POWER CEMENT
مضبوطی ۔ چٹانوں جیسی

POWER CEMENT LIMITED

August 31, 2026

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

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2026

Dear Sir,

We have to inform you that the Board of Directors of the Company, in their meeting held on August 28, 2026 at 03:00 pm, has recommended the following:

(i)	**CASH DIVIDEND**	**NIL**
(ii)	**BONUS SHARES**	**NIL**
(iii)	**RIGHT SHARES**	**NIL**
(iv)	**ANY OTHER ENTITLEMENT/CORPORATE ACTION**	**NIL**
(v)	**ANY OTHER PRICE-SENSITIVE INFORMATION**	**NIL**

The Financial Results & Directors' Report of the Company for the year ended June 30, 2026 are enclosed.

The Annual General Meeting of the Company will be held at PSX Auditorium, 3rd Floor, Admin Block, Stock Exchange Building, Stock Exchange Road, Karachi and virtually through video-link facility, on Tuesday, October 20, 2026 at 11:30 am.

The Share Transfer Books of the Company will be closed from October 13, 2026 to October 20, 2026 (both days inclusive). Transfers received at our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi at the close of business on October 12, 2026 will be treated in time for the purpose of Annual General Meeting.

The Annual Report of the Company for the year ended June 30, 2026 will be transmitted through PUCARS separately, within the specified time.

Yours Sincerely,

Salman Gogan
Company Secretary

c.c
Executive Director/HOD
Offsite-II Department, Supervision Division
SECP, 63, NIC Building, Jinnah Avenue
Blue Area, Islamabad.

POWER CEMENT LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	**33,059,611**	33,682,318
Right-of-use asset	4	**115,375**	83,465
Long-term investment		**-**	21,589
Deferred tax asset	5	**2,277,467**	2,751,777
Long-term deposits	6	**62,069**	62,069
		35,514,522	36,601,218
Current assets			
Inventories	7	**2,871,847**	2,056,194
Stores, spares and loose tools	8	**5,667,849**	3,828,520
Trade receivables - considered good	9	**498,783**	343,571
Advances and other receivables - unsecured, considered good	10	**773,063**	576,269
Taxation - payments less provision		**-**	659,995
Derivative financial asset	11	**453,969**	1,474,289
Trade deposits and short-term prepayments		**171,935**	157,242
Tax due from Government - sales tax		**353,999**	346,079
Short-term investments	12	**295,652**	140,457
Cash and bank balances	13	**798,626**	1,496,175
		11,885,723	11,078,791
TOTAL ASSETS		**47,400,245**	47,680,009
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	14		
Ordinary shares		**12,917,330**	12,905,237
Cumulative preference shares		**733,464**	742,534
		13,650,794	13,647,771
Reserves			
Capital reserve			
Share premium	15	**739,493**	739,493
Difference on conversion of cumulative preference shares into ordinary shares	14.4	**(570,797)**	(567,774)
Revenue reserve			
Accumulated loss		**(1,554,744)**	(5,290,233)
		(1,386,048)	(5,118,514)
Contribution from associated undertakings	16	**11,750,000**	15,000,000
TOTAL EQUITY		**24,014,746**	23,529,257
LIABILITIES			
Non-current liabilities			
Long-term financing - secured	17	**8,027,725**	12,601,197
Long-term trade payables	18	**-**	-
Long-term lease liability	19	**89,873**	83,394
Staff retirement benefits	20	**500,950**	356,996
		8,618,548	13,041,587
Current liabilities			
Trade and other payables	21	**4,472,206**	2,941,877
Contract liabilities	22	**963,471**	1,184,279
Unclaimed dividend		**126**	126
Taxation - provision less payments		**113,135**	-
Accrued mark-up	23	**890,286**	1,085,284
Short-term financing - secured	24	**4,672,880**	4,311,176
Current portion of long-term lease liability	19	**31,654**	12,900
Current portion of long-term financing	17	**3,623,193**	1,573,523
		14,766,951	11,109,165
TOTAL LIABILITIES		**23,385,499**	24,150,752
Contingencies and commitments	25		
TOTAL EQUITY AND LIABILITIES		**47,400,245**	47,680,009

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

POWER CEMENT LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
Revenue from contracts with customers	26	**33,978,969**	29,520,136
Cost of sales	27	**(21,893,006)**	(21,121,238)
Gross profit		**12,085,963**	8,398,898
Selling and distribution expenses	28	**(3,645,068)**	(3,012,206)
Administrative expenses	29	**(700,667)**	(529,165)
Other expenses - net	30	**(309,750)**	(202,080)
Impairment loss on financial assets	9.3	**(2,475)**	(39,228)
Profit from operations		**7,428,003**	4,616,219
Finance income		**43,106**	34,667
Finance cost		**(1,875,145)**	(3,078,573)
Finance cost - net	31	**(1,832,039)**	(3,043,906)
Profit before taxation		**5,595,964**	1,572,313
Taxation	32	**(1,811,494)**	(757,317)
Profit after taxation		**3,784,470**	814,996
Other comprehensive loss:			
Items that are or may be reclassified subsequently to profit or loss			
Changes in fair value of cash flow hedges		**1,020,320**	712,604
Adjustment for amounts transferred to profit or loss		**(1,020,320)**	(712,604)
		-	-
Actuarial loss on remeasurement of defined benefit obligations		**(77,748)**	(7,968)
Related deferred tax		**28,767**	3,108
		(48,981)	(4,860)
Other comprehensive loss for the year - net of tax		**(48,981)**	(4,860)
Total comprehensive income for the year		**3,735,489**	810,136
		---------- (Rupees) ----------	
Earnings per share	33		
-Basic		**2.86**	0.44
-Diluted		**2.72**	0.44

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive	Director

POWER CEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Share Capital		Capital reserve	Revenue reserve		
	Issued, subscribed and paid up capital	Difference on conversion of cumulative preference shares into ordinary shares (note 14.4)	Share premium	Accumulated loss	Contribution from associated undertakings (note 16)	Total Equity
	(Rupees in '000)					
Balance as at July 1, 2024	**13,201,175**	**(121,178)**	**739,493**	**(6,100,369)**	**11,700,000**	**19,419,121**
Contribution received - net	-	-	-	-	3,300,000	3,300,000
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year	446,596	(446,596)	-	-	-	-
	446,596	(446,596)	-	-	3,300,000	3,300,000
Total comprehensive income for the year						
Profit for the year	-	-	-	814,996	-	814,996
Other comprehensive loss	-	-	-	(4,860)	-	(4,860)
	-	-	-	810,136	-	810,136
Balance as at June 30, 2025	**13,647,771**	**(567,774)**	**739,493**	**(5,290,233)**	**15,000,000**	**23,529,257**
Contribution repaid - net	-	-	-	-	(3,250,000)	(3,250,000)
Cumulative preference shares of Rs.10 each converted into 1.333 Ordinary Shares of Rs. 10 each during the year	3,023	(3,023)	-	-	-	-
	3,023	(3,023)	-	-	(3,250,000)	(3,250,000)
Total comprehensive income for the year						
Profit for the year	-	-	-	3,784,470	-	3,784,470
Other comprehensive loss	-	-	-	(48,981)	-	(48,981)
	-	-	-	3,735,489	-	3,735,489
Balance as at June 30, 2026	**13,650,794**	**(570,797)**	**739,493**	**(1,554,744)**	**11,750,000**	**24,014,746**

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive

Director

POWER CEMENT LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**7,063,683**	6,184,475
Gratuity paid	20.7	**(69,041)**	(46,074)
Leave encashment paid		**(11,550)**	(9,911)
Income tax paid		**(535,725)**	(585,855)
Deposits paid		**-**	(6,000)
Finance cost paid - Islamic		**(1,957,184)**	(3,916,904)
Finance cost paid - Conventional		**(8,581)**	(79,938)
		(2,582,081)	(4,644,682)
Net cash generated from operating activities		**4,481,602**	1,539,793
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure - operations		**(336,399)**	(251,364)
Finance income received		**37,677**	37,956
Proceeds from sale of property, plant and equipment		**774**	1,458
Net cash used in investing activities		**(297,948)**	(211,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		**(1,958,093)**	(1,553,777)
Lease rental paid	19	**(34,814)**	(27,368)
Proceeds from / (repayment of) short-term financing		**408,652**	(1,948,391)
(Repayment to) / contribution from associated undertakings - net	16.2	**(3,250,000)**	3,300,000
Net cash used in financing activities		**(4,834,255)**	(229,536)
Net (decrease) / increase in cash and cash equivalents		**(650,601)**	1,098,307
Cash and cash equivalents at the beginning of the year		**1,235,232**	136,925
Cash and cash equivalents at the end of the year	37	**584,631**	1,235,232

The annexed notes from 1 to 42 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive	Director

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POWER CEMENT LIMITED

DIRECTORS' REPORT

The Board of Directors of Power Cement Limited presents this report together with the annual audited financial statements of the Company for the year ended June 30, 2026.

Pakistan's Economy

Pakistan's economy continued its recovery during FY-2026, recording GDP growth of 3.70%. The improvement was supported by continued macroeconomic stabilization and better performance across key sectors.

Despite stronger economic growth, inflationary pressures re-emerged during the year. Headline inflation rose sharply from 3.2% in June 2025 to 11.1% year-on-year in June 2026, while average inflation increased to 7.05% during FY-2026, compared with 4.49% in the previous year. Inflationary pressures intensified towards the end of the year, primarily driven by higher global commodity and petroleum prices amid the conflict in the Middle East, which increased input and transportation costs across the economy.

During FY-2026, the State Bank of Pakistan reduced the policy rate to 10.50% in December 2025 and subsequently increased it to 11.50% in April 2026 in response to external pressures and heightened economic uncertainty. Inflation may remain elevated in the near term before gradually moderating, subject to geopolitical developments, global energy prices, adjustments in electricity and gas tariffs, fiscal conditions and domestic food-price pressures.

Cement Sector

Pakistan's cement industry recorded an improvement during FY-2026, with total dispatches increasing by 7.30% to 50.56 million tons from 47.12 million tons in FY-2025. Domestic dispatches rose by 9.61% to 41.55 million tons, while export dispatches declined by 2.19% to 9.01 million tons.

In the North Zone, domestic dispatches increased by 10.93% to 34.75 million tons from 31.33 million tons in FY-2025. Export dispatches, however, declined by 53.85% to 0.78 million tons.

In the South Zone, where Power Cement Limited operates, domestic dispatches increased by 3.36% to 6.80 million tons from 6.58 million tons in FY-2025. Export dispatches grew by 9.36% to 8.23 million tons from 7.53 million tons. Consequently, total dispatches from the South Zone increased by 6.56% to 15.03 million tons.

Overall industry growth was therefore driven by stronger domestic dispatches, while the increase in South Zone exports partially offset the decline in exports from the North Zone.

Financial Performance

A comparison of the Company's key financial indicators for the year ended June 30, 2026 with those of the preceding year is set out below:

Particulars	FY-2026	FY-2025
	PKR in '000'	
Sales Revenue – Net	**33,978,969**	29,520,136
Gross Profit	**12,085,963**	8,398,898
Operating Profit	**7,428,003**	4,616,219
EBITDA	**8,416,396**	5,513,693
Finance Cost – Net	**1,832,039**	3,043,906
Profit Before Tax	**5,595,964**	1,572,313
Profit After Tax	**3,784,470**	814,996
Earnings Per Share (in Rupees)	**2.86**	0.44

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Arif Habib Group

The Company delivered a strong financial performance during FY-2026, with net sales revenue increasing by 15.10% to PKR 33.98 billion, compared with PKR 29.52 billion in FY-2025. The growth was supported by improved market conditions and better price realization across both domestic and export markets.

Gross profit increased by 43.90% to PKR 12.09 billion from PKR 8.40 billion, driven by operational efficiencies, prudent cost management, an optimized fuel and power mix, and continued utilization of alternative fuels. Operating profit increased by 60.91% to PKR 7.43 billion from PKR 4.62 billion, while EBITDA increased by 52.64% to PKR 8.41 billion from PKR 5.51 billion, reflecting stronger margins and continued cost optimization.

Net finance cost declined by 39.81% to PKR 1.83 billion from PKR 3.04 billion in FY-2025, primarily due to lower policy rates, sponsor support of PKR 11.75 billion, and partial repayment of borrowings.

Consequently, profit before tax increased to PKR 5.60 billion, compared with PKR 1.57 billion in FY-2025, while profit after tax increased to PKR 3.78 billion from PKR 815 million. Earnings per share consequently improved to PKR 2.86, compared with PKR 0.44 in the previous year.

The Company's strong performance reflects improved operational efficiency, higher clinker production, growth in domestic and export dispatches, effective cost management and a significant reduction in finance costs.

7.5 MW Wind Power Project

During the year, the 7.5 MW wind power project commenced operations, marking a significant milestone in the Company's energy-efficiency and sustainability initiatives. The project is expected to reduce dependence on the national grid by approximately 10%, improve the Company's energy mix and reduce exposure to grid electricity costs.

Production and Sales Performance

Production	FY-2026	FY-2025	Variance	
	Tons			%
Clinker	**2,420,556**	2,134,913	285,643	13.38
Cement	**1,602,073**	1,601,983	90	-

Dispatches	FY-2026	FY-2025	Variance	
	Tons			%
Cement/Clinker	**1,360,679**	1,337,248	23,431	1.75
Clinker (Export)	**896,510**	683,288	213,222	31.21
Cement (Export)	**306,435**	364,414	(57,979)	(15.91)
Total Dispatches	**2,563,624**	**2,384,950**	**178,674**	**7.49**

Clinker production increased by 13.38% to 2.42 million tons from 2.13 million tons in FY-2025. Capacity utilization improved to 75% from 67%, reflecting more efficient use of the Company's production facilities.

Cement production remained stable at 1.60 million tons, in line with market demand.

Total cement and clinker dispatches increased by 7.49% to 2.56 million tons from 2.38 million tons in FY-2025. The increase was driven primarily by 31.21% growth in clinker exports, which reached 896,510 tons.

Domestic cement and clinker dispatches increased by 1.75% to 1,360,679 tons, while cement exports declined to 306,435 tons from 364,414 tons in FY-2025. The increase in clinker exports more than offset the decline in cement exports, resulting in overall growth in dispatch volumes.

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Arif Habib Group

Higher clinker production, capacity utilization and total dispatches demonstrate the Company's ability to optimize its product mix in response to market conditions. The record number of production days achieved during the year also reflects the reliability of its operations.

Outlook

The Government has set a GDP growth target of 4.0% for FY-2027. Economic activity is expected to continue improving, supported by external-sector indicators, greater exchange-rate stability and strengthening foreign-exchange reserves, although inflationary pressures may persist in the near term.

Cement demand is expected to benefit from a gradual recovery in construction activity, infrastructure development, housing initiatives and improved financing conditions. Timely utilization of PSDP allocations will be important in translating planned development expenditure into construction activity. Nevertheless, international commodity prices and geopolitical developments may continue to affect energy costs and market conditions.

The Company will continue to focus on operational efficiency, energy management and disciplined cost control. The 7.5 MW wind power project is expected to support these priorities through reduced reliance on grid electricity and improved management of energy costs. The Company will also pursue export-market opportunities to improve margins and strengthen business resilience.

Dividend

The Company has consistently pursued a strategy of strengthening its financial position through debt reduction, successfully lowering total borrowings from Rs. 27.3 billion in June 2021 to Rs. 16.3 billion as at the date of this report. Considering the accumulated losses of the Company to the tune of Rs. 1.55 billion, its prevailing debt level and the continued focus on further deleveraging, the Board of Directors has decided not to recommend any cash dividend for the year ended June 30, 2026.

Credit Rating

On 16 January 2026, JCR-VIS Credit Rating Company Limited assigned the Company a long-term rating of 'A-' (Single A Minus) and a short-term rating of 'A2' (Single A Two).

Contribution to National Exchequer

The Company contributed PKR 8.27 billion to the national exchequer in the form of income tax, sales tax, excise duty and other government levies.

Composition of Board of Directors

Total Number of Directors		8
i)	Men	7
ii)	Women	1

The composition of the Board of Directors is as follows:

Composition of Directors	Name of Directors
a. Non-Executive Directors	1) Mr. Muhammad Arif Habib 2) Mr. Nasim Beg 3) Mr. Abdus Samad 4) Syed Salman Rashid 5) Ms. Zainab Kashif
b. Independent Directors	6) Mr. Khursheed Anwer Jamal 7) Mr. Khalilullah Shaikh
c. Executive Director	8) Mr. Muhammad Kashif

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Arif Habib Group

Meetings of Board of Directors

During the year under review, five meetings of the Board of Directors (Board) were held. The attendance of each Director was as follows:

Name of Director	Designation	Meetings attended
Mr. Muhammad Arif Habib	Chairman	5/5
Mr. Nasim Beg	Non-Executive Director	4/5
Mr. Muhammad Kashif	Chief Executive Officer	5/5
Syed Salman Rashid	Non-Executive Director	5/5
Mr. Abdus Samad	Non-Executive Director	5/5
Mr. Khursheed Anwer Jamal	Independent Director	4/5
Mr. Khalilullah Shaikh	Independent Director	4/5
Ms. Zainab Kashif	Non-Executive Director	5/5

Leaves of absence were granted to Directors who were unable to attend meetings.

Board Committees' Meetings

Audit Committee

The Board of Directors has established an Audit Committee comprising three non-executive directors, with an Independent Director serving as Chairman. Its composition is in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended).

During the year under review, four meetings of the Audit Committee were held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khursheed Anwer Jamal	Chairman	4/4
Syed Salman Rashid	Member	4/4
Mr. Abdus Samad	Member	2/4

Human Resources & Remuneration Committee

The Board of Directors has established a Human Resources and Remuneration Committee (HR&RC) comprising three members, two of whom are non-executive directors. Its composition is in line with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended).

During the year under review, one meeting of the HR&RC was held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khursheed Anwer Jamal	Chairman	1/1
Syed Salman Rashid	Member	1/1
Mr. Muhammad Kashif	Member	1/1

ERP Governance & Implementation Committee

During the year, the Board of Directors constituted the ERP Governance and Implementation Committee, comprising three members. The Committee oversees the governance and implementation of the Company's Enterprise Resource Planning (ERP) system, reviews its effectiveness and evaluates emerging technologies and software solutions that support the Company's operational and strategic objectives.

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During the year under review, one meeting of the Committee was held. The attendance of each member was as follows:

Name of Member	Designation	Meetings attended
Mr. Khalilullah Shaikh	Chairman	1/1
Mr. Khursheed Anwer Jamal	Member	1/1
Mr. Muhammad Kashif	Member	1/1

Environmental, Social and Governance (ESG) Committee

During the year, the Board of Directors constituted the Environmental, Social and Governance (ESG) Committee, comprising two Independent Directors and one female Non-Executive Director. The Committee supports the Board in discharging its oversight responsibilities for sustainability and ESG matters under the applicable corporate-governance framework.

The Committee oversees the Company's ESG framework, including sustainability-related risks and opportunities, Diversity, Equity and Inclusion (DE&I) practices, compliance with applicable sustainability laws and reporting requirements, and the quality of the Company's sustainability disclosures.

Name of Member	Designation
Mr. Khalilullah Shaikh	Chairman
Mr. Khursheed Anwer Jamal	Member
Ms. Zainab Kashif	Member

Risk Management & Strategy for Mitigating Risks

The Board of Directors has identified potential risks, assessed their impact on the Company and formulated mitigation strategies. These strategies have been implemented throughout the Company.

The principal risks and challenges faced by the Company are as follows:

i. A high level of leverage, placing downward pressure on profitability;
ii. An inability to pass sharp increases in the cost of doing business, particularly coal and electricity costs, on to customers because of competitive pricing;
iii. Exposure to exchange-rate and interest-rate risks;
iv. Excess supply arising from capacity expansions and new plants; and
v. The loss of skilled personnel due to increased employee turnover.

These risks are discussed further in the relevant sections of the Annual Report.

Code of Corporate Governance

The Directors review the Company's strategic direction and business plans regularly. The Audit Committee oversees compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (as amended). The Company takes all necessary steps to maintain good corporate governance in accordance with the applicable requirements.

As part of this compliance, the Directors confirm that:

- The financial statements prepared by management present fairly the Company's state of affairs, results of operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- The Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before their approval by the Board.
- Appropriate accounting policies have been applied consistently in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgement.

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Arif Habib Group

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.
- The system of internal control is sound in design and has been implemented and monitored effectively.
- There are no doubts about the Company's ability to continue as a going concern. The Company is paying its debts when due and has not defaulted on repayments to banks.
- There has been no material departure from the best practices of corporate governance detailed in the listing regulations.
- The Company operates a funded gratuity scheme for its employees, as disclosed in the relevant note to the financial statements.
- The statement of the pattern of shareholding in the prescribed format, disclosing the aggregate number of shares, forms part of this Annual Report.
- Key operating and financial data for the last six years are contained in the 'Analysis of Financial Information' section of this Annual Report.

Evaluation Criteria for the Board

A comprehensive mechanism is in place for evaluating the performance of the Board of Directors in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The mechanism evaluates the performance of the Board of Directors on the following parameters:

- Oversight and Effectiveness of the Board
- Composition and Committees of the Board
- Board Meetings and Proceedings
- Board and Management Relations
- Managing Relationship and Leadership
- Directors' Acquaintance with Corporate Laws and Regulations
- Corporate Governance

Evaluation of the Board

The overall performance of the Board, assessed against the criteria outlined above, was satisfactory for the year. A separate report by the Chairman on the Board's performance, as required under section 192 of the Companies Act, 2017, is annexed to this Annual Report.

Directors' Remuneration Policy

Independent Directors are paid a fee for attending meetings of the Board or its committees, as approved at the Annual General Meeting held on October 28, 2019. The remuneration of the Chief Executive and Directors is disclosed in the notes to the financial statements for the year ended 30 June 2026.

Adequacy of Internal Financial Controls

The Board of Directors recognizes its responsibility for the internal-control environment and has established a system of internal financial controls to support efficient operations, safeguard the Company's assets, ensure compliance with applicable laws and regulations, and provide reliable financial reporting. The Company's independent Internal Audit function regularly appraises and monitors these controls.

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring their effectiveness.

Pattern of Shareholding

The Company's ordinary and preference shares are listed on the Pakistan Stock Exchange. As at 30 June 2026, the Company had 1,291,733,004 (2025: 1,290,523,671) ordinary shares and 73,346,381 (2025: 74,253,381) preference shares. During the year, shareholders converted 907,000 preference shares into 1,209,333 ordinary shares. The detailed pattern of shareholding accompanies this Report.

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Arif Habib Group

Trading In Company's Share by Directors and Executives

A statement of transactions in the Company's shares carried out by the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit, and their spouses and minor children is annexed to this Report.

All such persons are required to notify the Company Secretary promptly in writing of any trade in the Company's shares, whether undertaken by themselves or by their spouses or minor children, and to provide a written record of the transaction, including the price, number of shares and CDC statement, within the period prescribed by applicable regulations.

Impact of Company's Business on the Environment

The Company's FLSmidth plant is equipped with an online quality-control system and a pollution-control baghouse system based on European Eco E3 filtration technology. Third-party monitoring during FY-2026 indicated that particulate matter, nitrogen oxides and sulphur dioxide emissions from the main stack remained within the applicable Sindh Environmental Quality Standards (SEQS) thresholds used by the Company.

The plant uses a Waste Heat Recovery System (WHRS), a 7 MW solar facility and a 7.5 MW wind power project to meet part of its electricity requirements and reduce reliance on grid electricity. The Company also uses alternative fuels to reduce its dependence on conventional fuels.

A dedicated HSE function oversees environmental compliance and monitors key environmental parameters. During FY-2026, the Company continued its Reduce, Reuse and Recycle (3R) practices, including water conservation and reuse, monitoring and control of stack emissions, and increased use of alternative fuels. Plantation and green-belt development activities were also undertaken to support environmental improvement and carbon sequestration.

Comprehensive de-dusting measures, including baghouses, dust-collection cyclones, electrostatic precipitators and dust-suppression systems, are in place to control respirable suspended particulate matter (RSPM) and fugitive road dust. Together with the efficient operation of pollution-control systems, these measures help minimize emissions.

The Company maintains an Integrated Management System covering occupational health, safety, environmental and quality management. The related certifications are set out in the Certifications section of this Report.

ESG and Sustainability

The Board remains committed to integrating environmental, social and governance (ESG) considerations into the Company's long-term strategy and decision-making. During FY-2026, it strengthened the ESG governance framework by establishing an ESG Committee that oversees ESG-related policies and initiatives and reports to the Board.

The Company considers sustainability-related risks within its broader risk-management and operational-resilience framework.

Diversity, Equity and Inclusion (DE&I)

The Company is committed to an inclusive workplace and equal opportunities. During the year, it continued to support fair and inclusive recruitment practices and promote awareness of diversity, equity and inclusion among employees.

Certifications

The Company is committed to providing a safe working environment for its employees and other stakeholders. Its ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 certifications reflect its continuing implementation of health, safety, environmental and quality-management practices.

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Appointment of External Auditors

The auditors, M/s A. F. Ferguson & Co., Chartered Accountants, will retire and, being eligible, offer themselves for reappointment. On the recommendation of the Audit Committee, the Board of Directors has recommended their appointment as auditors for the year ending 30 June 2027, subject to the approval of members at the forthcoming Annual General Meeting.

Acknowledgement

The Board of Directors sincerely thanks the Company's employees, customers, suppliers, shareholders, bankers and business partners for their steadfast support. Their dedication, loyalty and confidence have contributed to the Company's progress and resilience.

For and on behalf of the Board

Muhammad Kashif
Chief Executive Officer

Muhammad Arif Habib
Chairman

August 28, 2026
Karachi

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