18,062,263
Lease liability	23	316,531	542,777
Short-term financing	25	800,000	-
Accrued interest	26	427,555	424,189
Unclaimed dividend		69,426	75,468
		24,065,962	19,104,697
Total liabilities		24,270,457	19,627,327
Contingencies and commitments	27		
Total equity and liabilities		47,802,570	42,040,942

The annexed notes 1 to 49 form an integral part of these financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Statement of Profit or Loss

For the year ended 31 December 2025

Amounts in Rs '000

	Note	2025	2024
Revenue from contracts with customers - net	28	80,906,921	109,299,177
Cost of sales	29	(77,831,190)	(104,112,680)
Gross profit		3,075,731	5,186,497
Distribution and selling expenses	30	(198,807)	(221,620)
Administrative and general expenses	31	(849,996)	(771,719)
Other expenses	32	(269,852)	(333,685)
Operating profit		1,757,076	3,859,473
Other income	33	635,691	1,199,362
Finance costs	34	(554,628)	(730,822)
Profit before taxation and levies		1,838,139	4,328,013
Levies	35	(217)	(5,039)
Profit before taxation		1,837,922	4,322,974
Taxation	36	(718,990)	(1,680,501)
Profit for the year		1,118,932	2,642,473
		Rupees	
Earnings per share - basic and diluted	37	0.74	1.75

The annexed notes 1 to 49 form an integral part of these financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Statement of Comprehensive Income

For the year ended 31 December 2025

Amounts in Rs '000

	Note	2025	2024
Profit for the year		1,118,932	2,642,473
Other comprehensive (loss) / income:			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement (loss) / gain on defined benefit plans	22	(712)	49,990
Related deferred tax	9.1	278	(19,496)
Other comprehensive (loss) / income for the year		(434)	30,494
Total comprehensive income for the year		1,118,498	2,672,967

The annexed notes 1 to 49 form an integral part of these financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Statement of Changes in Equity

For the year ended 31 December 2025

Amounts in Rs '000

	Share capital	Reserves			Total equity
	Issued, subscribed and paid-up capital	Capital reserve (Note 21)	Revenue reserve - unappropriated profit	Sub-total	
Balance as at 01 January 2024	15,142,072	2,345	6,867,542	6,869,887	22,011,959
Total comprehensive income for the year ended 31 December 2024					
- Profit for the year	-	-	2,642,473	2,642,473	2,642,473
- Other comprehensive income	-	-	30,494	30,494	30,494
	-	-	2,672,967	2,672,967	2,672,967
<i>Transactions with owners in their capacity as owners</i>					
Distributions					
Final dividend for the year ended 31 December 2023 @ Rs. 1.00 per share	-	-	(1,514,207)	(1,514,207)	(1,514,207)
Interim dividend for the year ended 31 December 2024 @ Rs. 0.50 per share	-	-	(757,104)	(757,104)	(757,104)
Balance as at 31 December 2024	15,142,072	2,345	7,269,198	7,271,543	22,413,615
Total comprehensive income for the year ended 31 December 2025					
- Profit for the year	-	-	1,118,932	1,118,932	1,118,932
- Other comprehensive loss	-	-	(434)	(434)	(434)
	-	-	1,118,498	1,118,498	1,118,498
Balance as at 31 December 2025	15,142,072	2,345	8,387,696	8,390,041	23,532,113

The annexed notes 1 to 49 form an integral part of these financial statements.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Statement of Cash Flows

For the year ended 31 December 2025

Amounts in Rs '000

	Note	2025	2024
Cash flows from operating activities			
Cash generated from operations	38	1,122,479	19,169,598
Finance costs paid - conventional		(86,892)	(111,369)
Payments to retirement benefit obligations		(61,159)	(54,922)
Long-term loans		(84,303)	(9,103)
Long-term deposits and prepayments - net		1,174	1,373
Taxes and levies paid		(1,799,758)	(6,512,148)
Rentals paid in respect of short-term lease		(45,052)	-
Finance income received - conventional		613,424	852,427
Finance income received - islamic		58,407	178,127
Net cash (used in) / generated from operating activities		(281,680)	13,513,983
Cash flows from investing activities			
Payments for capital expenditure		(848,057)	(1,555,386)
Proceeds from disposal of property, plant and equipment		2,552	-
Net cash used in investing activities		(845,505)	(1,555,386)
Cash flows from financing activities			
Dividend paid		(6,042)	(6,812,670)
Proceeds from / (repayment to) short-term financing		800,000	(1,000,000)
Payments for the interest portion of the lease liability		(123,186)	(203,743)
Payments for the principal portion of the lease liability		(548,283)	(461,060)
Net cash generated from / (used in) financing activities		122,489	(8,477,473)
Net (decrease) / increase in cash and cash equivalents		(1,004,696)	3,481,124
Cash and cash equivalents at beginning of the year		9,247,546	5,766,422
Cash and cash equivalents at end of the year	19.2	8,242,850	9,247,546

The annexed notes 1 to 49 form an integral part of these financial statements.



Intiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

1. STATUS AND NATURE OF BUSINESS

1.1 Lotte Chemical Pakistan Limited (the Company) was incorporated in Pakistan on 30 May 1998 under the Companies Ordinance, 1984 (repealed with enactment of the Companies Act, 2017 on 30 May 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is the manufacture and sale of Pure Terephthalic Acid (PTA).

1.2 The geographical location and addresses of business units are as under:

Location	Address
Registered Office	EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi.
City Office	Al-Tijarah Centre, 14th Floor, 32/1-A, Main Shahrah-e-Faisal, Block 6, P.E.C.H.S., Karachi.

1.3 On 19 February 2025, Lotte Chemical Corporation, South Korea ("LCC Korea"), the majority shareholder of the Company representing 75.01% shares, entered into a Share Purchase Agreement with AsiaPak Investments Limited and Montage Oil DMCC for the sale of its entire shareholding in the Company.

Subsequently, on 07 July 2025, an addendum was posted on the PSX to reflect a change in the capital ownership structure of the Acquirer, where PTA Global Holding Limited replaced AsiaPak Investments Limited and Montage Oil DMCC as 'Acquirer'. The PTA Global Holding Limited is a joint venture between Asiapak Investments Limited and Montage Oil DMCC.

Upon receipt of all required regulatory approvals, the transaction was completed on 12 November 2025, resulting in PTA Global Holding Limited becoming the parent company and majority shareholder, holding 75.01% of the Company's shares.

1.4 The Company suspended its plant operations from 28 March 2025 to 17 April 2025, for effective inventory management and from 08 August 2025 to 31 August 2025 due to a technical fault.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest thousand rupees except as otherwise stated.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

2.4 Key judgments and estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan, requires management to make judgments, estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the financial statements and estimates with a significant risk of material adjustment in future years:

- Useful lives, depreciation rates and recoverable amount of property, plant and equipment (notes 3.1 and 4);
- Estimation of provisions (notes 3.14, 24.2, 24.3 and 24.4);
- Current income tax expense, estimation of current tax asset and recognition of deferred tax asset (notes 3.17, 9, 18 and 36);
- Estimation of retirement benefit obligations (notes 3.15 and 22); and
- Estimation of contingencies (note 27.1).

2.5 Change in accounting standards, interpretations and pronouncements

a) Standards and amendments to published approved accounting standards that are effective.

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 01 January 2025. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting standards that are not yet effective.

The following standards or amendments are effective for the accounting periods beginning on or after 01 January 2026 and have not been early adopted by the Company:

(i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective 01 January 2026):

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

(ii) IFRS 18 Presentation and Disclosure in Financial Statements (effective 01 January 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced are as follows:

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on 01 January 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life, from the date the asset is available for use. When a particular class of asset under property, plant and equipment includes an item having different useful life and is required to be replaced at intervals, the Company depreciates it separately based on its specific useful life. The rates of depreciation are disclosed in note 4.1 to these financial statements.

Renewals and improvements are included in an asset's carrying amount and are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to statement of profit or loss during the financial period, in which they are incurred.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred in respect of operating property, plant and equipment in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating property, plant and equipment when they are available for use.

3.2 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can be measured reliably. These are stated at cost less accumulated amortisation and impairment, if any.

Costs that are directly associated with identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognised as intangible assets. Direct costs include the purchase cost of software, implementation cost and related overhead cost.

Intangible assets are amortised using the straight-line method. The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

3.3 Right-of-use assets

Right-of-use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term and the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset.

3.4 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing source and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3.5 Stores and spare parts

Stores and spare parts are valued at lower of cost and net realisable value. Cost is determined using the weighted average method and comprises all costs of purchase and other costs incurred in bringing the stores and spares to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

3.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost is determined using the weighted average method, except for in transit which comprises invoice value and the direct charges in respect thereof. Cost of raw material and finished trading goods comprises purchase cost and other incidental charges incurred in bringing the inventories to their present location and condition. Manufactured finished goods include prime cost and an appropriate portion of production overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

3.7 Trade and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

3.8 Finance income and finance cost

Finance income or finance cost is recognised using the effective interest rate method which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating finance income or finance cost, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, finance income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of finance income reverts to the gross basis.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, short-term fixed deposits having original maturity up to three months and current accounts held with commercial banks. Running finance and short-term finance facilities, if any, availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

3.10 Financial Instruments - Initial recognition and subsequent measurement

3.10.1 Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

3.10.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3.10.3 Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit and loss ("FVTPL"), or
- at amortised cost.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3.10.4 Subsequent measurement

i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

3.10.5 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.11 Impairment

3.11.1 Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs: - debt securities that are determined to have low credit risk at the reporting date; and - other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition. Loss allowances for trade debts are always measured at an amount equal to lifetime ECLs. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debts. The Company has identified the Gross Domestic Product (GDP) and the inflation rate of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

A financial asset is considered irrecoverable (default event) when the counterparty fails to make contractual payments within one year of when they fall due.

3.11.2 Non financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares, stock-in-trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

3.12 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

3.13 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which is approximately fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.14 Provisions

A provision is recognised when the Company has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of that can be made. Provisions are reviewed at each reporting date and accordingly adjusted to reflect current best estimate.

3.15 Staff retirement benefits

3.15.1 Defined benefit plans

The Company operates an approved funded defined benefit gratuity scheme for all permanent employees. Minimum qualifying period for entitlement to gratuity is five years continuous service with the Company.

The Company also has an unfunded medical scheme to provide post retirement medical benefits for all of its full-time management staff, who joined the Company on or before 01 October 2012 and are also the members of defined contribution superannuation fund.

Contributions to all schemes are made periodically on the basis of recommendations of the actuary and in line with the provisions of the Income Tax Ordinance, 2001 (ITO, 2001).

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.15.2 Defined contribution plans

The Company operates a provident fund scheme for all its permanent employees. Equal monthly contributions are made to the fund, both by the Company and the employees at the rate of 10 percent of basic salary and cost of living allowance wherever applicable. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as retirement benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company also operates a defined contribution superannuation fund for its management staff who joined the Company on or before 01 October 2012. Contributions are made at the rate of 10.6 percent of basic salary of the members of the fund.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

3.16 Dividend

Dividend distribution to the Company's shareholders and appropriation to reserve is recognised in the financial statements as a liability in the period in which these dividends are approved i.e. interim dividend by the board of directors and final dividend by shareholders in the Annual General Meeting. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.

3.17 Taxation

Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in statement of comprehensive income or directly in equity. In this case, the tax is also recognised in statement of comprehensive income or directly in equity.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner, which the Company expects at the reporting date to recover or to settle carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

Levies

Tax charged under ITO, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.18 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit or loss and presented within finance cost.

3.19 Revenue from contracts with customers

The Company is in the business of sale of goods to customers under the contractual arrangement. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Revenue from the sale of goods is recognised at the point in time when control of the goods transfers to the customer, which is generally when the goods are dispatched and the invoice is raised. The Company's contracts with customers do not contain any significant financing component, non-cash consideration, or consideration payable to customers. Variable consideration, where applicable, primarily relates to volume discounts and rebates, which are estimated based on historical experience and contractual terms and are included in the transaction price only to the extent that it is highly probable that a significant reversal will not occur.

Revenue contracts for Pure Terephthalic Acid (PTA), provide for provisional pricing at the time of shipment (dispatch) with final pricing based on the international market prices of the same month. Any difference between the provisional and final price is recognized as price settlement which forms part of revenue in the financial statements.

3.20 Contingencies

3.20.1 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.20.2 Contingent assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realization becomes virtually certain.

3.21 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

4. PROPERTY, PLANT AND EQUIPMENT	Note	2025	2024
Operating property, plant and equipment	4.1	5,164,262	5,762,835
Capital work-in-progress	4.2	594,676	557,469
		<u>5,758,938</u>	<u>6,320,304</u>

4.1 Operating property, plant and equipment

The following is a statement of property, plant and equipment:

	Leasehold land note 4.1.4	Buildings on leasehold land	Plant and machinery	Motor vehicles	Furniture and equipment	Total
31 December 2025						
Net carrying value basis						
Opening net book value (NBV)	33,431	44,915	5,589,437	7,961	87,091	5,762,835
Additions (at cost) - note 4.1.3	59,095	15,167	707,984	8,181	20,423	810,850
Disposal						
Cost	-	-	1,148	1,051	3,680	5,879
Accumulated depreciation	-	-	(1,148)	(1,051)	(3,637)	(5,836)
	-	-	-	-	(43)	(43)
Depreciation charge	(2,284)	(7,763)	(1,351,937)	(4,013)	(43,383)	(1,409,380)
Closing net book value (NBV)	<u>90,242</u>	<u>52,319</u>	<u>4,945,484</u>	<u>12,129</u>	<u>64,088</u>	<u>5,164,262</u>
Gross carrying value basis						
Cost	149,373	1,037,953	39,065,786	63,238	388,616	40,704,966
Accumulated depreciation and impairment	(59,131)	(985,634)	(34,120,302)	(51,109)	(324,528)	(35,540,704)
Net book value (NBV)	<u>90,242</u>	<u>52,319</u>	<u>4,945,484</u>	<u>12,129</u>	<u>64,088</u>	<u>5,164,262</u>
Depreciation % per annum	<u>2-5</u>	<u>3 - 25</u>	<u>4 - 50</u>	<u>25</u>	<u>10 - 50</u>	
31 December 2024						
Net carrying value basis						
Opening net book value (NBV)	34,853	46,499	5,332,719	1,042	71,970	5,487,083
Additions (at cost) - note 4.1.3	-	5,330	1,187,168	8,100	54,277	1,254,875
Disposal						
Cost	-	-	-	-	69	69
Accumulated depreciation	-	-	-	-	(69)	(69)
	-	-	-	-	-	-
Depreciation charge	(1,422)	(6,914)	(930,450)	(1,181)	(39,156)	(979,123)
Closing net book value (NBV)	<u>33,431</u>	<u>44,915</u>	<u>5,589,437</u>	<u>7,961</u>	<u>87,091</u>	<u>5,762,835</u>
Gross carrying value basis						
Cost	90,278	1,022,786	38,358,950	56,108	371,942	39,900,064
Accumulated depreciation and impairment	(56,847)	(977,871)	(32,769,513)	(48,147)	(284,851)	(34,137,229)
Net book value (NBV)	<u>33,431</u>	<u>44,915</u>	<u>5,589,437</u>	<u>7,961</u>	<u>87,091</u>	<u>5,762,835</u>
Depreciation % per annum	<u>2</u>	<u>3 - 25</u>	<u>4 - 50</u>	<u>25</u>	<u>10 - 50</u>	

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

4.1.1 Particulars of immovable operating property, plant and equipment

The details of immovable operating property, plant and equipment i.e. leasehold land and buildings on leasehold land of the Company are as follows:

Location and Address	Usage	Total area in acres
EZ/1/P-4, Eastern Industrial Zone Port Qasim, Karachi	Manufacturing Plant	150.975

4.1.2 The cost of fully depreciated assets of the Company are as follows:

	Leasehold land	Buildings on leasehold	Plant and machinery	Motor vehicles	Furniture and equipment	Total
As at 31 December 2025	-	572,597	6,865,920	46,424	255,449	7,740,390
As at 31 December 2024	-	568,082	6,682,506	46,506	200,189	7,497,283

4.1.3 This includes assets amounting to Rs. 585.56 million (2024: Rs. 1,204.53 million) transferred from capital work-in-progress (note 4.2.1).

4.1.4 The addition to leasehold land represents the stamp duty paid for the transfer of lease (50.75 acres plot) in the name of the Company from ICI Pakistan Limited.

4.2 Capital work-in-progress

	Note	2025	2024
Plant and machinery		500,763	540,674
Civil works and buildings		55,055	-
Other equipment		1,488	-
Advances to suppliers		37,370	16,795
	4.2.1	594,676	557,469

4.2.1 Capital work-in-progress - movement

Balance as at 01 January		557,469	257,359
Capital expenditure		622,766	1,504,640
Transferred to operating property, plant and equipment	4.1	(585,559)	(1,204,530)
Balance as at 31 December		594,676	557,469

5. INTANGIBLE ASSETS

5.1 Net carrying value basis

Balance as at 01 January		13,542	27,637
Additions during the year		-	402
Amortisation charge	29	(11,296)	(14,497)
Balance as at 31 December		2,246	13,542

5.2 Gross carrying value basis

Cost		258,957	258,957
Accumulated amortisation		(256,711)	(245,415)
Net book value		2,246	13,542
Amortisation % per annum		20-33	20-33

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

5.3 The cost of fully amortised intangible assets of the Company amounted to Rs. 252.63 million (2024: Rs. 216.05 million).

5.4 The intangible assets represent software and licenses held by the Company.

6. RIGHT-OF-USE ASSETS

Office Premises

The Company leases its office premises. During the year, the related lease was renewed and the renewed arrangement meets the criteria for a short-term lease under IFRS 16. Accordingly, rentals are expensed out as incurred, and no right-of-use asset or lease liability is recognised for office premises.

Storage Capacity

The Company also leases storage capacity at the Engro Vopak Terminal (EVTL). Lease payments for this arrangement are renegotiated at the end of each term to reflect market rentals. The agreement with EVTL is set to expire on 30 June 2026.

6.1	Net carrying value basis	Note	2025	2024
	Balance as at 01 January		211,733	365,275
	Depreciation charge	6.3	(145,188)	(190,801)
	Increase due to lease modification		-	37,259
	Balance as at 31 December	6.2	<u>66,545</u>	<u>211,733</u>
6.2	Gross carrying value basis			
	Cost		1,278,325	1,411,414
	Accumulated depreciation		<u>(1,211,780)</u>	<u>(1,199,681)</u>
	Net book value		<u>66,545</u>	<u>211,733</u>
	Depreciation - Life in years		<u>3 - 3.5</u>	<u>3 - 3.5</u>
6.3	Depreciation charge has been allocated as follows:			
	Cost of sales	29	133,089	142,405
	Administrative and general expenses	31	12,099	48,396
			<u>145,188</u>	<u>190,801</u>

7. LONG-TERM LOANS - *considered good*

	Note	2025		2024	
		Motor car and Personal assistance loan	House building assistance	Total	Total
Due from executives	7.1	142,953	24,970	167,923	136,125
Less: receivable within one year	13	<u>(10,627)</u>	<u>(11,887)</u>	<u>(22,514)</u>	<u>(30,934)</u>
		132,326	13,083	145,409	105,191
Due from employees	7.1	113,939	7,061	121,000	79,984
Less: receivable within one year	13	<u>(10,110)</u>	<u>(2,258)</u>	<u>(12,368)</u>	<u>(15,437)</u>
		103,829	4,803	108,632	64,547
		<u>236,155</u>	<u>17,886</u>	<u>254,041</u>	<u>169,738</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

7.1 Loans for personal assistance, motor cars and house building assistance are repayable between two to fifteen years (2024: two to ten years) in equal monthly installments. All the loans are interest free and are secured, where applicable, against respective assets granted to the employees of the Company in accordance with their terms of employment.

7.2 The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 167.99 million (2024: Rs. 136.12 million).

8. LONG-TERM DEPOSITS AND PREPAYMENTS	Note	2025	2024
Deposits - unsecured and considered good	8.1	25,939	25,939
Prepayments		5,319	6,493
		31,258	32,432

8.1 This includes Rs. 24.27 million (2024: Rs. 24.27 million) paid to K-Electric Limited.

9. DEFERRED TAXATION - NET

9.1 Deferred tax asset comprises deductible / (taxable) temporary differences in respect of the following:

	2025			2024				
	Balance at 01 January	Recognized in profit or loss (Note 36)	Recognized in OCI	Balance at 31 December	Balance at 01 January	Recognized in profit or loss (Note 36)	Recognized in OCI	Balance at 31 December
Deductible / (taxable) temporary differences								
- Property, plant and equipment	(557,680)	194,802	-	(362,878)	(558,463)	783	-	(557,680)
- Right-of-use assets (net)	256,301	(158,806)	-	97,495	385,145	(128,844)	-	256,301
- Sales tax refundable	67,602	-	-	67,602	72,771	(5,169)	-	67,602
- Retirement benefit obligations	49,310	9,028	278	58,616	46,086	22,720	(19,496)	49,310
- Unrealised exchange loss	80,143	(32,998)	-	47,145	35,148	44,995	-	80,143
- Slow moving, obsolete and rejected items of stores and spare parts	199	(199)	-	-	874	(675)	-	199
- Gas Tariff	91,533	-	-	91,533	-	91,533	-	91,533
- Infrastructure Development Cess *	2,360,449	556,460	-	2,916,909	2,189,157	171,292	-	2,360,449
- Provision against income tax refundable	-	39,000	-	39,000	-	-	-	-
	2,347,857	607,287	278	2,955,422	2,170,718	196,635	(19,496)	2,347,857

* This includes Gas Infrastructure Development Cess (GIDC) and Sindh Infrastructure Development Cess (SIDC).

9.2 As per Finance Act, 2023, progressive rates have been introduced on high earning persons ranging from 1% to 10% whereas on companies having income in excess of Rs. 500 million, 10% super tax will be applicable. Such higher rate of tax has been made perpetual thus substantially increasing the overall tax costs for the businesses. Accordingly, deferred tax assets and liabilities have been recognized using the expected applicable rate.

10. STORES AND SPARE PARTS	Note	2025	2024
Stores		240,435	259,674
Spare parts	10.1	2,185,674	2,043,748
		2,426,109	2,303,422
Provision for slow moving, obsolete, and rejected items	10.3	-	(511)
		2,426,109	2,302,911

Notes to and forming part of the Financial Statements

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Amounts in Rs '000

10.1	This includes in-transit stores and spares amounting to Rs. Nil (2024: Rs. 5.4 million).		
10.2	Cost of stores held with third party include the following:	Note	
			2025 2024
	Hydrogen Bromide and Manganese Metal held for consumption:		
	- Chempro Pakistan (Private) Limited		<u>134,940</u> <u>128,496</u>
10.3	Provision for slow moving, obsolete and rejected items		
	Provision as at 01 January		511 2,242
	Charge for the year		1,372 511
	Write-offs		(1,883) (2,242)
	Provision as at 31 December		<u>-</u> <u>511</u>
11.	STOCK-IN-TRADE		
	Raw and packing materials	11.1	7,438,648 6,101,430
	Finished goods:		
	- Manufactured goods		1,518,960 332,132
	- Trading goods	11.2	133,566 312,628
			1,652,526 644,760
			<u>9,091,174</u> <u>6,746,190</u>
11.1	This includes in-transit raw material amounting to Rs. 169.29 million (2024: Rs. 53.77 million).		
11.2	This includes in-transit trading goods amounting to Rs. Nil (2024: Rs. 215.09 million).		
11.3	Cost of stock-in-trade held with third parties include the following:		
		Note	2025 2024
	Paraxylene and Acetic acid held for consumption:		
	- Engro Vopak Terminal Limited		5,231,984 4,549,505
	Acetic acid held for trading:		
	- Chempro Pakistan (Private) Limited		2,362 3,950
	- Engro Vopak Terminal Limited		131,204 93,589
			133,566 97,539
	Cobalt held for consumption:		
	- Chempro Pakistan (Private) Limited		155,779 134,064
			<u>5,521,329</u> <u>4,781,108</u>
12.	TRADE DEBTS		
	Trade debts - PTA		
		12.2 & 12.3	<u>6,406,906</u> <u>3,602,907</u>
12.1	All of the Company's trade debts are secured by letters of credit of 30 to 120 days issued by various banks. These balances are neither past due nor impaired and are considered good.		
12.2	This includes receivable from Gatron Industries Limited and Novatex Limited - related parties amounting to Rs. Nil (2024: Rs. 658.14 million) and Rs. 1,195.99 million (2024: Rs. 251.33 million) respectively.		
12.3	The maximum aggregate amount due from the related parties at the end of any month during the year was Rs. 2,214.54 million (2024: Rs. 6,535.50 million).		

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

		Amounts in Rs '000	
13. LOANS AND ADVANCES - <i>considered good</i>	Note	2025	2024
Loans due from:			
- Executives	7	22,514	30,934
- Employees	7	12,368	15,437
		<u>34,882</u>	<u>46,371</u>
Advances to:			
- Executives	13.1 & 13.3	16,057	19,114
- Employees		1,060	1,377
- Contractors and suppliers		24,280	1,250
		<u>41,397</u>	<u>21,741</u>
		<u>76,279</u>	<u>68,112</u>
13.1	The maximum aggregate amount of advances due from executives at the end of any month during the year was Rs. 23.69 million (2024: Rs. 19.82 million).		
13.2	All of the above loans and advances are secured against retirement benefit funds, except for advances to contractors and suppliers.		
13.3	This includes house rent advance of Rs. 0.9 million (2024: Rs. 1.65 million) provided to the Company Secretary (a related party on account of being key management personnel). The maximum amount outstanding at the end of any month during the year in respect of this advance was Rs. 1.80 million (2024: 1.80 million).		
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	Note	2025	2024
Trade deposits:			
- Deposits - unsecured and considered good		3,119	4,254
- Margin on import letters of credit		23,638	58,990
		<u>26,757</u>	<u>63,244</u>
Short-term prepayments		67,254	52,308
		<u>94,011</u>	<u>115,552</u>
15. OTHER RECEIVABLES			
Commission receivable		-	16,730
Workers' Profit Participation Fund	24.5	-	2,451
Others		4,500	4,138
		<u>4,500</u>	<u>23,319</u>
16. SHORT-TERM INVESTMENTS - AT AMORTISED COST			
Conventional			
- Term deposit receipts	16.1	1,414,499	414,499
16.1	The interest rate on term deposit receipt is 7% to 10.75% (2024: 9.50%) per annum and had original maturities of less than three months.		

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

17. SALES TAX REFUNDS DUE FROM GOVERNMENT	Note	2025	2024
Sales tax refundable	17.1	5,402,057	4,086,613
Provision for impairment	17.2	<u>(173,338)</u>	<u>(173,338)</u>
		<u>5,228,719</u>	<u>3,913,275</u>
17.1	The increase is mainly due to the amendments introduced through Finance Act, 2022; whereby the listed companies were restricted to adjust input tax in excess of 90% of the output tax under Section 8B of the Sales Tax Act, 1990.		
17.2 Reconciliation of provision for impairment	Note	2025	2024
Balance as at 01 January		173,338	186,593
Reversal of provision against receipt of sales tax refunds	33	-	(13,255)
Balance as at 31 December		<u>173,338</u>	<u>173,338</u>
18. TAXATION - PAYMENTS LESS PROVISION			
Balance as at 01 January		6,826,435	2,673,353
Section 147 - Advance tax		407,145	4,346,143
Section 148 - Imports		904,193	1,221,876
Section 151 - Profit on debt		113,809	154,583
Section 153 - Sale of goods		474,226	247,915
Other sections - various		309,572	36,096
Advance tax payments during the year		2,208,945	6,006,613
Demanded tax payments - various years		-	28,547
Refund received against prior year		(500,000)	-
Gross receivable		8,535,380	8,708,513
Current income tax		(1,362,554)	(1,883,322)
Effect of prior year tax reversal		36,060	1,244
Provision against Income tax refundable		(1,326,494)	(1,882,078)
Balance as at 31 December	18.3	<u>7,108,886</u>	<u>6,826,435</u>

18.1 The advance tax payment is based on tax to turnover ratio for latest assessed tax year. This is significantly higher in comparison to the tax estimate submitted by the Company.

18.2 During the year 2025, the advance tax payment includes Rs. 100 million for tax year 2027 (2024: Rs. 2.30 billion for tax year 2026) under section 147(4) of ITO, 2001.

18.3 This includes provision in respect of super tax for the following previous tax years:

Tax Year 2017 - 2019

The Company filed an appeal against the judgment passed by the Honourable Sindh High Court (SHC) with regard to the imposition of super tax u/s Section 4B of the ITO, 2001 for tax years 2017-2019 in the Honourable Supreme Court of Pakistan (SCP). The case was subsequently transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP) on 27 November 2025 for consolidated hearing. Subsequent to the year end, the Honourable FCCP, through Civil Appeal No. 1243 of 2020, vide Order dated 27 January 2026, upheld the vires of section 4B of the ITO, 2001. Accordingly, the case was decided against the Company.

Provision amounting to Rs. 124.82 million has been recorded in the books, and the balance payment against the assessed super tax liability has been made in accordance with SCP directives.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

Tax Year 2022 and 2023

The Honourable Sindh High Court (SHC), through its order dated 22 December 2022, declared Section 4C and the first proviso to Division IIB of Part I of the First Schedule to the ITO, 2001 as discriminatory and therefore ultra vires the Constitution, while maintaining the levy as constitutional for tax year 2023 onwards. The Honourable Supreme Court of Pakistan (SCP), in its interim order dated 16 February 2023, maintained the levy of super tax at 4% and directed the Company to deposit the remaining 6% with the Nazir of the SHC. The Company has duly complied with the court's directions.

The Finance Act 2023 subsequently amended the rate of super tax under Section 4C, increasing it to 10% as opposed to 4% under the Finance Act 2022. The Company, along with other industries, challenged the vires of Section 4C and the related proviso before the Honourable Islamabad High Court (IHC). The IHC, in its interim order, struck down the increase in rate. The Department challenged this decision before the SCP, which remanded the matter back to the IHC.

The case was subsequently transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP) on 27 November 2025 for consolidated hearing. Subsequent to the year end, the Honourable FCCP, through Civil Appeal No. 1243 of 2020, vide Order dated 27 January 2026, upheld the vires of section 4C of the ITO, 2001. Accordingly, the case was decided against the Company. The Company has recognised full provisions against super tax amounting to Rs. 414.50 million and Rs. 1,704.86 million for tax years 2022 and 2023 respectively in these financial statements.

19.	CASH AND BANK BALANCES	Note	2025	2024
	Cash in hand		190	-
	Cash at bank			
	Conventional:			
	- Current accounts		9,289	9,224
	- Savings accounts	19.1	6,757,525	8,756,487
			6,766,814	8,765,711
	Islamic:			
	- Current accounts		61,298	67,336
	- Savings accounts		49	-
			61,347	67,336
			6,828,351	8,833,047
19.1	These carry mark-up at 6.75% to 11% per annum (2024: 13.50% per annum).			
19.2	Cash and cash equivalents			
	Cash and bank balances		6,828,351	8,833,04
	TDRs with banks having maturity of less than three months	16	1,414,499	414,499
			8,242,850	9,247,546
20.	SHARE CAPITAL			
20.1	Authorised share capital			
	Authorised capital 2,000,000,000 ordinary shares of Rs. 10 each		20,000,000	20,000,000
20.2	Issued, subscribed and paid up capital			
	504,735,636 ordinary shares of Rs. 10 each fully paid-up issued pursuant to the Scheme for consideration other than cash	20.3	5,047,356	5,047,356
	1,009,471,572 ordinary shares of Rs 10 each fully paid-up in cash	20.5	10,094,716	10,094,716
			15,142,072	15,142,072

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

- 20.3** With effect from 01 October 2000, the PTA Business of ICI Pakistan Limited was demerged under a Scheme of Arrangement (Scheme), dated 12 December 2000, as approved by the shareholders and sanctioned by the Honourable High Court of Sindh, in consideration for ordinary shares of the Company.
- 20.4** As at 31 December 2025, PTA Global Holding Limited, UAE, holds 1,135,860,105 ordinary shares of Rs. 10 each, representing 75.01% shareholding of the Company. This shareholding was previously held by Lotte Chemical Corporation, South Korea, until its divestment on 12 November 2025.
- 20.5** These fully paid ordinary shares carry one vote per share and right to dividend.
- 20.6** Each nominee director holds one share, and no dividends were paid during the year.

21. CAPITAL RESERVE

Capital reserve represents the amount received from various overseas companies of AkzoNobel Group (then group companies), for purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

22. RETIREMENT BENEFIT OBLIGATIONS

22.1 Staff retirement benefits

22.1.1 As stated in note 3.15 to these financial statements, the Company operates two retirement benefit plans (the Plans) namely approved funded gratuity scheme for all its permanent employees and unfunded medical scheme to provide post retirement medical benefits to all full-time management staff employees who are also the members of defined contribution superannuation fund. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at 31 December 2025.

22.1.2 Plan assets held in trust are governed by local regulations which mainly include Sindh Trust Act, 2020, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

22.1.3 Valuation results

The latest actuarial valuations of the Fund as at 31 December 2025 was carried out using the Projected Unit Credit Method. Details of the Fund as per the actuarial valuation are as follows:

	Note	2025			2024		
		Funded Gratuity	Unfunded Medical	Total	Funded Gratuity	Unfunded Medical	Total
22.1.4 Statement of financial position							
Present value of defined benefit obligation as at 31 December	22.1.5	(716,280)	(150,297)	(866,577)	(613,974)	(126,435)	(740,409)
Fair value of plan assets as at 31 December	22.1.6	662,082	-	662,082	531,818	-	531,818
		<u>(54,198)</u>	<u>(150,297)</u>	<u>(204,495)</u>	<u>(82,156)</u>	<u>(126,435)</u>	<u>(208,591)</u>
22.1.5 Movement in the present value of defined benefit obligations							
Balances as at 01 January		613,974	126,435	740,409	532,730	118,169	650,899
Benefits paid by the plan		(32,952)	(4,441)	(37,393)	(57,602)	(3,564)	(61,166)
Current service costs		31,695	2,850	34,545	29,536	3,075	32,611
Interest cost		73,193	15,216	88,409	75,590	17,458	93,048
Remeasurement loss / (gain)		30,370	10,237	40,607	33,720	(8,703)	25,017
Balances as at 31 December		<u>716,280</u>	<u>150,297</u>	<u>866,577</u>	<u>613,974</u>	<u>126,435</u>	<u>740,409</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

	Note	2025			2024		
		Funded Gratuity	Unfunded Medical	Total	Funded Gratuity	Unfunded Medical	Total
22.1.6 Movement in the fair value of plan assets							
Fair value of plan assets as at 01 January		531,818	-	531,818	403,064	-	403,064
Contributions paid into the plan		56,718	-	56,718	51,358	-	51,358
Benefits paid by the plan		(32,952)	-	(32,952)	(57,602)	-	(57,602)
Interest income		66,603	-	66,603	59,991	-	59,991
Remeasurement gain		39,895	-	39,895	75,007	-	75,007
Fair value of plan assets as at 31 December		<u>662,082</u>	<u>-</u>	<u>662,082</u>	<u>531,818</u>	<u>-</u>	<u>531,818</u>
22.1.7 Expense recognised in Statement of profit or loss							
Current service costs		31,695	2,850	34,545	29,536	3,075	32,611
Net interest cost		6,590	15,216	21,806	15,599	17,458	33,057
Expense recognised in Statement of profit or loss		<u>38,285</u>	<u>18,066</u>	<u>56,351</u>	<u>45,135</u>	<u>20,533</u>	<u>65,668</u>
22.1.8 Remeasurement (gain) / loss recognised in Statement of comprehensive income							
Remeasurement loss / (gain) on defined benefit obligations due to experience adjustments		31,033	11,105	42,138	35,396	(10,588)	24,808
Actuarial (gain) / loss from change in financial assumptions		(663)	(868)	(1,531)	(1,676)	1,885	209
Remeasurement gain of fair value of plan assets		(39,895)	-	(39,895)	(75,007)	-	(75,007)
Remeasurement (gain) / loss		<u>(9,525)</u>	<u>10,237</u>	<u>712</u>	<u>(41,287)</u>	<u>(8,703)</u>	<u>(49,990)</u>
22.1.9 Net recognised liability							
Net liability at beginning of the year		82,156	126,435	208,591	129,666	118,169	247,835
Charge for the year	22.1.7	38,285	18,066	56,351	45,135	20,533	65,668
Contribution made during the year to the fund		(56,718)	(4,441)	(61,159)	(51,358)	(3,564)	(54,922)
Remeasurement (gain) / loss recognised in statement of comprehensive income	22.1.8	(9,525)	10,237	712	(41,287)	(8,703)	(49,990)
Net liability at end of the year		<u>54,198</u>	<u>150,297</u>	<u>204,495</u>	<u>82,156</u>	<u>126,435</u>	<u>208,591</u>
22.1.10 Principal Actuarial assumptions used							
Discount rate as at 31 December		<u>11.25%</u>	<u>11.25%</u>		<u>12.25%</u>	<u>12.25%</u>	
Future salary increases		<u>9.25%</u>	<u>-</u>		<u>10.25%</u>	<u>-</u>	
Medical cost trend rate		<u>-</u>	<u>6.00%</u>		<u>-</u>	<u>7.00%</u>	

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

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22.1.11 Plan assets comprise of following:

	2025	2024
Government bonds	366,080	251,219
National Savings deposits	142,772	126,824
Shares of listed companies	137,750	146,829
Term deposits	15,480	6,946
Total as at 31 December	<u>662,082</u>	<u>531,818</u>

22.1.12 Mortality was assumed to be 70% of the EFU (61-66) Table.

22.1.13 Funding

In case of the funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2025 consist of term deposits, government bonds and national savings deposits. The Company believes that term deposits and government bonds offer the best returns over the long term with an acceptable level of risk.

22.1.14 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

The Company's contribution to the gratuity funds in 2026 is expected to be Rs. 48.43 million.

The actuary conducts valuations for calculating contribution rate and the Company contributes to the gratuity fund according to the actuary's advice. Expense of the defined benefit plan is calculated by the actuary.

22.1.15 The defined benefit plans expose the Company to the actuarial risks such as:

Withdrawal and mortality risks - Withdrawal risk is the risk of higher or lower withdrawal experience than assumed. Mortality risk is the risk that the actual mortality experience is different. Both risks depend on the beneficiaries' service / age distribution and the benefit.

Investment risk - The risk arises when the actual performance of the investment is lower than expectation and thus creating a shortfall in the funding objectives.

Salary increase risk - The risk arises when the actual salary increases are higher than expectations and impacts the liability accordingly.

Medical cost escalation risk - The risk that the cost of post-retirement medical benefits could be higher than what we assumed.

Longevity risk - The risk arises when the actual lifetime of retirees is longer than expectation. The risk is measured at the plan level over the entire retiree population.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

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22.2 Sensitivity analysis / risk for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on retirement benefit obligations		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate as at 31 December	1%	(50,785)	57,887
Future salary increases	1%	38,918	(35,575)
Medical cost trend	1%	20,184	(16,994)

If longevity increases by 1 year, obligation increases by Rs. 2.01 million.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

22.3 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the period, for returns over the entire life of related obligation.

22.4 The Company's contributions towards the provident fund and defined contribution superannuation fund for the year ended 31 December 2025 amounted to Rs. 49.04 million (2024: Rs. 43.94 million) and Rs. 36.54 million (2024: Rs. 33.94 million) respectively.

22.5 The weighted average duration of the defined benefit obligations is 7.2 years.

Maturity analysis

Expected maturity analysis of undiscounted retirement benefit plans.

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
Retirement benefit plans					
At 31 December 2025	<u>71,664</u>	<u>309,186</u>	<u>199,200</u>	<u>661,345</u>	<u>1,241,395</u>
At 31 December 2024	<u>35,066</u>	<u>201,958</u>	<u>236,126</u>	<u>625,969</u>	<u>1,099,119</u>

23. LEASE LIABILITIES

23.1 Lease liability

	Note	2025	2024
Balance as at 01 January		856,816	1,292,330
Interest on lease liability	34	123,186	203,743
Payments made during the year		(671,469)	(664,803)
Impact of lease modification		-	37,259
Re-measurement of lease liability - exchange loss / (gain)		7,998	(11,713)
Balance as at 31 December	23.2	<u>316,531</u>	<u>856,816</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

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23.2 The amount of future lease payments and the period in which these become due are as follows:

	2025			2024		
	Future minimum lease payments	Interest expense on lease liability	Present value of minimum lease payments	Future minimum lease payments	Interest expense on lease liability	Present value of minimum lease payments
Not later than one year	335,319	18,788	316,531	664,813	122,036	542,777
Later than one year but not later than five years	-	-	-	332,407	18,368	314,039
	<u>335,319</u>	<u>18,788</u>	<u>316,531</u>	<u>997,220</u>	<u>140,404</u>	<u>856,816</u>

23.3	Amounts recognised in the statement of profit or loss	Note	2025	2024
	Interest expense on lease liabilities	34	123,186	203,743
	Expense related to exchange loss on remeasurement of lease liability	23.1	7,998	(11,713)
			<u>131,184</u>	<u>192,030</u>

24. TRADE AND OTHER PAYABLES

Trade creditors including bills payable	24.1	9,872,042	7,064,563
Sindh Infrastructure Development Cess (SIDC)	24.2	7,452,633	6,205,754
Gas Infrastructure Development Cess (GIDC)	24.3	3,113,744	3,113,744
Captive Gas Tariff rate differential	24.4	201,802	201,802
Accrued liabilities		1,552,682	1,195,680
Workers' Profit Participation Fund	24.5	5,964	-
Workers' Welfare Fund	24.6	87,927	114,852
Contract liabilities - advances from customers		2,651	387
Retention money		4,754	276
Withholding tax payable		5,780	4,706
Others	24.7	152,471	160,499
		<u>22,452,450</u>	<u>18,062,263</u>

24.1 This includes payable related to stock in transit amounting to Rs. 169.29 million (2024: Rs. 268.86 million).

24.2 This pertains to the levy of Infrastructure Cess under the Sindh Finance Act, 1994 and subsequently the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. In the year 2021, the appeal filed by the Company before the Honourable Sindh High Court (SHC) in respect of the Development and Maintenance of Infrastructure Cess was dismissed by the SHC on 04 June 2021 in favour of the Government of Sindh. An appeal was thereafter filed before the Honourable Supreme Court of Pakistan (SCP) on 28 July 2021. Leave to appeal and stay order were granted by the SCP on 01 September 2021, subject to furnishing bank guarantees to the minimum extent of the amount involved therein which is as stated in note 27.2.4 to these financial statements.

Subsequently, the matter was transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP), where the proceedings are currently pending.

	2025	2024
Balance as at 01 January	6,205,754	5,233,974
Charge for the year	1,246,879	971,780
Balance as at 31 December	<u>7,452,633</u>	<u>6,205,754</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

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24.3 On 06 November 2020, the Honourable Supreme Court of Pakistan (SCP) provided a relief for payment of Gas Infrastructure Development Cess (GIDC) in 48 installments and applicability of section 8(2) of the Gas Infrastructure Development Cess Act, 2015. In 2021, SSGC revised the billing based on 24 monthly installments in line with the notification issued by the Ministry of Energy based on legal grounds.

In view of the above judgment of SCP, the Company filed a suit in the Honourable Sindh High Court (SHC) to allow the benefit of provision 8(2) of the Gas Infrastructure Development Cess Act, 2015, which is related to the Government waiving its right to collect GIDC for the period from 2011 to 2015 from industries where the same was not passed on through supply chain. The appeal of the Company is pending in the SHC and there has been no change in the status of GIDC. Therefore, as a matter of abundant caution, full amount of provision has been recorded in these financial statements in this respect.

24.4 This includes liability recognized for the following matters:

24.4.1 The Company along with the industry challenged the increase in gas tariff as notified by Oil and Gas Regulatory Authority (OGRA) effective 31 August 2015. The case was decided by the Honourable Sindh High Court (SHC) in favor of the consumers in order dated 18 May 2016. Following the SHC decision, Sui Southern Gas Company (SSGC) filed an appeal before the Honourable Supreme Court of Pakistan (SCP) on 13 December 2017.

Subsequently, the matter was transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP) for further proceedings. The Company has therefore recorded a full liability amounting to Rs. 114.82 million on a prudent basis.

24.4.2 OGRA, through its notification dated 15 February 2023, announced an increase in gas tariff effective from 01 January 2023. In response, the Company along with the industry have contested the retrospective application of this notification in Honourable Sindh High Court (SHC). The SHC issued an ad-interim stay order on 05 June 2023, prohibiting coercive action against the plaintiff for the recovery of the increased tariff. The Company has recorded liability amounting to Rs. 86.98 million in this regard.

24.5 Reconciliation of Workers' Profit Participation Fund

	Note	2025	2024
Balance as at 01 January		(2,451)	29,358
Allocation for the year	32	100,364	235,585
Refund received from the fund		2,451	-
Interest on funds utilised	34	-	291
Amount paid to the Fund		(94,400)	(267,685)
Balance as at 31 December		<u>5,964</u>	<u>(2,451)</u>

24.6 Reconciliation of Workers' Welfare Fund

Balance as at 01 January		114,852	226,249
Allocation for the year	32	69,488	98,100
Amount paid to the Fund		(96,413)	(209,497)
Balance as at 31 December		<u>87,927</u>	<u>114,852</u>

24.7 This includes stale cheques amounting to Rs. 141.68 million (2024: Rs. 141.50 million).

25. SHORT-TERM FINANCING

	Note	2025	2024
Short-term financing	25.1	<u>800,000</u>	<u>-</u>

25.1 This represents the money market loan obtained from Allied Bank Limited on 31 December 2025 for a period of seven days, carrying mark-up at the rate of 3-month KIBOR of 10.63%.

26. ACCRUED INTEREST

	Note	2025	2024
Interest payable on long-term loans	26.1	<u>427,555</u>	<u>424,189</u>
		<u>427,555</u>	<u>424,189</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

26.1 This represents interest payable to Mortar Investments International Limited amounting to USD 1.52 million (2024: USD 1.52 million) on long-term loans previously repaid by ICI Pakistan Limited. The amount is still unpaid due to certain legal and procedural complexities with respect to foreign remittance.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

Tax year 2015 - Lotte Powergen

In respect of tax year 2015, an Assessment Order was passed whereby an amount of Rs. 1,717.5 million relating to the unabsorbed brought forward depreciation losses of amalgamated entity Lotte Powergen (Pvt.) Limited were disallowed by Commissioner Inland Revenue (Appeals) [CIR(A)] on 27 November 2020. The Company has preferred an appeal before the Appellate Tribunal Inland Revenue (ATIR). The consequential impact, if any, would be approximately Rs. 515.26 million. However, the Company is confident that the decision will be in its favour and hence, no provision has been recognized in these financial statements.

Tax years 2002-03 to 2012

On 14 December 2021, Appeal Order effects for tax years 2002-03 to 2012 were received in favour of the Company creating a net refundable on account of allowance of unrealized exchange loss amounting to Rs. 363.5 million. However, the Department has filed an appeal before Honourable Sindh High Court (SHC) which is pending adjudication.

Tax Years 2016 - 2020

On 29 April 2021, Assessment Orders were passed in respect of tax years 2016 to 2020 which created additional tax liability of Rs. 1,446.9 million. The Company has filed appeals against these orders before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The application for fixation of the hearing date remains pending.

The Company has assessed the financial impact of the matter based on its best estimate at the reporting date. A provision of Rs. 329.02 million has been recognised in these financial statements. Further, payments aggregating Rs. 259.24 million have been made against the disputed demands, and a refund of Rs. 206.02 million pertaining to Tax Year 2018 was issued subsequent to the assessment resulting in financial exposure of Rs. 1,064.66 million.

Undistributed profits - Tax Year 2017

On 30 April 2021, the Honourable Sindh High Court (SHC) passed an order in favor of taxpayers regarding the applicability of tax on undistributed profits for Tax Year 2017. The Department has filed an appeal against the SHC decision before the Honourable Supreme Court of Pakistan (SCP), which is currently pending adjudication. The potential exposure for the Company in this matter is Rs. 35.3 million.

Tax Year 2021:

On 31 March 2022, an Assessment Order was passed in respect of tax year 2021 which created additional tax liability of Rs. 95.9 million, which is mainly on account of disallowance of WPPF / WWF payments to Sindh Revenue Board (SRB). The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on 28 April 2022. The CIR(A) through its order dated 26 April 2023 agreed with the Company's position on all matters except allowance for WPPF & WWF, which were duly challenged in ATIR.

The Company is confident that the decision will be in its favor. However, on prudent basis, the Company has recognised a provision of Rs. 36.17 million in the financial statements.

Tax Year 2022:

On 04 January 2024, an Assessment Order was passed in respect of tax year 2022 which created an additional liability of Rs. 12.6 million, mainly on account of other admissible deductions. The Company has filed an appeal before CIR(A) on 02 February, 2024, which is pending.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

Tax Year 2023:

On 27 November 2024, an Assessment Order was passed in respect of tax year 2023 which created an additional liability of Rs. 78.6 million mainly on account of remeasurement loss on funded gratuity plan, and unrealized exchange losses. The Company has filed appeal in ATIR on 26 December 2024, which is pending.

Tax Year 2024:

On 01 October 2025, an Assessment Order was passed in respect of tax year 2024 which created an additional financial liability of Rs. 59.5 million mainly on account of remeasurement loss on funded gratuity plan, and unrealized exchange losses. The Company has filed appeal in CIR(A) on 28 October 2025, which is pending adjudication.

27.2 Commitments and Guarantees

27.2.1 Commitments for capital expenditure as at 31 December 2025 amounted to Rs. 163.38 million (2024: Rs. 88.39 million).

27.2.2 Commitments for rentals under Ijarah contracts for vehicles as at 31 December are as follows:

	2025	2024
Not later than 1 year	85,021	79,731
Later than 1 year and not later than 5 years	155,301	183,275
	<u>240,322</u>	<u>263,006</u>

27.2.3 Commitments for rentals for office premises leased from AI Tijarah as at 31 December are as follows:

	2025	2024
Not later than 1 year	10,012	-

27.2.4 Commitments for rentals under agreement in respect of services priced in foreign currency and converted at exchange rate at 31 December are as follows:

	2025	2024
Not later than 1 year	445,131	1,015,740
Later than 1 year and not later than 5 years	-	584,050
	<u>445,131</u>	<u>1,599,790</u>

27.2.5 The facilities for guarantees from banks as at 31 December 2025 amounted to Rs. 12,700 million (2024: Rs. 12,200 million). Outstanding guarantees of the Company as at 31 December 2025 were Rs. 8,597.35 million (2024: Rs. 8,158.44 million).

27.2.6 The facilities for opening letters of credit from banks as at 31 December 2025 amounted to Rs. 45,800 million (2024: Rs. 50,800 million). Letters of credit issued on behalf of the Company as at 31 December 2025 were Rs. 3,298.86 million (2024: Rs. 2,826.96 million).

28. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

	2025			2024		
	Manufactured goods	Trading goods	Total	Manufactured goods	Trading goods	Total
Local sales	95,507,069	2,726,424	98,233,493	128,458,116	3,088,553	131,546,669
Export sales	-	-	-	711,901	-	711,901
Less: Sales tax	(14,568,875)	(415,895)	(14,984,770)	(19,353,255)	(471,135)	(19,824,390)
Less: Price settlements and discounts / rebates	(2,320,441)	(21,361)	(2,341,802)	(3,113,309)	(21,694)	(3,135,003)
	<u>78,617,753</u>	<u>2,289,168</u>	<u>80,906,921</u>	<u>106,703,453</u>	<u>2,595,724</u>	<u>109,299,177</u>

28.1 Revenue recognized from contract liabilities during the year amounted to Rs. 0.39 million (2024: Rs. 23.74 million).

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

29. COST OF SALES	Note	2025	2024
Manufactured goods			
Raw and packing materials consumed:			
Opening stock	11	6,101,430	5,852,346
Purchases		65,950,694	83,735,292
Closing stock	11	<u>(7,438,648)</u>	<u>(6,101,430)</u>
		64,613,476	83,486,208
Salaries, wages and benefits	29.1	1,067,752	996,634
Stores and spares consumed		437,159	443,147
Rentals under ijarah arrangements	29.2	31,071	31,444
Insurance		243,082	247,676
Oil, gas and electricity		8,362,056	7,842,725
Travelling		151,744	145,312
Depreciation and amortisation	4.1, 5.1 & 6.3	1,553,766	1,136,024
Repairs and maintenance		500,017	709,263
Others		<u>97,132</u>	<u>92,282</u>
Cost of goods manufactured		77,057,255	95,130,715
Opening stock of manufactured goods	11	<u>332,132</u>	<u>7,176,790</u>
		77,389,387	102,307,505
Closing stock of manufactured goods	11	<u>(1,518,960)</u>	<u>(332,132)</u>
Cost of goods manufactured sold		75,870,427	101,975,373
Trading goods			
Opening stock	11	312,628	333,039
Purchases		1,781,701	2,116,896
Closing stock	11	<u>(133,566)</u>	<u>(312,628)</u>
Cost of trading goods sold		1,960,763	2,137,307
		77,831,190	104,112,680
29.1	Salaries, wages and benefits include Rs. 38.65 million (2024: Rs. 48.23 million) and Rs. 59.67 million (2024: Rs. 53.90 million) in respect of defined benefit and defined contribution plans respectively.		
29.2	The Company has entered into Ijarah Agreement with Meezan Bank Limited for acquisition of vehicles. Under the agreement, the term of Ijarah is 5 years and Ijarah payments are payable quarterly in arrears.		
30. DISTRIBUTION AND SELLING EXPENSES	Note	2025	2024
Salaries and benefits	30.1	129,555	123,166
Outward freight and handling		22,931	45,374
Rentals under ijarah arrangements	29.2	6,440	7,448
Repairs and maintenance		9,519	10,730
Travelling		7,000	8,366
Postage and telephone		2,263	2,045
Advertising and sales promotion		570	1,100
Others		<u>20,529</u>	<u>23,391</u>
		198,807	221,620
30.1	Salaries and benefits include Rs. 6.04 million (2024: Rs. 6.03 million) and Rs. 9.05 million (2024: Rs. 8.12 million) in respect of defined benefit and defined contribution plans respectively.		

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

		Amounts in Rs '000	
31. ADMINISTRATIVE AND GENERAL EXPENSES	Note	2025	2024
Salaries and benefits	31.1	383,269	329,035
Legal, professional and consultancy		33,088	15,236
Rentals under Ijarah arrangements	29.2	15,364	18,959
Travelling		35,751	40,992
Depreciation on right-of-use asset	6.3	12,099	48,396
Repairs and maintenance		58,593	57,145
IT related expenses		41,425	25,426
Security		44,693	47,157
Rent, rates and taxes	31.2	78,650	33,052
Publication and subscriptions		4,676	4,947
Postage and telephone		7,767	7,765
Printing and stationery		6,173	5,201
Auditors' remuneration	31.3	11,971	16,675
Obsolete and slow moving stores and spare parts - provision	10.3	1,372	511
Others		115,105	121,222
		<u>849,996</u>	<u>771,719</u>
31.1	Salaries and benefits include Rs. 11.66 million (2024: Rs. 11.41 million) and Rs. 16.88 million (2024: Rs. 15.86 million) in respect of defined benefit and defined contribution plans respectively.		
31.2	This includes rentals amounting to Rs. 45.05 million (2024: Nil) in respect of office premises.		
31.3	Note	2025	2024
Audit fee		3,685	3,350
Limited scope review, code of corporate governance, certifications and review and audit of group reporting packages and taxation services etc.	31.4	7,666	12,555
Out of pocket expenses		620	770
		<u>11,971</u>	<u>16,675</u>
31.4	This includes fee pertaining to taxation services provided to the Company amounting to Rs. 4.9 million (2024: Rs. 7.4 million).		
32. OTHER EXPENSES	Note	2025	2024
Provision against Income tax refundable		100,000	-
Workers' Profit Participation Fund	24.5	100,364	235,585
Workers' Welfare Fund	24.6	69,488	98,100
		<u>269,852</u>	<u>333,685</u>
33. OTHER INCOME			
Income from financial assets:			
Income on term deposit receipts - conventional		97,964	649,163
Income on savings account - conventional		471,056	298,434
Income on term deposit receipts - islamic		58,403	149,223
Income on savings account - islamic		5	-
		<u>627,428</u>	<u>1,096,820</u>
Income from non-financial assets:			
Scrap sales		635	47,061
Indenting commission - net		3,431	39,678
Reversal of provision against receipt of sales tax refunds		-	13,255
Gain on disposal of property, plant and equipment		2,509	-
Rental income from tower on leasehold land		1,688	1,008
Others		-	1,198
		<u>8,263</u>	<u>102,200</u>
Liabilities no longer payable written back		-	342
		<u>635,691</u>	<u>1,199,362</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

		Amounts in Rs '000	
34. FINANCE COSTS	Note	2025	2024
Interest / mark-up on:			
- Short-term financing		34	2,569
- Interest on lease liability	23.1	123,186	203,743
- Markup on LC discounting		10,186	29,504
Exchange loss - net		344,552	417,867
Bank, LCs and other charges		76,670	76,848
Interest on Workers' Profit Participation Fund	24.5	-	291
		<u>554,628</u>	<u>730,822</u>
35. LEVIES			
Minimum tax u/s 154		-	4,783
Final tax u/s 154A		217	256
		<u>217</u>	<u>5,039</u>
36. TAXATION			
Current - for the year	36.2	1,362,337	1,878,380
- for prior year		(36,060)	(1,244)
		<u>1,326,277</u>	1,877,136
Deferred	9.1	(607,287)	(196,635)
	36.1	<u>718,990</u>	<u>1,680,501</u>
36.1 Reconciliation of income tax expense for the year			
Profit before taxation		1,837,922	4,322,974
Applicable normal tax rate		29%	29%
Applicable super tax rate		10%	10%
		<u>39%</u>	<u>39%</u>
Tax calculated at the applicable tax rate		716,790	1,685,960
Tax effect of:			
- income chargeable to tax under FTR basis		(1,339)	(10,691)
- prior year income tax reversal		(36,060)	(1,244)
- prior year deferred tax charge		35,270	-
- others		4,329	6,476
		<u>718,990</u>	<u>1,680,501</u>
Effective tax rate		<u>39%</u>	<u>39%</u>
36.2	This includes a provision for super tax, for tax year 2026 amounting to Rs. 347.69 million (2024: Rs. 481.03 million) at 10% (2024: 10%).		

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

37. EARNINGS PER SHARE - BASIC AND DILUTED

37.1 Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	2025	2024
Profit for the year	<u>1,118,932</u>	<u>2,642,473</u>
	Number of shares	
Weighted average ordinary shares in issue during the year	<u>1,514,207,208</u>	<u>1,514,207,208</u>
	(Rupees)	
Earnings per share	<u>0.74</u>	<u>1.75</u>

37.2 There is no dilutive effect on the basic earnings per share of the Company.

38. CASH GENERATED FROM OPERATIONS

	Note	2025	2024
Profit before taxation		1,837,922	4,322,974

Adjustments for non-cash charges and other items:

Levies		217	5,039
Depreciation and amortisation	29 & 31	1,565,865	1,184,420
Provision for obsolete and slow moving stores and spare parts	31	1,372	511
Gain on disposal of property, plant and equipment	33	(2,509)	-
Provision for retirement benefit obligations	22.1.7	56,351	65,668
Finance costs		221,441	296,116
Rentals in respect of short-term lease		45,052	-
Income from financial assets	33	(627,428)	(1,096,820)
		<u>1,260,361</u>	<u>454,934</u>
		3,098,283	4,777,908

Effect on cash flows due to working capital changes:

(Increase) / decrease in current assets:

Stores and spare parts		(124,570)	(202,238)
Stock-in-trade		(2,344,984)	6,615,986
Trade debts		(2,803,999)	4,883,124
Loans and advances		(8,167)	(17,031)
Trade deposits and short-term prepayments		21,541	60,835
Other receivables		18,819	(12,984)
Tax refunds due from government - sales tax		(1,315,444)	(1,499,835)
		<u>(6,556,804)</u>	<u>9,827,857</u>

Increase in trade and other payables		4,581,000	4,563,833
Cash generated from operations		<u>1,122,479</u>	<u>19,169,598</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company were as follows:

	Chief Executive		Executives	
	2025	2024	2025	2024
Managerial remuneration	35,617	19,633	530,872	462,872
Retirement benefits	2,822	-	125,360	71,597
Group insurance	10	8	1,234	1,013
House rent and maintenance	2,775	2,896	167,566	140,079
Utilities	-	-	36,329	30,122
Medical	106	13	54,587	40,422
	41,330	22,550	915,948	746,105
Number of persons - Note 39.2	2	1	137	130

39.1 The Company provided furnished accommodation to expatriate employees as part of their employment benefits. Following the acquisition of the Company by PTA Global Holdings Limited, this benefit was discontinued.

39.2 During the year, following the change in ownership and the reconstitution of the Board, Mr. Adnan Afridi was appointed as the Chief Executive Officer effective 12 November 2025, succeeding Mr. Young Dae Kim.

39.3 Fees and allowances paid for board meetings & committees

S. No.	Name of Director	Board and General meetings		Audit Committee meetings		HR & Remuneration Committee meeting	
		2025	2024	2025	2024	2025	2024
1	Mr. Rashid Ibrahim	450	375	300	300	75	75
2	Mr. Khurram Rashid	450	375	300	300	-	-
3	Mr. Shabbir Diwan	375	300	-	-	-	-
		1,275	1,050	600	600	75	75

39.4 An amount of Rs. 187.93 million (2024: Rs. 177.76 million) on account of variable pay (i.e. bonus) has been recognised in these financial statements. This amount is payable in 2026 after verification of target achievements.

Out of variable pay recognised for 2024 and 2023, following payments were made:

	Paid in 2025 relating to 2024	Paid in 2024 relating to 2023
Chief Executive	19,031	4,390
Executives	151,832	164,060
Other employees	15,032	22,744
	185,895	191,194

The Chief Executive and certain executives are provided with a free use of Company maintained cars in accordance with their entitlements.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

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40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement funds. All transactions with related parties are entered into at agreed terms. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship	Nature of Transactions	2025	2024
Associates	Purchase of goods from Lotte Kolson (Private) Limited	830	884
	Purchase of goods - Nova Care (Private) Limited	295	446
	Purchase of services - The Pakistan Business Council	-	2,500
Associates	Sale of goods to Novatex Limited - gross sales	21,116,508	36,187,480
	Sale of goods to Gatron Industries Limited - gross sales	3,844,635	4,252,983
	Sale of goods to Pachem Global (Private) Limited - gross sales	13,176	-
Key management personnel	Salaries and other short term benefits	85,153	58,669
	Retirement benefits	5,042	1,403
Others	Payment to retirement benefit funds	114,352	81,728

40.1 The following are the related parties with whom the Company had entered into transaction or have arrangement / agreement in place:

(i)	Name of the Related Party: Basis of association: Country of incorporation: Shareholding in the Company:	PTA Global Holding Limited Parent Company United Arab Emirates 75.01% (2024: Nil)
(ii)	Name of the Related Party: Basis of association: Country of incorporation: Shareholding in the Company:	Lotte Chemical Corporation* Former Parent Company South Korea Nil (2024: 75.01%)
(iii)	Name of the Related Party: Basis of association: Country of incorporation:	Lotte Kolson (Private) Limited* Former Group Company Pakistan
(iv)	Name of the Related Party: Basis of association: Country of incorporation: Associate shareholding in the Company:	Novatex Limited Associate Company Pakistan 0.1% (2024: 0.3%)
(v)	Name of the Related Parties: Basis of association: Country of incorporation:	Gatron Industries Limited, Nova Care Private Limited & The Pakistan Business Council Associate Company Pakistan
(vi)	Name of the Related Party: Basis of association: Country of incorporation:	Pachem Global (Private) Limited Associate Company Pakistan

Notes to and forming part of the Financial Statements

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(vii)	Names of the Key management personnel (as defined in IAS 24 - Related Party Disclosures)	Mr. Young Dae Kim (Former Chief Executive)* Mr. Adnan Afridi (Chief Executive) Mr. Ashiq Ali (Chief Financial Officer) Mr. Faisal Abid (Company Secretary)
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* Due to the change in ownership and reconstituion of the board, these companies and individual ceased to be related parties of the Company with effect from 12 November 2025. The transactions with these related parties as disclosed above only represent transactions covering the period from 01 January 2025 to 12 November 2025.

41. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency, interest rate and other price risks). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. No changes were made in the risk management framework and capital management of the Company during the year ended 31 December 2025.

41.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any change and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Financial assets and liabilities by category and their respective maturities:

	As at 31 December 2025						Total
	Interest bearing			Non-Interest bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
Financial assets							
Loans*	-	-	-	34,882	254,041	288,923	288,923
Trade debts	-	-	-	6,406,906	-	6,406,906	6,406,906
Deposits**	-	-	-	26,757	25,939	52,696	52,696
Interest accrued	-	-	-	54,686	-	54,686	54,686
Other receivables	-	-	-	4,500	-	4,500	4,500
Short-term investments	1,414,499	-	1,414,499	-	-	-	1,414,499
Cash and bank balances	6,757,574	-	6,757,574	70,777	-	70,777	6,828,351
31 December 2025	8,172,073	-	8,172,073	6,598,508	279,980	6,878,488	15,050,561
Financial liabilities							
Trade and other payables***	-	-	-	11,581,949	-	11,581,949	11,581,949
Accrued interest	-	-	-	427,555	-	427,555	427,555
Short-term financing	800,000	-	800,000	-	-	-	800,000
Unclaimed dividend	-	-	-	69,426	-	69,426	69,426
Lease liability	316,531	-	316,531	-	-	-	316,531
31 December 2025	1,116,531	-	1,116,531	12,078,930	-	12,078,930	13,195,461

Notes to and forming part of the Financial Statements

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Amounts in Rs '000

	As at 31 December 2024						Total
	Interest bearing			Non-Interest bearing			
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
Financial assets							
Loans*	-	-	-	46,371	169,738	216,109	216,109
Trade debts	-	-	-	3,602,907	-	3,602,907	3,602,907
Deposits**	-	-	-	63,244	25,939	89,183	89,183
Interest accrued	-	-	-	99,089	-	99,089	99,089
Other receivables	-	-	-	23,319	-	23,319	23,319
Short-term investments	414,499	-	414,499	-	-	-	414,499
Cash and bank balances	8,756,487	-	8,756,487	76,560	-	76,560	8,833,047
31 December 2024	9,170,986	-	9,170,986	3,911,490	195,677	4,107,167	13,278,153
Financial liabilities							
Trade and other payables***	-	-	-	8,421,018	-	8,421,018	8,421,018
Accrued interest	-	-	-	424,189	-	424,189	424,189
Short-term financing	-	-	-	-	-	-	-
Unclaimed dividend	-	-	-	75,468	-	75,468	75,468
Lease liability	542,777	314,039	856,816	-	-	-	856,816
31 December 2024	542,777	314,039	856,816	8,920,675	-	8,920,675	9,777,491
On Statement of Financial position date gap							
31 December 2025	7,055,542	-	7,055,542	(5,480,422)	279,980	(5,200,442)	1,855,100
31 December 2024	8,628,209	(314,039)	8,314,170	(5,009,185)	195,677	(4,813,508)	3,500,662

Off Statement of Financial position date gap

	2025	2024
Letter of credits / guarantees	4,321,603	4,688,859
Ijarah and service contracts	685,452	1,862,796

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

* Advances that are not financial assets amounting to Rs. 41.40 million (2024: Rs. 21.74 million) are not included.

** Short term prepayments that are not financial assets (short term prepayments and amortisation of loans amounting to Rs. 67.25 million (2024: Rs. 52.31 million) are not included.

*** Trade and other payables that are not financial liabilities (provision for SIDC, provision for GIDC, Captive Gas Tariff rate differential, Workers' Profit Participation Fund, Workers' Welfare Fund, contract liabilities, withholding tax payable amounting to Rs. 7,452.63 million (2024: Rs. 6,205.75 million), Rs. 3,113.74 million (2024: Rs. 3,113.74 million), Rs. 201.80 million (2024: Rs. 201.80 million), Rs. 5.96 million (2024: Nil), Rs. 87.93 million (2024: Rs. 114.85 million), Rs. 2.65 million (2024: Rs. 0.38 million) and Rs. 5.78 million (2024: Rs. 4.71 million) respectively) are not included.

41.2 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers, loans and advances, short-term investments and deposits.

Trade debts and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To reduce exposure to credit risk, substantially all the sales are made against letters of credit. Approximately 41% (2024: 33%) of the Company's revenue is attributable to sales to a single customer. In addition, 32% of the Company's trade debts are also attributable to the same customer, indicating a level of customer-specific concentration. However, geographically, there is no concentration of credit risk.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

The Board has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available.

The maximum exposure to credit risk as at 31 December was:

Financial assets	Note	2025	2024
Loans - secured	7 & 13	288,923	216,109
Trade debts - secured	12	6,406,906	3,602,907
Deposits	8 & 14	52,696	89,183
Interest accrued		54,686	99,089
Other receivables	15	4,500	23,319
Short-term investments	16	1,414,499	414,499
Bank balances	19	6,828,161	8,833,047
		15,050,371	13,278,153
		6,695,829	3,819,016
Secured		8,354,542	9,459,137
Unsecured		15,050,371	13,278,153
		15,050,371	13,278,153
Not past due		15,050,371	13,278,153

The maximum exposure to credit risk for trade debts as at 31 December by geographic region was:

Domestic	6,406,906	3,602,907
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The Company has placed its funds (i.e. term deposits receipts and bank balances) with banks having sound credit ratings. The credit quality of the Company's major balances can be assessed with reference of external credit ratings as follows:

Bank	Rating Agency	Short term rating	Long term rating
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Citibank NA	Fitch ratings	F1	A+
Dubai Islamic Bank limited	VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Bank Limited	VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Industrial & Commercial Bank of China	Fitch ratings	F1+	A
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
Meezan Bank Limited	VIS	A1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank Pakistan Limited	PACRA	A1+	AAA
United Bank Limited	VIS	A1+	AAA

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

41.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

41.4.1 Foreign currency risk

Currency risk arises mainly where receivables and payables exist due to transactions based on currencies other than Pakistani Rupees. The Company is exposed to currency risk on receivables and payables that are in a currency other than Pakistani Rupees.

The currency exposure at the year end was as follows:

	2025			2024		
	GBP	Euro	US\$	GBP	Euro	US\$
Financial liabilities						
Trade payables	(1,280)	(45,535)	(30,827,984)	(15,269)	(83,778)	(24,249,497)
Lease liability	-	-	(1,124,244)	-	-	(3,067,361)
Accrued interest	-	-	(1,518,576)	-	-	(1,518,577)
	<u>(1,280)</u>	<u>(45,535)</u>	<u>(33,470,804)</u>	<u>(15,269)</u>	<u>(83,778)</u>	<u>(28,835,435)</u>
Service contract (off balance sheet)	-	-	(1,581,000)	-	-	(5,727,173)
Financial liabilities						
Trade payables	(485)	(15,048)	(8,679,619)	(5,352)	(24,348)	(6,773,692)
Lease liability	-	-	(316,531)	-	-	(856,816)
Accrued interest	-	-	(427,555)	-	-	(424,189)
	<u>(485)</u>	<u>(15,048)</u>	<u>(9,423,705)</u>	<u>(5,352)</u>	<u>(24,348)</u>	<u>(8,054,697)</u>
Service contract (off balance sheet)	-	-	(445,131)	-	-	(1,599,790)

Significant exchange rates applied during the year were as follows:

	Average rate for the year		Spot rate as at 31 December, 2025	
	2025	2024	2025	2024
PKR / US Dollar	282.13	279.33	281.55	279.33
PKR / Great Britain Pound Sterling	372.90	357.00	378.90	350.51
PKR / Euro	319.17	301.53	330.47	290.63

Sensitivity analysis

Every 1% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the period by Rs. 94.39 million (2024: Rs. 80.84 million). This analysis assumes that all other variables, in particular interest rates, remain constant and the analysis is performed on the same basis as done in prior year.

41.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from bank balances, lease liability, short-term financing and investments in term deposit receipts (TDRs).

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

At the reporting date, the interest rate profile of Company's interest-bearing financial instruments are as follows:

	Note	2025	2024
Fixed rate instruments			
Investment in TDRs	16	1,414,499	414,499
Lease liability	23	316,531	856,816
Short-term financing	25	800,000	-
		<u>2,531,030</u>	<u>1,271,315</u>
Variable rate instruments			
Savings accounts	19	<u>6,757,574</u>	<u>8,756,487</u>

a) Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not have affected the after tax profit of the Company.

b) Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for December 2025.

	Profit or loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
As at 31 December 2025				
Cash flow sensitivity - variable rate instruments	<u>67,576</u>	<u>(67,576)</u>	<u>67,576</u>	<u>(67,576)</u>
As at 31 December 2024				
Cash flow sensitivity - variable rate instruments	<u>87,565</u>	<u>(87,565)</u>	<u>87,565</u>	<u>(87,565)</u>

41.4.3 Reconciliation of movement of liabilities to cash flows arising from Financing Activities

	2025				Total
	Lease liability	Unclaimed dividend	Unpaid dividend	Short-term financing	
Balance as at 01 January 2025	856,816	75,468	-	-	932,284
Changes from financing cash flows					
Payment of lease rentals	(671,469)	-	-	-	(671,469)
Dividend paid	-	(6,042)	-	-	(6,042)
Financing received	-	-	-	800,000	800,000
	<u>(671,469)</u>	<u>(6,042)</u>	<u>-</u>	<u>800,000</u>	<u>122,489</u>
Liability - related other changes					
Interest on lease liability	123,186	-	-	-	123,186
Dividend declared	-	-	-	-	-
Exchange loss	7,998	-	-	-	7,998
Total liability - related other changes	<u>131,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,184</u>
Balance at 31 December 2025	<u>316,531</u>	<u>69,426</u>	<u>-</u>	<u>800,000</u>	<u>1,185,957</u>

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

	2024				Total
	Lease liability	Unclaimed dividend	Unpaid dividend	Short-term financing	
Balance as at 01 January 2024	1,292,330	73,387	4,543,440	1,000,000	6,909,157
Changes from financing cash flows					
Payment of lease rentals	(664,803)	-	-	-	(664,803)
Dividend paid	-	2,081	(6,814,751)	-	(6,812,670)
Financing paid	-	-	-	(1,000,000)	(1,000,000)
	(664,803)	2,081	(6,814,751)	(1,000,000)	(8,477,473)
Liability - related other changes					
Interest on lease liability	203,743	-	-	-	203,743
Dividend declared	-	-	2,271,311	-	2,271,311
Additions due to EVTL modification	37,259	-	-	-	37,259
Exchange gain	(11,713)	-	-	-	(11,713)
Total liability - related other changes	229,289	-	2,271,311	-	2,500,600
Balance at 31 December 2024	856,816	75,468	-	-	932,284

41.4.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investments securities. As at reporting date, the Company is not exposed to other price risk.

42. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal structure to reduce the cost of capital. Capital includes issued capital and reserves.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.

The net debt to equity ratio at 31 December 2025 and 2024 is as follows:

	2025	2024
Total borrowing	800,000	-
Less: cash and cash equivalents	(8,242,850)	(9,247,546)
Net debt	(7,442,850)	(9,247,546)
Total equity	23,532,113	22,413,615

Since the Company has no net debt position as at 31 December, therefore net debt to equity ratio has not been presented.

43. 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

As at 31 December 2025, the estimated fair value of all financial assets and financial liabilities are approximate to their carrying values, as the items are either short term in nature or periodically repriced.

The Company classifies fair value measurements 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:

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

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

43.1 Accounting classifications and fair values of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		2025							
		Carrying amount				Fair value			
Note	Financial assets 'at fair value through other comprehensive income	Financial assets 'at fair value through profit or loss	Financial assets 'at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets - not measured at fair value									
Loans	43.1.1	-	-	288,923	-	288,923	-	-	-
Trade deposits	43.1.1	-	-	52,696	-	52,696	-	-	-
Trade debts	43.1.1	-	-	6,406,906	-	6,406,906	-	-	-
Other receivables	43.1.1	-	-	4,500	-	4,500	-	-	-
Short-term investments - TDRs	43.1.1	-	-	1,414,499	-	1,414,499	-	-	-
Interest accrued	43.1.1	-	-	54,686	-	54,686	-	-	-
Cash and bank balances	43.1.1	-	-	6,828,351	-	6,828,351	-	-	-
		-	-	15,050,561	-	15,050,561	-	-	-
Financial liabilities - not measured at fair value									
Trade and other payables	43.1.1	-	-	-	11,581,949	11,581,949	-	-	-
Accrued interest	43.1.1	-	-	-	427,555	427,555	-	-	-
Short-term financing	43.1.1	-	-	-	800,000	800,000	-	-	-
Unclaimed dividend	43.1.1	-	-	-	69,426	69,426	-	-	-
Lease liability	43.1.1	-	-	-	316,531	316,531	-	-	-
		-	-	-	13,195,461	13,195,461	-	-	-

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

		2024								
		Carrying amount				Fair value				
Note	Financial assets 'at fair value through other comprehensive income	Financial assets 'at fair value through profit or loss	Financial assets 'at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
Financial assets - not measured at fair value										
Loans	43.1.1	-	-	216,109	-	216,109	-	-	-	-
Trade deposits	43.1.1	-	-	89,183	-	89,183	-	-	-	-
Trade debts	43.1.1	-	-	3,602,907	-	3,602,907	-	-	-	-
Other receivables	43.1.1	-	-	23,319	-	23,319	-	-	-	-
Short-term investments - TDRs	43.1.1	-	-	414,499	-	414,499	-	-	-	-
Interest accrued	43.1.1	-	-	99,089	-	99,089	-	-	-	-
Cash and bank balances	43.1.1	-	-	8,833,047	-	8,833,047	-	-	-	-
		-	-	13,278,153	-	13,278,153	-	-	-	-
Financial liabilities - not measured at fair value										
Trade and other payables	43.1.1	-	-	-	8,421,018	8,421,018	-	-	-	-
Accrued interest	43.1.1	-	-	-	424,189	424,189	-	-	-	-
Short-term financing	43.1.1	-	-	-	-	-	-	-	-	-
Unclaimed dividend	43.1.1	-	-	-	75,468	75,468	-	-	-	-
Lease liability	43.1.1	-	-	-	856,816	856,816	-	-	-	-
		-	-	-	9,777,491	9,777,491	-	-	-	-

43.1.1 The Company has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are reasonable approximation of fair value.

44. PROVIDENT AND OTHER CONTRIBUTORY FUNDS RELATED DISCLOSURES

The investments out of provident fund and contributory fund (Gratuity) have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose

		Note	2025	2024
45. SHARIAH COMPLIANCE STATUS DISCLOSURE				
Statement of financial position - Asset side				
1	Bank balances that are Shariah compliant	19	61,347	67,336
Statement of financial position - Liability side				
2	Accrued mark-up on a conventional loan	26	427,555	424,189
Statement of profit or loss				
3	Revenue earned from Shariah-compliant business segment	28	80,906,921	109,299,177
4	Profit earned from Shariah compliant TDRs	33	58,403	149,223
5	Profit earned from conventional TDRs	33	97,964	649,163
6	Exchange loss on actual currency	34	344,552	417,867

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

	Note	Amounts in Rs '000	
		2025	2024
Break-up of Other income excluding TDRs	33		
(i) Shariah compliant income			
Scrap sales		635	47,061
Indenting Commission		3,431	39,678
Reversal of provision against receipts of sales tax refunds		-	13,255
Gain on disposal of property, plant and equipment		2,509	-
Rental income from tower on leasehold land		1,688	1,008
Profit earned from Shariah compliant bank balances		5	-
Liabilities no longer payable written back		-	342
Others		-	1,198
(ii) Shariah non-compliant income			
Income on savings account - conventional		471,056	298,434

45.1 Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Islamic Banks for running finance, letter of guarantees, letter of credit and Ijarah lease for non-commercial vehicle amounting to Rs. 1,000 million, Rs. 1,000 million, Rs. 3,500 million and Rs. 400 million respectively.

Takaful operators

The company has no relationship with takaful operators.

46.	CAPACITY AND PRODUCTION / GENERATION	Note	Annual name plate capacity		Actual production /generation	
			2025	2024	2025	2024
	Pure Terephthalic Acid - in metric tonnes	47.1	506,750	506,750	386,157	424,771
	Electricity - in thousands of Kw	41.2	421,356	421,356	50,722	194,765

46.1 The actual production capacity utilization is 76% of available plant capacity, which is as per the requirements / demand of the Company's product.

46.2 Actual generation of electricity is as per the requirements / demand of the Company. The significant decrease in electricity generation is attributable to the Company's shift from captive power generation to grid-supplied electricity following the imposition of the off-grid levy.

Notes to and forming part of the Financial Statements

For the year ended 31 December 2025

Amounts in Rs '000

47. NUMBER OF EMPLOYEES

	2025	2024
Number of employees at 31 December	<u>213</u>	<u>218</u>
Average number of employees during the year	<u>213</u>	<u>222</u>
Employees working in the factory at 31 December	<u>159</u>	<u>169</u>
Average employees working in the factory during the year	<u>164</u>	<u>174</u>

48. NON ADJUSTING EVENT AFTER REPORTING DATE

48.1 The Board of Directors, in its meeting held on 21 January 2026, declared an interim cash dividend of Rs. 5 per share (50%) for the year ended 31 December 2025, amounting to Rs. 7.57 billion.

49. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on 03 March 2026.



Imtiaz Ahmed
Chairman



Adnan Afridi
Chief Executive



Ashiq Ali
Chief Financial Officer

Glossary / List of Abbreviations

AGM	Annual General Meeting
ATIR	Appellate Tribunal Inland Revenue
BCM	Business Continuity Manager
BCP	Business Continuity Planning
Board	Board of Directors
CDC	Central Depository Company of Pakistan
CE	Chief Executive
CFO	Chief Financial Officer
CIR	Commissioner Inland Revenue
The Company	Lotte Chemical Pakistan Limited
CSR	Corporate Social Responsibility
EFP	Employers' Federation of Pakistan
EPS	Earning Per Share
FBR	Federal Board of Revenue
FTR	Final Tax Regime
GIDC	Gas Infrastructure Development Cess
HR	Human Resource
HSE	Health, Safety and Environment
IAS	International Accounting Standards
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IPT	Invista Performance Technologies
ISO	International Organisation for Standardization
IT	Information Technology
KIBOR	Karachi Interbank Offer Rate
KT	Kilo Ton
LTC	Lost Time Case
MT	Metric Ton
NBV	Net Book Value
NEPRA	National Electric Power Regulatory Authority
NFEH	National Forum for Environment and Health
OHSAS	Occupational Health and Safety Assessment System
OPEC	Organisation of the Petroleum Exporting Countries
PACRA	Pakistan Credit Rating Agency
PET	Polyethylene Terephthalate
PFY	Polyester Filament Yarn
PICG	Pakistan Institute of Corporate Governance
PSF	Polyester Staple Fibre
PSX	Pakistan Stock Exchange
PTA	Pure Terephthalic Acid
PX	Paraxylene
Rs.	Rupees
SECP	Securities and Exchange Commission of Pakistan
SOX	Sarbanes-Oxley Act
SRB	Sindh Revenue Board
SSGC	Sui Southern Gas Company Limited
US\$	United States Dollar
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund
WTI	West Texas Intermediate, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing

Notice of 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting (AGM) of Lotte Chemical Pakistan Limited (“the Company”) will be held on Monday, 20 April 2026 at 11:00 a.m. at the Institute of Chartered Accountants of Pakistan (ICAP) auditorium, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Company’s audited financial statements together with Directors’ and Auditors’ reports for the year ended 31 December 2025.
2. To appoint the Auditors of the Company for the year ending 31 December 2026 and to fix their remuneration. The Board of Directors, on the recommendation of the Board Audit Committee of the Company, has proposed the re-appointment of M/s. A.F. Ferguson & Co. as auditors, for the year ending December 31, 2026.

30 March 2026
Karachi

By Order of the Board
Faisal Abid
Company Secretary

Notes:

1. **Book closure.** The Share Transfer books of the Company will remain closed from Monday, 13 April 2026 to Monday, 20 April 2026 (both days inclusive). Transfers received in order at the office of Company’s Share Registrar, FAMCO Share Registration Services (Pvt) Ltd, 8-F, near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, by the close of business on 10 April 2026, will be treated in time for the purpose of attending the AGM.
2. **Participation in AGM through video-conferencing.** Members interested in attending the AGM virtually are requested to register themselves by providing the following information through email at companysecretary@lottechem.pk at least 48 hours before the time of AGM.

Name of Shareholder	CNIC/ NTN Number	Folio Number / CDC Account No.	Mobile Number	Email Address

Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email. The login facility will remain open from 10:30 a.m till the end of AGM. Members can also share their comments and suggestions on the agenda by email at companysecretary@lottechem.pk

3. A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Meeting. In calculating the aforesaid period, no account shall be taken of any day that is not a working day. Proxy Form may also be downloaded from the Company’s website: www.lottechem.pk

CDC Account Holders will have to follow further undermentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

Notice of 28th Annual General Meeting

a) For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulation, shall authenticate his / her identity by showing his / her original valid Computerised National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

b) For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his / her original valid CNIC or original passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy to the Company.
4. **Access and Transmission of Annual Report 2025.** In compliance with section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated 21 March 2023, the Company has circulated the notice of AGM along with QR enabled code and web link address to view and download the Annual Report 2025 through email to Members whose email addresses are available with the Company's Share Registrar. In cases, where email addresses are not available, printed copies of the notice of AGM containing QR enabled code and web link address have been dispatched.

The Annual Report 2025 of the Company can be accessed through the following web link and QR enabled code.



<https://www.lottechem.pk/financial-documents/>

5. **Unclaimed/Unpaid Dividend and Share Certificates.** As per the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable (list available at Company's website) required to be deposited with SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.

اہم انتظامی و مالیاتی ڈیٹا

ضابطے کے نظام کو جانچنے کے لیے باہر سے انٹرنل آڈٹ کرانے کے لیے میسرز KPMG Taseer Hadi & Co.، چارٹرڈ اکاؤنٹنٹس کی خدمات حاصل کی گئیں جنہیں ان امور کی انجام دہی کے لیے موزوں تصور کیا جاتا ہے اور یہ کمپنی کی پالیسیوں اور عملدرآمد کے امور سے واقف بھی ہوتے ہیں۔

انتظام اور مالیت کی تفصیل سے متعلق کمپنی کی گزشتہ 6 سال پر مبنی اہم معلومات سالانہ رپورٹ کے صفحہ نمبر 68 پر درج کی گئی ہے۔

ہولڈنگ کمپنی

31 دسمبر 2025 کے مطابق PTA گلوبل ہولڈنگ لمیٹڈ، Lotte کیمیکل پاکستان لمیٹڈ میں 75.01 فیصد شیئرز مالک ہے۔

ریٹائرمنٹ فوائڈ میں سرمایہ کاری

ملازمین کے ریٹائرمنٹ فنڈ سے متعلق سرمایہ کاریوں کے آڈٹ شدہ مالیاتی گوشوارے 31 دسمبر 2024 کو ختم شدہ سال کی تفصیل درج ذیل ہے:

(قدر'000 روپے)	
849,391	Lotte کیمیکل پاکستان مینجمنٹ اسٹاف پراویڈنٹ فنڈ
524,822	Lotte کیمیکل پاکستان مینجمنٹ اسٹاف گریجویٹ فنڈ
706,386	Lotte کیمیکل پاکستان مینجمنٹ اسٹاف ڈیفائنڈ کنٹری بوشن سپرائیویشن فنڈ
8,501	Lotte کیمیکل پاکستان نان مینجمنٹ اسٹاف پراویڈنٹ فنڈ
6,356	Lotte کیمیکل پاکستان نان مینجمنٹ اسٹاف گریجویٹ فنڈ

متعلقہ واقعات

کمپنی کے مالی سال کے اختتام یعنی 31 دسمبر 2025 اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

بیرونی آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز A. F. Ferguson & Co. چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر ریٹائرڈ ہوئے ہیں اور اہلیت کی بنیاد پر خود کو دوبارہ انتخاب کے لیے پیش کیا ہے۔ بورڈ نے آڈٹ کمیٹی کی سفارش پر میسرز A. F. Ferguson & Co.، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2026 پر ختم ہونے والے مالی سال کے لیے توثیق کی ہے جس کی آئندہ سالانہ اجلاس عام میں شیئرز ہولڈرز سے منظوری لی جائے گی۔

اظہار تشکر

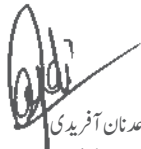
ہم اپنے شیئرز ہولڈرز، کسٹمرز، سپلائرز اور ملازمین کا ان کے مستقل تعاون اور اعتماد پر اظہار تشکر کے طور پر شکریہ ادا کرتے ہیں۔


پیٹرن آف شیئرز ہولڈنگ

کمپنی میں پیٹرن آف شیئرز ہولڈنگ سے متعلق اسٹیٹمنٹ برائے 31 دسمبر 2025 اس سالانہ رپورٹ سے منسلک ہے۔

انٹرنل فنانشل کنٹرولز کا جائزہ

کمپنی کا اپنا ضابطے کا نظام مضبوط ہے اور اس کے موثر ہونے اور نافذ ہونے سے متعلق جانچ جاری رہتی ہے۔ بورڈ، آڈٹ کمیٹی کے ذریعے انٹرنل کنٹرول کا جائزہ اور نگرانی انجام دیتا ہے۔ اندرونی


عدنان آفریدی
چیف ایگزیکٹو


انتیاز احمد
چیئر مین

تاریخ: 03 مارچ 2026
کراچی

دسمبر 2025 کو ختم ہونے والے مالیاتی سال کے دوران جو افراد بورڈ اور کمیٹیوں کے ممبران رہ چکے ہیں ان کے نام درج ذیل ہیں:

ڈائریکٹر کا نام	منتخب ہوئے	مستعفی ہوئے	بورڈ آف ڈائریکٹرز کے اجلاس	آڈٹ کمیٹی کے اجلاس	ایچ آر اینڈ ریگولیشن کمیٹی کے اجلاس
جناب سنگ سوپے		3 فروری 2025	-	-	-
جناب ال کیو کم		3 فروری 2025	-	-	-
جناب کیونگ ہوئی پو		3 فروری 2025	-	-	-
جناب جو بیون کوون	3 فروری 2025	12 نومبر 2025	5	-	1
جناب ینگ ڈے کم		12 نومبر 2025	5	-	1
جناب سیونگ جن پارک	3 فروری 2025	12 نومبر 2025	5	2	-
محترمہ جے سن پارک		12 نومبر 2025	5	-	-
جناب چیو لوسوم	3 فروری 2025	12 نومبر 2025	5	-	-
جناب شمیر دیوان			5	-	-
جناب راشد ابراہیم		12 نومبر 2025	5	4	1
جناب خرم رشید		12 نومبر 2025	5	4	-
جناب امتیاز احمد	12 نومبر 2025		-	-	-
جناب عدنان آفریدی	12 نومبر 2025		-	-	-
جناب محمد ظہور الہی چیمہ	12 نومبر 2025		-	-	-
محترمہ ہمینہ خان	12 نومبر 2025		-	-	-
جناب فیصل احمد صدیقی	12 نومبر 2025		-	-	-
جناب عثمان اصغر خان	12 نومبر 2025		-	-	-
جناب شاہد الحسن چٹھہ	12 نومبر 2025		-	-	-

ان ممبران کی غیر حاضری کی درخواست منظوری کی گئی جو بورڈ میٹنگ میں شرکت نہ کر سکے۔
دوران سال بورڈ آف ڈائریکٹرز کی پانچ، آڈٹ کمیٹی کی چار، ایچ آر اینڈ ریگولیشن کمیٹی کی ایک میٹنگ منعقد ہوئی۔ تمام بورڈ میٹنگز پاکستان میں منعقد کی گئیں۔

بورڈ کی کارکردگی کا جائزہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کے تحت درکار تقاضوں کے مطابق، لوٹے کیمیکل پاکستان لمیٹڈ کے بورڈ، اس کے اراکین اور اس کی کمیٹیوں کی کارکردگی کا جائزہ مالی سال 31 دسمبر 2025، کے لیے اندرون خانہ مکمل کیا گیا۔

ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کے بورڈ نے نان ایگزیکٹو ڈائریکٹرز (اکثریتی شیئر ہولڈر کے نامزد کردہ ڈائریکٹرز کے علاوہ) کا معاوضہ بورڈ اجلاسوں، اس کی کمیٹیوں اور اجلاس عام میں حاضری کے حوالے سے منظور کیا ہے۔ پالیسی میں کمپنی بورڈ کے اجلاسوں اور کمیٹیوں میں شرکت پر ہونے والے مناسب اخراجات ادا کرنے کی سہولت بھی دی گئی ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کے مشاہرے کی تفصیلات پر مبنی اسٹیٹمنٹ مالیاتی گوشواروں کے نوٹ نمبر 39 پر ملاحظہ کریں۔

کارپوریٹ گورننس

پرنسپل سرگرمیاں

ڈائریکٹرز درج ذیل امور بیان کرتے ہوئے خوش ہیں:

- انتظامیہ کی جانب سے تیار کردہ کمپنی کے مالیاتی گوشوارے، کمپنی کے معاملات، آپریشن کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کی شفاف صورتحال پیش کر رہے ہیں۔
- کمپنی کی جانب سے باقاعدہ طور پر اکاؤنٹس کی بکس برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں اور اکاؤنٹنگ تخمینے کی تیاری مناسب اور محتاط انداز کی بنیاد پر متعلقہ اکاؤنٹنگ پالیسیوں کے تحت کی گئی ہے۔
- مالیاتی گوشواروں کی تیاری پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ کے معیار کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔
- انٹرنل کنٹرول کا نظام بہترین ہے اور اس پر موثر انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں۔
- کارپوریٹ گورننس پر موثر انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔

کمپنی PTA کی پیداوار اور فروخت کے کام میں مصروف ہے۔ مالیاتی سال کے دوران کمپنی کی اصل سرگرمیوں میں کسی طرح کی کوئی تبدیلی واقع نہیں ہوئی۔

رسک مینجمنٹ

آڈٹ کمیٹی کی طرف سے کمپنی کے رسک مینجمنٹ انتظام کی نگرانی اور رسک مینجمنٹ فریم ورک کی فعالیت کا جائزہ لیا جاتا ہے۔ بورڈ خطرات کے انتظام اور انٹرنل کنٹرول کے ضوابط کا مکمل ذمہ دار ہے۔ کمپنی کے درج شدہ اور مستقل بنیادوں پر زیر جائزہ رہنے والے ضوابط اس انداز سے مرتب کردہ ہیں کہ ہمارے اثاثہ جات اور کاروبار کو درپیش خطرات پر قابو پایا جاسکے، اور اس طرح وقت پر پور ڈاور اعلیٰ انتظامیہ کو رپورٹ دینا بھی یقینی بنایا جائے۔ ادارے کے ڈھانچے سے متعلق ایک شفاف نظام کے ساتھ حکام کی ذمہ داریاں واضح کردہ ہیں اور اعلیٰ انتظامیہ روزمرہ کی بنیاد پر ان طریقہ کاروں، خطرات سے آگہی کے نظام اور کنٹرولز کے موثر ہونے کی ذمہ دار ہے۔

کمپنی کو درپیش ممکنہ خطرات کی تفصیلات اور غیر یقینی کے پیش نظر اٹھائے جانے والے اقدامات سے متعلق بیانیہ سالانہ رپورٹ کے صفحہ نمبر 29 پر ملاحظہ کریں۔

بورڈ کی تشکیل

ڈائریکٹرز کی کل تعداد اور بورڈ کی تشکیل درج ذیل ہے:

بورڈ کی تشکیل	تعداد
آزاد ڈائریکٹرز	2
نان ایگزیکٹو ڈائریکٹرز	4
ایگزیکٹو ڈائریکٹرز	1
خاتون ڈائریکٹر	1

ڈائریکٹرز کی کل تعداد	تعداد
مرد	7
خواتین	1
مجموعی	8

بورڈ کی کمیٹیاں

بورڈ کمیٹیوں کے ممبرز کے نام درج ذیل ہیں

ایچ آر اینڈ ریسیوریشن کمیٹی	ممبر
جناب شاہد الحسن چٹھہ	چیئر مین
جناب محمد ظہور الہی چیمہ	ممبر
جناب فیصل احمد صدیقی	ممبر
جناب عدنان آفریدی	ممبر

آڈٹ کمیٹی	ممبر
جناب عثمان اصغر خان	چیئر مین
جناب محمد ظہور الہی چیمہ	ممبر
جناب فیصل احمد صدیقی	ممبر
جناب شاہد الحسن چٹھہ	ممبر

کمپنی کی خاص توجہ صنفی توازن کو حاصل کرنے پر ہے، خاص طور پر بیٹری و کیمیکل صنعت میں، جہاں خواتین کی تاریخی طور پر کم نمائندگی ہوتی ہے۔ آپ کی کمپنی ایک جامع اور معاون ماحول بنانے کے لیے وقف ہے جو خواتین کو LCPL افرادی قوت میں شامل ہونے اور ترقی کی منازل طے کرنے کی ترغیب دیتی ہے۔

آپ کی کمپنی کی بھرتی کا عمل منصفانہ اور غیر جانبدارانہ ہونے کے لیے ڈیزائن کیا گیا ہے، جس کا مقصد تخلیقی مفکرین اور اختراع کاروں کو اپنی طرف متوجہ کرنا ہے جو نئے خیالات اور غیر روایتی نقطہ نظر لاتے ہیں۔ آپ کی کمپنی ایسے افراد کی تلاش کرتی ہے جو موافقت پذیر ہوں، ملٹی ٹاسکنگ میں ماہر ہوں، اور مسلسل بہتری کے لیے پرجوش ہوں۔ یہ خصوصیات کمپنی کی کامیابی کے لیے بنیادی ہیں اور کاروبار کو آگے بڑھانے کے لیے ضروری ہیں۔

تنوع اور مساوی مواقع کو فروغ دینے کے لیے، آپ کی کمپنی اسٹریٹیجک افرادی قوت کی منصوبہ بندی کو نافذ کرتی ہے اور ایسے پروگرام اور پالیسیاں تیار کرتی ہے جو شمولیت کی حوصلہ افزائی کرتی ہیں۔ آپ کی کمپنی کو عزت، رواداری اور تعاون پر مبنی کام کی جگہ کی ثقافت پر دان چڑھانے پر فخر ہے، اس بات کو یقینی بناتے ہوئے کہ ہر ملازم قابل قدر اور باختیار محسوس کرے۔

کاروباری سماجی بہبود (CSR) کے اقدامات

ایک سماجی طور پر ذمہ دار کارپوریٹ ادارے کے طور پر، آپ کی کمپنی ان کمیونٹی کی فلاح و بہبود، بہتری اور پائیدار ترقی کے لیے پوری طرح پرعزم ہے جن کی یہ خدمت کرتی ہے۔ سماجی ترقی پر کارپوریٹ اقدامات کے گہرے اثرات کو تسلیم کرتے ہوئے، کمپنی نے صحت اور تعلیم کو ترجیحی شعبوں کے طور پر نامزد کیا ہے جہاں مسلسل اور با معنی معاونت کی ضرورت ہے۔ معتبر فلاحی اداروں کے ساتھ اسٹریٹیجک شراکت داری اور کمیونٹی کی سطح پر کیے جانے والے اقدامات کے ذریعے، آپ کی کمپنی ان اہم شعبوں میں پسماندہ آبادیوں سے تعاون اور انہیں باختیار بنانا جاری رکھے ہوئے ہے۔

اپنے CSR کے دائرہ کار کو مزید منظم، مستحکم اور وسیع کرنے کے لیے کمپنی نے Lotte پاکستان فاؤنڈیشن (LPF) قائم کی ہے۔ LPF موثر سماجی ترقی کے پروگراموں کو ڈیزائن اور لاگو کرنے کے لیے ایک مخصوص پلیٹ فارم کے طور پر کام کرتی ہے، جس سے کمپنی مقامی کمیونٹی کو طویل مدتی قدر اور اثر والے فوائد فراہم کرنے کے قابل ہوتی ہے۔ یہ فاؤنڈیشن ذمہ دارانہ کاروباری طریقوں اور پائیدار کمیونٹی کی ترقی کے لیے کمپنی کے پائیدار عزم کی عکاسی کرتی ہے۔

سال 2025 کے دوران کمپنی کی جانب سے کیے گئے CSR اقدامات پر مشتمل جامع رپورٹ سالانہ رپورٹ کے صفحہ نمبر 65 پر پیش کی گئی ہے۔

آپ کی کمپنی اپنے ملازمین کی تربیت اور صلاحیتوں میں اضافے کے کلچر کو بہتر طریقے سے فروغ دیتی ہے اور ہر وقت حفاظت کو یقینی بنانے کے لیے جدید ترین آلات اور تکنیکوں میں سرمایہ کاری کرتی ہے۔ سال کے دوران قواعد و ضوابط اور معیارات پر عمل کی تصدیق کے لیے اندرونی اور بیرونی آڈٹ کیے گئے۔ ان آڈٹس میں کسی بڑے مسئلے کی نشاندہی نہیں کی گئی۔ اس کے علاوہ، کمپنی کا لیکوئڈ ایبلوینٹ قومی ماحولیاتی معیار کے مطابق رہا اور گیسز کا اخراج بھی قانونی حدود کے اندر رہا۔

سال 2025 میں HSE کی کارکردگی اور ترقی سے متعلق تفصیلی رپورٹ سالانہ رپورٹ کے صفحہ نمبر 56 پر دستیاب ہے۔

ہیومن ریسورسز

Lotte کیمیکل پاکستان لمیٹڈ (LCPL) ملازمین کی شمولیت، شراکتی عمل اور باہمی تعاون پر مبنی کلچر کو فروغ دینے کے اپنے عزم پر ثابت قدم ہے۔ کمپنی کا ماننا ہے کہ با مقصد کام، ملازمین کا احترام اور ٹیم ورک کی حوصلہ افزائی ادارے کی کامیابی کے بنیادی ستون ہیں۔ ایک دوراندیش ادارے کے طور پر، LCPL تسلیم کرتی ہے کہ مارکیٹ میں برتری برقرار رکھنے کے لیے تمام شعبوں میں اعلیٰ درجے کے ٹیلنٹ کو راغب کرنا، انہیں ساتھ رکھنا اور ان کی پیشہ ورانہ ترقی جاری رکھنا ضروری ہے۔ یہی توجہ کمپنی کی ہیومن ریسورس حکمت عملی کی رہنمائی کرتی ہے۔

ملازمت کے مساوی مواقع فراہم کرنے کے حوالے سے LCPL کا عزم غیر متزلزل ہے۔ کمپنی نہ صرف تمام مرد و عورتوں کو شمولیت کی تعمیل کرتی ہے بلکہ صنعتی تعلقات میں صنعت کے طے شدہ شیڈ مارکس سے بھی آگے بڑھنے کی کوشش کرتی ہے۔ ایسا کر کے، LCPL اپنے ملازمین کے لیے ایک پیداواری، مثبت اور معاون ماحول کو یقینی بناتی ہے۔ سال 2025 کے دوران، کمپنی نے انتظامی عمل کو مزید سادہ بناتے ہوئے آپریشنل کارکردگی میں اضافے، جو اب بھی کے نظام کو مستحکم کرنے اور اندرونی و بیرونی صارفین کو خدمات کی فراہمی میں بہتری کے ذریعے ایچ آر (HR) کے اعلیٰ معیار برقرار رکھے۔

ہیومن ریسورسز کی کارکردگی اور بہتری سے متعلق تفصیلی رپورٹ برائے سال 2025 کے لیے سالانہ رپورٹ کا صفحہ نمبر 60 ملاحظہ کریں۔

تنوع، مساوات اور شمولیت (DE&I)

تنوع، مساوات، اور شمولیت آپ کے کارپوریٹ فلسفے کے لیے لازم و ملزوم ہیں۔ LCPL اپنی تمام شکلوں میں تنوع کا جشن مناتا ہے۔ صنف، نسل، عقائد، مہارت، اور زندگی کے تجربات کیونکہ آپ کی کمپنی کا خیال ہے کہ متنوع افرادی قوت جدت اور ترقی کے لیے ایک ذریعہ ہے۔ وسیع تناظر اور تجربات کو اپناتے ہوئے، آپ کی کمپنی کارپوریٹ سماجی ذمہ داری (CSR) کے اقدامات کو مضبوط بنانے کے ساتھ ساتھ صارفین، سپلائرز اور کمیونٹی کی ضروریات کے بارے میں گہری نظر رکھتی ہے۔

ڈیویڈنڈ

سال کے دوران، بورڈ آف ڈائریکٹرز کا 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے منظور کردہ 5 روپے فی عمومی شیئر (50 فیصد) پر عبوری ڈیویڈنڈ کمپنی کے شیئر ہولڈرز کو ادا کیا گیا۔

Sustainability

پائیداری (Sustainability) Lotte کیمیکل پاکستان لمیٹڈ کے کارپوریٹ فلسفے اور اسٹریٹجک سمت کا ایک بنیادی جزو ہے۔ کمپنی ریگولیٹری اور ماحولیاتی چیلنجوں کو اہم خطرات کے طور پر تسلیم کرتی ہے، اور ساتھ ہی پائیدار وجود پیدا کرنے کی بڑھتی ہوئی طلب میں نمایاں مواقع کی نشاندہی بھی کرتی ہے۔

بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ ٹیم ابھرتے ہوئے پائیداری کے خطرات کی نگرانی اور موثر پالیسیوں، طریقہ کار اور گورننس فریم ورک کے ذریعے ان کے حل کے لیے پرعزم ہے۔ LCPL آپریشنل لاگت میں بچت، وسائل کے ذمہ دارانہ استعمال، اور ملازمین و کمیونٹیز کے ساتھ فعال روابط کے ذریعے اپنے پائیدار اثرات کو مستحکم کرنا جاری رکھے ہوئے ہے۔ ماحولیاتی تحفظ کمپنی کی اولین ترجیح ہے۔

پورے سال کے دوران، LCPL نے توانائی اور پانی کی بچت، وسائل کی بہتری، فضلے میں کمی، حیاتیاتی تنوع (Biodiversity)، کمیونٹی کی ترقی، اور اخراج (Emissions) کے انتظام پر مرکوز اقدامات کو جاری رکھا۔

کمپنی اپنے ماحولیاتی اثرات اور کاربن فوٹ پرنٹ کو کم کرنے کے لیے پرعزم ہے۔ LCPL مائع فضلے کی صفائی اور ویسٹ مینجمنٹ کے لیے جدید ترین ڈیپ شافٹ میکانولوجی ایپلوٹمنٹ ٹریٹمنٹ پلانٹ (ETP) اور اینٹیرویک ری ایکٹر چلاتی ہے۔ ISO 14001 سرٹیفائیڈ ادارہ کے طور پر، LCPL ذمہ دارانہ ماحولیاتی طریقوں اور وسائل کے تحفظ میں مسلسل بہتری کے لیے پرعزم ہے۔

پائیداری سے متعلق اقدامات پر ایک رپورٹ سالانہ رپورٹ کے صفحہ 49 پر دستیاب ہے۔

صحت، حفاظت اور ماحولیات (HSE)

Lotte کیمیکل اپنے ملازمین کے ساتھ ساتھ کنٹریکٹرز اسٹاف کے لیے بھی حفاظت کے اعلیٰ ترین معیار برقرار رکھنے کا سلسلہ جاری رکھے ہوئے ہے۔ یہ اس بات کو یقینی بناتا ہے کہ HSE (صحت، حفاظت اور ماحول) کو ایک بنیادی قدر کے طور پر اپنایا جائے اور کام کی جگہ کو محفوظ بنانے کے لیے مسلسل جدوجہد کی جائے۔ اس کا منہ بولتا ثبوت 25 سال سے زائد کے عرصے پر محیط وہ شاندار ریکارڈ ہے جس کے دوران کوئی قابل ذکر واقعہ بھی پیش نہیں آیا۔ ڈائریکٹرز فخر کے ساتھ یہ رپورٹ پیش کر رہے ہیں کہ آپ کی کمپنی نے HSE پر اپنی بھرپور توجہ برقرار رکھی اور 31 دسمبر 2025 تک اپنے یا کنٹریکٹ ملازمین کو کسی بھی چوٹ سے محفوظ رکھتے ہوئے 74.6 ملین میں آؤرز مکمل کرنے کا اہم سنگ میل عبور کیا۔

مقامی پولیسٹر کی سرگرمیوں میں اگلے سال کے دوران بہتری کی توقع ہے، جسے مہنگائی میں کمی اور اسٹیٹ بینک آف پاکستان کی پالیسیوں کے نتیجے میں شرح سود میں مسلسل کمی سے سہارا ملے گا۔ ان تبدیلیوں نے کاروباری اعتماد کو مضبوط کیا ہے اور معاشی بہتری کی توقعات کو بڑھایا ہے۔ مزید برآں، بجلی کی قیمتوں کو کم کرنے کی حکومتی کوششیں اور سستی ڈمیڈ درآمدات کے خلاف سخت کارروائی سے مقامی پیداوار کو تقویت ملے گی۔ 2026 کے آغاز میں China سے PTA کی درآمد پر اسٹیٹ ڈمپنگ ڈیوٹی کا نفاذ بھی مقامی مصنوعات کی طلب میں اضافے کا باعث بنے گا۔

مالیاتی کارکردگی

نفع شدہ سال 31 دسمبر		(روپے بلین میں)
2024	2025	
109,299	80,907	آمدنی
5,186	3,076	مجموعی منافع
4,323	1,838	منافع قبل از ٹیکس
(1,681)	(719)	ٹیکسیشن
2,643	1,119	منافع بعد از ٹیکس
1.75	0.74	ہر ایک شیئر پر منافع (روپے میں)

سال کے دوران 80,907 ملین روپے کی آمدنی گزشتہ سال کے 109,299 ملین روپے کے مقابلے میں 26 فیصد کم رہی، جس کی بنیادی وجہ فروخت کے حجم میں کمی ہے۔ اس کے نتیجے میں، اس سال کا گراس پرافٹ 3,076 ملین روپے رہا، جبکہ گزشتہ سال یہ 5,186 ملین روپے تھا۔ ڈسٹری بیوشن اور فروخت کے اخراجات گزشتہ سال کے مقابلے میں 10 فیصد کم رہے، جس کی وجہ 2024 کی تیسری سہ ماہی میں ہونے والی برآمدی فروخت تھی جس کے ہینڈلنگ چارجز کمپنی نے برداشت کیے تھے۔ انتظامی اور عمومی اخراجات مہنگائی کے مجموعی اثرات کی وجہ سے گزشتہ سال کے مقابلے میں 10 فیصد زیادہ رہے۔

دیگر آپریٹنگ اخراجات گزشتہ سال سے کم رہے، جس کی بڑی وجہ کم منافع کے باعث ورکرز پرائٹ پارٹنریسیشن اور ورکرز ویلفیئر فنڈز کے لیے کم رقم کی فراہمی ہے۔ بینک ڈپازٹس پر کم آمدنی کی وجہ سے اس سال کی دیگر آمدنی بھی گزشتہ سال سے کم رہی۔ سال کے لیے ٹیکس کا تخمینہ انکم ٹیکس کی شرح، فاسٹ ٹیکس رجیم (FTR) کے تحت ٹیکس اور سپر ٹیکس کی بنیاد پر لگایا گیا ہے، جس میں ڈیفریڈ ٹیکس اکاؤنٹ کی تبدیلیوں کو بھی شامل کیا گیا ہے۔

سال کے لیے فی شیئر آمدنی (EPS) 0.74 روپے رہی، جو گزشتہ سال 1.75 روپے تھی۔

PTA انڈسٹری

ماحول پیدا ہو گیا۔ مزید برآں، ملک کے بالائی علاقوں میں سول نافرمانی اور بد امنی کی وجہ سے لاجسٹک نظام میں تعطل نے صنعتی آپریشنز کو بری طرح متاثر کیا، جس سے پروڈیوسرز اپنے کام کو محدود کرنے پر مجبور ہوئے۔ سال کے آخری حصے میں، بہتر میکرو اکنامک استحکام اور ٹیکسٹائل کے ساتھ PET کے عروج کے سیزن کی وجہ سے آپریٹنگ حالات میں بہتری کے آثار نظر آئے۔ اس کے باوجود، شدید سیلاب کی وجہ سے پیدا ہونے والے عارضی آپریشنل تعطل، توانائی کے اخراجات، غیر یقینی اور سستی درآمدات کی مسلسل آمد نے طلب کی مکمل بحالی کی راہ میں رکاوٹیں کھڑی کیں۔ جس کے نتیجے میں سال 2025 کے لیے اوسط آپریٹنگ ریٹ 65 فیصد رہا، جبکہ گزشتہ سال یہ 69 فیصد تھا۔

آپریٹیشنز

سال کے دوران سیلز کا حجم 380,245 ٹن رہا جو سستی درآمدات کے مقابلے میں مقامی مصنوعات کی طلب میں کمی کی وجہ سے گزشتہ سال کے مقابلے میں 16 فیصد کم ہے۔

اس سال پیداوار 386,157 ٹن رہی، ہے جو فروخت اور اس کے نتیجے میں پلانٹ کے آپریٹنگ ریٹ میں کمی کی وجہ سے گزشتہ سال کے مقابلے میں 9 فیصد کم ہے۔

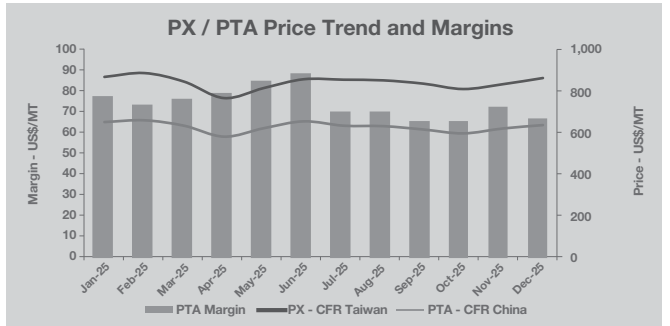
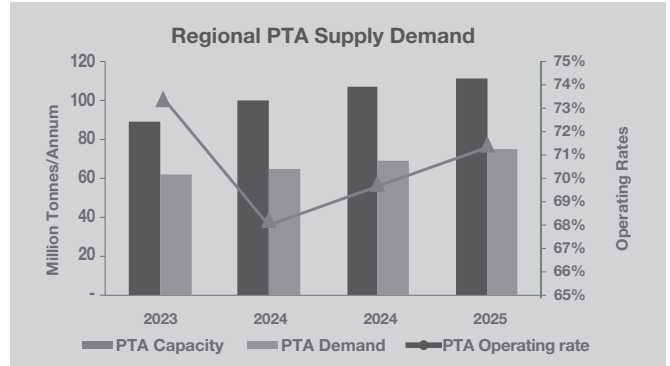
کمپنی نے مسلسل اور قابل اعتماد آپریٹیشنز برقرار رکھنے اور پلانٹ کی کارکردگی کو بہتر بنانے کے لیے اپنی پروڈکشن کی سہولیات میں سرمایہ کاری جاری رکھی۔

مستقبل کا جائزہ

حالیہ مدت میں کروڈ آئل (WTI) کی قیمتوں میں اضافے کا امکان ہے، جس کی وجہ مختلف ممالک کے خلاف امریکہ کے جارحانہ اقدامات سے پیدا ہونے والی غیر یقینی صورتحال ہے۔ مزید برآں، مشرق وسطیٰ میں جاری جغرافیائی سیاسی تناؤ قیمتوں کو سہارا دے سکتا ہے۔ تاہم، اسٹریٹجک اور سپلائی اور عالمی معاشی ترقی میں کمی کی پیش گوئیاں دوبارہ اہم عوامل کے طور پر سامنے آسکتی ہیں، جو ان عارضی اثرات کے کم ہوتے ہی قیمتوں کے رخ کا تعین کریں گی۔

پیرازاٹکس (PX) کی قیمتیں اپ اسٹریٹجی کو اتارنے کی مارکیٹوں کے مطابق رہنے کی توقع ہے اور اگلے سال تک گیسولین مارجنز کے مضبوط رہنے کا امکان ہے۔ مشرق وسطیٰ کے تنازع تنازع پیرازاٹکس کی سپلائی کے لیے خطرہ بنے رہیں گے کیونکہ اس خطے کے پروڈیوسرز سپلائی چین کے خطرات کم کرنے کے لیے اپنی پروڈکشن کارخ دیگر مارکیٹوں کی طرف موڑ سکتے ہیں۔ 2026 میں PX کی پیداواری صلاحیت میں کسی اضافے کی عدم امکان اور ترکی و بھارت میں نئے PTA پلانٹس کی وجہ سے طلب میں اضافے کے پیش نظر، PX کی فوری دستیابی میں کمی متوقع ہے۔ PTA مارکیٹ بنیادی طور پر اپ اسٹریٹجی PX مارکیٹ کے رجحان پر چلے گی، تاہم مارکیٹ میں مال کی بہت زیادہ سپلائی پروڈیوسرز کو آپریٹیشنز کم کرنے پر مجبور کر سکتی ہے۔ PTA اور ڈاؤن اسٹریٹجی پونٹیمپٹر انڈسٹری میں لاگت کے دباؤ اور اسٹاک کے ناگزیر اضافے کو مد نظر رکھتے ہوئے، China سے باہر کے پروڈیوسرز کو اپنی طویل مدتی حکمت عملیوں پر نظر ثانی کرنا پڑ سکتی ہے۔ اس کی وجہ یہ ہے کہ China PTA نے ایک بار پھر ایشیا کی سب سے بڑی مارکیٹ بھارت میں جگہ بنالی ہے، جس نے PTA کی درآمدات کے لیے لازمی BIS سرٹیفیکیشن کی شرط ختم کر دی ہے۔

سال 2025 کے دوران PTA کی قیمتوں نے مجموعی طور پر اپ اسٹریٹجی PX مارکیٹ کے رجحانات کی پیروی کی۔ سال کا آغاز نسبتاً مضبوط رہا کیونکہ Lunar New Year کے بعد اسٹاک کی دوبارہ خریداری سے مارکیٹ میں مال کی دستیابی کم ہو گئی تھی۔ یہ ابتدائی مضبوطی اس وقت کم ہوئی جب نئی پیداواری صلاحیتوں نے کام شروع کیا اور پروڈیوسرز نے کارکردگی بڑھانے کے لیے پیداواری شرح کو بلند رکھا، جس کے نتیجے میں مارکیٹ میں مال کی بہت زیادہ اور سپلائی ہو گئی اور قیمتوں پر گراؤ کا دباؤ بڑھ گیا۔ سال گزرنے کے ساتھ، عارضی سہارا اس وقت ملا جب پروڈیوسرز نے پیداوار میں کمی کی اور ٹیکسٹائل و PET کی طلب کے عروج کے سیزن میں خریداری میں بہتری آئی، جس سے اسٹاک میں معمولی کمی واقع ہوئی۔ تاہم، یہ تیزی مختصر مدت کے لیے ثابت ہوئی کیونکہ صارفین کی گرتی ہوئی طلب اور بڑھتی ہوئی تجارتی کشیدگی نے پروڈیوسرز کو پورے شعبے میں محتاط رہنے کی کوششوں پر مجبور کر دیا۔ سال کے اختتام پر، نئی صلاحیتوں کے اضافے اور PX-PTA مارجن میں کمی نے چینی پروڈیوسرز اور حکومتی اہلکاروں کو مشترکہ مداخلت پر آمادہ کیا تاکہ سپلائی کی زیادتی کے خدشات کو دور کیا جاسکے، جس نے مارکیٹ کی گرتی ہوئی قیمتوں کو سہارا دیا۔ اس بحالی کو اپ اسٹریٹجی PX مارکیٹ کی سخت صورتحال سے مزید تقویت ملی، جس نے لاگت کا سہارا فراہم کیا اور سال کے اختتام تک PTA کی قیمتوں کو اوپر لانے میں مدد دی۔ سال کے لیے PTA کی اوسط قیمت 624 امریکی ڈالر فی میٹرک ٹن رہی، جبکہ PX پر اوسط PTA مارجن 74 ڈالر فی ٹن رہا، جو گزشتہ سال 85 ڈالر فی ٹن تھا۔



مقامی اسٹریٹجی انڈسٹری

سال 2025 میں مقامی پولیمر انڈسٹری ترقی کے مواقع اور مسلسل چیلنجز کے امتزاج سے گزری۔ سال کا آغاز مثبت رہا، جہاں رمضان کے تہوار سے قبل ٹیکسٹائل اور PET سیکٹرز کی جانب سے خریداری میں اضافے کے باعث پہلی ششماہی میں طلب مضبوط رہی۔ تاہم، سال کے وسط تک فنانس بل سے غیر یقینی صورتحال کے باعث یہ تیزی برقرار نہ رہ سکی اور صنعت میں محتاط آپریٹنگ

ڈائریکٹرز کا جائزہ

برائے ختم شدہ سال 31 دسمبر 2025

ڈائریکٹرز 31 دسمبر 2025 کو ختم شدہ سال کے لئے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے بشمول اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

بورڈ میں تبدیلیاں

12 نومبر 2025 سے، PTA گلوبل ہولڈنگ لمیٹڈ جو کہ ایشیا پاک انویسٹمنٹ لمیٹڈ (BVI) اور مونٹیج کموڈٹیز FZCO (UAE) کی مشترکہ ملکیت نے Lotte کیمیکل کارپوریشن، جنوبی کوریا سے کمپنی کے 1,135,860,105 عمومی شیئرز (جو کمپنی کے کل جاری کردہ اور ادا شدہ شیئرز کیپٹل کا تقریباً 75.01 فیصد بنتے ہیں) کی خریداری کا عمل مکمل کر لیا ہے۔

نتیجتاً، جناب جو ہیون کو اون، جناب بیگ ڈے کم، جناب سیونگ جن پارک، محترمہ جے سن پارک، جناب چیولسو کم، جناب راشد ابراہیم اور جناب خرم راشد نے 12 نومبر 2025 کو استعفیٰ دے دیا اور جناب امتیاز احمد، جناب عدنان آفریدی، جناب محمد ظہور الہی چیمہ، محترمہ ہیمینہ خان، جناب فیصل احمد صدیقی، جناب عثمان اصغر خان اور جناب شاہد الحسن چٹھہ کو اسی دن سے ڈائریکٹرز کے طور پر مقرر کیا گیا تاکہ وہ 22 جون 2026 کو ختم ہونے والی بقیہ مدت کے لیے خالی ہونے والی اسامیاں پر کی جاسکیں۔

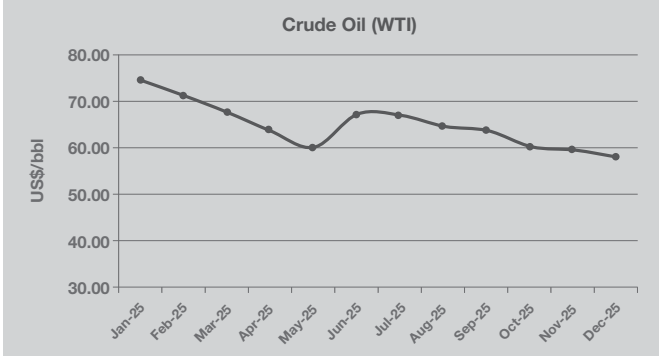
اور اس کے بعد، جناب امتیاز احمد کو چیئرمین اور جناب عدنان آفریدی کو کمپنی کا چیف ایگزیکٹو فوری طور پر یعنی 12 نومبر 2025 سے مقرر کر دیا گیا ہے۔

کاروباری جائزہ

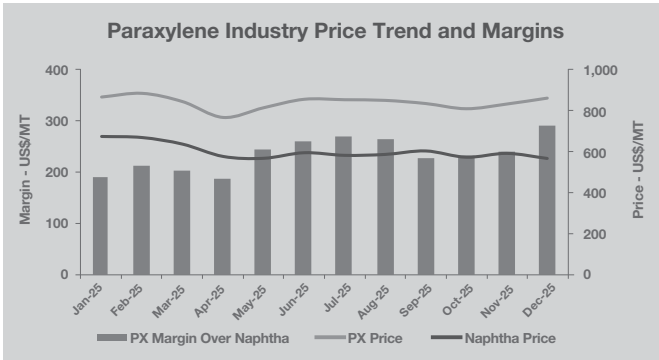
کروڈ آئل

سال 2025 کے دوران خام تیل (WTI) کی قیمتوں میں نمایاں اتار چڑھاؤ دیکھا گیا۔ سال کا آغاز مضبوط بنیادوں پر ہوا، جس کی وجہ شمالی نصف کرہ میں سردیوں میں طلب میں اضافہ اور مغربی مارکیٹوں کے مستحکم معاشی اشاریوں سے پیدا ہونے والے مثبت رجحانات تھے۔ تاہم، کروڈ آئل کی قیمتوں میں اس وقت کمی آئی جب اوپیک پلس نے پیداواری کٹوتیوں کو ختم کرنے کے منصوبوں کی تصدیق کی اور امریکہ کی جانب سے لگائے گئے نئے ٹیرف کے باعث عالمی طلب کے حوالے سے منفی اثرات مرتب ہوئے۔ سال کے وسط میں مشرق وسطیٰ اور یورپ میں بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کی وجہ سے قیمتوں کو مختصر وقت کے لیے سہارا ملا، جہاں آبنائے ہرمز کے گرد خطرات نے عارضی طور پر قیمتوں میں اضافہ کیا۔ تاہم، یہ بحالی مختصر مدت کے لیے ثابت ہوئی۔ سال کے دوسرے حصے میں، عالمی طلب میں مسلسل کمی اور اوپیک پلس کی کٹوتیوں میں بتدریج نرمی نے مارکیٹ میں سپلائی میں اضافہ کیا، جس سے قیمتوں پر گراؤ کا دباؤ بڑھ گیا۔ جغرافیائی سیاسی خطرات اور روس و ایران پر پابندیوں نے وقفے وقفے سے قیمتوں کو سہارا دینے رکھا۔

سال کے اختتام پر، بڑی معیشتوں میں کمزور میکرو اکنامک اشاریوں اور تیل کی سپلائی میں نمایاں کمی کی عدم موجودگی نے قیمتوں میں بڑے اضافے کو روک رکھا۔ مارکیٹ میں مندی کے رجحان کے برقرار رہنے کی وجہ سے خام تیل کی قیمتیں سال کے آخر میں دبی رہیں، جو کم طلب اور سپلائی کے مستحکم بنیادوں کی توقعات کے عین مطابق تھیں۔ سال کے اختتام تک خام تیل کی قیمتیں اوسطاً 64.74 امریکی ڈالر فی بیرل رہیں، جو کہ گزشتہ سال کے مقابلے میں 14.4 فیصد کم ہیں۔



پیرازائلین (PX) انڈسٹری



پیرازائلین (PX) کی مارکیٹ کا آغاز سال کے شروع میں تیزی کے ساتھ ہوا، جو کہ ٹوانائی کی اپ اسٹریم مارکیٹوں میں مندی دیکھی گئی۔ سپلائی میں معمولی اضافے کے باوجود، منصوبہ کے بغیر تعطل اور طے شدہ ٹران اور اونڈز کی وجہ سے فوری دستیابی میں عارضی کمی واقع ہوئی، جسے Pre-Lunar Year سے قبل ڈاؤن اسٹریم سیلکٹری کی جانب سے مضبوط طلب نے مزید سہارا دیا۔ سال گزرنے کے ساتھ ساتھ، امریکی درآمدی ٹیرف اور عالمی تجارتی بہاؤ میں ممکنہ رکاوٹوں سے پیدا ہونے والی غیر یقینی صورتحال کے باعث قیمتوں میں کمی آئی، جس نے PX=Naphta اسپریڈز کو لاگت برابر ہونے کی سطح سے بھی نیچے دھکیل دیا۔ سال کے وسط میں، منصوبہ بند اور غیر منصوبہ بند بندشوں کے امتزاج اور گرمیوں کے ڈرائیونگ سیزن کے دوران ریفرمٹ (Reformat) کارخ گیسولین کی طرف موڑنے کی وجہ سے سپلائی میں کمی آئی، جس سے مارکیٹ کو دوبارہ سہارا ملا اور پروڈیوسرز کو ابتدائی نقصانات پورا کرنے میں مدد ملی۔ سال کے دوسرے حصے میں قیمتیں مستحکم ہونا شروع ہوئیں کیونکہ PX-PTA کے مسلسل کم ہوتے مارجن اور PTA کی طلب میں موسمی سست روی مارکیٹ پر اثر انداز ہوئی۔ اگرچہ گیسولین پلیٹنگ کے مضبوط مارجن کی وجہ سے ریفرمٹ کی PX پروڈکشن سے دوری برقرار رہی، لیکن یہ اکیلا عنصر مارکیٹ کی عمومی کمزوری کو ختم کرنے کے لیے کافی نہ تھا۔ سال کے اختتام پر، خطے میں جاری مرمتی کاموں اور ڈاؤن اسٹریم کی اوسط طلب کی وجہ سے قیمتیں اپنی ابتدائی گراؤ سے کافی حد تک بحال ہو گئیں۔ سال 2025 کے لیے PX کی اوسط قیمت 833.53 امریکی ڈالر فی میٹرک ٹن رہی، جو گزشتہ سال کے مقابلے میں 13.5 فیصد کمی ظاہر کرتی ہے۔ جبکہ Naphta پر اوسط PX مارجن 234 ڈالر فی ٹن رہا جو 2024 میں 289 ڈالر فی ٹن تھا۔

پراکسی فارم

28واں سالانہ اجلاس عام

میں / ہم _____ ساکن _____

بحیثیت ممبر Lotte کیمیکل پاکستان لمیٹڈ کے _____ عمومی شیئرز رکھتا ہوں / رکھتی ہوں، لہذا

بذریعہ ہذا _____ ساکن _____ یا ان کی عدم موجودگی کی صورت میں

_____ ساکن _____ جو کہ Lotte کیمیکل پاکستان لمیٹڈ کے

ممبر ہیں، کو بطور پراکسی مقرر کرتا ہوں / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے 28 ویں سالانہ اجلاس عام جو کہ 20 اپریل 2026 بروز پیر منعقد ہو رہا ہے میں اور اس کے کسی ملٹوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

میں / ہم بروز _____ بتاریخ _____ کو اپنے دستخط / مہر کے ساتھ اس امر کی تصدیق کرتا / کرتی ہوں / کرتے ہیں۔

مذکورہ بالا کے دستخط:

ان گواہان کی موجودگی میں: 1. _____

2. _____

مناسب قدر کی ریوینو مہر پر دستخط

یہ دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط کے مطابق ہونے چاہئیں۔

فولیو / CDC اکاؤنٹ نمبر:

اہم نکات:

1. باضابطہ، مکمل شدہ اور دستخط کردہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس بمقام EZ/1/P-4، ایسٹرن انڈسٹریل زون، پورٹ قاسم کراچی میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہئے۔
2. کمپنی کا ممبر نہ ہونے کی صورت میں کسی فرد کو بطور پراکسی مقرر نہیں کیا جاسکتا، ماسوائے کارپوریشن جو ممبر کے علاوہ دوسرے فرد کو پراکسی نامزد کر سکتی ہے۔
3. کسی ممبر کی جانب سے ایک سے زیادہ پراکسی مقرر کئے جانے اور ممبر اگر کمپنی کو ایک سے زائد پراکسی انسٹرومنٹس داخل کرائے، تو وہ سب غیر مؤثر تصور کئے جائیں گے۔

برائے CDC اکاؤنٹ ہولڈرز / کاپوریٹ ادارے:

درج بالا کے علاوہ درج ذیل تقاضے بھی لازمی ہیں:-

- (i) پراکسی فارم دو افراد کی جانب سے گواہی کے ہمراہ ہونا چاہئے جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- (ii) بینیفیشل مالکان اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔
- (iii) پراکسی کو اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (iv) کاپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی کو پیش کئے جائیں (اگر وہ پہلے پیش نہ کئے گئے ہوں)۔

Form of Proxy

28th Annual General Meeting

I / We _____

of _____

being member(s) of Lotte Chemical Pakistan Limited holding _____

ordinary shares hereby appoint _____

of _____ or failing him / her _____

of _____ who is / are also member (s) of Lotte Chemical Pakistan Limited as my / our proxy in my absence to attend and vote for me / us and on my / our behalf at the 28th Annual General Meeting of the Company to be held on Monday, 20 April 2026 and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

Signature on
Revenue Stamp of
Appropriate Value

This Signature should agree with the specimen registered with the Company

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at EZ/I/P-4, Eastern Industrial Zone, Port Qasim, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoint more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above, the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his / her original CNIC or original passport at the time of the Meeting.
- iv) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Registered Office

EZ/I/P-4, Eastern Industrial Zone,
Port Qasim Authority, Bin Qasim,
Karachi - 75020, Pakistan
UAN: +92 (0) 21 111 782 111
Fax: +92 (0) 21 3472 6004
URL: www.lottechem.pk

City Office

Al-Tijarah Centre, 14th Floor, 32/1-A,
Main Shahrah-e-Faisal,
Block 6, P.E.C.H.S.,
Karachi-75400, Pakistan
UAN: +92 (0) 21 111 568 782