

The **Impact** WE CREATE





THE Impact WE CREATE

This year, Macpac Films celebrates more than three decades of purpose-driven growth — captured on our cover as ripples expanding outward. Every film we produce creates impact far beyond packaging: it protects freshness, empowers businesses, sustains livelihoods, and strengthens Pakistan's economy. We do not just manufacture BOPP and CPP films; we create value for our customers, nourish consumers, uplift our people, preserve our environment, and build national self-reliance. This is the impact we create — measurable, meaningful, and made in Pakistan.

Company OVERVIEW

Pioneer of BOPP films in Pakistan since 1993, Macpac Films Limited manufactures premium BOPP, CPP, and value-added metallized films at our state-of-the-art facility at Port Qasim, Karachi. With 15,000 MT annual BOPP capacity and advanced Brückner and BOBST technology, we serve food, pharmaceutical, and FMCG sectors nationwide and export to the Middle East through Macpac Films Middle East LLC besides exporting a sizeable quantity each year which earns valuable foreign exchange for the country. Listed on PSX, driven by innovation and sustainability, we remain committed to quality, growth, and stakeholder trust.



Empowering OUR PARTNERS

“

Our impact begins with trust. For our customers — from Hilal Foods to leading FMCG brands — we deliver consistent quality, technical support, and innovative films that enhance shelf-life and brand appeal.

”

Through SAP S/4HANA and Salesforce CRM, we serve faster and smarter. For our shareholders, we create enduring value through resilient performance, transparent governance, and strategic expansion. With 63% sponsor commitment and strong public trust, we have turned three decades of relationships into shared prosperity — because when our partners grow, Pakistan grows.

People

DRIVING PROGRESS

“

Behind every roll of film is our people — 240+ skilled professionals whose safety, training, and well-being drive our success.

”

We invest in talent development, ethical practices, and an inclusive workplace. Their work creates impact for millions of consumers: mothers who trust our packaging to keep milk powder safe, children who enjoy fresh biscuits, families who rely on hygienic pharma packaging. By ensuring food safety and product integrity, we protect everyday moments of Pakistani life.

Preserving

OUR PLANET & PLATE

“

We create impact by protecting what matters most. Our high-barrier BOPP films extend shelf-life, reduce food wastage, and strengthen national food security — critical for Pakistan.

”

Simultaneously, we minimize our environmental footprint through optimized production, material innovation, waste reduction, and development of eco-friendly, recyclable packaging solutions. Sustainability is not an add-on; it is embedded in our process, our R&D, and our promise for a greener tomorrow.

Building

A SELF-RELIANT PAKISTAN

“

True impact is national. By manufacturing world-class BOPP and CPP films locally, Macpac Films saves valuable foreign exchange and reduces Pakistan's

”

dependence on imported packaging materials. Our import replacement strategy strengthens local supply chains, supports allied industries, and positions Pakistan as an exporter through our Middle East presence. We are not just a company — we are a contributor to economic sovereignty and industrial resilience.



RESILIENCE THAT CREATES IMPACT

Resilience is not simply the ability to withstand change; it is the ability to adapt, remain focused and continue creating value through uncertainty. For businesses operating in dynamic markets, resilience is built through disciplined decision-making, operational agility, strong relationships and a willingness to evolve.

The packaging industry continues to navigate changing customer expectations, input-cost pressures, supply-chain dynamics, technological developments and increasing focus on sustainability. In such an environment, long-term progress depends on the ability to respond to challenges while remaining focused on the opportunities ahead.

For Macpac Films, resilience is reflected in the continued focus on operational discipline, product capabilities, customer relationships and the pursuit of greater efficiency. It means adapting to changing market requirements, strengthening capabilities and continuously looking for better ways to serve the industries and customers that rely on packaging solutions.

Ultimately, resilience is about more than staying afloat. It is about emerging stronger, creating lasting value and ensuring that the impact we create extends beyond the immediate business cycle.



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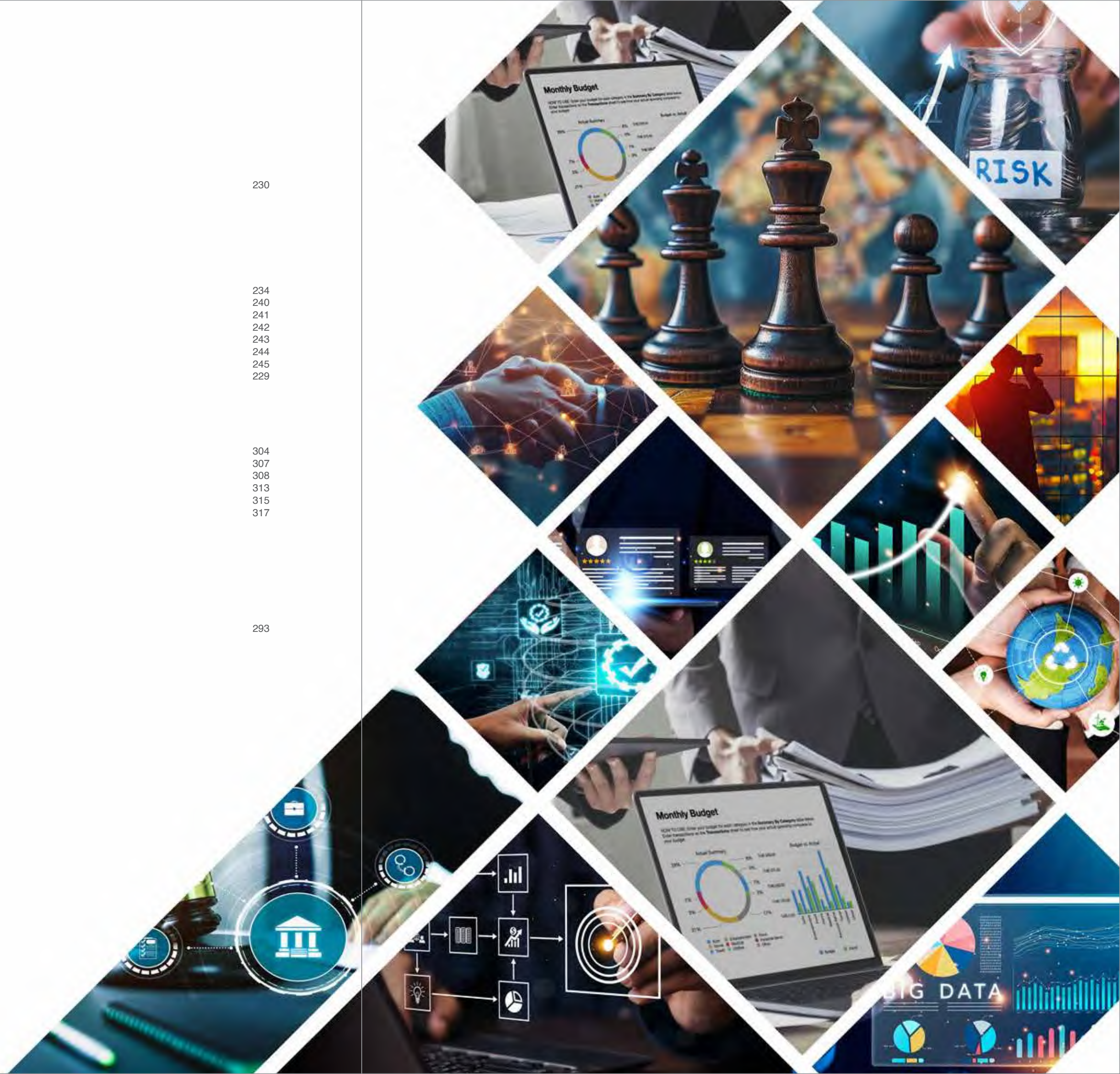
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01

ORGANIZATIONAL OVERVIEW



COMPANY INFORMATION

Board of Directors

Mr. Naeem Ali Muhammad Munshi – Chairman & Non-Executive Director
 Mr. Najmul Hassan – Chief Executive Officer
 Mr. Ehtesham Maqbool Elahi – Executive Director
 Mr. Shabbir Hamza Khandwala – Independent Director
 Ms. Hafsa Abbasy – Independent Director
 Mr. Shariq Maqbool Elahi – Non-Executive Director
 Mr. Fahad Munshi – Non-Executive Director (resigned w.e.f. September 01, 2026)
 Ms. Semeen Akhter – Independent Director (appointed w.e.f. September 02, 2026)

Board Audit Committee (BAC)

Mr. Shabbir Hamza Khandwala – Chairman
 Mr. Naeem Ali Muhammad Munshi – Member
 Mr. Shariq Maqbool Elahi – Member

Human Resource & Remuneration Committee (HR&RC)

Ms. Hafsa Abbasy – Chairperson
 Mr. Shariq Maqbool Elahi – Member
 Mr. Ehtesham Maqbool Elahi – Member

Management Team

Mr. Muhammad Asim – Chief Financial Officer
 Mr. Aquil A. Khan – Company Secretary
 Mr. Mohammad Fahad – Head of Internal Audit
 Mr. Junaid Hashmi – Head of Operations
 Ms. Um-e-Farwa – Head of Digital Transformation
 Mr. Rana Faisal – National Sales Manager
 Mr. Muhammad Kamran Rasool – Head of Engineering

Management Team is also supported by

Mr. Habib Elahi – Group Director
 Ms. Muneeza Kassim – Group Chief Financial Officer
 Mr. Darrel Jacob – Group Chief Human Resources Officer

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Mr. Abdul Ghaffar Khan
 Address: F-72/1, KDA Scheme 5, Kehkashan, Clifton, Karachi
 Ms. Nausheen Ahmad
 Address: 21C, Zamzama Commercial Lane 5, Phase V, DHA, Karachi

Shariah Advisor

M/s. Alhamd Shariah Advisory Services (Pvt). Ltd

Share Registrar

CDC Share Registrar Services Limited
 Address: CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi 74400
 Customer Support Service: 0800-CDCPL (23275)
 Fax: +92 (21) 34326034
 Email: info@cdcpak.com
 Website: www.cdcpakistan.com

Bankers



Addresses

Registered/Head Office: Plot No. 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi.
Factory Address: Plot No. EZ/1/P-10 Eastern Industrial Zone, Port Qasim Area, Karachi.
North Sales Office: Room #21, 2nd Floor, Lahore Center, Gulberg, Lahore-54660, Pakistan.

Contact Details

UAN: (+92-21) 111-MFL (635)-111 Phone: (+92-21) 34305810
 Email: info@macpacfilms.com , company.secretary@macpacfilms.com

Website

www.macpacfilms.com

OUR VISION

To be the market leader recognized locally and internationally as a premium quality manufacturer of multilayered packaging materials.



OUR MISSION

Gain the confidence of our stakeholders by earning a reputation of a responsible and progressive enterprise that is prepared to change for them.

Maintain the highest level of quality in the manufacture of our products, thereby adding value for all our stakeholders

Focus on the changing customers' needs and requirements and strive to improve and innovate the product line for the benefit of our customers.

Be ethical in practice and fulfill our social responsibilities by contributing towards the environment as good corporate citizens.

CORE VALUES



01

PASSION

We are open, honest, transparent, and committed to doing what's best for our stakeholders.



03

ACCOUNTABILITY

We act with high sense of responsibility and hold ourselves accountable.



05

EXCELLENCE

We strive to deliver the highest quality and value possible through simple, easy, and relevant solutions.

NEW ENTRANT'S POTENTIAL

We strive for perfection, go the extra mile and have fun in what we do.

02



VALUE OUR PEOPLE

We treat all people with dignity and value the collective power of teamwork, trust and respect each other.

04



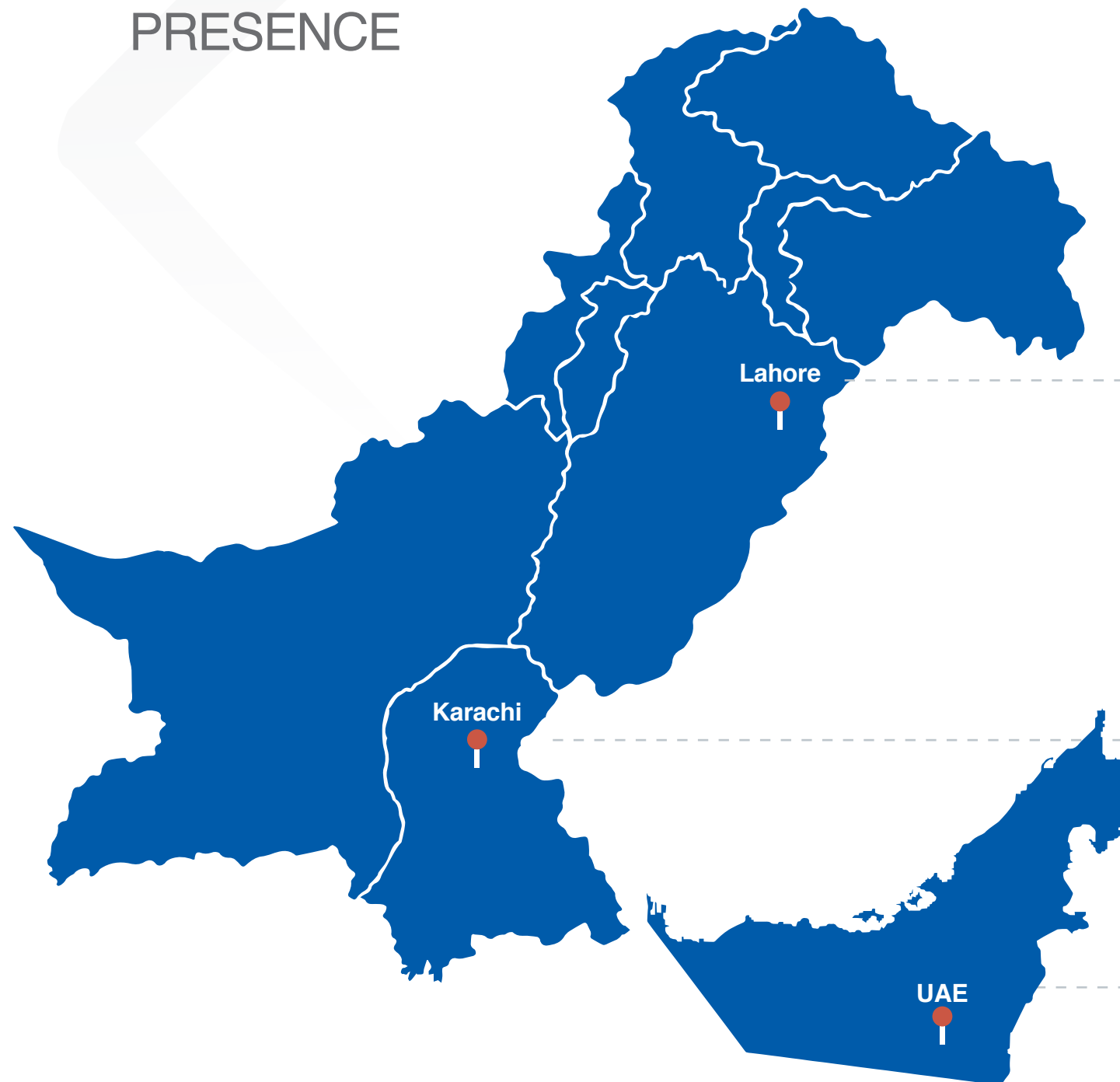
INNOVATION

We develop and apply world-class technology, we listen, we learn and seek out the best ideas.

04



GEOGRAPHICAL PRESENCE



Lahore

▶ Sales Office: Room No. 21, 2nd Floor,
Lahore Center, Gulberg Lahore.

Karachi

▶ Factory: Plot No. EZ/I/P-10 Eastern
Industrial Zone, Port Qasim Area,
Karachi, Pakistan.

Registered Office and Principal Place
of Business: 44-C, Block-6,
P.E.C.H.S., Main Razi Road, Karachi.

UAE

▶ Subsidiary Company: The Meydan
Hotel, Grandstand, 6th Floor, Meydan
Road, Nad Al Sheba, Dubai, U.A.E.

CODE OF BUSINESS CONDUCT & ETHICS



This code outlines the way we do business and conduct ourselves and its compliance is mandatory across the organization. The Code is available on the Company's website.

The Code of Conduct is equally applicable to the Board of Directors as well as all the employees of the Company. The salient features of the Code of Conduct are as follows:

01

Macpac Films Limited will conduct its business honestly and ethically.

02

Personal interests must never be permitted to conflict, or appear to conflict, with the interests of the Company, its clients or its affiliates.

03

All applicable laws and regulations including labour laws and equal opportunity must be complied with.

04

Directors, officers and employees must respect and act responsibly with others in all of their dealings.

05

All Company policies and procedures including Company's Code of Conduct must be followed.

06

The Company's core values must be upheld at all times.

KEY PRODUCTS

Macpac Films Limited offers a wide portfolio of premium BOPP and CPP films designed to cater to the evolving needs of diverse industries. Manufactured with precision using advanced technologies and in compliance with international standards, our films ensure exceptional performance across applications ranging from food packaging to specialty uses. Our newly introduced Thermal Lamination Films, are engineered to seamlessly bond with paper surfaces through heat and pressure, delivering a crystal-clear, durable finish that enhances printed materials with both visual appeal and a premium tactile experience.



EXTENSIVE FILM RANGE

BOPP, CPP, and Thermal Lamination films engineered for food, pharmaceutical, and industrial packaging needs.



UNMATCHED QUALITY

High tensile strength, strong sealing, and superior gloss with exceptional clarity for premium presentation.



PROTECTION & PERFORMANCE

Advanced barrier properties safeguard against moisture, gas, UV rays, and odors to extend shelf life.



SUSTAINABILITY FOCUS

Recyclable and eco-friendly film options supporting greener packaging solutions.

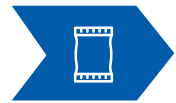
RESILIENCE THROUGH RESPONSIBILITY



BOPP FILMS

KEY FEATURES

Manufactured with advanced co-extrusion technology, the film combines multiple layers into one seamless structure, ensuring consistent quality, superior performance, and durability. Its biaxial orientation process further enhances mechanical strength, optical clarity, and dimensional stability delivering a film that not only meets rigorous technical standards but also adds a premium, high-performance finish to every application.



FOOD PACKAGING:

Suitable for confectionery, biscuits, snacks, tea, and baked goods.



LABELING

High-quality films for opaque and transparent labels.



SPECIALTY USES

Ideal for overwrapping, textile bags, pharmaceutical items, adhesive tapes, and decorative purposes.

PRODUCT RANGE

Plain Films

Transparent and non-heat sealable, Plain Films offer excellent clarity and are available with zero to both sides corona-treated.

Heat Sealable Films

Heat Sealable Films feature one or both sides sealable, offering a reliable sealing layer for versatile applications such as tea, snack, and confectionery packaging.

Metallized Films

These films feature one metalized side, providing excellent protection against light, UV rays, moisture, and oxygen.

Pearlized Films

White and pearlescent, Pearlized Films are heat-sealable on both sides with a single treated side, ideal for ice cream bars, soap bars, and drink labels.

Matte Films

Matte Films feature a refined, non-sealable Matte finish with dual corona treatment, providing an elegant look suitable for premium packaging.

White Films

White Films provide a consistent, opaque white background and excellent optical properties.

KEY BENEFITS



OPTICAL EXCELLENCE

High gloss and crystal clarity.



SMOOTH SURFACE AND GLOSS

Attractive appearance for retail shelves.



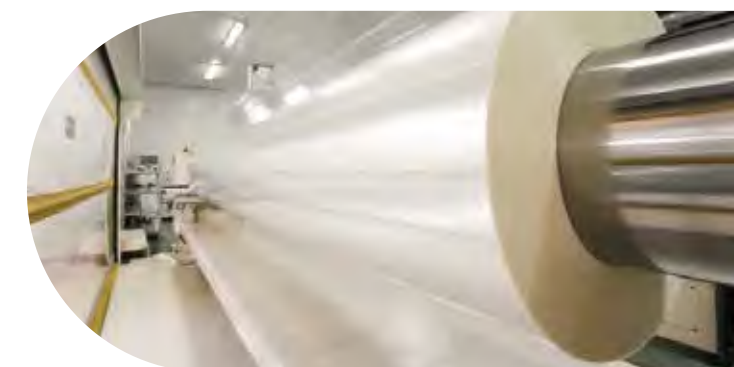
MOISTURE & GREASE RESISTANCE

Perfect for food applications.



ANTI-STATIC PROPERTIES

Easy handling during production



CPP FILMS

KEY FEATURES

CPP Films are manufactured using advanced cast film technology, delivering excellent performance, high transparency, and ease of processing. With multi-layer options, they can be tailored to meet diverse packaging requirements, ensuring flexibility, durability, and superior sealing performance for a wide range of applications.

DIVERSE APPLICATIONS



KEY BENEFITS



STRENGTH

Secure packaging to prevent contamination.



SMOOTH SURFACE AND GLOSS

Attractive appearance for retail shelves.



MOISTURE & GREASE RESISTANCE

Perfect for food applications.



ANTI-STATIC PROPERTIES

Easy handling during production



FOOD PACKAGING

Ideal for candies, snacks, and perishable goods, ensuring freshness and strong seals in multilayer structures.



SEALANT LAYER

Delivers reliable, secure seals within multilayer packaging structures.



LAMINATION AND WRAPPING

Provides secure sealing and reliable performance in complex multilayer packaging.

PRODUCT RANGE

TRANSPARENT FILMS

High clarity and gloss, suitable for high-visibility packaging.

METALIZED FILMS

Enhanced barrier properties for premium protection.

OPAQUE/MILKY FILMS

Strong barriers with a distinctive aesthetic appeal.

SPECIALIZED FILMS

Custom grades with ultra-high barrier properties.



THERMAL LAMINATION FILM

MACPAC's Thermal Lamination Film is a premium-grade BOPP film engineered to provide superior protection and enhancement for printed materials. Designed to bond effortlessly to paper surfaces through the application of heat and pressure. It delivers a smooth, crystal-clear finish that not only safeguards prints from moisture, and handling damage but also significantly enriches their visual appeal.

The film creates a durable and refined surface that elevates colors, sharpens details, and adds a luxurious tactile feel, making it ideal for high-quality packaging, book covers, brochures, and promotional materials. With consistent performance, strong adhesion, and a flawless finish, MACPAC's Thermal Lamination Film ensures that every product stands out with a professional and premium presentation.



KEY FEATURES:



Aesthetic Matte & Gloss Finishes
Enhances visual appeal.



Strong Bonding
Fiber-tear strength for paper and paperboards.



Durable Protection
Waterproof and tear-proof.



Versatile Compatibility
Works with UV coating, embossing, and foil stamping.

BENEFITS:

Cost-Efficient – No adhesive mixing or drying required.

Eco-Friendly – Non-toxic, pollution-free, and safe for use.

Bubble-Free Application – Ensures smooth, professional results.

Extended Shelf Life – Protects prints from moisture and wear.

APPLICATIONS:

Books & Textbooks (covers, manuals)

Marketing Materials (brochures, posters, magazines)

Packaging (cartons, premium paperboards)

Specialty Items (wedding cards, postcards, photo books)

SWOT ANALYSIS OF



Macpac Films Ltd leverages advanced technology and a state-of-the-art facility to produce high-quality films, supported by experienced teams and a pioneering position in Pakistan's film market. The addition of a new extrusion coating machine, ISO certification, sustainability focus, operational resilience, diverse products, and strong CSR enhance its competitive edge.



The company faces challenges from reliance on imported raw materials rising operating costs, high working capital needs, and limited local sourcing options, which strain its financial and operational efficiency.



Growing demand for packaged goods in Pakistan, export potential in emerging markets, and new technology for value-added products present growth avenues. Rising global interest in eco-friendly packaging, AI adoption, and product diversification further bolster opportunities.



Macpac contends with rising fuel and energy costs, political instability disrupting trade, stricter environmental regulations, and intense competition in the flexible packaging industry, posing risks to its operations and profitability.

OWNERSHIP, OPERATING STRUCTURE, AND RELATIONSHIP WITH GROUP COMPANIES

OWNERSHIP STRUCTURE

Macpac Films Limited is a public listed company with a transparent and robust ownership framework. The Company's shareholding is distributed among institutional investors, individual shareholders, and other stakeholders, reflecting broad-based investor confidence in its long-term growth and sustainability. Members of the Board of Directors and key executives also hold a significant number of shares, ensuring alignment between management decisions and shareholder interests.

OPERATING STRUCTURE

The Company operates through a well-defined organizational structure that balances centralized oversight with decentralized execution. Core business functions including manufacturing, finance, sales, and marketing are fully integrated to drive efficiency and strategic alignment. The Board of Directors provides strategic direction and governance oversight, while the executive management team is responsible for executing plans and delivering sustainable growth. This operating model enables Macpac Films Limited to remain agile, competitive, and focused on innovation and long-term value creation.

BENEFICIAL OWNERSHIP

As of the reporting date, Macpac Films Limited confirms that no individual qualifies as an ultimate beneficial owner holding, directly or indirectly, at least twenty-five percent (25%) of the Company's shares or voting rights, nor does any person exercise effective control over the Company under the definitions provided in applicable law. Accordingly, no beneficial ownership disclosures are required for the year under review.

The Company has ensured that its register of beneficial ownership remains fully compliant with the provisions of the Companies Act, 2017. There has been no default or contravention of these requirements during the reporting period. Any future changes in group structure or beneficial ownership, if applicable, will be duly disclosed in subsequent reports.

RELATIONSHIP WITH GROUP COMPANIES

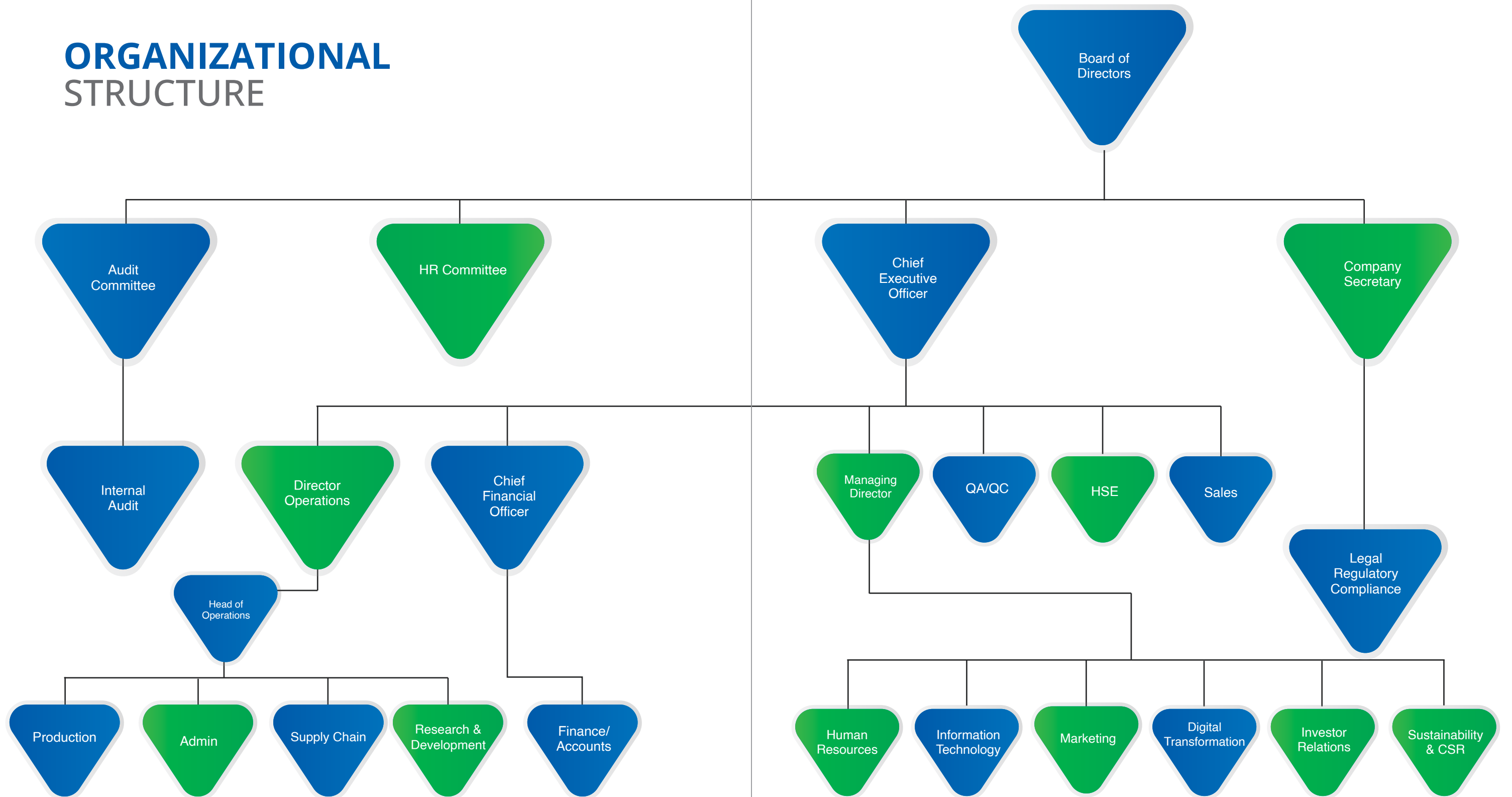
In January 2024, Macpac Films Limited established Macpac Films Middle East L.L.C-FZ in the UAE. This strategic expansion strengthens the Company's presence in international markets and enhances its global footprint.

Macpac Films Limited is part of the Mac Corp. Its related parties include Toyo Packaging (Private) Limited, MAC Business Solution (Private) Limited, TGA Sustainability (Private) Limited, Mac Properties (Private) Limited, and Ugao Agritech (Private) Limited. These associations provide opportunities for synergies, resource optimization, and diversification within the group.

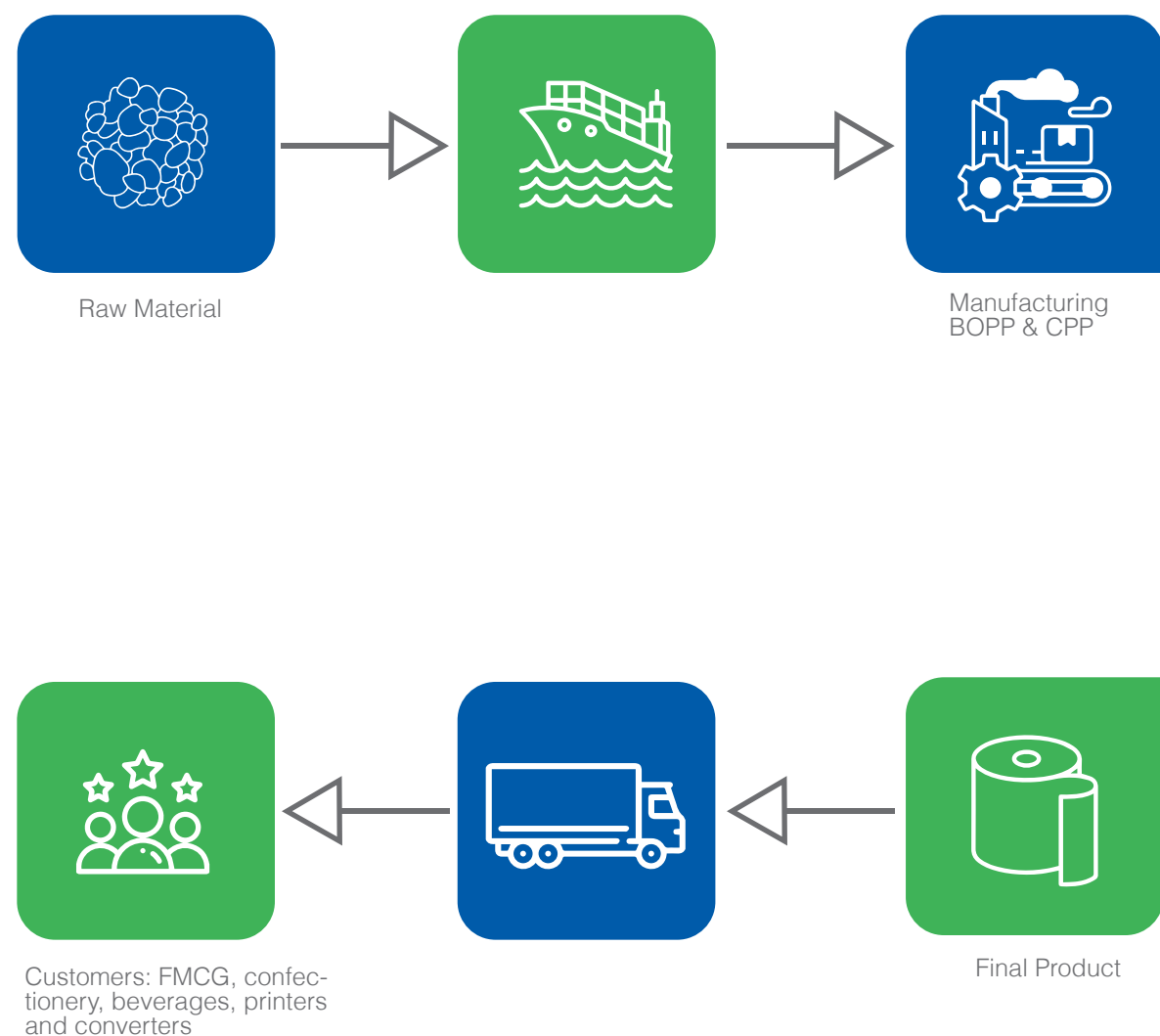


To learn more about Mac Corp, explore <https://themaccorp.com/>

ORGANIZATIONAL STRUCTURE



VALUE CHAIN



COMPETITIVE ENVIRONMENT ANALYSIS

PORTER'S FIVE FORCES FRAMEWORK

During FY2026, Pakistan's packaging films industry continued to be influenced by changing demand for flexible packaging, raw material cost movements, technological developments and competition from alternative packaging solutions. The following Porter's Five Forces analysis outlines the key factors shaping the industry's competitive environment.

THREAT OF NEW ENTRANTS — MODERATE

Entry into the packaging films industry requires considerable investment in specialised manufacturing equipment, technology, quality-control systems and technical expertise. New entrants must also establish scale, customer relationships and consistent product performance to compete effectively. While advances in manufacturing technology can lower certain entry barriers, the capital-intensive nature of film production continues to limit ease of entry.

BARGAINING POWER OF SUPPLIERS — MODERATE TO HIGH

Raw materials, particularly polymer resins, remain a major cost driver for packaging-film manufacturers. Global geopolitical conflicts and wars can disrupt raw material availability, shipping routes and international supply chains, while exchange-rate movements, freight costs and energy prices further affect production economics. These uncertainties reinforce the importance of procurement efficiency, supply continuity and cost management.

BARGAINING POWER OF BUYERS — MODERATE TO HIGH

The availability of locally manufactured and imported films provides customers with multiple sourcing options. Buyers increasingly assess suppliers on price, quality, consistency, technical performance, delivery reliability and ability to meet specific packaging requirements. Growing demand for specialised and higher-performance films can, however, increase the importance of technical capabilities and established supplier relationships.

THREAT OF SUBSTITUTES — MODERATE

Packaging-film manufacturers face competition from alternative polymer films as well as paper-based, biodegradable and other packaging solutions. Sustainability considerations are also encouraging greater evaluation of alternative materials. Nevertheless, flexible films continue to offer advantages in areas such as lightweighting, functionality, printability, barrier performance and suitability for diverse packaging applications.

COMPETITIVE RIVALRY — HIGH

The packaging films industry remains highly competitive, with local manufacturers competing on price, product quality, manufacturing efficiency, technical capabilities, product range and service. Imported films add further competitive pressure, while ongoing technological development and demand for specialised products continue to raise expectations across the industry. Maintaining operational efficiency, consistent quality and product innovation therefore remains critical to competitiveness.

01

02

03

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POLITICAL

Pakistan's operating environment remains influenced by domestic policy developments, fiscal and economic reforms, trade and regulatory measures, and evolving regional and global geopolitical conditions. These factors are affecting energy costs, import availability, supply chains, inflation, foreign exchange, and overall business costs.

External Environment



ECONOMIC

Pakistan's economic environment remained subjective to inflationary pressures, energy and commodity price volatility, financing costs and uncertain economic policies. These factors continued to influence domestic demand, imported input costs, and overall industrial margins.



SOCIAL

Consumer and business expectations continued to evolve toward quality, convenience, product safety and responsible packaging. At the same time, skilled manpower, workplace practices and employee development remained important factors for sustainable industrial performance.



TECHNOLOGICAL

Technology continued to drive productivity, automation product development and operational efficiency. Pakistan's digital-policy environment also placed increasing emphasis on artificial intelligence, cybersecurity, data governance and digital transformation.



ENVIRONMENTAL

Environmental compliance and plastic-waste management remained increasingly important across the packaging value chain. Enforcement of single-use plastic restrictions and continued attention to waste reduction, recycling and resource efficiency increased the importance of sustainable production practices.



LEGAL

The regulatory environment continued to evolve through updates affecting companies, taxation, securities-market compliance, corporate reporting and other statutory obligations. Changes to the Companies Act framework, SECP regulations and tax measures require continuing monitoring and timely compliance.

Implication for Macpac Films Limited

Macpac Films Limited closely monitors changes in government policies, trade and import measures, energy pricing, and regulatory requirements. Geopolitical and regional developments may impact the availability and cost of imported raw materials, logistics, and foreign exchange. The Company mitigates these risks through prudent procurement, supplier diversification, inventory planning, cost management, and business continuity measures.

For Macpac Films Limited, raw-material price, demand conditions, inland freight cost, energy expenses, interest rates remained key economic considerations. The Company continued to focus on cost efficiency, production optimisation, working-capital management and maintaining competitiveness in domestic markets.

The Company continued to recognise the importance of employee capability, workplace discipline, training and engagement, while responding to changing customer expectations for quality and reliable supply. Increasing awareness of sustainability also reinforces the need for packaging solutions that balance functionality, efficiency and environmental considerations.

Macpac Films Limited continued to pursue technology-led improvements in manufacturing and operational processes. Investment in modern extrusion/coating capabilities, process optimisation, automation and digital tools supports improved production efficiency, product quality, cost control and the Company's ability to respond to changing customer requirements.

The Company continued to align its operations with applicable environmental requirements and to encourage responsible resource utilisation. Opportunities to improve material efficiency, reduce waste, increase recyclability and develop more sustainable packaging solutions remain important to long-term competitiveness and stakeholder expectations.

Macpac Films Limited continued to monitor and comply with applicable corporate, taxation, securities, labour, environmental and other regulatory requirements. The Company remains focused on strengthening governance, statutory reporting, internal controls and compliance processes in line with applicable laws and regulatory directions.

OUR JOURNEY



CREATING A SUSTAINABLE FUTURE BY CULTIVATING INCLUSION & RESILIENCE

Macpac Films Ltd. (MFL) remains steadfast in its commitment to our most vital asset: our people. Our strategic initiatives are designed to foster a culture where every employee thrives both professionally and personally.

Our commitment to maintaining a safe and inclusive working environment remains at the core of our people practices. Employees are provided with robust support mechanisms to navigate the stress and psychological pressures of everyday life. By prioritizing the physical, mental, and emotional health of our workforce, we cultivate a resilient and engaged team capable of meeting the demands of a dynamic industry.

Our people policies and frameworks are designed and continuously reviewed to uphold our commitment to equity, be it our hiring and compensation structures, or our promotion pathways that ensure fair and transparent access to opportunities. By actively identifying and removing systemic barriers, we build a truly inclusive workplace, where diverse talents are valued and recognized.

MFL actively invests in the growth of its people, regularly providing opportunities for upskilling across all paradigms, such as functional capabilities, technological agility, and leadership competencies. We equip our employees with the relevant knowledge, skills, and abilities to perform at their best in their current roles, while also offering the experience, exposure, and education necessary to prepare them for their future roles. This translates into meaningful career development for our employees, while simultaneously building the company's bench strength and succession pipeline.

By providing employees with a safe, equitable, and conducive work environment, while focusing on employee wellbeing and talent development, Macpac Films Ltd. is paving the path toward a stronger and more sustainable future.



FATHER'S DAY



MOTHER'S DAY

2026

CELEBRATIONS **THROUGHOUT THE YEAR**

Through this gallery, we capture the essence of MACPAC FILMS from state-of-the-art facilities to key milestones — underscoring our focus on excellence and sustainability



HIGHEST PERFORMANCE CELEBRATION



14TH AUGUST CELEBRATION



NEW YEAR GRILL PARTY



MFL'S 32ND BIRTHDAY



WOMEN'S DAY

AWARDS AND RECOGNITIONS



Recognition at IBA Career Fair 2025: Token of Appreciation to Macpac Films

Macpac Films Participates in the 21st 3P Print Plas Pak Exhibition Lahore- 2024



Sales Force Recognized with Tech Champ Award 2023 for Outstanding Performance

IOBM Career Fair Participation Strengthens Macpac Films' Employer Brand Presence 2024



Macpac Films Honored for Excellence in Timetrax ERP CRM HCM Implementation

Macpac films joins ICMA job fair & education expo - 2025



Macpac films recognised as a silver partner at NED University Career Fair 2025

Strengthening Employer Brand: Macpac Films Joins Sir Syed Career Fair- 2025



MACPAC Films Secures 2nd Position in Others Sector at BCR Awards 2024.

MACPAC Films recognized at Brand of the Year Awards 2020 by Brands Foundation.



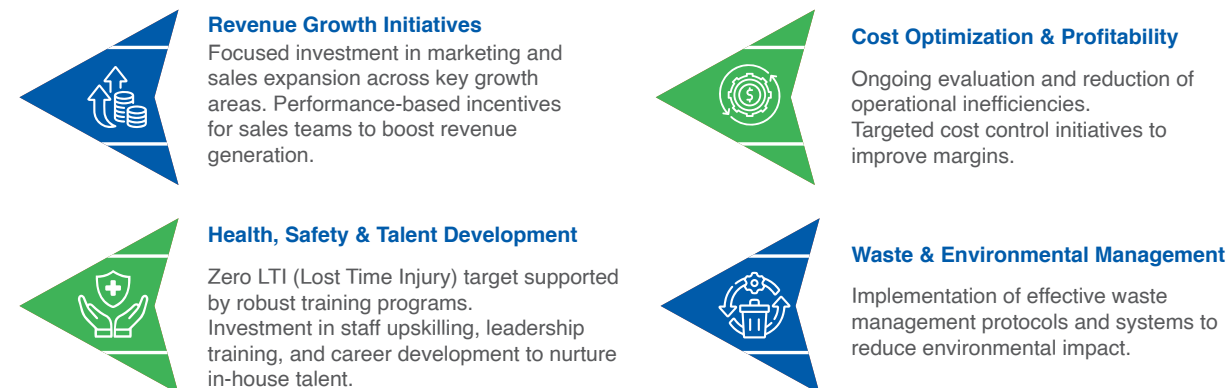
02

STRATEGY & KEY RESOURCE ALLOCATION



STRATEGIC OBJECTIVES AND PLAN

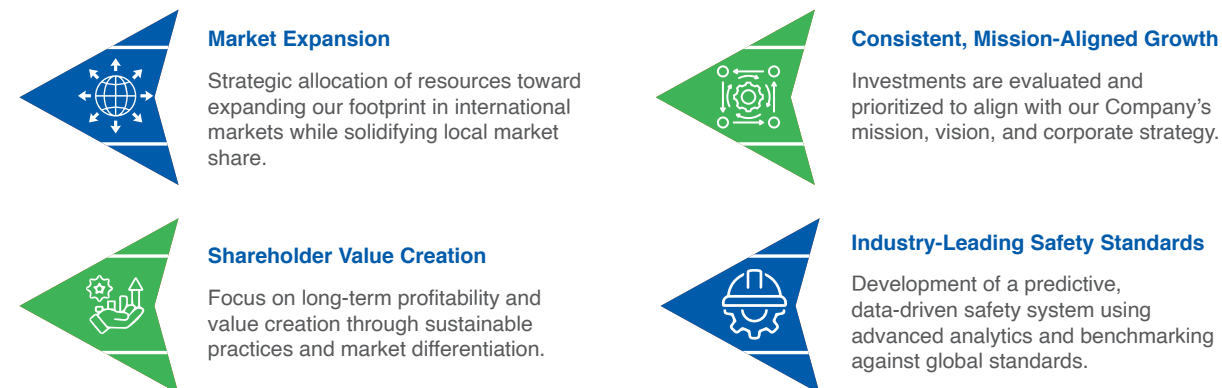
SHORT - TERM:



MEDIUM - TERM:



LONG - TERM:



RESOURCE ALLOCATION PLANS

At Macpac Films Limited, resource allocation is a deliberate, strategy-driven process designed to support our short, medium, and long-term goals. We manage our resources through a six-capitals lens: financial, human, manufactured, intellectual, social & relationship, and natural to ensure sustainable growth and operational excellence.

FINANCIAL CAPITAL

We strategically allocate financial resources to strengthen our manufacturing capabilities and digital infrastructure. Key investments include:

- **Advanced Machinery & Equipment:** Upgrades aimed at reducing downtime and enhancing production efficiency.
- **Technology Integration:** Machine integration with SAP for sustainable growth and operational excellence.
- **Research & Development:** Funding to explore innovative materials and sustainable packaging technologies.
- **Cost Management:** Initiatives to reduce operational costs and minimize waste without compromising quality.

HUMAN CAPITAL

Our people are the backbone of our innovation and performance. We continue to invest in:

- **Training & Development:** Skill-building programs on new machinery, safety protocols, and digital systems.
- **Talent Acquisition:** Recruitment strategies focused on attracting high-potential individuals aligned with our culture and vision.
- **Employee Welfare:** Initiatives promoting job satisfaction, career growth, and a safe working environment, contributing to our zero-LTI (Lost Time Injury) goal.

MANUFACTURED CAPITAL

We prioritize efficiency and quality in all production activities:

- **Facility Upgrades:** Ongoing upgradation of infrastructure and manufacturing lines.
- **Quality Control:** Enhanced systems to meet

- international standards with minimal waste.
- **Process Optimization:** Use of automation and data to reduce variability and improve throughput.

INTELLECTUAL CAPITAL

Innovation is at the core of our competitive advantage. We harness our intellectual capital including proprietary knowledge, technical expertise, and patented processes to continuously enhance product quality and drive sustainability. Our R&D initiatives focus on developing advanced packaging materials and production methods that minimize environmental impact without compromising performance. By fostering a culture of innovation, we remain agile, future-ready, and committed to delivering eco-conscious solutions that meet evolving market demands.

SOCIAL & RELATIONSHIP CAPITAL

Strong stakeholder relationships are critical to our long-term success:

- **Customer & Supplier Partnerships:** Transparent, mutually beneficial engagements that strengthen our value chain.
- **CSR & Community Engagement:** Investment in education, health, and employment programs to build lasting social value.
- **Sustainability Alliances:** Collaboration with recyclers and NGOs to further circular economy goals.

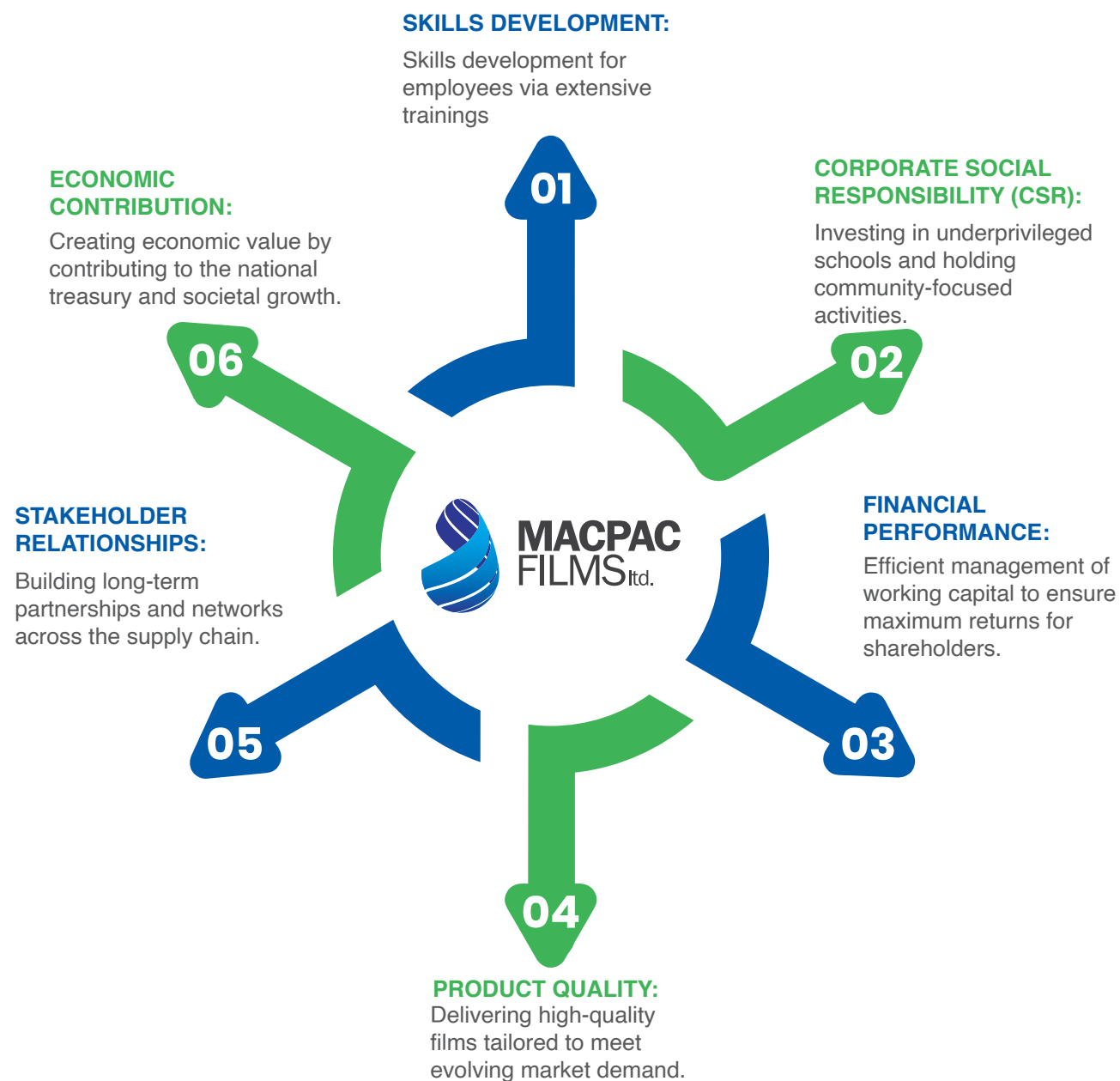
NATURAL CAPITAL

Sustainability is embedded in our operations:

- **3R (Reduce, Reuse, Recycle) Strategy:** Minimizing raw material waste and promoting efficient use of resources.
- **Circular Economy Participation:** Supporting closed-loop recycling systems and environmentally responsible sourcing.
- **Energy & Water Conservation:** Initiatives to reduce consumption and improve resource efficiency across operations.

VALUE CREATION

At Macpac Films Limited, value creation is driven by our commitment to skills development, community support, financial discipline, and product excellence. Our capabilities not only enhance our competitive advantage but also ensure corporate sustainability and positive impact across all stakeholders.



STAKEHOLDERS WE SERVE:

STAKEHOLDERS	FOCUS AREAS
Employees	Skills development, safety, career growth
Communities	CSR activities, education, employment
Government	Compliance, economic contribution
Shareholders	Financial returns, sustainable growth
Suppliers & Service Providers	Collaborative partnerships, sustainability
Financial Institutions	Transparent financial management
Customers	High-quality products

INDUSTRY DRIVERS & TRENDS

The packaging films industry continues to evolve in response to changing consumer preferences, technological advancements, sustainability considerations and developments across global and regional supply chains. BOPP, CPP and thermal lamination films remain important components of modern flexible packaging, serving diverse applications across food and beverages, pharmaceuticals, personal care, FMCG and other industries.

GROWING DEMAND FOR FLEXIBLE PACKAGING

Flexible packaging continues to gain importance due to its versatility, lightweight characteristics, product protection and efficient use of materials. Increasing consumption across packaged food, FMCG, pharmaceutical and personal care segments continues to support demand for high-quality packaging films.

SUSTAINABILITY AND MATERIAL EFFICIENCY

Sustainability is becoming an increasingly important consideration across the packaging value chain. Manufacturers and brand owners are placing greater emphasis on lightweighting, material efficiency, recyclability and the development of more sustainable packaging structures. These developments are encouraging continued innovation across film and laminated packaging solutions.

TECHNOLOGY AND MANUFACTURING EFFICIENCY

Advances in manufacturing technology, automation and process optimisation are influencing product quality, consistency and production efficiency. Greater adoption of modern production and quality-control practices is enabling manufacturers to improve resource utilisation, minimise wastage and respond more effectively to customer requirements.

RAW MATERIAL, ENERGY AND SUPPLY CHAIN VOLATILITY

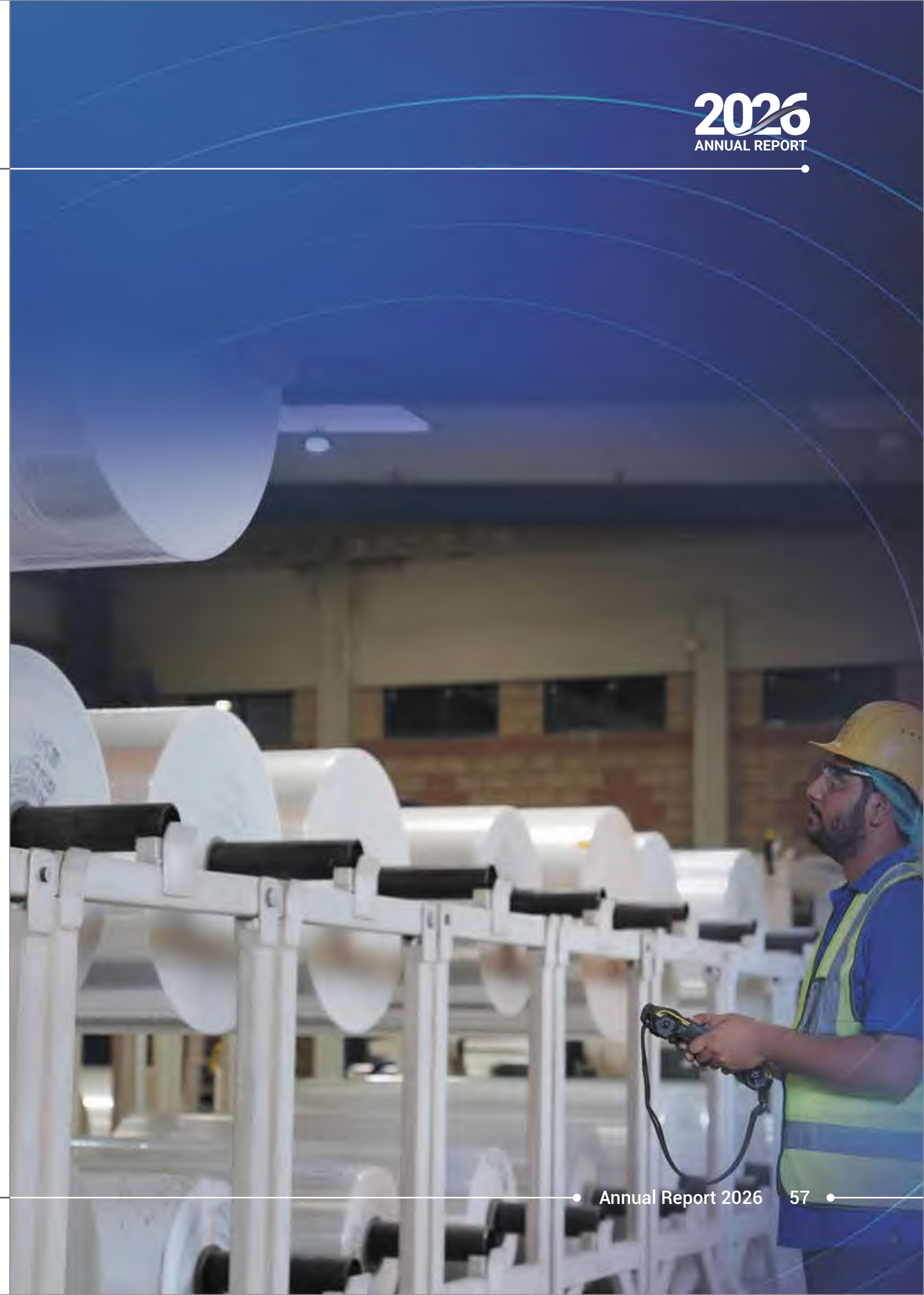
The industry remains sensitive to fluctuations in polymer prices, energy costs, transportation and international logistics. Geopolitical developments and disruptions to global trade can further affect procurement conditions, freight costs and lead times. These factors reinforce the importance of efficient procurement, operational discipline and supply-chain resilience.

COMPETITIVE LANDSCAPE

Competition is shaped by product quality, pricing, manufacturing capabilities, technical expertise, product range and supply reliability. Local manufacturers operate alongside imported products, making efficiency, consistency, innovation and customer relationships increasingly important to maintaining competitiveness.

OUTLOOK

The industry continues to be shaped by demand growth, sustainability, innovation, technology and cost competitiveness. For Macpac Films, these trends reinforce the importance of maintaining reliable manufacturing operations while strengthening capabilities across BOPP, CPP and thermal lamination films and responding to evolving customer and market requirements.



FACTORS AFFECTING STRATEGY AND RESOURCE ALLOCATION

CATEGORY	DETAILS
 Technological Changes	- Investment in advanced machinery to improve efficiency, reduce costs, and maintain quality. - Allocate resources to strengthen ERP integration for streamlined operations and long-term scalability. - Invest in CRM enhancements to optimize customer engagement and data-driven decision-making. - Dedicate resources to advanced analytics for actionable insights and performance measurement. - Channel investments into AI initiatives to drive automation, innovation, and competitive advantage.
 Sustainability Reporting and Challenges	- Waste management and energy efficiency. - Systems for monitoring regulatory compliance and emission control. - Development of sustainability KPIs challenges in transparency. - Recycling awareness programs for employees and partners. - Technological barriers to tracking real-time sustainability data.
 Initiatives Promoting Innovation	- In-house R&D and Quality department driving innovation and sustainable product development. - BMR investment to enhance machinery and productivity. - Employee skill development through training programs. - Strategic collaborations with experts and institutions to boost innovation leadership.
 Resource Shortages	- Proactive procurement strategies ensure consistent availability of key raw materials such as resin and co-polymers. - Shortage of skilled labor—requiring recruitment and training. - Efficient energy resource management to control operational costs and environmental impact.

FINANCIAL KPIS TO ASSESS PROFITABILITY AND GROWTH

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS (KPIs)	RELEVANCE FOR THE FUTURE
Sustained Growth	Year-over-year (YoY) revenue growth percentage	Reflects the Company's ability to grow consistently and sustainably in the packaging sector.
Cost Management	- Gross profit margin - Cost of sales as a percentage of total revenue	Essential for profitability, especially as the company expands and optimizes operations.
Enhanced Waste Management	% reduction in wastage - Cost savings from improved waste management	Key to reducing the carbon footprint and aligning with sustainability goals.
Enhanced Stakeholder Collaboration	- Number of strategic partnerships formed - Stakeholder satisfaction survey results	Crucial for building strategic relationships and ensuring shared value creation.
Nurturing In-House Talent	- Employee retention rate - Employee satisfaction score - Number of training & development programs	Vital for workforce development and adapting to technological changes.
Timely Hiring of Key Resources	- Time-to-fill key positions % of critical roles filled on time	Ensures operational continuity and responsiveness to organizational needs.
Utilizing In-House Research and Quality Dept.	- Number of new sustainable solutions developed - Customer satisfaction with product quality	Drives innovation and sustainability — critical for market leadership.
Market Presence Enhancement	- Market share growth - Number of new markets entered - Investment in advanced machinery	Expands brand footprint and modernizes production capacity.
Commitment to Societal Betterment	- CSR project impact score % of revenue allocated to CSR initiatives	Demonstrates corporate social responsibility and appeals to ethical consumers and investors.
Optimization of Management Processes	- Number of process improvements - Efficiency gains (e.g., time, cost, or resource savings)	Sustains competitive advantage through operational excellence.
Zero Lost Time Injuries (LTI)	- Number of LTI incidents % completion of safety training - Number of safety audits by management	Ensures a safe and compliant workplace — essential in manufacturing environments.
Growth Aligned with Mission and Vision	- Achievement of strategic milestones - Alignment score with mission/vision	Ensures that growth is purpose-driven and aligned with long-term organizational values and direction.

OPERATIONAL EFFICIENCY AND PRODUCTIVITY KPIS

INDICATORS	TARGET	METRIC	SIGNIFICANCE
 Human Capital	Focus on training & safety	• Training hours • Zero lost-time injuries, near misses, and unsafe acts	Human resources are critical to achieving and sustaining the company's mission and operational goals.
 Manufacturing Capital	Emphasizing quality, maximizing equipment efficiency, and preserving market share.	• BOPP & CPP market share • Machine uptime and performance • Product quality vs. standards • Customer complaints and retention rates	Operational efficiency is vital in a competitive industry and remains a key performance indicator.
 Intellectual Capital	New upgraded systems & innovation	• Deployment of IoT-based Overall Equipment Effectiveness (OEE) system • Real-time machine performance monitoring (Availability, Performance & Quality) via live dashboard • Elimination of manual data entry and human error • Identification of bottlenecks and underperforming assets • Increase in OEE leading to improved throughput, cost reduction, and margin expansion	We continuously adopt new technologies to help the Company grow and improve how it operates. The IoT OEE system gives us real-time information that helps manage the factory more efficiently and supports our move towards smarter, more automated manufacturing.
 Networking Capital	Customer focus; strong employee & supplier relations	• Product quality • On-time in full (OTIF) delivery • Customer feedback • Employee & supplier surveys	Strengthening stakeholder relationships is a priority for sustained success.
 Ecological Capital	Full adherence to environmental regulations	Compliance with all relevant environmental laws	Promotes a culture of ethics and environmental responsibility essential for corporate sustainability.

ALIGNMENT OF STRATEGIC OBJECTIVES WITH COMPANY'S MISSION AND VISION

Macpac Films Limited operates in a dynamic and continuously evolving business landscape. In response to emerging challenges and opportunities, the Company has developed and executed professionally crafted strategic objectives, ensuring long-term growth and sustainability while staying true to its core values.

To effectively adapt to changing market demands, Macpac Films has optimized internal management processes, explored new markets, and invested in alternative energy solutions. Key strategic initiatives also include modernization of production facilities and a strong focus on enhancing customer satisfaction and market penetration, which are critical drivers of the Company's growth agenda.

The Company's forward strategy emphasizes continuous improvement in operational efficiency, innovation, and process optimization to strengthen its competitive position and support sustainable growth.

Macpac Films remains firmly dedicated to upholding national and international standards of quality, integrity, and compliance. For all stakeholders, the Company prioritizes sustainable development, cost efficiency, and responsible growth. Continuous innovation, modernization, optimized capacity utilization, and efficient resource management are core to maintaining a competitive edge and delivering lasting value.

BOARD'S STATEMENT ON SIGNIFICANT PLANS AND DECISIONS

Macpac Films Limited remains fully compliant with Pakistan Stock Exchange (PSX) disclosure requirements through timely communication of all material information that may influence share price and investor decisions.

A defined and rigorous process governs the documentation and reporting of such information, ensuring accuracy, transparency, and accessibility for all stakeholders.

This disciplined approach strengthens corporate governance, reinforces investor confidence, and enables shareholders and potential investor to make well-informed decisions.

INFORMATION ON DEBTS

CAPITAL STRUCTURE

Macpac Films Limited maintains a strong and balanced capital structure, with an equity base of approximately PKR 2.29 billion. Of this, 38.1% represents free float, reflecting active market participation. As of FY 2026, the Company's long-term debt-to-equity ratio stands at 0.09, underscoring a conservative approach to leveraging debt. This low gearing level indicates that the Company predominantly relies on equity to finance its operations, providing enhanced financial stability and reduced risk exposure.

Looking ahead, the current capital structure is considered well-positioned to support the Company's future growth and operational strategies. The solid equity foundation, combined with minimal long-term debt, offers financial flexibility and readiness to capitalize on emerging market opportunities.

MATERIALITY APPROACH

The Company's approach to materiality is governed by the Code of Corporate Governance. Materiality is defined with reference to line items in the Statement of Profit or Loss and the Statement of Financial Position. Based on this framework, the Board has delegated authority to the Chief Executive Officer to manage day-to-day decisions. This delegation is supported by clear procedures and internal controls to ensure effective and responsible management of daily operations and transactions.

REPAYMENT OF DEBT

Although the Company increased its borrowings during the year, it utilized borrowing capacity in order to support and maintain its raw material stock the supply of which is uncertain due to volatile geo-political situation.

This ensures that Macpac Films remains well-prepared to meet future funding requirements, particularly for strategic initiatives. All debt obligations due in the reporting period were met in full and on time, with no defaults recorded. The Company's strong debt management underscores its commitment to maintaining financial discipline and operational resilience.

LIQUIDITY STRATEGY & FINANCING POSITION

Macpac Films Limited follows a proactive and well-structured liquidity strategy to ensure financial stability and smooth operational continuity. The Company maintains vigilant oversight of its operating working capital, with a strong focus on maintaining a healthy balance between liabilities and receivables. Adequate inventory levels are sustained to support uninterrupted production and timely fulfillment of customer orders, without putting strain on cash flows.

Daily monitoring of the fund position is conducted to enable timely decision-making and ensure the availability of liquidity for operational needs. This disciplined approach supports the Company's ability to make prompt payments to vendors, strengthening supplier relationships and maintaining the Company's credibility in the market.

The Company has established strong relationships with reputed banks and financial institutions, allowing it access to adequate short-term financing facilities for working capital requirements. In addition, long-term financing has been secured on attractive terms. Gearing levels are kept in check, reflecting a conservative approach to debt management.

All financial covenants have been fulfilled, underscoring Macpac Films' commitment to sound financial governance. This well-managed financing position ensures that the Company remains agile and resilient, with the flexibility to pursue growth opportunities and navigate changing market conditions effectively.

COMPANY'S CONTRIBUTION TO THE NATIONAL EXCHEQUER

Macpac Films Limited plays a vital role in supporting the national economy through a multifaceted approach that extends beyond core business operations. The Company is firmly committed to Corporate Social Responsibility (CSR), actively contributing to community welfare and the broader socio-economic development of the country. Participation in various government initiatives further reflects Macpac Films' dedication to national progress and public welfare.

As a major employer, the Company provides meaningful employment to hundreds of individuals, positively impacting household incomes and supporting local economic ecosystems. By creating job opportunities, Macpac Films contributes to reducing unemployment and promoting inclusive economic growth.

The Company also fulfills its financial obligations by regularly paying a wide range of government levies and taxes, including corporate and income taxes, which are critical for funding public services and infrastructure projects. Additionally, it pays customs duties that support international trade and economic activity.

During the current fiscal year, Macpac Films contributed approximately PKR 1.35 billion to the national exchequer, underscoring its role as a significant taxpayer and economic stakeholder. Furthermore, the Company's export operations generate valuable foreign exchange, supporting the country's external account and financial stability.

Together, these contributions reflect Macpac Films Limited's strong commitment to national development, responsible corporate citizenship, and long-term economic sustainability.

03

CORPORATE SOCIAL RESPONSIBILITY



BOARD'S STATEMENT ON CSR AND IMPACT ON SUSTAINABILITY

The Board of Directors of Macpac Films Limited reaffirms its strong commitment to Corporate Social Responsibility and global sustainability best practices. Our responsibility goes beyond shareholder returns to creating long-term shared value for employees, customers, communities, and the environment.

ESG principles are embedded across the organization, with the Board actively overseeing sustainability initiatives to ensure alignment of policies, resources, and leadership with responsible growth. This integration strengthens our resilience and leadership in sustainable packaging in Pakistan.

The Board recognizes the clear link between sustainability and financial performance. Investments in renewable energy, circular economy practices, and inclusive workplaces reduce costs and risks while driving productivity, innovation, and brand strength.

Committed to transparent sustainability reporting aligned with global standards, we continue to invest in sustainable practices to build a competitive, future-ready business that delivers enduring value for all stakeholders.

BOARD OVERSIGHT OF SUSTAINABILITY

Building on this commitment, the Board has established a clear oversight framework to ensure sustainability principles are systematically embedded into Macpac Films Limited's strategy and operations.

COMMITTEE OVERSIGHT

The Board of Directors of Macpac Films Limited provides active oversight of the Company's sustainability and ESG agenda. Responsibility for monitoring and guiding sustainability matters has been formally entrusted to the Human Resource & Remuneration Committee (HR&RC), reflecting the Company's commitment to embedding sustainability into governance at the highest level. The HR&RC, which includes at least one female director, ensures that diverse perspectives are incorporated into decision-making. By linking ESG oversight with workforce policies, employee well-being, diversity, and organizational development, while coordinating on environmental and governance considerations across functions, the Board ensures that sustainability remains fully integrated into the Company's long-term strategy and operations.

REPORTING TO THE BOARD

The HRRC reviews sustainability-related initiatives and submits a report to the full Board at least once a year. This report outlines the Company's progress in embedding sustainability principles into its operations and strategy.

Through this reporting and oversight process, the Board ensures that sustainability is not treated as a separate function but is fully embedded into the Company's governance and long-term value creation strategy.

SUSTAINABILITY GOVERNANCE STRATEGY & PERFORMANCE

To explain this oversight into action, the Company aligns its sustainability disclosures and performance reporting with SECP guidelines and global standards, structured around a four-pillar framework.

Macpac Films Limited acknowledges the Securities and Exchange Commission of Pakistan's (SECP) ESG Disclosure Guidelines as a baseline for transparent, comparable, and accountable sustainability

FOUR-PILLAR ESG DISCLOSURES



Macpac Films Limited will continue aligning with SECP's evolving sustainability roadmap and global best practices to strengthen its long-term resilience, competitiveness, and stakeholder trust.

HIGHLIGHTS OF SUSTAINABILITY

PERFORMANCE, POLICIES, INITIATIVES AND PLANS

These governance structures and strategic priorities are reflected in a wide range of initiatives and policies across social, environmental, technological, and resource management dimensions. At Macpac Films Limited, sustainability is embedded in every aspect of our operations, policies, and future planning. The Company has adopted a forward-looking approach that balances financial growth with social responsibility, environmental stewardship, and technological advancement. Our commitment is to create shared value for stakeholders while ensuring responsible use of resources for future generations.



SOCIAL INITIATIVES

Macpac Films Limited recognizes its responsibility to foster inclusive growth, improve employee well-being, and positively impact communities.

BLOOD DRIVE

Macpac Films Ltd. is committed to fulfilling its Corporate Social Responsibility (CSR) and actively contributes to initiatives that support the health and well-being of the community. As part of this commitment, Macpac Films Ltd. collaborates with Indus Hospital and AMTF to organized blood donation drives at its premises, encouraging employees to come forward and donate blood to support patients suffering from cancer, thalassemia, and other serious medical conditions who require regular blood transfusions. Through these initiatives, the Company aims to promote a culture of compassion, volunteerism, and social responsibility, while encouraging its employees to play an active role in saving lives and supporting the wider community.



KDSP AWARENESS PROGRAM

An engagement program held in collaboration with the Karachi Down Syndrome Program (KDSP) to raise awareness, promote empathy, and encourage inclusivity within our workforce and society.



ENVIRONMENTAL INITIATIVES

As pioneers in BOPP films in Pakistan, Macpac Films Limited is actively leading the transition towards sustainable manufacturing practices.

Climate Change Mitigation

The Company is in process of transition to solar energy, reducing Scope 2 emissions, and initiated an ISO 14068-1 aligned carbon neutrality study covering Scope 1–3 emissions.

Circular Economy Practices:

Waste from non-recyclable multilayer plastics is repurposed into eco-bricks, at factory, thereby diverting waste from landfills.

Water Stewardship

Safe, sustainable drinking water is provided through the in-house RO plant, supporting both employee health and responsible consumption.

Future Outlook

Investments in renewable energy and continued innovation in circular economy solutions remain central to reducing the Company's environmental footprint.

TECHNOLOGICAL INNOVATION

Macpac Films integrates technological innovation into its sustainability roadmap, ensuring that environmental and social priorities go hand-in-hand with operational efficiency

Energy Efficiency:

Adoption of renewable energy and advanced equipment reduces reliance on fossil fuels and mitigates emissions.



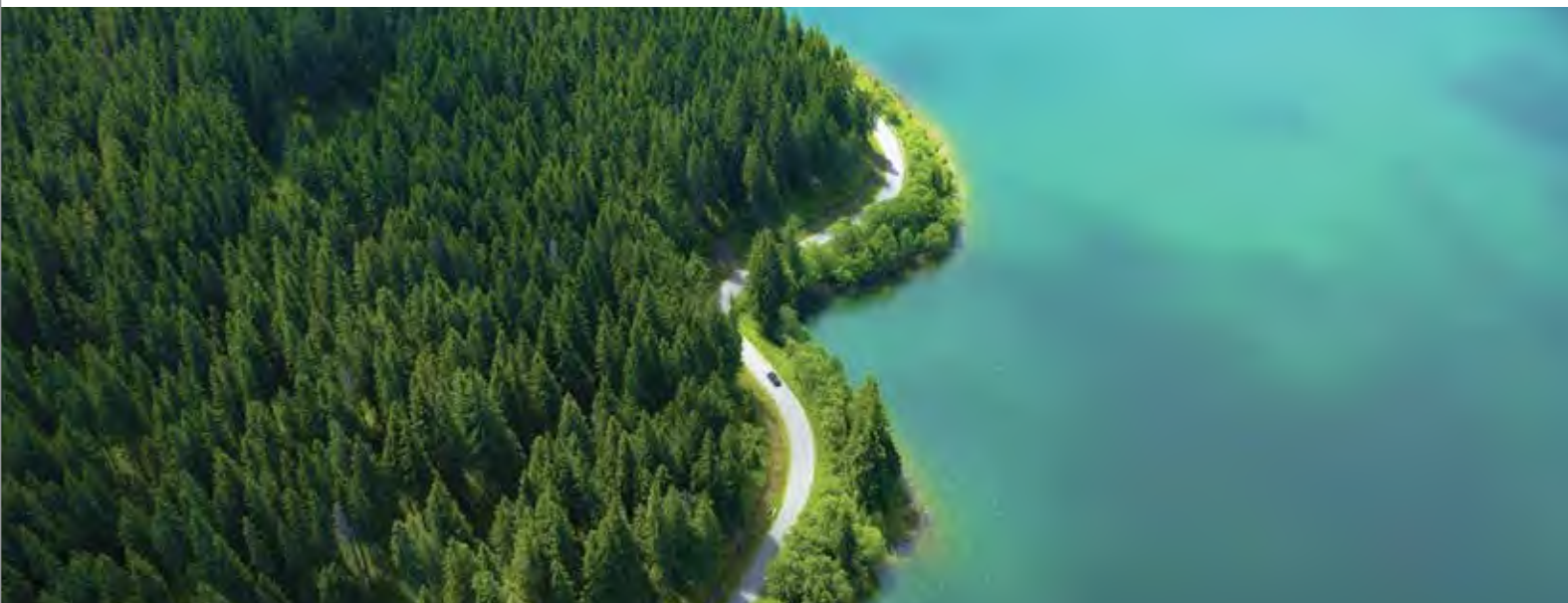
Digitalization for Governance:

Sustainability reporting to improve transparency, accuracy, and long-term monitoring.



Product Innovation:

Focus on sustainable packaging solutions ensures that the Company remains competitive while addressing the evolving needs of environmentally conscious customers.



RESOURCE CONSUMPTION & MANAGEMENT

Macpac Films Limited monitors and optimizes its use of natural and energy resources to minimize depletion and environmental degradation.

ENERGY

Transition to renewable solar energy has significantly reduced carbon emissions and enhanced energy resilience.



WATER

The Company's RO water system not only provides safe water to employees but also promotes sustainable water use.



MATERIALS

Recycling and reuse initiatives, including eco-bricks and waste diversion, reduce landfill contributions and promote a circular economy

EMISSIONS & WASTE

Reducing emissions and minimizing waste through continuous improvement.



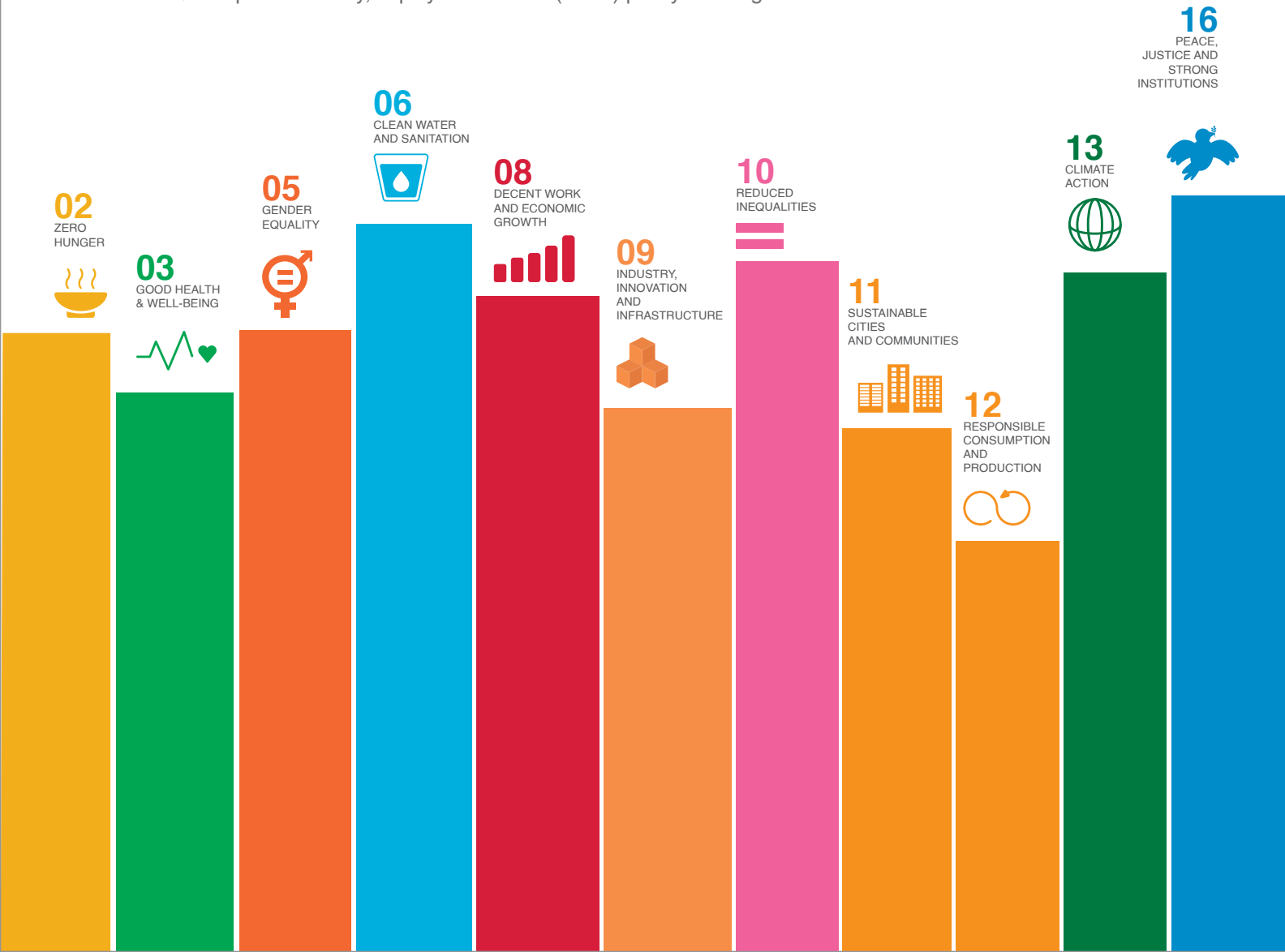
CSR & SUSTAINABILITY HIGHLIGHTS 2026

While these initiatives represent our ongoing commitment, the year 2026 also marked specific milestones that demonstrate measurable progress and impact.

In 2026, Macpac Films Limited delivered tangible results from its sustainability strategy. The year was marked by a complete transition to renewable energy, progress toward carbon neutrality, and expansion of employee well-being and inclusivity programs. Our initiatives not only strengthened operational resilience but also reinforced our position as an industry leader in sustainable packaging.

KEY HIGHLIGHTS:

- Initiated ISO 14068-1 aligned carbon neutrality study (Scopes 1–3).
- Expanded circular economy practices by repurposing plastics into eco-bricks.
- Enhanced employee well-being with daycare, wellness zones, and transport facilities.
- Increased female participation in the workforce, including leadership representation.
- Strengthened community support through food security and livelihood initiatives.
- Adopted Diversity, Equity & Inclusion (DE&I) policy and aligned with UN SDGs.



ESG PERFORMANCE APPENDIX 2026

PILLAR	KPI	2026 PERFORMANCE	FUTURE TARGET	RELEVANT SDGS
Environmental (E)	Renewable Energy Usage	Installation of Solar energy to reduce carbon emissions	Expand renewable integration in operations	SDG 7, 13
	Carbon Neutrality	ISO 14068-1 carbon neutrality study initiated (Scopes 1–3 mapped)	Achieve carbon neutrality certification	SDG 13
	Waste Management	Eco-bricks made from non-recyclable plastics repurposed at factory	Expand circular economy solutions to reduce landfill waste	SDG 12
	Water Stewardship	In-house RO plant providing safe drinking water to all employees	Reduce water footprint through recycling/reuse initiatives	SDG 6
Social (S)	Workforce Diversity	Women's participation increased since 2020; Board & Executive representation achieved	Improved women's participation in the overall structure by 2030	SDG 5, 10
	Employee Well-being	On-site daycare, gym, prayer & wellness facilities introduced	Expand wellness programs and employee healthcare coverage	SDG 3, 8
	Worker Support	Free rations and subsidized wheat	Broaden worker livelihood initiatives and expand family support programs	SDG 2, 8
	Accessibility	Communal employee transport provided to/from factory	Expand routes and improve green mobility solutions	SDG 11
Governance (G)	ESG Oversight	ESG integrated into Board agenda and decision-making	Enhance Board-level ESG training and stakeholder reporting	SDG 16
	Transparency & Reporting	Aligning the Company for the sustainability	Fully align with IFRS/ISSB S1 & S2 by 2027	SDG Accessibility 17
	Ethics & Compliance	Incorporating sustainability risk management into ERM	Expand ethical supply chain monitoring and ESG-linked procurement	SDG 9, 12

Only mention= Deaf Reach, AKU, KDSP, TCF, OTF, Akhuwat, Nust

HIGHLIGHTS OF CORPORATE SOCIAL RESPONSIBILITY

At Macpac Films Ltd, we believe success goes beyond profits—it's about creating positive change. Driven by sustainability, compassion, and community empowerment, we proudly support initiatives in education, healthcare, and social welfare that leave a lasting impact on society.

SUPPORTING HEALTHCARE AND WELL-BEING

The Patient Behbood Society – AKU:

We extended our support to the Patient Behbood Society at the Aga Khan University Hospital, enabling them to continue their impactful work in patient care.

INVESTING IN EDUCATION AND YOUTH DEVELOPMENT

The Citizens Foundation (TCF):

Education is the foundation of progress. Through our support to TCF, we contributed to providing quality education to underprivileged children, helping bridge the education gap and empower communities.

NUST – Defining Futures Fundraiser:

In collaboration with the National University of Sciences and Technology and the Saturday Welfare Group, we supported the Annual Fundraiser 2025 in Karachi. Our contribution helped finance tuition for financially challenged students, reaffirming our commitment to transforming youth through education.

Orange Tree Foundation:

By supporting the Orange Tree Foundation, we contributed to educational programs for underprivileged children, enabling them to pursue brighter futures.

EMPOWERING MARGINALIZED COMMUNITIES

Karachi Down Syndrome Program (KDSP):

We are proud to support KDSP in its mission of fostering inclusivity and empowerment for individuals with Down syndrome, helping build a compassionate and equitable society.

Deaf Reach:

Our contribution to Deaf Reach reflects our belief in equal opportunities for differently-abled individuals, ensuring access to education and skill development.

Akhuwat:

By donating to Akhuwat, a leading microfinance and poverty alleviation institution, we played a role in enabling financial independence and dignity for marginalized communities.



04

CORPORATE GOVERNANCE



PROFILE OF THE BOARD OF DIRECTORS



PROFILE OF THE BOARD OF DIRECTORS

Mr. Naeem Ali Muhammad Munshi

Chairman – Non-Executive Director



Mr. Naeem Munshi has been serving as a Non-Executive Director at Macpac Films ever since its inception. He is the Chairman of Hilal Foods (Private) Limited, Hilal Care (Private) Limited, and Hilal Retail which is the master franchisee of Domino's Pizza Pakistan. He is a graduate of Sindh University and has over forty-seven (47) years of experience successfully managing one of the largest confectionery and baking businesses in Pakistan, giving Macpac Films Limited an integral insight deep into the customer demands and trends of the end users. He has also been serving as a member of the Audit Committee of the Board at Macpac Films Limited. Additionally, he is a director of Gulf Leasing Company Limited.

Mr. Najmul Hassan

Chief Executive Officer



A qualified CMA and having a master's degree from IBA, he is the CEO of Macpac Films Ltd. He has extensive executive level experience of over 30 years in different industries including manufacturing & financial sector and great decision-making skills. Being the backbone of the Company, with his timely decision, he has always led the Company to the forefront.

Mr. Ehtesham Maqbool Elahi

Executive Director



A graduate of American University in Dubai and is a certified director from PICG, having years of experience of senior level managerial positions, he is a highly organized, skilled and self-motivated managing director with a futuristic mindset to accomplish new levels of success. A mentor for the organization, a leader to follow. He is also a member of the HR and Remuneration Committee of the Board. He also holds directorships in:

- Din Textile Mills Limited;
- MAC Business Solution (Private) Limited;
- MAC Properties (Private) Limited;
- Macpac Films Middle East L.L.C-FZ;
- TGA Sustainability (Private) Limited;
- Toyo Packaging (Private) Limited;
- Ugao Agritech (Private) Limited;

Mr. Shabbir Hamza Khandwala

Independent Director



Mr. Shabbir Hamza Khandwala is a fellow member of the Institute of Chartered Accountants of Pakistan and carries with him over 40 years of diversified experience of various sectors. He has been the Chief Financial Officer & Group Head Finance of Meezan Bank from March 2005 to September 2022 and was responsible for accounting and finance discipline of the Bank. He had a holistic role in the Bank and was actively involved in the strategy formulation of the Bank in the last 17 years as it has grown from a small bank to the sixth largest bank in Pakistan.

Prior to joining Meezan Bank, he had worked at KASB Group for 10 years in various capacities and was CEO of KASB Securities, CEO at KASB Premier Fund and Executive Director at Khadim Ali Shah Bukhari & Co. Ltd. Mr. Shabbir has also worked with A.F. Ferguson & Co., Chartered Accountants for 9 years and with Attock Cement Pakistan Limited for 4 years.

He is also an independent director at Lucky Cement Limited and UBL Insurers Limited.

Ms. Hafsa Abbasy

Independent Director



Ms. Hafsa Abbasy is an independent director. She is a seasoned HR Professional, having worked for some of the best-known names (Citi Bank, ABN AMRO, Standard Chartered). Hafsa holds Masters and Bachelors in Business Administration from IBA Karachi. She is also a Certified Leadership Coach and Diversity Advocate. She was appointed to the board of directors of Macpac Films Limited on September 20, 2022. She is also the Chairperson of Human Resources & Remuneration Committee (HR&RC).

Mr. Shariq Maqbool Elahi

Non-Executive Director



Mr. Shariq Maqbool Elahi is the technical mind of the Board pertaining to the packaging industry. Serving as a Non-Executive Director and a member of the Board Audit Committee and the HR & Remuneration Committee, he adds immense value to the Board by his understanding of the business from his first-hand experience of printing and packaging. He is also a director at:

- Mac Business Solution (Private) Limited;
- Mac Properties (Private) Limited;
- TGA Sustainability (Private) Limited;
- Toyo Packaging (Private) Limited;
- Ugao Agritech (Private) Limited.

Mr. Fahad Munshi

Non-Executive Director



He is serving as a Non-Executive Director at Macpac Films Limited. He holds a Bachelor's degree from Bentley University in Waltham, Massachusetts, and the financial diploma from Harvard Business School. He joined Hilal Foods (Private) Limited as a Director and is currently serving as the Chief Executive Officer. He has over ten (10) years of experience as Head of Operations of Hilal Foods, which gives him the ability to devise the highest-level strategies for directing growth. He also holds directorships in:

- Hilal Care (Private) Limited;
- Hilal Foods (Private) Limited;
- Hilal Retail Brands; and
- Shalimar Food Products.

BOARD CHANGES

(AS OF SEPTEMBER 1, 2026)

Mr. Fahad Munshi resigned from the Board of Directors at close of business on September 01, 2026, due to his other professional commitments.

The Board appointed Ms Semeen Akhter on the Board of the Company with effect from September 2, 2026, to fill the vacancy created by the aforesaid resignation, for the remainder of the term.



Ms Semeen Akhter

Independent Director

Ms Semeen Akhter is a global business and technology leader with over 25 years of experience across the energy, infrastructure, FMCG, and industrial sectors and had served in Europe, the Middle East, Africa and Latin America. She brings deep technology expertise in Digital Twins, Industrial IoT, Artificial Intelligence and Digital Transformation having led large-scale technology and innovation programmes across multiple global organisations. She also served as CEO of Engro Powergen Qadirpur Limited for a period of over three years from May 2023 to June 2025.

The Board wishes to place on record the immense contribution made by the outgoing Director, Mr Fahad Munshi during his tenure and welcomes Ms Semeen Akhter on the Board of Directors of the Company.

COMPANY MANAGEMENT





Mr. Habib Elahi
Group Director

Trained as a management professional with more than 10 years of experience in a leadership position, Habib Elahi oversees the group companies at a strategic level. He adds value to the organization by his out-of-the-box, visionary thinking who champions innovative solutions to elevate organizational performance, cutting costs, streamlining operations, supply chain optimization, new business development, increasing productivity, governance and overall competitiveness. He is talented in developing partnerships, overseeing personnel and developing tactical plans to meet strategic goals.



Ms. Nausheen Ahmad
Legal Advisor

Ms. Nausheen Ahmad is a corporate and commercial lawyer with over two decades of experience. Having served as Head of Legal and Company Secretary of leading Pakistani corporates, she is now an independent practitioner and has been a Legal Consultant to Macpac Films Limited since August 2021. The Company is benefitting from her breadth of experience and legal knowledge.



Ms. Muneeza Kassim
Group Chief Financial Officer

Ms. Muneeza Kassim is the Group Chief Financial Officer at Mac Corp, previously she has served as the Group CFO at TCS Group of Companies. Muneeza joined the Engro group in 2011 after moving back to Pakistan and served as the CFO at Engro Vopak Terminals Limited and as Head of Internal Audit at Engro Polymer Chemical Limited. She started her career with Shell Pakistan Limited and then moved out to Shell Markets Middle East and Shell International on various global and regional assignments. She is a trusted member of the C-suite, and is known for providing sharp insights into financial trends, governance & controls and opportunities to drive profitability. She has successfully led M&A transactions and financial transformation projects and has experience of working in a highly disruptive environment. She is on the board of TPL Life as an Independent Director and is also Chairman of the Board Audit committee. She has an MBA in Finance & Marketing from Southeastern University, DC.



Mr. Muhammad Asim
Chief Financial Officer

Mr. Muhammad Asim is a chartered accountant by profession with extensive experience in financial strategy, transformation, and corporate finance. He brings a strong track record in financial reporting and analysis, budgeting and forecasting, taxation, and risk management, along with hands-on expertise in mergers & acquisitions and SAP implementation. Throughout his career, he has successfully led finance transformations, optimized financial processes, improved profitability, and strengthened internal controls.



Mr. Aquil A. Khan
Company Secretary

Mr. Aquil A Khan has over four and a half decades of diversified experience in compliance, corporate governance, legal, company secretarial and finance in UBL, ICI, NIT and PACC. Aquil has done double bachelors in commerce & law and double masters in economics & law and is a fellow member of the Institute of Cost and Management Accountants of Pakistan. Aquil also holds a diploma in banking from the Institute of Bankers in Pakistan and a certification in director education from Pakistan Institute of Corporate Governance.



Mr. Mohammad Fahad
Head of Internal Audit & Secretary to the Board's Audit Committee (BAC)

Mr. Fahad is a seasoned Chartered Accountant, having completed the mandatory professional training from KPMG Taseer Hadi & Co. He carries over fifteen years of an all-round industry experience (post qualification) including financial management, reporting & accounting, budgeting-cum-planning, taxation, costing, ERP implementations, managing audits and corporate secretarial matters. He has served at various middle-management and senior-management cadres at some big Corporates, viz. Jaffer Brothers (Pvt) Ltd., Crescent Steel & Allied Products Ltd., Master Motor Corporation (Pvt) Ltd., and Platinum Steel Mill (Pvt) Ltd.



MR. Muhammad Junaid Hashmi
Head of Operations

Mr. Junaid Hashmi brings over 20 years of diversified experience in manufacturing, operations, and technical leadership, having held key positions with reputable organizations including Adamjee Polymers, Pakistan Cables, and Tri-Pack Films. His professional expertise extends beyond plant operations, covering supply chain management, research and development, product portfolio understanding, market dynamics, business expansion, and cross-functional team leadership. With a strong techno-commercial background, he brings a balanced perspective across operational performance, business needs, and long-term organizational growth. He holds a Bachelor's degree in Polymer Engineering and an M.Phil. in Industrial Management, and is currently pursuing a Ph.D. in Chemical Engineering.



MR. DARREL JACOB
Group Chief Human Resources Officer

Darrel Jacob is an accomplished HR Leader with over 2 decades of progressive experience, specializing in Design & Management of Large-Scale Change, HR Strategy Formulation, HR Business Partnership, Organizational Design & Restructuring, Organizational Effectiveness & Resource Optimization, and Building HR Frameworks & Organizational Culture.

He has contributed to diverse businesses including Green Field Projects, Acquisitions, Expansions, Joint Ventures, Business Turnarounds and Privatizations while working within a number of geographies, including the Middle East, North Africa, South East Asia (Remote) & Pakistan. Having worked across the Financial, FMCG, Aviation & Power Sectors, he has been associated with leading employers such as ORIX Leasing, IFFCO Group, dnata (Emirates Group) & K-Electric.

Darrel is a Senior Certified Professional from SHRM (USA), who also holds an MBA (HR) from the Institute of Business Management and a Diploma in Industrial Relations & Labor Law from the Pakistan Institute of Quality Control.



Ms. Um-e-Farwa
Head of Digital Transformation

Ms. Um-e-Farwa is a qualified accountant and an associate member of the Institute of Cost & Management Accountants of Pakistan (ICMAP) with over 10 years of practical experience; she has evolved within the organization through a variety of roles. With a strong foundation in financial accountability and project management, she is now leading the Company's digital transformation efforts, driving innovation and technological advancements to enhance operational efficiency and growth.



Mr. Rana Faisal
National Sales Manager

Mr. Rana Faisal is an MBA by qualification and brings with him, over 15 years of in-depth experience in Sales & Business Development, with the vast majority falling within the flexible packaging industry. He has worked with Novatex Limited in various capacities and spearheaded the execution of various strategic objectives such as Sales Growth, Complaint Cycle Time Reduction, Customer Experience Improvement, New Product Launches & New Market Exploration/Development.



Mr. Muhammad Kamran Rasool
Head of Engineering

Mr. Kamran brings 14 years of experience in engineering, maintenance and projects, with expertise in TPM, energy optimization, reliability, automation, CAPEX/OPEX management and engineering operations. He has an exposure of working across various manufacturing industries, such as wires & cables, HDPE & LDPE pipes, PET, PVC, PPRC, and BOPP/PP Films.

Kamran has played various progressive roles with Tri Pack Films Limited, within the domain of maintenance, utilities, and technical. In his most recent role as Head of Engineering & Projects at Pakistan Cables Limited, he led major plant relocation, energy and engineering projects, while driving significant cost savings and improvements in equipment uptime.

Dear Valued Shareholders,

I am pleased to present the Chairman's Review Report of Macpac Films Limited for the financial year ended June 30, 2026. This report highlights our strategic direction, operational achievements, and the resilient performance demonstrated by your Company over the past twelve months. Reflecting on our annual theme, "The Impact We Create", the fiscal year 2025-26 stands out as a period of profound progress where we expanded our capabilities and deepened our commitment to delivering real value to our customers, stakeholders, and the community.

During the year under review, the Company achieved noticeable financial and operational turnaround, improving performance across key segments compared to the prior period. Despite the continuous pressures of inflation, currency fluctuations, and escalating energy tariffs, Macpac successfully optimized its product mix, maximized capacity utilization, and enforced stringent cost-rationalization measures. These focused initiatives translated directly into enhanced manufacturing efficiencies, improved gross margins, and a much healthier corporate bottom line.

In alignment with our core strategic goals, the Board of Directors has recommended to carry forward the entire unappropriated profits for the year ended June 30, 2026, resulting in a NIL dividend payout to shareholders. While we appreciate the patience of our valued investors, this conservative and highly structured capital allocation policy is vital. It guarantees that our cash reserves remain fully protected, leaving us structurally equipped to invest in critical high-growth opportunities, scale operations, and weather unexpected economic shocks without adding toxic financial leverage.

Our commitment to governance and continuous improvement has been mirrored by the Board's oversight. The Board has effectively evaluated economic challenges and guided the Management to capitalize on local market gaps. We remain focused on expanding our specialty film portfolio and adopting environmentally conscious manufacturing processes to drive sustainable packaging solutions. For Macpac, ESG / sustainability is no longer a future goal—it is a live operational strategy driving down cost structures while protecting our environment.

In conclusion, I would like to express my sincere gratitude to our shareholders, clients, banking partners, and the Securities and Exchange Commission of Pakistan (SECP) for their unwavering trust and confidence. Most importantly, I extend my deep appreciation to our management team and every worker at Macpac Films for their tireless dedication, which drove our recovery and success this year. Together, we look forward to elevating the positive impact we create in the industry.



NAEEM ALI MUHAMMAD MUNSHI
Chairman

Karachi: September 1, 2026

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**CHAIRMAN
REVIEW REPORT**
”

چیئر مین کی جائزہ رپورٹ

محترم قابل قدر حصص داران،

مجھے 30 جون 2026ء کو اختتام پذیر ہونے والے مالی سال کے لیے میک پیک فلمز لمیٹڈ کی چیئر مین کی جائزہ رپورٹ پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔ یہ رپورٹ ہماری حکمت عملی کی سمت، عملی کامیابیوں اور گزشتہ بارہ ماہ کے دوران آپ کی کمپنی کی جانب سے ظاہر کی جانے والی مضبوط اور ثابت قدم کارکردگی کو اجاگر کرتی ہے۔ ہمارے سالانہ تقریب "The Impact We Create" کے تناظر میں، مالی سال 2025-26 نمایاں پیش رفت کا ایک اہم دور ثابت ہوا، جس کے دوران ہم نے اپنی صلاحیتوں کو وسعت دی اور اپنے صارفین، اسٹیک ہولڈرز اور معاشرے کے لیے حقیقی قدر پیدا کرنے کے عزم کو مزید مضبوط کیا۔

زیر جائزہ سال کے دوران کمپنی نے نمایاں مالیاتی اور آپریشنل بہتری حاصل کی اور گزشتہ مدت کے مقابلے میں اہم شعبوں میں اپنی کارکردگی کو بہتر بنایا۔ افراط زر، شرح مبادلہ میں اتار چڑھاؤ اور توانائی کے بڑھتے ہوئے ٹیرف کے مسلسل دباؤ کے باوجود، میک پیک نے اپنے مصنوعات کے مکس کو بہتر بنایا، پیداواری صلاحیت کے استعمال کو زیادہ سے زیادہ کیا اور لاگت کو معقول بنانے کے لیے سخت اقدامات نافذ کیے۔ ان مرکوز اقدامات کے نتیجے میں مینوفیکچرنگ کی کارکردگی میں براہ راست بہتری آئی، مجموعی منافع کی شرح بہتر ہوئی اور کمپنی کی مجموعی مالیاتی کارکردگی میں نمایاں استحکام پیدا ہوا۔

اپنے بنیادی حکمت عملی کے اہداف سے ہم آہنگ، بورڈ آف ڈائریکٹرز نے 30 جون 2026ء کو اختتام پذیر ہونے والے سال کے لیے مکمل غیر مختص منافع کو آئندہ کے لیے برقرار رکھنے کی سفارش کی ہے، جس کے نتیجے میں حصص داران کو صفر منافع منقسمہ ادا کیا جائے گا۔ اگرچہ ہم اپنے قابل قدر سرمایہ کاروں کے صبر کو سراہتے ہیں، تاہم سرمائے کی تخصیص سے متعلق یچناط اور منظم پالیسی نہایت اہم ہے۔ اس کے ذریعے ہماری نقدی کے ذخائر مکمل طور پر محفوظ رہیں گے، جس سے کمپنی کو زیادہ ترقی کی صلاحیت رکھنے والے اہم مواقع میں سرمایہ کاری کرنے، آپریشنز کو وسعت دینے اور کسی اضافی نقصان دہ مالیاتی قرض پر انحصار کیے بغیر غیر متوقع معاشی دباؤ کا سامنا کرنے کے لیے مضبوط بنیاد حاصل رہے گی۔

گورننس اور مسلسل بہتری کے لیے ہماری وابستگی بورڈ کی مؤثر نگرانی سے بھی عیاں رہی ہے۔ بورڈ نے معاشی چیلنجز کا مؤثر جائزہ لیا اور انتظامیہ کی رہنمائی کی تاکہ مقامی مارکیٹ میں موجود خطا سے فائدہ اٹھایا جاسکے۔ ہم اپنی اسٹیشنری فلم مصنوعات کے پورٹ فولیو کو وسعت دینے اور ماحول دوست مینوفیکچرنگ کے طریقہ کار اختیار کرنے پر توجہ مرکوز کیے ہوئے ہیں تاکہ پائیدار پیکجنگ کے حل کو فروغ دیا جاسکے۔ میک پیک کے لیے ESG / پائیداری اب مستقبل کا کوئی ہدف نہیں رہی بلکہ ایک فعال آپریشنل حکمت عملی بن چکی ہے، جو ہمارے ماحول کے تحفظ کے ساتھ ساتھ لاگت کے ڈھانچے کو کم کرنے میں بھی معاون ہے۔

آخر میں، میں اپنے حصص داران، صارفین، بینکاری شراکت داروں اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کا ان کے غیر متزلزل اعتماد اور بھروسے پر تہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ سب سے بڑھ کر، میں اپنی انتظامی ٹیم اور میک پیک فلمز کے ہر کارکن کی انتھک لگن کو خراج تحسین پیش کرتا ہوں، جس نے اس سال ہماری بحالی اور کامیابی میں بنیادی کردار ادا کیا۔ ہم سب مل کر صنعت میں پیدا کیے جانے والے مثبت اثرات کو مزید بلند کرنے کے لیے پُر عزم ہیں۔



نعیم علی محمد نشی
چیئر مین

کراچی: یکم ستمبر 2026ء

Dear Shareholders,

It is with great pride that I present to you the performance review of Macpac Films Limited for the financial year ended June 30, 2026. This year's theme, "The Impact We Create", reflects a simple conviction: the true measure of our Company lies not only in the results we report, but in the lasting value we create for our customers, our people, our communities, and the environment in which we operate.

The operating environment during the year continued to test our resilience. Raw material price volatility, elevated energy and financing costs, and evolving customer requirements demanded discipline and speed of response. Building on the foundation laid in the previous year, we concentrated on what we can control — operational efficiency, product mix, cost structure, and service quality — and that focus has translated into a steadier and more balanced performance.

Our investment in advanced thermal extrusion coating capability began to deliver tangible benefits during the year. The commercialization of value-added thermal coated and laminated films has strengthened our product portfolio, supported margin improvement, and opened conversations with customers in segments we previously did not serve. Alongside this, targeted upgrades across our production lines have improved yield, reduced wastage, and enhanced consistency of quality — the attributes on which our customer relationships are built.

Financial discipline remained central to our agenda. We continued to strengthen working capital management, rationalize costs, and maintain constructive engagement with our banking partners to secure more efficient financing arrangements. The steps taken to diversify our customer base and shift our sales mix towards high-value speciality films have improved the quality of our revenue and reduced our exposure to any single segment. Liquidity management continues to receive close attention from the Board and management, and we are encouraged by the improving trend.

Energy remains one of the most significant levers available to us, both commercially and environmentally. Our ongoing efficiency programmes and progressive shift towards renewable energy have reduced our dependence on conventional power sources, lowering costs while reducing our environmental footprint. This is a clear example of the impact we seek to create — where sound business decisions and responsible conduct reinforce one another.

Environment, Social and Governance (ESG)

Throughout the fiscal year, Macpac Films Limited successfully aligned its overarching corporate strategy with core sustainability principles, driving measurable advancements across all environmental, social, and governance (ESG) domains. To mitigate reliance on conventional power grids, the Company advanced its energy-efficiency and renewable energy portfolios while maintaining robust operational frameworks for water conservation, waste reduction, and resource circularity.

Human capital and community investment remained central to the organization's social responsibility mandate, evidenced by enhanced employee well-being infrastructure, support networks for working parents, and equal-opportunity advancement programs, alongside targeted philanthropic funding for healthcare, education, and Down syndrome advocacy.

Clear description of roles and responsibilities is a cornerstone of strong corporate governance at Macpac Films Limited. By defining the authority and accountability of the Chairman and the Chief Executive Officer (CEO), the Company ensures effective leadership, transparent decision-making, and alignment with the long-term interests of shareholders and stakeholders.

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**MESSAGE OF THE CHIEF
EXECUTIVE OFFICER (CEO)**
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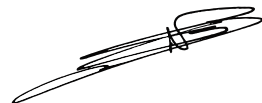
Underpinning these achievements is a steadfast commitment to ethical leadership, transparency, and strict regulatory compliance, the comprehensive disclosures of which are detailed in the respective sections of this Annual Report.

The Way Forward

Looking ahead, our strategic priorities remain clear: to innovate relentlessly, operate efficiently, and grow sustainably. We will continue to invest in technology and value-added capability, expand our presence in new markets, deepen partnerships with our customers, and further reduce our energy intensity through renewable sources. Challenges will persist, but our culture of adaptability, the strength of our team, and the trust of our stakeholders give me confidence in our ability to deliver long-term value.

I would like to extend my sincere appreciation to our shareholders for their continued confidence, to our customers for their loyalty, to our business partners for their support, and to our employees for their dedication and hard work. Their collective contribution is what turns our strategy into results — and results into impact.

Together, we will continue to build a stronger, more sustainable Macpac Films Limited, defined not merely by what we achieve, but by the impact we create.



NAJMUL HASSAN
Chief Executive Officer

Karachi: September 1, 2026

ROLES & RESPONSIBILITIES

Clear description of roles and responsibilities is a cornerstone of strong corporate governance at Macpac Films Limited. By defining the authority and accountability of the Chairman and the Chief Executive Officer (CEO), the Company ensures effective leadership, transparent decision-making, and alignment with the long-term interests of shareholders and stakeholders.

CHAIRMAN

The Chairman leads the Board of Directors, ensuring it functions effectively in fulfilling its oversight role. The Chairman's primary responsibility is to create the framework that enables directors to contribute effectively toward the Company's strategic direction.

Key responsibilities include:

- Leading the Board on matters of strategic and material importance.
- Ensuring appropriate delegation of authority to the CEO while retaining oversight.
- Setting the Board's agenda with emphasis on strategy, performance, and accountability.
- Promoting effective risk management discussions at the Board level.
- Facilitating active participation and open communication among directors.
- Overseeing induction of new directors and annual Board performance evaluations.
- Ensuring directors receive accurate and timely information for decision-making.
- Presiding over all Board and general meetings of the Company.

CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is responsible for the overall leadership and management of Macpac Films Limited. The CEO translates the strategic vision approved by the Board into operational plans and ensures their effective execution.

Key responsibilities include:

- Developing and executing short and long-term business strategies.
- Managing overall operations and ensuring efficient use of resources.
- Negotiating and approving significant agreements and contracts.
- Serving as the Company's primary spokesperson with stakeholders and regulators.
- Identifying and managing business risks while pursuing new opportunities.
- Providing leadership to foster organizational alignment and performance.
- Communicating effectively with the Board on key developments.
- Monitoring, evaluating, and reporting on performance against strategic goals.

Through these defined roles and responsibilities, Macpac Films Limited ensures a balanced governance structure that promotes accountability, efficiency, and sustainable value creation

EVALUATION OF BOARD PERFORMANCE

This year the Board had a third-party evaluation done by a law firm specialising in corporate governance, the Legal and Governance Advisory (Lga.com.pk)

Scope of the Board Evaluation

The evaluation covered board level performance and structural processes:

- **Evaluation Groups:** It reviewed the performance of the full Board, the Chairman's leadership, individual directors (via self-assessments and peer evaluations), the Board Audit Committee, and the HR & Remuneration Committee.
- **Evaluation Areas:** The assessment was structured around ten critical pillars:
 - Board skills mix and composition gaps
 - Strategic planning processes and formal oversight
 - Governance framework and legal compliance
 - Risk management infrastructure (including frameworks and risk registers)
 - Internal audit and financial oversight functions
 - Adherence to the Code of Conduct
 - Stakeholder transparency and disclosure practices
 - Regulatory awareness
 - Committee effectiveness
 - Chairperson leadership

Results and Future Plans:

The evaluation adjudged the Board and the groups evaluated as satisfactory against the evaluation areas. Certain areas were agreed for enhanced focus. These will be actioned with regular updates by the Board.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

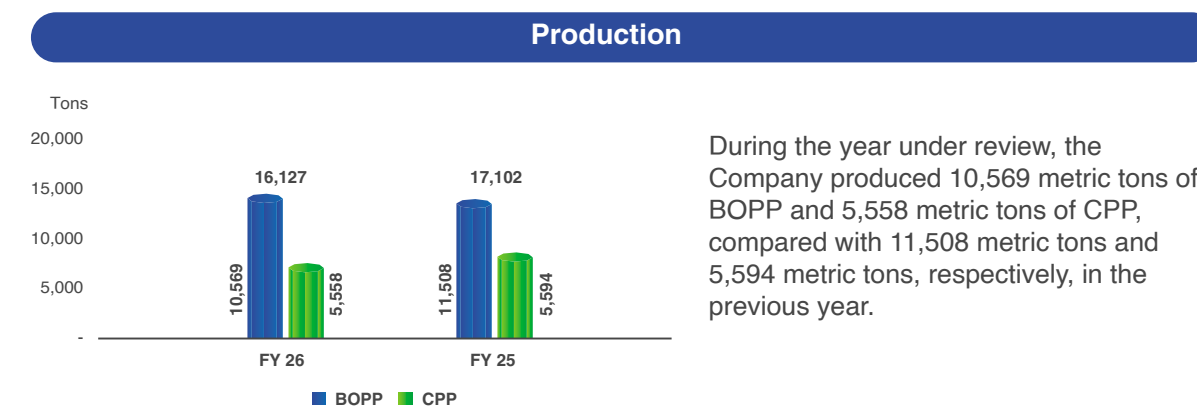
The Directors of your Company are pleased to present their Report and Audited Financial Statements of the Company for the year ended June 30, 2026.

Economic Overview

During the year under review, the global geopolitical environment also remained challenging, particularly following the escalation of tensions and conflict involving the United States and Iran. The resulting disruption to regional trade flows, energy markets, freight costs, and supply chains created additional uncertainty for manufacturing and packaging industries. For the packaging sector, these developments had a direct and indirect impact on the availability and pricing of key raw materials, energy, transportation, and other operating inputs.

Pakistan's macroeconomic environment showed signs of gradual stabilization, supported by fiscal consolidation, improved external inflows, and continued engagement with international financial institutions. Inflation moderated to 11.1% in June 2026, while the State Bank of Pakistan maintained the policy rate at 11.5%. Nevertheless, businesses continued to face challenges arising from elevated energy and fuel costs, volatility in international commodity prices, and geopolitical uncertainties.

Operating and Financial Performance

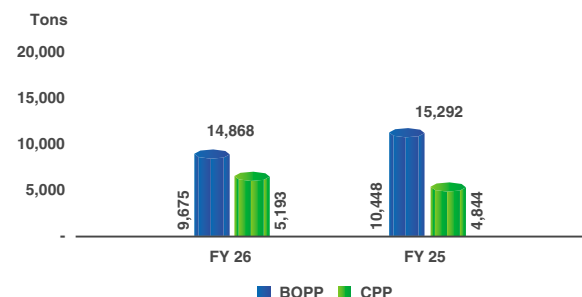


During the year under review, the Company produced 10,569 metric tons of BOPP and 5,558 metric tons of CPP, compared with 11,508 metric tons and 5,594 metric tons, respectively, in the previous year.

Overall production volume declined by 5.7%, primarily due to planned maintenance activities undertaken to enhance long-term operational reliability and efficiency, together with an increased focus on the production of value-added products. Despite the reduction in production volumes, the Company maintained a capacity utilization level of 73.3%, compared with 77.7% in FY 2025.

The Company successfully maintained operational continuity despite considerable volatility in the availability and cost of key raw materials, particularly Homo, as well as rising fuel and energy prices. Through proactive procurement planning, diversified sourcing, inventory management, and close coordination with suppliers, management was able to mitigate supply-chain risks and support uninterrupted operations.

Sales Performance



Despite a challenging economic and geopolitical environment, the Company successfully retained its market position through consistent product quality, strong customer relationships, responsive service, and timely fulfillment of customer requirements.

The Company achieved sales of 14,868 metric tons during the year ended June 30, 2026, compared with 15,575 metric tons in the previous year. The relatively modest decline in sales volumes reflects the challenging market environment and the Company's deliberate focus on maintaining product mix, customer relationships, and value realization rather than pursuing volume at the expense of profitability.

Net sales increased to Rs. 6,725.6 million from Rs. 5,994.6 million in the previous year, representing an increase of approximately 12.2%.

The Company achieved a gross profit of Rs. 947.0 million during the year, compared with Rs. 682.3 million in FY 2025, representing an improvement of 38.3%. Gross profit margin consequently improved to 14.1% from 11.5%.

The improvement in profitability was achieved despite significant cost pressures, including higher Homo prices, increased fuel and energy costs, and broader inflationary pressures.

Management's continued focus on product mix optimization, pricing discipline, procurement efficiencies, energy management, and operational controls enabled the Company to partially absorb these cost increases while protecting margins.

The Company also benefited from its ability to diversify raw material procurement between local suppliers and alternate international sources, particularly China. This procurement flexibility provided greater resilience against supply disruptions and excessive dependence on any single sourcing channel.

Strategic initiatives to optimize energy consumption, control input costs, improve production efficiency, and enhance the contribution of value-added products remain underway.

Profit before tax increased significantly to Rs. 209.1 million from Rs. 115.6 million in FY 2025, while profit after tax stood at Rs. 130.7 million compared with Rs. 85.3 million in the previous year. The Company therefore remained profitable despite the challenging operating environment and substantial increases in key input costs.

Comparative Financial Results

Broad comparative financial results for two years are given hereunder. Key performance indicators for the last six years are also annexed to the report.

	FY 26		FY 25	
	Rs. Mn	% of Sales	Rs. Mn	% of Sales
Sales (net)	6,725.6		5,994.6	
Gross Profit	947.0	14.1%	682.3	11.4%
Profit before Levy and Tax	209.1	3.1%	115.6	1.9%
Profit after Levy and Tax	130.7	1.9%	85.3	1.4%
EPS	2.20		1.44	

Earnings per Share

The earnings per share for the current year is Rs. 2.20 as compared to Rs. 1.44 last year.

Dividend

Despite the improvement in profitability, the Directors remain mindful of the prevailing economic uncertainties, the Company's working capital requirements, and the need to support future growth initiatives. Accordingly, with a view to strengthening the Company's financial position and supporting its long-term strategy, the Directors have proposed a dividend of Rs. Nil per share for the year ended June 30, 2026.

Future Outlook

The year ahead presents both opportunities and challenges for the packaging industry. While Pakistan's macroeconomic indicators have shown signs of improvement, uncertainties remain around energy pricing, exchange rates, input costs, interest rates, international commodity prices, and geopolitical developments.

The continuing geopolitical tensions in the region, including the conflict involving the United States and Iran, may continue to influence crude oil prices, freight rates, regional trade routes, and global supply chains. Given the packaging industry's dependence on polymer-based raw materials and energy-intensive manufacturing processes, such developments could result in volatility in Homo prices, fuel costs, freight expenses, and other operating inputs. Furthermore, the commencement of production by another competitor in early 2026 is expected to place additional pressure on the supply chain and intensify competitive dynamics within the industry.

The Company, however, remains well positioned to respond to these challenges. Management will continue to pursue a diversified and flexible procurement strategy, including increased reliance on dependable local sources of Homo where commercially feasible and maintaining alternate international sourcing channels, including China. This approach is intended to enhance supply-chain resilience, minimize disruption risks, and provide greater flexibility in managing raw material costs.

Operational excellence will remain a key strategic priority. The Company will continue to focus on cost optimization, process efficiency, energy management, production yield improvement, and prudent working capital management. Particular emphasis will be placed on improving energy efficiency and exploring cleaner and more efficient energy sources to progressively improve the Company's energy mix and strengthen long-term operational resilience.

Building on this foundation, management will continue to pursue product diversification and innovation opportunities aligned with emerging industry trends and changing customer expectations. The Company will remain disciplined in its approach to capital allocation and procurement while seeking opportunities to enhance margins and shareholder value.

Looking ahead, our priorities remain clear: maintaining operational continuity, strengthening supply-chain resilience, improving cost competitiveness, expanding value-added products, and delivering sustainable profitability. Through disciplined execution and targeted investments, the Company aims to navigate external uncertainties effectively and position itself for sustained growth and long-term success.

Principal Activity

The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films.

Change in the Nature of Business

No significant changes have occurred during the financial year in the nature of the businesses of the Company.

Principal risks and uncertainties:

The principal risks and uncertainties faced by the Company include:

- Foreign exchange volatility;
- Volatility in the prices and availability of key raw materials, particularly Homo;
- Increases in energy, fuel, freight, and other operating costs;
- Disruptions in international and regional supply chains arising from geopolitical developments;
- Availability and reliability of energy supplies;
- Changes in fiscal, taxation, trade, and regulatory policies; and
- General economic and market conditions affecting demand and pricing.

The Company actively monitors these risks and continues to implement appropriate mitigation measures, including diversified sourcing, procurement planning, cost optimization, inventory management, energy efficiency initiatives, and product diversification.

Geographical location and address of business:

- The registered office of the company is located at 44-C, Block-6, PECHS, main Razi Road, Karachi.
- The production plant is located at Eastern Industrial Zone, Port Qasim, Karachi.
- North Sales office is situated at Lahore Center, Gulberg Lahore Pakistan.

Major Capital Expenditure

For details on additions in property, plant and equipment please refer to note 9 to the financial statements.

Composition of Board of Directors

1. The total number of Directors as on June 30, 2026 were as follows:

- Male: 6
- Female: 1

2. The composition of Board as on June 30, 2026 is as follows:

Category	Name
a) Independent Director	1. Ms. Hafsa Abbasy 2. Mr. Shabbir Hamza Khandwala
b) Non-Executive Director	1. Mr. Naeem Ali Muhammad Munshi 2. Mr. Shariq Maqbool Elahi 3. Mr. Fahad Munshi
c) Executive Director	1. Mr. Najmul Hassan 2. Mr. Ehtesham Maqbool Elahi

Names of persons who, at any time during the financial year, were Directors of the Company

S. No.	Name	Title
1	Mr. Naeem Ali Muhammad Munshi	Chairman
2	Mr. Najmul Hassan	Chief Executive Officer
3	Mr. Ehtesham Maqbool Elahi	Executive director
4	Mr. Shariq Maqbool Elahi	Non-Executive director
5	Mr. Fahad Munshi	Non-Executive director
6	Ms. Hafsa Abbasy	Independent director
7	Mr. Shabbir Hamza Khandwala	Independent director

Audit Committee of the Board

S. No.	Name	Title
1	Mr. Shabbir Hamza Khandwala	Chairman
2	Mr. Naeem Ali Muhammad Munshi	Member
3	Mr. Shariq Maqbool Elahi	Member

HR & Remuneration Committee of the Board

S. No.	Name	Title
1	Ms. Hafsa Abbasy	Chairperson
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Ehtesham Maqbool Elahi	Member

Directors' Remuneration

As per current remuneration policy approved by the Board, non-executive and independent directors are paid Rs. 120,000 for attending each of the Board and Committee meetings.

Appropriate disclosure of the remuneration paid during the year to Directors and the Chief Executive has been provided in Note 39 of the Financial Statements.
Auditor

The existing Auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants retired and have offered themselves for re-appointment for the year ending June 30, 2027. The reappointment has also been recommended by the Audit Committee of the Board.

Compliance with the Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

Statement of Ethics and Business Practices

The Company follows a Code of Conduct as approved by the Board which has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

Compliance With the Code of Corporate Governance Statement on Corporate and Financial Reporting Framework

- The financial statements prepared by the Management of the Company present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act), and provisions of and directives under the Act, have been followed in the preparation of financial statements.
- The Company has an in-house internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- All members of the Audit Committee are independent/ non-executive Directors.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the Listing Regulations.
- The key operating & finance data for the last 6 years are annexed to the Annual Report.

During the year, the Board of Directors held 5 meetings and the attendance of the Directors was as follows:

S. No.	Name	Meetings Attended
1	Mr. Naeem Ali Muhammad Munshi	4
2	Mr. Najmul Hassan	5
3	Mr. Ehtesham Maqbool Elahi	4
4	Mr. Shabbir Hamza Khandwala	5
5	Ms. Hafsa Abbasy	5
6	Mr. Shariq Maqbool Elahi	5
7	Mr. Fahad Munshi	0

During the year, the Audit Committee held 4 meetings and the attendance of the Directors was as follows:

S. No.	Name	Meetings Attended
1	Mr. Shabbir Hamza Khandwala	4
2	Mr. Naeem Ali Muhammad Munshi	3
3	Mr. Shariq Maqbool Elahi	4

During the year, the Human Resource and Remuneration Committee (HRRC) held 2 meetings and attendance of the Directors was as follows:

S. No.	Name	Meetings Attended
1	Ms. Hafsa Abbasy	2
2	Mr. Shariq Maqbool Elahi	0
3	Mr. Ehtesham Maqbool Elahi	2

Audit Committee and Internal Control System

The Management of your Company believes in good corporate governance, implemented through a well-defined and efficiently applied system of checks and balances and the provision of transparent, accurate, and timely financial information. The Board of Directors has established a system of sound internal control including effective financial controls which are implemented at all levels within the Company.

The Board has formed an Audit Committee which comprises three (3) members; all of whom are non-executive directors including the Chairman of the Committee, who is an independent director. The Committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations / Code of Corporate Governance Regulations.

HR and Remuneration Committee

The Board has formed an HR and Remuneration Committee. It comprises of three (3) members, including one independent director, one non-executive director, and one executive director. The Chairperson of the Committee is an independent director.

Environment, Social and Governance (ESG)

During the year, Macpac Films Limited remained committed to integrating sustainability principles into its business strategy, with continued progress across environmental, social, and governance dimensions.

On the environmental front, the Company continued to pursue energy efficiency and renewable energy initiatives aimed at reducing reliance on conventional power sources. Water conservation measures remained an important area of focus, while waste reduction and resource circularity initiatives, including the reuse of non-recyclable materials where feasible, continued across operations.

Social responsibility remained a key priority. The Company continued to promote employee well-being and inclusion through dedicated wellness spaces, support systems for working parents, and initiatives designed to provide equal opportunities across the organization. The Company also continued its community engagement through contributions to hospitals, educational initiatives, and organizations supporting children with Down syndrome.

From a governance perspective, the Company remains committed to responsible management, ethical business conduct, transparency, accountability, and compliance with applicable laws and regulations.

Further details are included in the relevant sections of the Annual Report.

Human Capital and Employee Relations

Macpac Films Limited recognizes that its people are its most valuable asset. The Company remains committed to attracting, developing, and retaining a skilled, diverse, and engaged workforce. During the year, significant focus was placed on fostering a positive work environment that promotes learning, inclusion, and employee well-being.

Training and development remained a key area, with employees being provided opportunities to enhance their technical and leadership capabilities through structured learning programs. The Company also continued to invest in initiatives that support work-life balance and mental wellness, including the development of wellness spaces and support facilities for working parents.

Open communication, mutual respect, and compliance with fair labor practices form the foundation of our employee relations strategy. We strive to maintain a workplace culture built on trust, collaboration, and shared values, which in turn drives performance and long-term organizational success.

Details on these important initiatives are included in the relevant sections of the Annual Report.

Related Party Transactions

The Company has a policy on Related Party Transactions. All transactions with related parties have been carried out in the ordinary course of business on an arm's length basis and have been disclosed in the financial statements under relevant notes. These are reviewed regularly by the Audit Committee and the Board.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2026, along with necessary disclosures as required under the Code of Corporate Governance, is disclosed in the later part of this Annual Report.

Subsequent or Post Balance Sheet Events

The are no material changes or commitments affecting the financial position of the Company during the period from the end of the financial year and the date of this report.

Acknowledgment

The Board of Directors conveys its sincere appreciation to all stakeholders who have contributed to the Company's progress during the year. We are thankful to our regulatory bodies, particularly the Securities and Exchange Commission of Pakistan, for their continued guidance and oversight.

Our gratitude also goes to our shareholders for their enduring confidence, to our business partners and financial institutions for their collaboration, and to our customers for their loyalty and trust in our offerings.

Above all, we recognize the unwavering dedication and professionalism of our employees across all levels. Their resilience, innovation, and teamwork remain the driving force behind the Company's performance and strategic achievements

For and on behalf of the Board



Chief Executive Officer

Karachi
September 1, 2026



Director

حصص داری کا نمونہ:

30 جون 2026ء کو حصص داری کا نمونہ، نیز کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ ضروری انکشافات، اس سالانہ رپورٹ کے بعد کے حصے میں درج کیے گئے ہیں۔

بیلنس شیٹ کے بعد از واقعات:

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کے عرصے کے دوران کمپنی کی مالیاتی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا عہد و التزام واقع نہیں ہوا۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز ان تمام اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرتے ہیں جنہوں نے سال کے دوران کمپنی کی ترقی میں اپنا کردار ادا کیا۔ ہم اپنے ریگولیٹری اداروں، بالخصوص سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، کے مسلسل رہنمائی اور نگرانی پر ان کے شکرگزار ہیں۔

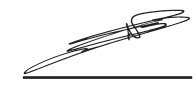
ہم اپنے حصص داران کے بھی تہہ دل سے شکرگزار ہیں جنہوں نے ہمیشہ کمپنی پر اپنے اعتماد کو برقرار رکھا، اپنے کاروباری شراکت داروں اور مالیاتی اداروں کے تعاون کے لیے ان کے ممنون ہیں، اور اپنے صارفین کے لیے ان کی وفاداری اور ہماری مصنوعات و خدمات پر اعتماد قابل قدر ہے۔

سب سے بڑھ کر، ہم کمپنی کے تمام شعبوں اور سطحوں پر کام کرنے والے اپنے ملازمین کی غیر متزلزل لگن اور پیشہ ورانہ مہارت کو قدر کی نگاہ سے دیکھتے ہیں۔ ان کی ثابت قدمی، جدت طرازی اور ٹیم ورک کمپنی کی کارکردگی اور اس کی اسٹریٹجک کامیابیوں کے بنیادی محرک ہیں۔

بورڈ کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی،

یکم ستمبر 2026ء

گورننس کے حوالے سے کمپنی ذمہ دارانہ انتظام، اخلاقی کاروباری طرز عمل، شفافیت، جوابدہی اور قابل اطلاق قوانین و ضوابط کی پابندی کے لیے بدستور پرعزم ہے۔

مزید تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہیں۔

انسانی سرمائے اور ملازمین سے تعلقات:

میک پیک فلز لمیٹڈ اس بات کو تسلیم کرتی ہے کہ اس کے ملازمین اس کا سب سے قیمتی اثاثہ ہیں۔ کمپنی ہنرمند، متنوع اور اپنے کام سے وابستہ افرادی قوت کو راغب کرنے، اس کی صلاحیتوں کو فروغ دینے اور اسے برقرار رکھنے کے لیے بدستور پرعزم ہے۔ سال کے دوران ایسے مثبت کام کے ماحول کو فروغ دینے پر خصوصی توجہ دی گئی جو سیکھنے، شمولیت اور ملازمین کی فلاح و بہبود کو فروغ دیتا ہے۔

تربیت اور پیشہ ورانہ ترقی بدستور ایک اہم شعبہ رہی، جس کے تحت ملازمین کو منظم تربیتی پروگراموں کے ذریعے اپنی تکنیکی اور قائدانہ صلاحیتوں کو بہتر بنانے کے مواقع فراہم کیے گئے۔ کمپنی نے کام اور ذاتی زندگی میں توازن اور ذہنی بہبود کو فروغ دینے والے اقدامات میں بھی سرمایہ کاری جاری رکھی، جن میں فلاح و بہبود کے لیے مخصوص جگہوں اور کام کرنے والے والدین کے لیے معاون سہولیات کی فراہمی شامل ہے۔

کھلی گفتگو، باہمی احترام اور منصفانہ مزدورانہ طریقہ کار کی پابندی ہماری ملازمین سے تعلقات کی حکمت عملی کی بنیاد ہیں۔ ہم اعتماد، باہمی تعاون اور مشترکہ اقدار پر مبنی کام کی ثقافت برقرار رکھنے کے لیے کوشاں ہیں، جو بالآخر کارکردگی اور ادارے کی طویل مدتی کامیابی میں معاون ثابت ہوتی ہے۔

ان اہم اقدامات کی مزید تفصیلات سالانہ رپورٹ کے متعلقہ حصوں میں شامل ہیں۔

متعلقہ فریقین کے ساتھ لین دین:

کمپنی نے متعلقہ فریقین کے ساتھ لین دین سے متعلق ایک پالیسی مرتب کر رکھی ہے۔ متعلقہ فریقین کے ساتھ تمام لین دین معمول کے کاروباری امور کے دوران آزادانہ بنیاد پر کیے گئے ہیں اور انہیں متعلقہ نوٹس کے تحت مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔ ان لین دین کا باقاعدگی سے آڈٹ کمیٹی اور بورڈ کی جانب سے جائزہ لیا جاتا ہے۔

آڈٹ کمیٹی اور داخلی کنٹرول کا نظام:

آپ کی کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس پر یقین رکھتی ہے، جسے مؤثر اور واضح طور پر متعین کردہ چیک اینڈ بیلنس کے نظام اور شفاف، درست اور بروقت مالیاتی معلومات کی فراہمی کے ذریعے یقینی بنایا جاتا ہے۔ بورڈ آف ڈائریکٹرز نے مضبوط داخلی کنٹرول کا ایک نظام قائم کیا ہے، جس میں مؤثر مالیاتی کنٹرولز بھی شامل ہیں اور جنہیں کمپنی کے تمام شعبوں اور سطحوں پر نافذ کیا جاتا ہے۔

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے، جو تین (3) اراکین پر مشتمل ہے۔ تمام اراکین نان ایگزیکٹو ڈائریکٹرز ہیں، جن میں کمیٹی کے چیئرمین بھی شامل ہیں، جو ایک آزاد ڈائریکٹر ہیں۔ کمیٹی کے لیے قواعد و ضوابط موجود ہیں، جنہیں بورڈ آف ڈائریکٹرز نے لسٹنگ ریگولیشنز/کوڈ آف کارپوریٹ گورننس ریگولیشنز میں فراہم کردہ رہنما اصولوں کے مطابق متعین کیا ہے۔

ایچ آر اور معاوضہ کمیٹی:

بورڈ نے ایچ آر اور معاوضہ کمیٹی تشکیل دی ہے۔ یہ تین (3) اراکین پر مشتمل ہے، جن میں ایک آزاد ڈائریکٹر، ایک نان ایگزیکٹو ڈائریکٹر اور ایک ایگزیکٹو ڈائریکٹر شامل ہیں۔ کمیٹی کی چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔

ماحولیاتی، سماجی ذمہ داری اور گورننس (ESG):

سال کے دوران، میک پیک فلمز لمیٹڈ اپنی کاروباری حکمت عملی میں پائیداری کے اصولوں کو شامل کرنے کے لیے پرعزم رہی، اور ماحولیاتی، سماجی اور گورننس کے شعبوں میں مسلسل پیش رفت کی گئی۔

ماحولیاتی حوالے سے، کمپنی نے توانائی کی کارکردگی اور قابل تجدید توانائی کے اقدامات جاری رکھے، جن کا مقصد روایتی توانائی کے ذرائع پر انحصار کم کرنا ہے۔ پانی کے تحفظ کے اقدامات بھی اہم توجہ کا مرکز رہے، جبکہ فضلے میں کمی اور وسائل کے دوبارہ استعمال سے متعلق اقدامات بھی جاری رہے۔ ان میں جہاں ممکن ہو، ناقابل بازیافت مواد کو دوبارہ استعمال کرنا بھی شامل ہے۔

سماجی ذمہ داری بدستور ایک اہم ترجیح رہی۔ کمپنی نے مخصوص فلاحی سہولیات، کام کرنے والے والدین کے لیے معاونت کے نظام اور ادارے میں مساوی مواقع فراہم کرنے کے لیے اقدامات کے ذریعے ملازمین کی فلاح و بہبود اور شمولیت کو فروغ دینا جاری رکھا۔ کمپنی نے ہسپتالوں، تعلیمی اقدامات اور ڈاؤن سنڈروم کے شکار بچوں کی معاونت کرنے والی تنظیموں کو عطیات کے ذریعے معاشرتی روابط اور کمیونٹی کی معاونت بھی جاری رکھی۔

دوران سال بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری
1	جناب نعیم علی محمد نشی	4
2	جناب نجم الحسن	5
3	جناب اہتشاء مقبول الہی	4
4	جناب شبیر حمزہ کھانڈ والا	5
5	محترمہ حفصہ عباسی	5
6	جناب شارق مقبول الہی	5
7	جناب فہد نشی	0

دوران سال آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری
1	جناب شبیر حمزہ کھانڈ والا	4
2	جناب نعیم علی محمد نشی	3
3	جناب شارق مقبول الہی	4

دوران سال ہیومن ریسورس اینڈ ریویو نریشن کمیٹی (HRRC) کے دو (2) اجلاس منعقد ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل تھی:

نمبر شمار	ڈائریکٹر کا نام	اجلاس میں حاضری
1	محترمہ حفصہ عباسی	2
2	جناب شارق مقبول الہی	0
3	جناب اہتشاء مقبول الہی	2

جوڈائریکٹرز بورڈ اور/یا کمیٹی کے کسی ایک یا بعض اجلاسوں میں شرکت نہ کر سکے، انہیں رخصت کی اجازت دے دی گئی تھی۔

بورڈ کی آڈٹ کمیٹی:

نمبر شمار	نام	عہدہ
1	جناب شبیر حمزہ کھنڈ والا	چیئر مین
2	جناب نعیم علی محمد شفی	رکن
3	جناب شارق مقبول الہی	رکن

بورڈ کی ہیومن ریسورسز اور معاوضہ کمیٹی:

نمبر شمار	نام	عہدہ
1	محترمہ حفصہ عباسی	چیئر پرسن
2	جناب شارق مقبول الہی	رکن
3	جناب احتشام مقبول الہی	رکن

ڈائریکٹرز کا معاوضہ:

بورڈ کی جانب سے منظور شدہ موجود معاوضے کی پالیسی کے مطابق نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ میننگ اور کمیٹی میننگ میں شرکت کے لیے 120,000 روپے ادا کیے جاتے ہیں۔

ڈائریکٹرز اور چیف ایگزیکٹو کو سال کے دوران ادا کیے گئے معاوضے کا مناسب انکشاف مالیاتی گوشواروں کے نوٹ 39 میں دیا گیا ہے۔

آڈیٹ:

موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو گئے ہیں اور انہوں نے 30 جون 2027ء کو ختم ہونے والے سال کیلئے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے بھی ان کی دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان اس کے ساتھ منسلک ہے۔

ضابطہ اخلاق اور کاروباری طریقوں کا بیان:

بورڈ نے اپنی معاون پالیسیوں اور طریقہ کار کے ساتھ ایک ضابطہ اخلاق تیار کیا ہے اور اس بات کو یقینی بنایا ہے کہ کمپنی میں اس پر عمل کیلئے مناسب اقدامات کئے گئے ہیں۔

کارپوریٹ اور مالی رپورٹنگ فریم ورک پر کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

☆ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ میں تبدیلی کو شفافیت کے ساتھ پیش کرتے ہیں۔

☆ کمپنی میں حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔

☆ مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔

☆ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS)، جو کہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) نے جاری کیا ہے اور کمپنیز ایکٹ 2017 (ایکٹ) کے تحت ملحق کیا گیا ہے، ان کی پیروی کی گئی ہے۔

☆ کمپنی کے پاس انٹرنل آڈٹ فنکشن کا نظام مضبوط ہے جو اس مقصد کیلئے موزوں اور تجربہ کار سمجھا جاتا ہے اور کمپنی کی پالیسیوں اور طریقہ کار سے واقف ہے۔

☆ انٹرنل کنٹرول کے نظام مضبوط ہیں اور اس کی موثر طریقہ سے عملدرآمد اور نگرانی کی جاتی ہے۔

☆ آڈٹ کمیٹی کے تمام ممبران خود مختار/نان ایگزیکٹو ڈائریکٹر ہیں۔

☆ آنے والے سالوں میں کمپنی کی کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

☆ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں ہے جیسا کہ لسٹنگ ریگولیشنز میں موجود ہے۔

☆ گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالیاتی گوشوارے رپورٹ کے ساتھ منسلک ہیں۔

کاروباری حیثیت میں تبدیلی:

مالی سال کے دوران کمپنی کے کاروباری حیثیت میں کوئی نمایاں تبدیلی واقع نہیں ہوئی۔

بنیادی خطرات اور غیر یقینی صورتحال:

کمپنی کو درپیش بنیادی خطرات اور غیر یقینی صورتحال میں درج ذیل شامل ہیں:

- زرمبادلہ کی شرح میں اتار چڑھاؤ؛
- اہم خام مال، بالخصوص Homo، کی قیمتوں اور دستیابی میں اتار چڑھاؤ؛
- توانائی، ایندھن، مال برداری اور دیگر عملی اخراجات میں اضافہ؛
- جغرافیائی سیاسی پیش رفت کے نتیجے میں بین الاقوامی اور علاقائی سپلائی چینز میں رکاوٹیں؛
- توانائی کی فراہمی کی دستیابی اور قابل اعتمادیت؛
- مالیاتی، ٹیکس، تجارتی اور ریگولیٹری پالیسیوں میں تبدیلیاں؛ اور
- عمومی معاشی اور مارکیٹ کے حالات، جو طلب اور قیمتوں کو متاثر کر سکتے ہیں۔

کمپنی ان خطرات کی فعال طور پر نگرانی کرتی ہے اور ان کے اثرات کو کم کرنے کے لیے مناسب اقدامات جاری رکھے ہوئے ہے، جن میں خریداری کے ذرائع میں تنوع، خریداری کی منصوبہ بندی، لاگت کو بہتر بنانا، انوینٹری مینجمنٹ، توانائی کی کارکردگی سے متعلق اقدامات اور مصنوعات میں تنوع شامل ہیں۔

جغرافیائی محل وقوع اور کاروباری پتے:

- کمپنی کا رجسٹرڈ دفتر C-44، بلاک 6، پی ای سی ایچ ایس، مین رازی روڈ، کراچی میں واقع ہے۔
- پیداواری پلانٹ ایسٹرن انڈسٹریل زون، پورٹ قاسم، کراچی میں واقع ہے۔
- نارتھ سیلز آفس لاہور سینٹر، گلبرگ، لاہور، پاکستان میں واقع ہے۔

اہم سرمایہ جاتی اخراجات:

پراپرٹی، پلانٹ اور آلات میں اضافے کی تفصیلات کے لیے مالیاتی گوشواروں کا نوٹ 9 ملاحظہ کریں۔

بورڈ آف ڈائریکٹرز کی تشکیل:

۱۔ 30 جون 2026ء کو ڈائریکٹرز کی کل تعداد درج ذیل تھی:

الف۔ مرد: 6

ب۔ خواتین: 1

۲۔ 30 جون 2026ء کو بورڈ کی تشکیل درج ذیل تھی:

کیٹگری: نام:

(الف)	آزاد ڈائریکٹرز	۱۔ محترمہ حفصہ عباسی
		۲۔ جناب شبیر حمزہ کھنڈ والا
(ب)	نان ایگزیکٹو ڈائریکٹرز	۱۔ جناب نعیم علی محمد منشی
		۲۔ جناب شارق مقبول الہی
		۳۔ جناب فہد منشی
(ج)	ایگزیکٹو ڈائریکٹرز	۱۔ جناب نجم الحسن
		۲۔ جناب احتشام مقبول الہی

ان افراد کے نام جو مالی سال کے دوران کمپنی کے ڈائریکٹرز تھے:

نمبر شمار	نام	عہدہ
1	جناب نعیم علی محمد منشی	چیئر مین
2	جناب نجم الحسن	چیف ایگزیکٹو آفیسر
3	جناب احتشام مقبول الہی	ایگزیکٹو ڈائریکٹر
4	جناب شارق مقبول الہی	نان ایگزیکٹو ڈائریکٹر
5	جناب فہد منشی	نان ایگزیکٹو ڈائریکٹر
6	محترمہ حفصہ عباسی	آزاد ڈائریکٹر
7	جناب شبیر حمزہ کھنڈ والا	آزاد ڈائریکٹر

تقابلی مالیاتی نتائج:

دو سال کے تقابلی مالیاتی نتائج ذیل میں پیش کیے گئے ہیں۔ گزشتہ چھ سال کے اہم کارکردگی کے اشاریے بھی رپورٹ کے ساتھ منسلک ہیں۔

مالیاتی سال 2026ء	مالیاتی سال 2025ء	روپے ملین میں فروخت کا فیصد	روپے ملین میں فروخت کا فیصد
فروخت (خالص)	6,725.6	5,994.6	
خالص منافع	947.0	682.3	11.4%
قبل از ٹیکس منافع	209.1	115.6	1.9%
بعد از ٹیکس منافع	130.7	85.3	1.4%
فی حصص آمدنی	2.20	1.44	

فی حصص آمدنی:

زیر جائزہ سال کے لیے فی حصص آمدنی 2.20 روپے ہے، جبکہ گزشتہ سال یہ 1.44 تھی۔

ڈیویڈنڈ:

منافع میں بہتری کے باوجود، ڈائریکٹرز موجودہ معاشی غیر یقینی صورتحال، کمپنی کی ورکنگ کیپیٹل کی ضروریات اور مستقبل میں ترقی کے اقدامات کے لیے معاونت کی ضرورت کو مد نظر رکھتے ہیں۔ چنانچہ کمپنی کی مالیاتی پوزیشن کو مزید مضبوط بنانے اور اس کی طویل مدتی حکمت عملی کی معاونت کے پیش نظر، ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے صفر روپے فی حصص ڈیویڈنڈ کی تجویز دی ہے۔

مستقبل کا نقطہ نظر:

آنے والا سال پیکیجنگ کی صنعت کے لیے مواقع اور مشکلات دونوں لے کر آ رہا ہے۔ اگرچہ پاکستان کے معاشی اشاریوں میں بہتری کے آثار نمایاں ہوئے ہیں، تاہم توانائی کی قیمتوں، شرح مبادلہ، پیداواری لاگت، شرح سود، بین الاقوامی اشیاء کی قیمتوں اور جغرافیائی سیاسی پیش رفت کے حوالے سے غیر یقینی صورتحال بدستور موجود ہے۔

خطے میں جاری جغرافیائی سیاسی کشیدگی، بشمول امریکہ اور ایران تنازع، خام تیل کی قیمتوں، مال برداری کی شرحیں، علاقائی تجارتی راستوں اور عالمی سپلائی چینز کو متاثر کر سکتی ہیں۔ پیکیجنگ کی صنعت پولیمر پر مبنی خام مال اور توانائی پر زیادہ انحصار کرنے والے پیداواری عمل سے وابستہ ہے، اس لیے ایسی پیش رفت کے نتیجے میں Homo کی قیمتوں، ایندھن کی لاگت، مال برداری کے اخراجات اور دیگر عملی ضروریات کی قیمتوں میں اتار چڑھاؤ پیدا ہو سکتا ہے۔ مزید برآں، 2026ء کے اوائل میں ایک اور مسابقتی ادارے کی جانب سے پیداوار شروع کیے جانے سے سپلائی چین پر مزید دباؤ آنے اور صنعت میں مسابقت کی شدت میں اضافے کی توقع ہے۔

تاہم، کمپنی ان مشکلات سے نمٹنے کے لیے مضبوط پوزیشن میں ہے۔ انتظامیہ متنوع اور پگھلاؤ خریداری کی حکمت عملی پر عمل جاری رکھے گی، جس میں تجارتی طور پر موزوں ہونے کی صورت میں قابل اعتماد مقامی ذرائع سے Homo کی خریداری میں اضافہ اور چین سمیت متبادل بین الاقوامی ذرائع سے خریداری کے راستوں کو برقرار رکھنا شامل ہے۔ اس حکمت عملی کا مقصد سپلائی چین کی مضبوطی میں اضافہ، سپلائی میں رکاوٹ کے خطرات کو کم کرنا اور خام مال کی لاگت کے انتظام میں زیادہ لچک پیدا کرنا ہے۔

آپریشنل عہدگی بدستور ایک اہم حکمت عملی کے طور پر ترجیح رہے گی۔ کمپنی لاگت کو بہتر بنانے، عملی کارکردگی، توانائی کے انتظام، پیداواری پیداوار میں بہتری اور ورکنگ کیپیٹل کے محتاط انتظام پر توجہ جاری رکھے گی۔ توانائی کی کارکردگی بہتر بنانے اور زیادہ صاف اور مؤثر توانائی کے ذرائع تلاش کرنے پر خصوصی توجہ دی جائے گی، تاکہ بتدریج کمپنی کے توانائی کے کس کو بہتر بنایا جاسکے اور طویل مدتی آپریشنل مضبوطی کو مستحکم کیا جاسکے۔

اس بنیاد کو مزید مضبوط بناتے ہوئے، انتظامیہ صنعت کے ابھرتے ہوئے رجحانات اور صارفین کی بدلتی ہوئی توقعات سے ہم آہنگ مصنوعات میں تنوع اور جدت کے مواقع تلاش کرتی رہے گی۔ کمپنی سرمایہ مختص کرنے اور خریداری کے معاملات میں نظم و ضبط برقرار رکھتے ہوئے منافع کی شرح اور حصص داران کے لیے قدر میں اضافے کے مواقع تلاش کرے گی۔

آگے بڑھتے ہوئے ہماری ترجیحات میں آپریشنز کا تسلسل برقرار رکھنا، سپلائی چین کی مضبوطی میں اضافہ، لاگت کے حوالے سے مسابقتی صلاحیت بہتر بنانا، ویلیو ایڈڈ مصنوعات کو فروغ دینا اور پائیدار منافع حاصل کرنا۔ کمپنی کا مقصد منظم انداز میں عمل درآمد اور ہدفی سرمایہ کاری کے ذریعے بیرونی غیر یقینی صورتحال سے مؤثر انداز میں نمٹنا اور پائیدار ترقی اور طویل مدتی کامیابی کے لیے خود کو مضبوط بنیاد پر قائم رکھنا ہے۔

بنیادی کاروباری سرگرمی:

کمپنی کی بنیادی کاروباری سرگرمی پلاسٹک پیکیجنگ فلمز تیار کرنا، پیدا کرنا، خریدنا اور فروخت کرنا ہے۔

زیر جائزہ سال کے دوران کمپنی نے 947.0 ملین روپے کا مجموعی منافع حاصل کیا، جبکہ مالیاتی سال 2025 میں یہ 682.3 ملین روپے تھا، جو 38.3 فیصد کی بہتری کو ظاہر کرتا ہے۔ نتیجتاً مجموعی منافع کی شرح 11.5 فیصد سے بڑھ کر 14.1 فیصد ہو گئی۔

منافع میں یہ بہتری اہم اخراجاتی دباؤ کے باوجود حاصل ہوئی، جس میں Homo کی قیمتوں میں اضافہ، ایندھن اور توانائی کے بڑھتے ہوئے اخراجات اور مجموعی افراط زر کے دباؤ شامل تھے۔

انتظامیہ کی جانب سے مصنوعات کے مکس کو بہتر بنانے، قیمتوں کے تعین میں نظم و ضبط، خریداری کے عمل میں کارکردگی، توانائی کے موثر انتظام اور آپریشنل کنٹرولز پر مسلسل توجہ نے کمپنی کو ان اضافی اخراجات کا جزوی طور پر بوجھ برداشت کرنے کے ساتھ ساتھ منافع کی شرح کو برقرار رکھنے میں مدد دی۔

کمپنی کو مقامی سپلائرز اور متبادل بین الاقوامی ذرائع، بالخصوص چین، کے درمیان خام مال کی خریداری کو متنوع بنانے کی صلاحیت سے بھی فائدہ ہوا۔ خریداری میں اس لچک نے سپلائی میں رکاوٹوں کے مقابلے میں زیادہ مضبوطی فراہم کی اور کسی ایک ذریعے سے ضرورت سے زیادہ انحصار کو کم کیا۔

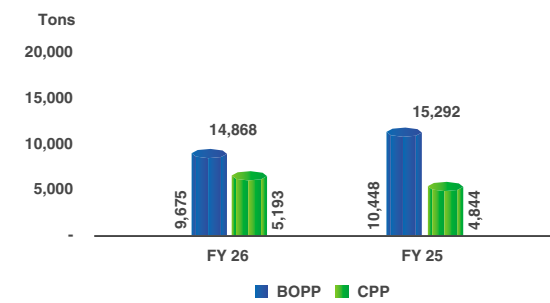
توانائی کے استعمال کو بہتر بنانے، پیداوار کی کارکردگی بڑھانے اور ویلیو ایڈڈ مصنوعات کے حصے میں اضافے کے لیے حکمت عملی کے اقدامات بدستور جاری ہیں۔

قبل از ٹیکس منافع مالیاتی سال 2025 کے 115.6 ملین روپے کے مقابلے میں نمایاں اضافے کے ساتھ 209.1 ملین روپے ہو گیا، جبکہ بعد از ٹیکس منافع گزشتہ سال کے 85.3 ملین روپے کے مقابلے میں 130.7 ملین روپے رہا۔ اس طرح کمپنی مشکل عملی ماحول اور اہم پیداواری لاگت میں نمایاں اضافے کے باوجود منافع بخش رہی۔

مجموعی پیداواری حجم میں 5.7 فیصد کمی ہوئی، جس کی بنیادی وجہ طویل مدتی آپریشنل قابل اعتمادیت اور کارکردگی کو بہتر بنانے کے لیے کی جانے والی منصوبہ بند مرمتی سرگرمیاں تھیں، جبکہ ویلیو ایڈڈ مصنوعات کی پیداوار پر بھی زیادہ توجہ مرکوز کی گئی۔ پیداواری حجم میں کمی کے باوجود کمپنی نے 73.3 فیصد پیداواری صلاحیت کے استعمال کی شرح برقرار رکھی، جبکہ مالیاتی سال 2025ء میں یہ شرح 77.7 فیصد تھی۔

کمپنی نے اہم خام مال، بالخصوص Homo، کی دستیابی اور قیمت میں نمایاں اتار چڑھاؤ کے ساتھ ساتھ ایندھن اور توانائی کی بڑھتی ہوئی قیمتوں کے باوجود کامیابی سے اپنی عملی سرگرمیوں کا تسلسل برقرار رکھا۔ پیشگی خریداری کی منصوبہ بندی، متنوع ذرائع سے خام مال کی فراہمی، انوینٹری مینجمنٹ اور سپلائرز کے ساتھ قریبی رابطہ کاری کے ذریعے انتظامیہ سپلائی چین سے متعلق خطرات کو کم کرنے اور آپریشنز کو بلا تعطل جاری رکھنے میں کامیاب رہی۔

فروخت کی کارکردگی:



مشکل معاشی اور جغرافیائی سیاسی ماحول کے باوجود، کمپنی نے مصنوعات کے مستقل معیار، صارفین کے ساتھ مضبوط تعلقات، بروقت اور موثر خدمات اور صارفین کی ضروریات کو بروقت پورا کرنے کے ذریعے اپنی مارکیٹ پوزیشن کامیابی سے برقرار رکھی۔

30 جون 2026ء کو اختتام پذیر ہونے والے سال کے دوران کمپنی نے 14,868 میٹرک ٹن کی فروخت کی، جبکہ گزشتہ سال یہ مقدار 15,292 میٹرک ٹن تھی۔ فروخت کے حجم میں نسبتاً معمولی کمی مارکیٹ کے مشکل حالات اور کمپنی کی اس حکمت عملی کی عکاسی کرتی ہے جس کے تحت منافع پر سمجھوتہ کرتے ہوئے صرف حجم بڑھانے کے بجائے مصنوعات کے متوازن مکس، صارفین کے ساتھ تعلقات اور بہتر قدر کے حصول کو ترجیح دی گئی۔

خالص فروخت گزشتہ سال کے 5,994.6 ملین روپے کے مقابلے میں بڑھ کر 6,725.6 ملین روپے ہو گئی، جو تقریباً 12.2 فیصد کا اضافہ ہے۔

حصص داران کو ڈائریکٹرز کی اطلاع

محترم اراکین،

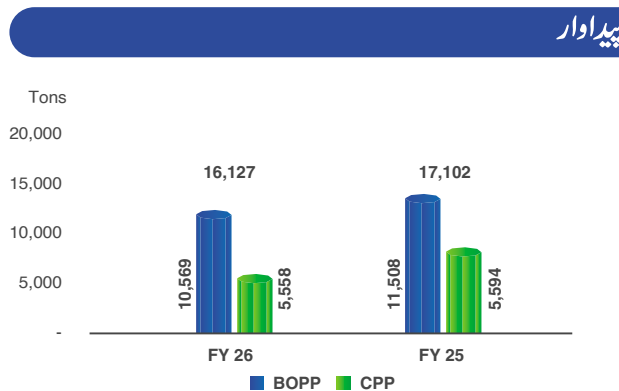
آپ کی کمپنی کے ڈائریکٹرز اپنی رپورٹ اور 30 جون 2026ء کو اختتام پذیر ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے پُرمسرت ہیں۔

معاشی جائزہ:

زیر جائزہ سال کے دوران عالمی جغرافیائی سیاسی صورتحال خصوصاً امریکہ اور ایران کے درمیان کشیدگی اور تنازع میں اضافے کے بعد بدستور مشکلات کا شکار رہی۔ اس کے نتیجے میں علاقائی تجارتی سرگرمیوں، توانائی کی مارکیٹ، مال برداری کے اخراجات اور سپلائی چین میں پیدا ہونے والی رکاوٹوں نے مینوفیکچرنگ اور پیکیجنگ کی صنعتوں کے لیے مزید غیر یقینی صورتحال پیدا کی۔ پیکیجنگ کے شعبے کے لیے ان پیش رفتوں نے اہم خام مال، توانائی، نقل و حمل اور دیگر عملی ضروریات کی دستیابی اور قیمتوں پر براہ راست اور بالواسطہ اثرات مرتب کئے۔

پاکستان کے معاشی ماحول میں بتدریج استحکام کے آثار نظر آئے، جسے مالیاتی استحکام، بیرونی ذرائع سے بہتر مالیاتی آمد اور بین الاقوامی مالیاتی اداروں کے ساتھ مسلسل روابط سے تقویت ملی۔ جون 2026ء میں افراط زر کی شرح کم ہو کر 11.1 فیصد رہی، جبکہ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 11.5 فیصد پر برقرار رکھا۔ تاہم، کاروباری اداروں کو بلند توانائی اور ایندھن کی قیمتوں، بین الاقوامی اشیاء کی قیمتوں میں اتار چڑھاؤ اور جغرافیائی سیاسی غیر یقینی صورتحال کے باعث بدستور مشکلات کا سامنا رہا۔

عملی اور مالیاتی کارکردگی:



زیر جائزہ سال کے دوران کمپنی نے 10,569 میٹرک ٹن BOPP اور 5,558 میٹرک ٹن CPP پیدا کیا، جبکہ گزشتہ سال یہ پیداوار بالترتیب 11,508 میٹرک ٹن اور 5,594 میٹرک ٹن رہی تھی۔

BOARD COMMITTEES' TERMS OF REFERENCE (TOR)

Audit Committee

- Mr. Shabbir Hamza Khandwala (Committee Chairman)
- Mr. Shariq Maqbool Elahi (Member)
- Mr. Naeem Ali Muhammad Munshi (Member)

Purpose

To assist the Board of Directors in fulfilling its oversight responsibilities for the:

- Integrity of the Company's financial statements
- Company's compliance with legal and regulatory requirements
- Independent auditor's qualifications and independence
- Performance of the Company's Internal audit function and independent auditors

Authority

The Audit Committee has the authority to conduct or authorize investigations into any matter within its scope of responsibility. It is empowered to:

- Recommend to the Board the appointment of external auditors, their removal, audit fees, the provision by external auditors of any service to the Company in addition to audit of the financial statements.
- Resolve any disagreements between management and the external auditors regarding financial reporting
- Meet with Company officers, external auditors, or outside counsel, as necessary
- Seek any information it requires from any employee (and all employees are directed to cc)
- Obtain outside legal or other professional advice.

Meetings

The Audit Committee shall meet at least once every quarter of the financial year. The provisions of the Code of Corporate Governance 2019 shall be complied with in this regard.

Responsibilities

In the absence of strong grounds to proceed otherwise, the Board of Directors acts in accordance with the recommendations of the Audit Committee in the following matters:

- Determination of appropriate measures to safeguard the Company's assets
- Review of preliminary announcements of results prior to publication
- Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- Major judgmental areas
- Significant adjustments resulting from the audit
- The going concern assumption
- Any change in accounting policies and practices
- Compliance with applicable accounting standards
- Compliance with listing regulations and other statutory and regulatory requirements
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary)
- Review of Management Letter issued by external auditors and management's response thereto
- Ensuring coordination between the internal and external auditors of the Company
- Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company
- Consideration of major findings of internal investigations and management's response thereto
- Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective
- Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body
- Determination of compliance with relevant statutory requirements
- Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof (BCR 5.17)

Presence of The Chairman of The Audit Committee at the Annual General Meeting (AGM)

The Chairman of the Audit Committee attends the Annual General Meeting. Macpac Films Limited takes deliberate measures to ensure that the entire board of directors is present at the AGM. This practice aims to instill confidence and trust among the shareholders by providing them with the opportunity to engage directly with the company's leadership. (BCR 5.20)

HR & Remuneration Committee

1. Ms. Hafsa Abbasy (committee Chairperson)
2. Mr. Ehtesham Maqbool Elahi (Member)
3. Mr. Shariq Maqbool Elahi (Member)

Purpose

The HR & Remuneration Committee is appointed by the Board to assist the Board in fulfilling its responsibilities relating to leadership development and compensation of the Company's directors, executive officers and other key management personnel.

Composition

The HR & Remuneration Committee shall have at least three members comprising a majority of non-executive directors.

Responsibilities

The HR & Remuneration Committee has the following responsibilities:

- Recommend significant human resource management policies to the Board
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO
- Recommend to the Board, the selection, evaluation, compensation (including retirement benefits) of coo, CFO, Company Secretary and Head of Internal Audit
- Consider and approve, on recommendation of the CEO, matters regarding key management positions which report directly to the CEO or coo
- Consider and approve recommendations of the HR Executive Committee
- Report regularly to the Board following meetings of the Committee

Meetings

The Committee shall meet on a need basis or when directed by the Board. The Company Secretary sets the agenda, time, date and venue of the meeting in consultation with the Chairman of the Committee. The Secretary of the Committee shall submit the minutes of the meeting duly signed by its Chairman to the Company Secretary. These minutes are then circulated within the Board.

COMPLIANCE AND REGULATORY DISCLOSURES

[BCR 5.12(e), 5.12(f), 5.22 & 1.04]

Legislative and Regulatory Environment

Macpac Films Limited operates within a robust legislative and regulatory framework that ensures transparency, accountability, and sustainable business practices. The Company's operations are primarily governed by the Companies Act, 2017, which provides a comprehensive structure for corporate governance, financial reporting, and stakeholder protection. Compliance with this Act requires regular financial disclosures, independent audits, and adherence to prescribed governance standards.

Beyond the Companies Act, Macpac Films Limited complies with a wide range of regulatory requirements and industry-specific frameworks, including:

- Listed Companies (Code of Corporate Governance) Regulations, 2019
- The Securities Act, 2015
- Pakistan Stock Exchange (PSX) Regulations
- Central Depository Company (CDC) Regulations
- The Pakistan Environmental Protection Act, 1997
- International Financial Reporting Standards (IFRS)
- Integrated Framework & BCR reporting criteria of ICAP/ICMAP
- Global Reporting Initiative (GRI) Standards 2021
- United Nations Sustainable Development Goals (UNSDG) Reporting Initiative
- SROs, circulars, and notifications issued by regulatory authorities from time to time

Through diligent compliance with these laws and frameworks, the Company ensures that its governance practices remain effective, its financial reporting transparent, and its operations aligned with both national and international standards.

DISCLOSURE REGARDING GOVERNMENT OF PAKISTAN POLICIES

Macpac Films Limited continuously monitors government policies relevant to the packaging and film production sector, including taxation measures, import/export regulations, and industrial policies.

During the financial year 2025, the Government of Pakistan's policies did not present any significant challenges or adverse impacts on the Company's operations. No policy changes negatively affected Macpac Films Limited's financial performance, operational continuity, or market position. The Company remains fully aligned with regulatory requirements and vigilant in monitoring future developments to mitigate potential risks.

BOARD MEETINGS HELD OUTSIDE PAKISTAN

All Board meetings of Macpac Films Limited are presently conducted within Pakistan, and no meetings have been held outside the country. The Company remains committed to complying with any future regulatory requirements or governance needs should these circumstances change.

SECURITY CLEARANCE OF FOREIGN DIRECTORS

Macpac Films Limited currently does not have any foreign directors on its Board. Accordingly, the requirement for security clearance of foreign directors is not applicable at this time.

BOARD OPERATIONS AND OVERSIGHT

(BCR 5.03 & BCR 5.10)



DIRECTOR DEVELOPMENT AND TRAINING

(BCR 5.08 & BCR 5.09)

Macpac Films Limited is committed to equipping its Board of Directors with the knowledge, skills, and insights necessary to perform their roles effectively and uphold the highest standards of corporate governance. This commitment is fulfilled through orientation sessions for new directors and compliance with the Directors' Training Program (DTP) requirements under the Code of Corporate Governance, 2019.

Orientation and Continuous Learning

New members of the Board undergo comprehensive orientation sessions designed to familiarize them with the operations of Macpac Films Limited, industry dynamics, and regulatory environment. These sessions cover areas such as corporate strategy, financial performance, industry trends, legal obligations, and sustainability objectives. Directors are also introduced to Macpac Films Limited's business model, major projects, and key stakeholders, enabling them to contribute meaningfully from the outset of their tenure.

Directors' Training Program

All members of the Board have successfully completed the Directors' Training Program (DTP), as mandated by the Code of Corporate Governance, 2019. Accordingly, no director was required to undergo training in 2026. Additionally, one director has been granted an exemption from the program based on extensive qualifications and professional experience, in accordance with regulatory provisions.

Through orientation, training, and continuous learning, Macpac Films Limited demonstrates its dedication to building a high-performing Board capable of guiding the Company strategically while maintaining strong governance practices.

RELATED PARTY TRANSACTIONS

(BCR 5.11)

Macpac Films Limited has in place a formally approved Policy Governing Contracts/Transactions with Related Parties (“Policy”), adopted by the Board of Directors. The Policy has been designed in line with the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Related Party Transactions and Maintenance of Related Records Regulations, 2018. It provides a comprehensive framework to ensure that all related party transactions are undertaken in a transparent manner, at arm’s length, and in compliance with applicable laws and governance standards.

Approved Policy:

The Policy governs the review, approval, disclosure, and reporting of related party transactions. It specifies pricing methods, approval authorities, and the process for maintaining complete records. The Policy also requires directors with a personal interest to abstain from participating in deliberations and decisions on related transactions.

Disclosure of Transactions:

All related party transactions during the year were placed before the Audit Committee and subsequently reviewed and approved by the Board of Directors. The details of these transactions are comprehensively disclosed in Note 9 of the audited financial statements forming part of this Annual Report.

Arm’s Length Basis and Justifications:

All contracts and arrangements with related parties were conducted in the ordinary course of business and on an arm’s length basis, consistent with the Company’s Policy. No contract or arrangement outside the ordinary course of business or not at arm’s length was entered into during the year.

Directors’ Interests:

Disclosures of interests in related party transactions by directors, key managerial personnel, and their relatives have been obtained in compliance with statutory requirements. Directors having a material personal interest in any transaction abstained from discussion and voting in line with the Company’s Policy and applicable laws.

Conflict Management:

Potential conflicts of interest are addressed through the governance framework defined in the Policy, including prior approvals, abstention requirements, segregation of duties, and oversight by the Audit Committee and the Board. The Board remains committed to ensuring that related party transactions are managed in a manner that protects the interests of the Company and its shareholders.

BOARD STRATEGY ON SIGNIFICANT MATTERS

Macpac Films Limited has adopted a comprehensive set of policies to uphold the highest standards of corporate governance, accountability, and transparency. These policies guide the Company’s strategic direction, operational conduct, and stakeholder engagement, ensuring that governance practices remain aligned with evolving business and regulatory requirements. The Board actively monitors and reviews these policies, delegating responsibilities where appropriate, while retaining overall oversight of significant matters.

GOVERNANCE, RISK, AND INTERNAL CONTROLS

[BCR 5.12(a), (b), (c), & (d)]

• Risk and Internal Control Framework

The Board places strong emphasis on effective risk management and internal controls to safeguard assets, ensure operational continuity, and protect shareholder value. The Audit Committee regularly reviews the risk framework and internal controls, ensuring the Company is well-prepared to manage financial, operational, and compliance risks.

• Directors’ Interest in Significant Contracts

The Board ensures transparency in disclosing any potential conflicts of interest involving directors. Where such interests exist, they are declared, and appropriate steps are taken to ensure that they do not conflict with the Company’s objectives or governance principles.

• Remuneration of Non-Executive and Independent Directors

The remuneration of non-executive and independent directors is determined and approved by the Board. Compensation is aligned with industry standards and reflects their contributions to Board and Committee responsibilities.

• Retention of Board Fees by Executive Directors

Any fees earned by executive directors for serving on other boards as non-executive directors are handled in accordance with the Company’s remuneration practices.

HUMAN RESOURCE MANAGEMENT AND EMPLOYEE WELBEING

[BCR 5.12(g), (l), (m), & (n)]

Human Resource Oversight

The Board oversees policies that attract, retain, and develop talent. Key focus areas include:

- Succession Planning for continuity in leadership roles;
- Merit-Based Recruitment ensuring equal opportunity;
- Performance-Based Appraisal System linking rewards to measurable results;
- Promotion, Reward, and Motivation Programs fostering employee engagement;
- Training and Development initiatives to build employee capability;
- Diversity, Equity & Inclusion (DE&I) Policy promoting equal opportunity at the workplace;
- Employee Engagement & Feedback Mechanisms to strengthen organizational culture.

Employee Health, Safety, and Protection

Employee well-being is a top priority. The Health, Safety, and Environmental (HSE) Policy safeguards employees' health and workplace safety, ensuring compliance with occupational safety standards and promoting employee well-being.

Anti-Harassment Policy

Macpac Films Ltd. is committed to maintaining a safe, respectful, inclusive, and professional workplace where every employee is treated with dignity and fairness. The Company follows a zero-tolerance approach toward all forms of harassment, including sexual harassment, bullying, discrimination, intimidation, and other inappropriate behavior.

A dedicated three-member Harassment Committee has been constituted to review and investigate complaints. The Committee conducts impartial investigations and submits its findings and recommendations to the Company's Leadership for appropriate action in accordance with applicable policies and procedures.

Whistleblowing Policy

Macpac Films Ltd. has established a secure, confidential, and accessible whistleblowing mechanism that enables employees to report unethical behavior, fraudulent activities, misconduct, or other serious concerns. All reported concerns are reviewed by the Audit Committee, which is responsible for maintaining strict confidentiality and ensuring that whistleblowers are protected from any form of retaliation or adverse treatment.

To make the process more convenient and accessible, the Company has developed an internal online reporting mechanism (OMS) and dedicated policy Quick-response (QR) code, enabling employees to raise complaints or concerns directly and confidentially, without fear or hesitation.

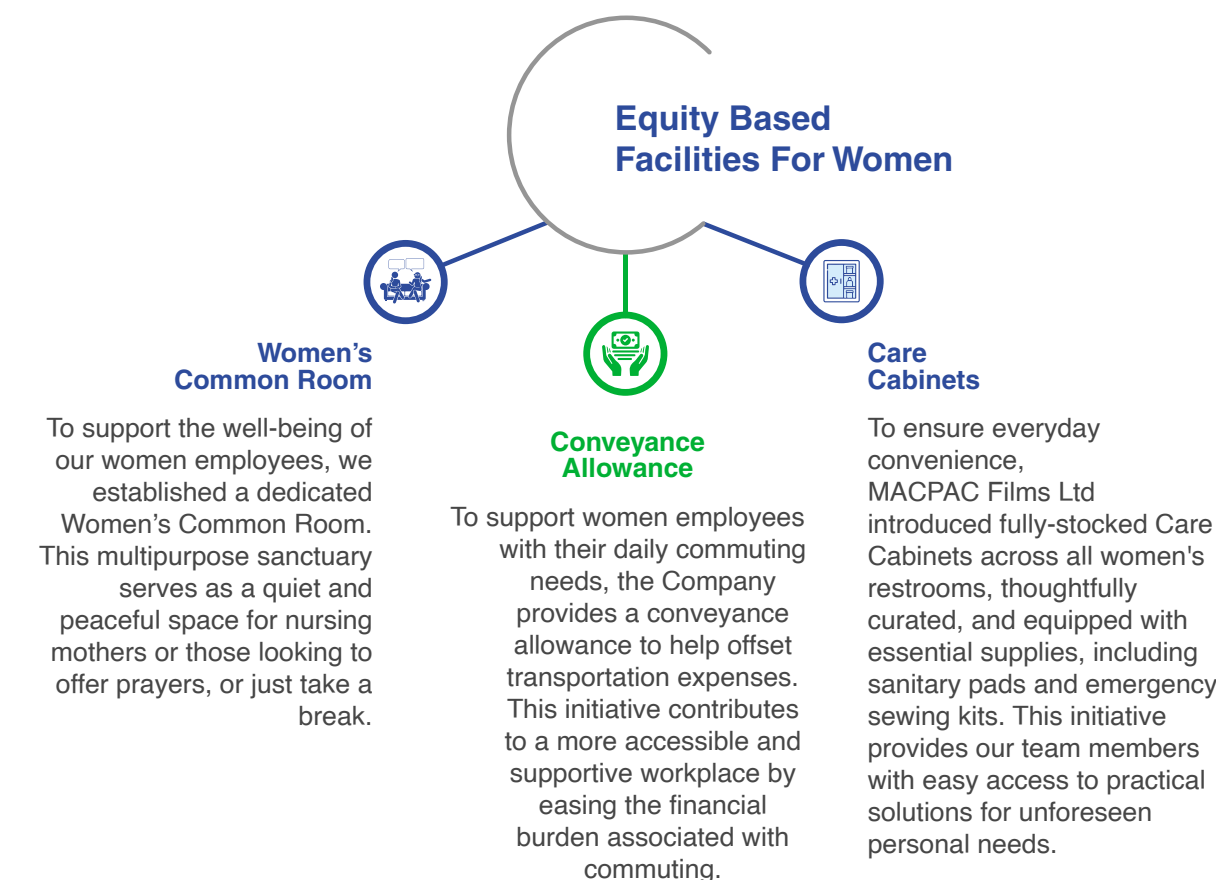
DIVERSITY, EQUITY & INCLUSION AT MACPAC

Macpac Films Limited (MFL) maintains a formal, Board-endorsed DEI Policy integrated into its HR frameworks, with an active implementation mechanism and a female employment ratio of 10%.

The company enforces robust Anti-Harassment Policies overseen by the Board and senior management and reinforced with mechanisms such as dedicated committee featuring majority women representation and a helpline for formally raising complaints.

Our gender pay gap analysis reveals that women are actually paid 17% better than the men employed in the company, on an average in roles where there is concentration of women in the workforce

To ensure a supportive and inclusive workplace, MFL offers dedicated benefits and facilities for women, including maternity leaves that cover special contingencies, women's common area, conveyance allowance, and care cabinets.



ORGANIZATIONAL CAPABILITY DEVELOPMENT

Mentorship Program

Macpac Films Ltd. collaborated with BeMe to professionally train selected organizational leaders as Mentors and launched a one-year Mentorship Program, where mentees independently select their own Mentor, allowing them to build relationships based on trust, comfort, and mutual understanding.



The primary purpose of the program is to help employees learn how to handle different personal and professional challenges in a positive and constructive manner through monthly sessions. The program has also contributed to the development of a growing network of trained Mentors within the organization, creating a continuous chain of learning, support, and knowledge-sharing that can continue into the future.



Design Thinking For Business Innovation



Collaborate to Communicate



Time Management

Key learning and development initiatives included:

- 1 Design Thinking for Business Innovation**
 A workshop focused on creative problem-solving, business agility and innovative thinking across cross-functional teams.
- 2 Cyber Security Weekly Sessions**
 A month-long awareness programme designed to strengthen understanding of digital security, data protection and emerging cyber risks.
- 3 Data & Process Optimisation**
 Technical training focused on improving ERP workflows, data handling and overall system utilisation.
- 4 Communicate to Collaborate**
 An interactive session focused on strengthening interpersonal and cross-functional communication.
- 5 Gemba Session**
 A hands-on approach to identifying continuous improvement opportunities and enhancing production processes.
- 6 Time Management**
 A practical session aimed at improving prioritisation, productivity and effective use of time.
- 7 SAP Process Ownership & Office Management System (OMS)**
 Focused sessions supporting better process ownership, system utilisation and operational efficiency.

EMPLOYEE WELLBEING

Weekly Futsal Matches

What began as an idea of spending some time together on recreational activities has now evolved into quite the sensation. Macpac Films Ltd. now has a fully functional futsal squad that is honing its skills on a regular basis and is ready to take on competition in the corporate arena. With growing team spirit and a co-worker fanbase, futsal has become a source of weekly excitement, where the leadership interacts with the team, while promoting physical well-being & belonging for employees.



Awareness & Inspiration



Breast Cancer Awareness Session

Raising awareness regarding early detection and health support frameworks for employees.



HSE Awareness

An interactive awareness session educating employees on vital HSE practices and environmental sustainability, reinforcing our corporate commitment to a safe workspace and a greener future.

Events & Engagements



Flexpack Inter Company Padel Tournament



Pushups Challenge



Company Cricket Tournament

SOCIAL, ENVIRONMENTAL, AND STAKEHOLDER RESPONSIBILITY

[BCR 5.12(g), (l), (m), & (n)]

- **Social and Environmental Responsibility**

The Board oversees initiatives in procurement, waste management, and emissions reduction, ensuring sustainable and responsible business practices. Transparent reporting mechanisms reinforce accountability to stakeholders.

- **Communication with Stakeholders**

The Board emphasizes clear, consistent communication with shareholders, employees, customers, regulators, and other stakeholders to build trust and transparency.

- **Dividend Policy**

The dividend policy ensures that decisions are taken in the best interest of shareholders while balancing business growth, financial stability, and future investment needs.

- **Investor Relations and Grievance Handling**

The Company maintains a dedicated investor relations platform on its website to provide timely updates and information. The Board ensures investor concerns are addressed promptly and transparently to build shareholder confidence.

RECORDS AND INFORMATION SECURITY

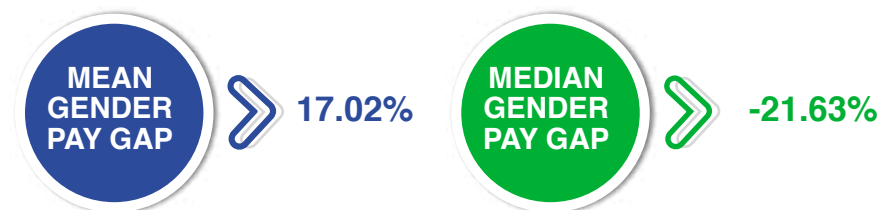
- **Safety of Company Records**

The Board ensures robust measures are in place to safeguard both physical and digital records of the Company, protecting confidentiality, integrity, and accessibility of information from unauthorized use.



GENDER PAY GAP STATEMENT 2026

Macpac Films Limited is committed to fostering a workplace that values fairness, equality, and transparency. In line with our principles of merit-based recruitment and performance-driven growth, the Company ensures that compensation practices are free from gender-based disparities. The Company operates with market benchmarked pay scales that apply equally to all employees, regardless of gender. At the time of selection, candidates, regardless of gender, are assessed and selected solely on the basis of their qualifications, professional experience, skills, and competencies, relevant to the role. All employees are placed within the grading system, ensuring consistent and equitable pay practices across the organization. Beyond equitable compensation, the Company also emphasizes equal opportunities for career progression, training, and leadership development. By integrating diversity, inclusion, and equity (DIE) into its human resource policies, Macpac Films Limited ensures that all employees are supported in achieving their full potential, thereby contributing to the Company's long-term success. In compliance with SECP Circular No. 10 of 2024, the gender pay gap figures for the financial year ended June 30, 2026, calculated in accordance with the prescribed guidelines, are as follows:



This reflects the workforce structural dynamic. Women are well-represented in mid-to-senior management roles (driving up the median). The broader workforce (such as plant, administrative, or roles pertaining to industrial environment) is overwhelmingly male (driving down the male median while raising overall male total wage spend and mean averages). Our ongoing commitment to fairness in pay and opportunity, reflects our core values of integrity, accountability, and respect, and underscores our dedication to building a workplace where all individuals and their diverse perspectives are valued equally.

On behalf of the Board of Directors

Chief Executive Officer

Karachi
September 01, 2026





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT ASSURANCE REPORT ON COMPLIANCE WITH THE SHARIAH GOVERNANCE REGULATIONS, 2023

To the Board of Directors of MACPAC Films Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (SECP) has required in terms of its Shariah Governance Regulations, 2023 (the Regulations) - External Shariah Audit of MACPAC Films Limited ("the Company") for assessing compliance of the Company's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles for the year ended 30 June 2026. This engagement was conducted by a multidisciplinary team including assurance practitioners and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts, and transactions having Shariah implications for the year ended 30 June 2026) is assessed, comprise of the Shariah principles and rules, as defined in the Regulations, and reproduced as under:

- i) legal and regulatory framework administered by the Commission;
- ii) Shariah standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as notified by the Commission;
- iii) Islamic Financial Accounting Standards, developed by the Institute of Chartered Accountants of Pakistan, as notified by the Commission;
- iv) guidance and recommendations of the Shariah advisory committee, as notified by the Commission; and
- v) approvals, rulings or pronouncements of the Shariah supervisory board or the Shariah advisor of the Islamic financial institution, in line with (i) to (iv) above.

The above criteria were evaluated for their implications on the financial statements of the Company for the year ended 30 June 2026, which are annexed.

3. Management's Responsibility for Shariah Compliance

Management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company with its customers, other financial institutions and stakeholders and related policies and procedures are, in substance and in their legal form, in compliance with the requirements of Shariah rules and



KPMG Taseer Hadi & Co.

principles. The management is also responsible for the design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended 30 June 2026 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the compliance of the Company's financial arrangements, contracts, and transactions having Shariah implications with Shariah principles are in compliance with the Shariah principles is free from material misstatement.

The procedures selected by us for the engagement depended on our judgment, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal controls relevant to the Company's compliance with the Shariah principles in order to design 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. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance of Shariah principles (criteria specified in para 2 above).

We believe that the evidences we have obtained through performing our procedures were sufficient and appropriate to provide a basis for our opinion.



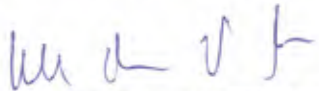
KPMG Taseer Hadi & Co.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion the Company's financial arrangements, contracts and transactions for the year ended 30 June 2026 are in compliance with the Shariah principles (criteria specified in the paragraph 2 above), in all material respects.

Date: 5 October 2026

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Doc No: ASA/0178/003

Annual Shariah Review Report

For the Year Ended 30 June 2026

We have conducted the Shari'ah Review of Macpac Films Ltd. (the "Company") for the year ended 30 June 2026, in accordance with the provisions of the Shariah Governance Regulations, 2023.

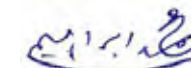
Based on our review of the documents, procedures and information provided to us, we are of the opinion that:

- The business affairs of the Company have generally been conducted in accordance with the rules and principles of Shariah.
- The documents, SOPs and policies reviewed were generally found to be in line with Shariah principles. The Shariah Advisor will continue to review relevant documents and provide recommendations, where required.
- Based on the information provided to us, no non-Shariah-compliant income was received during the period under review.

Conclusion

Based on the review performed and the information provided to us, in our opinion, the affairs of the Company have generally been conducted in accordance with the rules and principles of Shariah for the year ended 30 June 2026.

We appreciate the cooperation of the management and relevant departments in the course of the Shariah Review and recommend continued efforts to strengthen the Company's Shariah compliance framework.



Mufti Muhammad Ibrahim Essa
Chief Executive Officer
Alhamd Shariah Advisory Services (Pvt.) Limited
September 26, 2026



Mufti Ubaid Ur Rahman Zubairi
Director





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Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MACPAC Films 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 MACPAC Films Limited ("the Company") for the year ended 30 June 2026 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 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 and also ensure compliance with section 208 of the Companies Act 2017. 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 30 June 2026.

Date: 5 October 2026

Karachi

UDIN: CR202610102SoEMstFJ5

KPMG Taseer Hadi & Co. is a Partnership firm registered in Pakistan and is a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Taseer Hadi & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of the Company: MACPAC FILMS LIMITED
Year ended: June 30, 2026

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (07) as per the following:

Male: 6
Female: 1

2. The composition of Board is as follows:

- i. Independent Directors
 - a) Mr. Shabbir Hamza Khandwala
 - b) Ms. Hafsa Abbasy
- ii. Non-Executive Directors
 - a) Mr. Naeem Ali Muhammad Munshi
 - b) Mr. Shariq Maqbool Elahi
 - c) Mr. Fahad Munshi
- iii. Executive Directors
 - a) Mr. Najmul Hassan
 - b) Mr. Ehtesham Maqbool Elahi
- iv. Female Director
 - a) Ms. Hafsa Abbasy

Note: For the purposes of the rounding up of fraction, the Company has not rounded up the fraction as one since as it currently stands, the Board has adequate independent directors. If we compare the number of Non-Executive and Independent directors i.e., 5 directors as compared to Executive directors i.e., 2 directors, the Company is of the view that the Board under the current composition is adequately independent.

- 3. The directors have confirmed that none of them is serving as 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 Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Majority of the Directors along with the Company Secretary have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG. All of the Directors are highly qualified and possess the requisite experience and knowledge required to perform their duties;
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:
 - (a) Audit Committee of the Board:
 - i. Mr. Shabbir Hamza Khandwala – Chairman
 - ii. Mr. Shariq Maqbool Elahi – Member
 - iii. Mr. Naeem Ali Muhammad Munshi – Member
 - (b) HR & Remuneration committee:
 - i. Ms. Hafsa Abbasy – Chairperson
 - ii. Mr. Shariq Maqbool Elahi – Member
 - iii. Mr. Ehtesham Maqbool Elahi – Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - (a) Audit Committee;

Four (04) meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis.
 - (b) HR & Remuneration committee;

Two (02) meetings were held during the year. The meeting of the HR and Remuneration Committee is held at least once in a year;
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is 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 and registered with the 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 Institute of Chartered Accountants of Pakistan 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 director 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 Act, these 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, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:
 - a) Regulation 10A:

Regulation 10A describes the role of the Board and its members to address sustainability risks and opportunities and states that the Board may establish a dedicated sustainability committee to discharge the sustainability related responsibilities. As the constitution of a sustainability committee is not mandatory, the Board has opted to have these matters considered by the Board's Human Resource & Remuneration Committee (HR&RC) and full Board.
 - b) Regulation 29:

Regulation 29 states that the Board may constitute a separate committee in the name of Nomination Committee, responsible for recommending to the Board the composition and chairmanship of the Board and the Board committees. As the constitution of nomination committee is not mandatory, the Board has opted to have these matters considered by the full Board.
 - c) Regulation 30:

Regulation 30 states that the Board may constitute a risk management committee. As the constitution of risk management committee is not mandatory, the Board has opted to have the matters relating to risk and risk management to be considered by the Board Audit Committee and full Board.


 NAEEM ALI MUHAMMAD MUNSHI
 Chairman

Karachi
 September 01, 2026


 NAJMUL HASSAN
 Chief Executive Officer

AUDIT COMMITTEE REPORT

Composition of the Committee

The Audit Committee comprises following three members who all are Non-Executive directors, thus ensuring that the Committee operates with high levels of objectivity and independence. Chairman of the Audit Committee, Mr. Shabbir Hamza Khandwala, is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and provides valuable financial expertise. Following are the Committee members:

S. No.	Name	Position	Status
1	Mr. Shabbir Hamza Khandwala, FCA	Chairman	Independent & Non-Executive
2	Mr. Naeem Ali Muhammad Munshi	Member	Non-Executive
3	Mr. Shariq Maqbool Elahi	Member	Non-executive

Financial Reporting

While the CEO and the CFO are responsible for accuracy & integrity of financial statements/ reporting of the Company; the Audit Committee provides the Board with an additional assurance in fulfilling its oversight responsibility vis-à-vis published quarterly, half-yearly, and annual financial statements. During the financial year, the Committee ensured that financial statements provided an accurate reflection of the Company's financial performance and were in compliance with applicable laws and international reporting/accounting pronouncements. Audit Committee also met the external audit Engagement Partner, in respect of half-yearly and annual financial statements of the Company. The Committee identified and addressed significant issues related to financial disclosures, ensuring that the financial statements were fair, transparent, and free from any material misstatements.

Risk Management and Internal Controls

The Committee takes a proactive approach to risk management and internal controls, overseeing the Company's governance and operational risk frameworks. By regularly reviewing risk management strategies and assessing internal control processes, the Committee ensures that Company's operations are well-protected from internal and external risks. The Company has deployed a strong Internal Audit function across the organization; which assists the Board's Audit Committee in its oversight role.

Role of Internal Audit in Risk Management

By Statute, Head of Internal Audit is reportable to the following:

- Functionally to the Audit Committee, and
- Administratively to the Chief Executive Officer.

Head of Internal Audit establishes a risk-based annual audit plan that is approved by the CEO, and the Audit Committee. Risks that can and will affect the achievement of Operating, Reporting (financial & non-financial), and Compliance objectives are prioritized according to their impact-cum-likelihood, and remedial actions are devised accordingly. Based thereon, during the financial year, internal audit reports made recommendations to improve internal controls, together with agreed management action plans to resolve the issues so raised. Internal audit followed up on the implementation of such recommendations, and reported progress to the Executive Management and to the Committee. The Committee has reviewed aforesaid findings completed during the year and brought the reportable matters to the Board's attention, whenever required.

Internal Audit thus provides assurance as to the exposure of identified risks, assesses the adequacy of emplaced internal controls, and supports in enhancing the level of controls needed to mitigate and/or manage such risks. Consequently, this structured reporting helps in an ongoing risk management and also minimizes impact of risks on the Company's performance.

Effectiveness of the External Audit Process

The effectiveness of the external audit process was rigorously evaluated during the year. This involved reviewing the external auditors' independence, objectivity, and performance. The Committee worked closely with the external auditors to ensure that their audits were thorough and effective. The external audit process was deemed effective in providing assurance on the integrity of the financial statements.

Reappointment of External Auditors

The Committee recommended re-appointment of the existing external auditors (KPMG Taseer Hadi & Co.) for financial year ending on 30 June 2027, based on their performance and effectiveness during prior years.



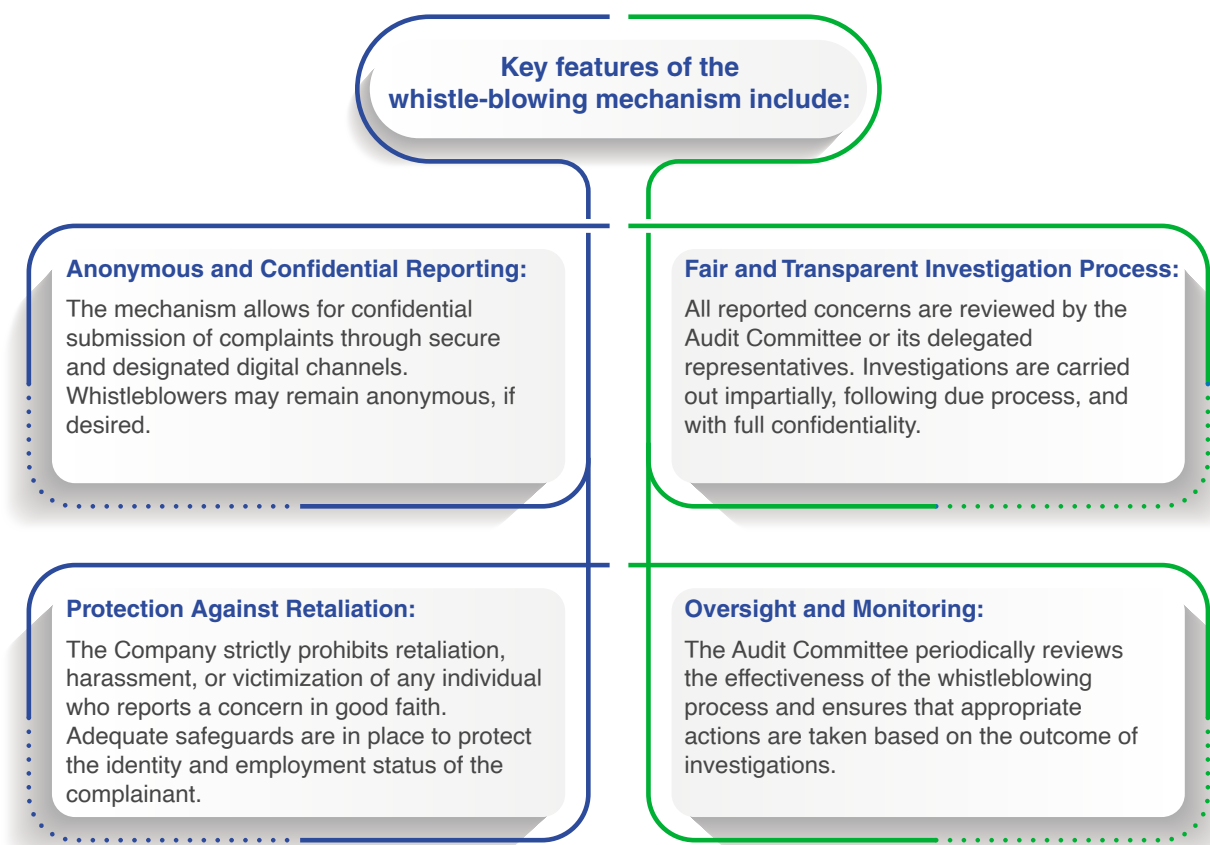
Shabbir Hamza Khandwala
Chairman Board Audit Committee

Karachi 01 September 2026

DISCLOSURE OF WHISTLE BLOWING MECHANISM

The Audit Committee of Macpac Films Limited is fully committed to upholding the highest standards of transparency, accountability, and ethical conduct across all levels of the organization.

In line with the Listed Companies (Code of Corporate Governance) Regulations, 2019, Macpac Films Limited has established a robust Whistleblowing Mechanism to enable employees and stakeholders to report concerns regarding unethical behavior, actual or suspected fraud, violations of laws, or breach of the Macpac Films Limited's code of conduct.



Macpac Films Limited encourages a culture of openness and integrity and believes that a well-functioning whistleblowing system is a key element of effective governance and risk management.

Whistleblowing Policy

The Company has a whistleblowing mechanism in place to ensure that any concerns raised by employees regarding unethical behavior, fraud, or other wrongdoings are addressed confidentially and transparently. The Audit Committee is responsible for overseeing the policy, ensuring protection for whistleblowers against retaliation or victimization.

Through this mechanism, Macpac Films Limited strengthens its governance framework and reinforces stakeholder confidence by ensuring that concerns are addressed promptly, fairly, and with complete transparency.

05

RISKS AND OPPORTUNITIES



RISKS AND OPPORTUNITIES

Key Risks (Internal & External)

- Raw Material Availability:

Dependence on imported raw materials exposes the Company to supply-chain disruptions, import restrictions, foreign exchange constraints, and geopolitical developments. This is managed through proactive procurement, supplier coordination, sourcing diversification, and maintaining adequate buffer stocks.
- Cost of Imported Raw Materials:

Volatility in international commodity prices, freight costs, exchange rates, and domestic inflation may increase input costs and pressure margins. The Company manages this through strategic procurement, supplier negotiations, inventory optimization, and passing on cost increases to customers where commercially feasible.
- Gas Availability and Energy Constraints:

Fluctuations in gas/RLNG supply, pressure and quality may disrupt production and increase reliance on costly alternative energy sources. The Company mitigates this through continuous monitoring, preventive measures, backup diesel generation, and exploration of sustainable alternative energy sources.
- Tariffs, Trade Policies and Dumping:

Changes in tariffs, import policies, duties, and the influx of under-priced imported films may affect the Company's competitiveness. The Company monitors regulatory developments and engages with relevant authorities, industry forums, and professional consultants to safeguard its interests.
- Cybersecurity Threats:

Growing cyber threats, including data breaches and system disruptions, may affect business operations and information security. The Company mitigates these risks through updated security systems, firewalls, antivirus protection, vulnerability assessments, access controls, and data security protocols.
- Machine Breakdown and Operational Hazards:

Unexpected equipment failure may cause production downtime and delivery delays. The Company manages this risk through preventive and predictive maintenance, regular inspections, and timely servicing of critical equipment.
- Exchange Rate Volatility:

Significant reliance on imported inputs exposes the Company to foreign exchange volatility and higher local-currency costs. Management closely monitors currency movements and seeks to recover adverse cost impacts through pricing adjustments where commercially feasible.
- Credit Risk:

Economic pressures, inflation, and higher financing costs may increase customer credit risk. The Company manages this through defined credit limits, regular customer and receivable reviews, monitoring of payment behavior, and timely recovery measures.

Opportunities (Internal & External)

- 01

Product Diversification and Market Expansion

The Company continues to leverage its production capacity to diversify its product portfolio and explore new domestic and international markets. Increased focus on exports provides opportunities to broaden the customer base and generate foreign exchange revenues.
- 02

Cost Optimization Through Advanced Technology

Investment in automation and advanced technologies provides opportunities to improve productivity, reduce operating costs, optimize resource utilization, and enhance competitiveness amid inflationary and cost pressures.
- 03

Expansion in Local and International Markets

The Company continues to leverage its expertise in high-quality packaging solutions to strengthen its position in existing markets while exploring new domestic and export markets. Geographic and customer diversification offers opportunities for sustainable revenue growth.
- 04

Specialized Films and Operational Efficiency

The Company's strategic shift toward specialized and higher-value-added films, supported by R&D and the thermal coating machine commissioned in FY25, provides opportunities to expand its product offering and improve margins. Concurrent initiatives in energy efficiency and input-cost optimization are expected to further strengthen operational efficiency and long-term competitiveness.

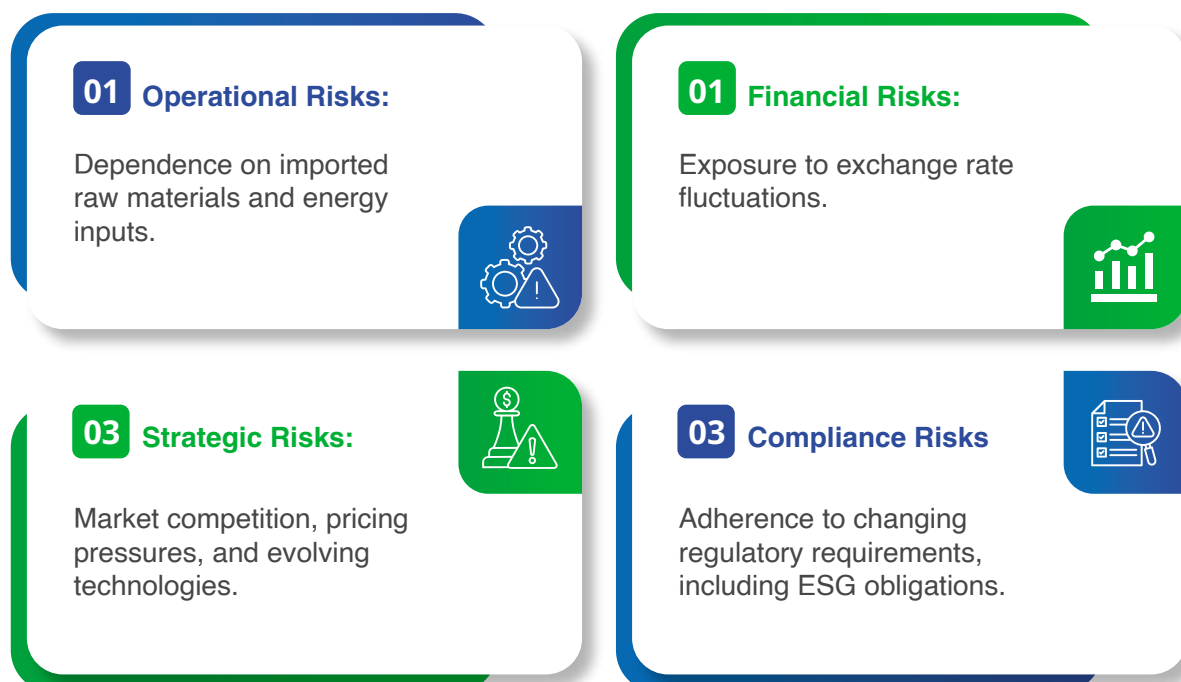
BOARD OVERVIEW ON RISK OVERSIGHT

Risk Tolerance and Risk Management Policies:

The Board of Directors of Macpac Films Limited is committed to maintaining effective corporate governance, financial transparency, and a robust internal control environment. The Company's risk tolerance and risk management framework are regularly reviewed in light of its strategic objectives, operating environment, and stakeholder expectations. The Board, through its Audit Committee comprising three non-executive directors, including an independent Chairman, oversees the Company's risk management and internal control framework in accordance with applicable regulatory requirements and approved terms of reference.

Assessment of Principal Risks:

The Board regularly reviews principal risks that may affect the Company's performance, liquidity, solvency, and business continuity, particularly in the context of Pakistan's evolving economic and operating environment. Key risk categories include:

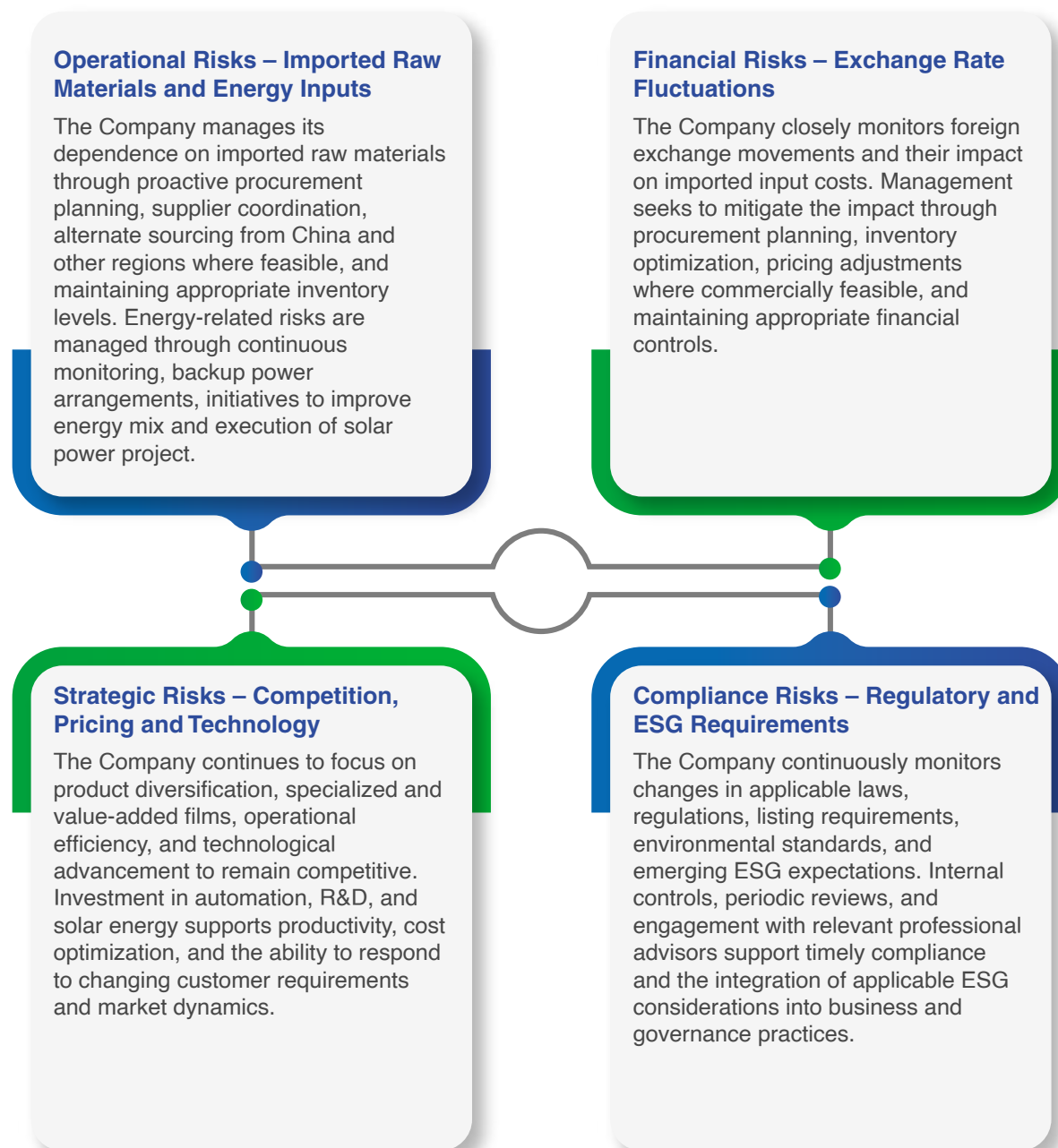


RISK MANAGEMENT FRAMEWORK

Macpac Films Limited maintains a structured risk management framework to identify, assess, monitor, and mitigate key business risks in line with its strategic objectives and operating environment.

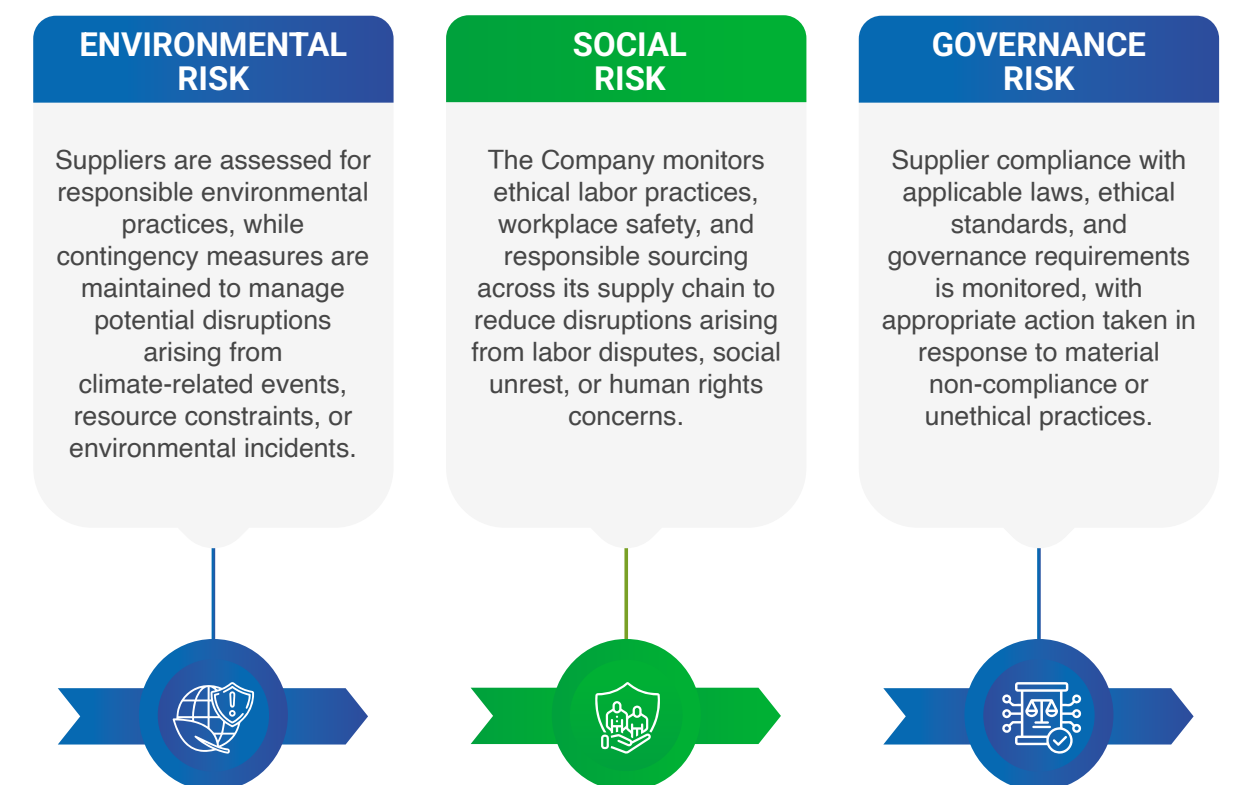


STEPS TO MITIGATE KEY RISKS



SUPPLY CHAIN DISRUPTION DUE TO ESG INCIDENTS

Macpac Films Limited recognizes that Environmental, Social, and Governance (ESG) factors, along with geopolitical and regulatory developments, may disrupt global supply chains. The Company has adopted the following measures to strengthen supply chain resilience:



To enhance resilience, the Company continues to diversify its supplier base and maintain strong, long-term supplier relationships. These measures support business continuity amid geopolitical tensions, environmental events, logistics disruptions, and evolving regulatory requirements.

06

PERFORMANCE AND POSITION FINANCIAL



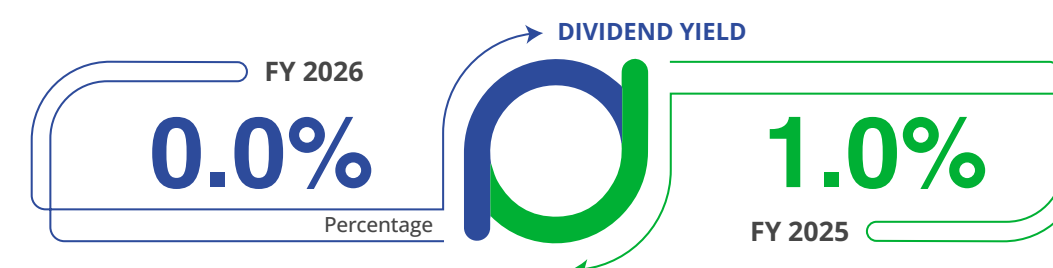
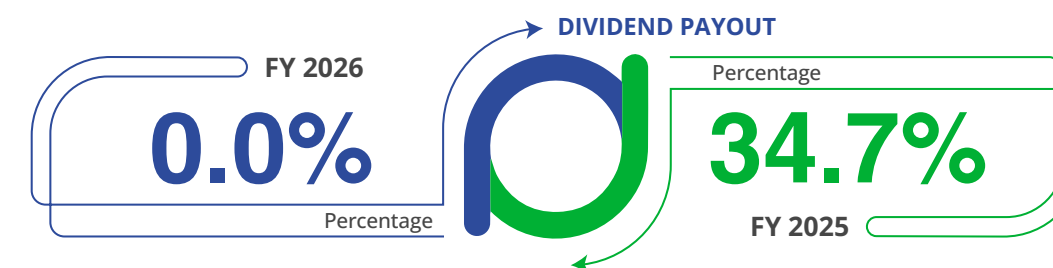
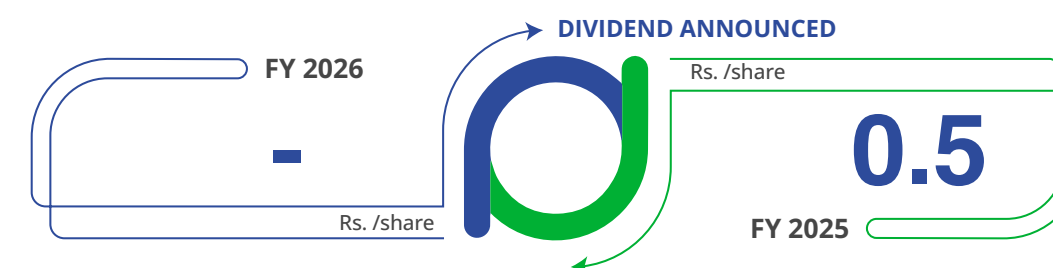
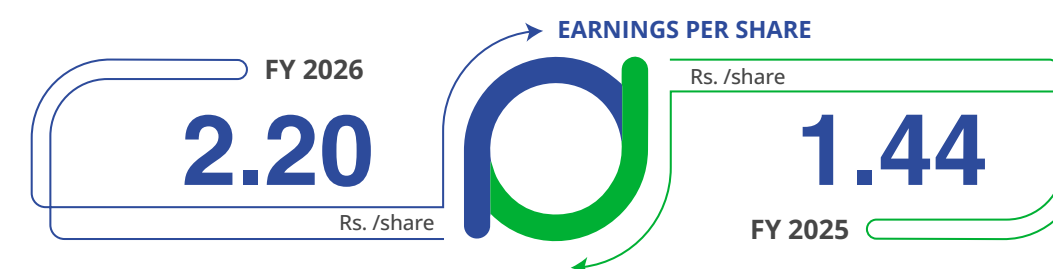
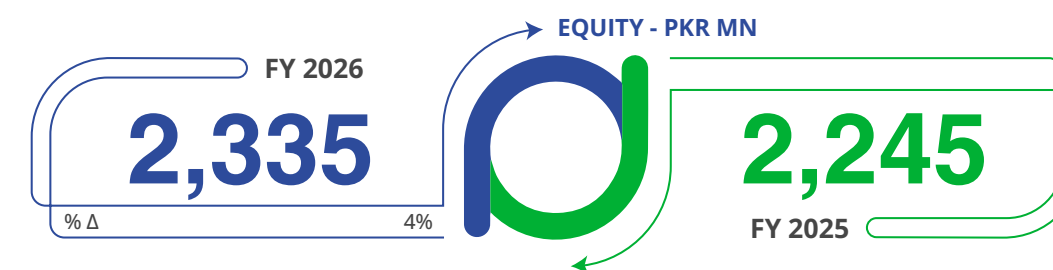
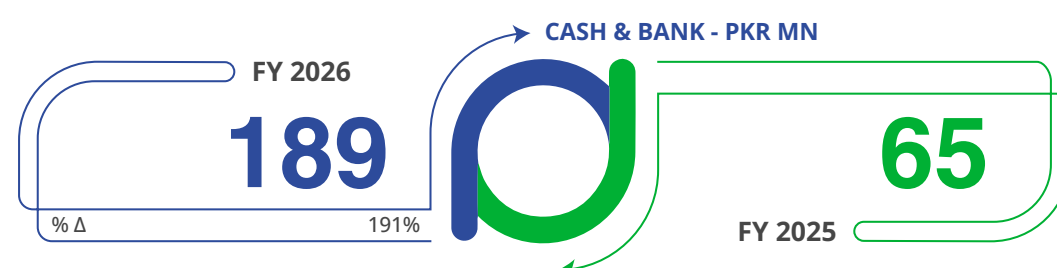
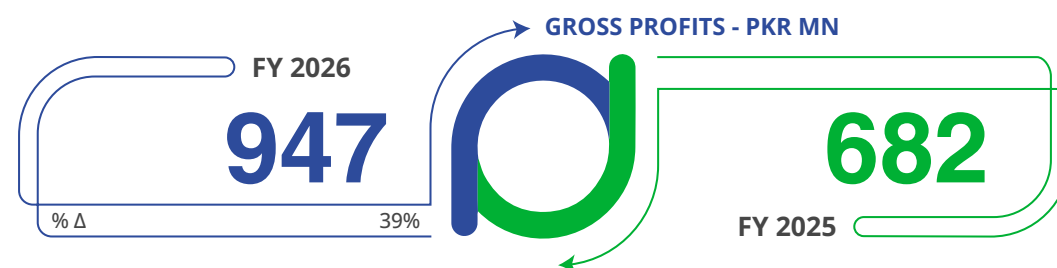
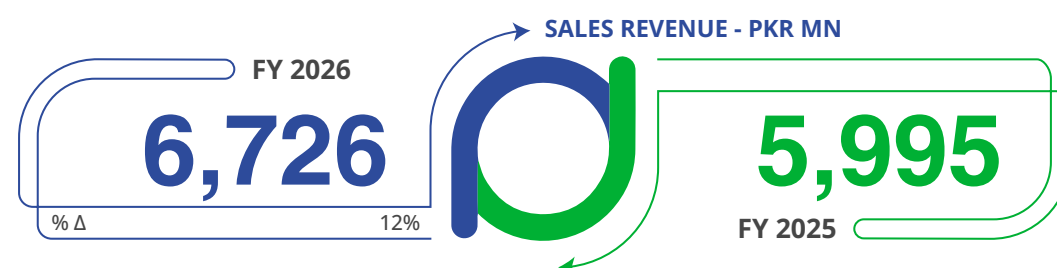
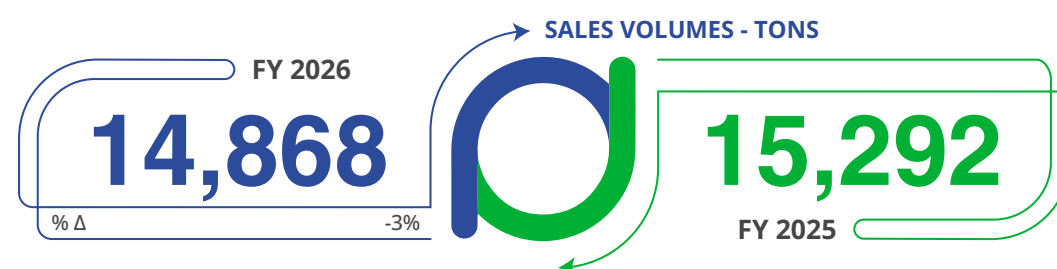
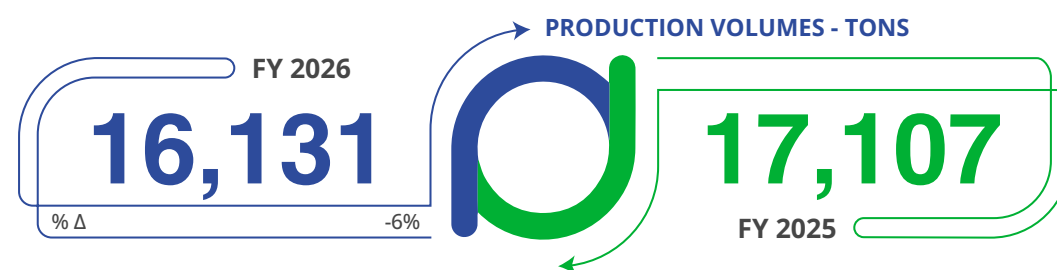
YEAR AT A GLANCE RESILIENCE AND RESPONSE

In the face of a challenging global and domestic economic environment, the Company demonstrated resilience, operational discipline, and strategic adaptability throughout the year. Total production stood at 10,569 metric tons of BOPP and 5,558 metric tons of CPP, compared to 11,508 metric tons and 5,594 metric tons respectively in SPLY. The decline in production was primarily attributable to planned maintenance activities undertaken to enhance long-term operational reliability and efficiency. Capacity utilization stood at 73%, compared with 77% in FY 2025.

Sales volume for the year reached 14,560 metric tons, compared to 15,292 metric tons in the prior year. Despite fluctuating demand conditions, elevated input costs, exchange-rate volatility, and continued pressure on consumers and businesses, the Company remained focused on maintaining its market position through consistent product quality, strong customer relationships, and reliable order fulfillment. A comprehensive analysis of the Company's comparative performance is provided in the relevant sections of this Annual Report.

Management continued to maintain a disciplined approach to planning, budgeting, and performance monitoring. Actual results were regularly reviewed against approved targets, with variances assessed as controllable or uncontrollable and corrective measures taken where appropriate. Profitability continued to be influenced by factors including inflationary pressures, energy and utility costs, imported raw material prices, exchange-rate movements, and financing costs, alongside the temporary reduction in output resulting from essential plant maintenance.

ANALYSIS OF FINANCIAL STATEMENTS



ANALYSIS OF FINANCIAL STATEMENTS

Statement of Financial Position

	2026	2025	2024	2023	2022	2021
Figures in PKR						
Property, Plant and Equipment	2,511,208,215	2,358,472,441	2,234,636,499	1,884,453,068	1,948,072,161	1,913,023,144
Intangible assets	9,334,444	13,501,671	17,668,898	836,118	408,566	510,708
Other non-current assets	32,175,100	29,516,490	29,516,490	12,776,285	20,026,285	15,095,485
Deferred tax asset - net	-	-	-	-	-	-
Current assets	3,736,394,847	2,867,487,069	2,523,839,414	2,719,918,944	2,078,322,205	1,282,503,689
Total assets	6,289,112,606	5,268,977,670	4,805,661,300	4,617,984,415	4,046,829,217	3,211,133,026
Share capital	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500	593,011,500
Reserves	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620	173,566,620
Unappropriated profits / (losses)	745,042,437	654,990,615	647,353,151	503,635,441	186,920,457	5,443,251
Surplus on revaluation of PPE	823,040,000	823,040,000	823,040,000	623,040,000	623,040,000	623,040,000
Non-current liabilities	546,049,961	536,514,973	357,062,078	365,951,699	258,034,006	394,234,183
Current liabilities	3,408,402,088	2,487,853,963	2,211,627,952	2,358,779,155	2,212,256,635	1,421,837,472
Total equity and liabilities	6,289,112,606	5,268,977,670	4,805,661,301	4,617,984,415	4,046,829,217	3,211,133,026

Vertical Analysis		Percentage				
Property, Plant and Equipment	39.9	44.8	46.5	40.8	48.1	59.6
Intangible assets	0.1	0.3	0.4	0.0	0.0	0.0
Other non-current assets	0.5	0.6	0.6	0.3	0.5	0.5
Deferred tax asset - net	-	-	-	-	-	-
Current assets	59.4	54.4	52.5	58.9	51.4	39.9
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
Share capital	9.4	11.3	12.3	12.8	14.7	18.5
Reserves	2.8	3.3	3.6	3.8	4.3	5.4
Unappropriated profits / (losses)	11.8	12.4	13.5	10.9	4.6	0.2
Surplus on revaluation of PPE	13.1	15.6	17.1	13.5	15.4	19.4
Non-current liabilities	8.7	10.2	7.4	7.9	6.4	12.3
Current liabilities	54.2	47.2	46.0	51.1	54.7	44.3
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0

Horizontal Analysis		Percentage				
Property, Plant and Equipment	6.5	5.5	18.6	(3.3)	1.8	(1.2)
Intangible assets	(30.9)	(23.6)	2,013.2	104.6	(20.0)	(20.0)
Other non-current assets	9.0	(0.0)	131.0	(36.2)	32.7	30.8
Deferred tax asset - net	-	-	-	-	-	(100.0)
Current assets	30.3	13.6	(7.2)	30.9	62.1	25.1
Total assets	19.4	9.6	4.1	14.1	26.0	8.0
Share capital	-	-	-	-	-	-
Reserves	-	-	-	-	-	-
Unappropriated profits / (losses)	13.7	1.2	28.5	169.4	3,334.0	103.1
Surplus on revaluation of PPE	-	-	32.1	-	-	-
Non-current liabilities	1.8	50.3	(2.4)	41.8	(34.5)	(6.4)
Current liabilities	37.0	12.5	(6.2)	6.6	55.6	6.0
Total equity and liabilities	19.4	9.6	4.1	14.1	26.0	8.0

Statement of Profit or Loss

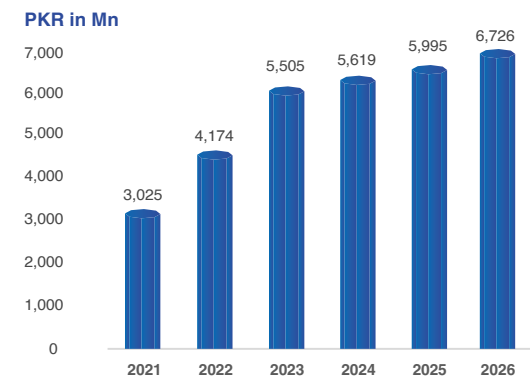
	2026	2025	2024	2023	2022	2021
Figures in PKR						
Net sales	6,725,593,866	5,994,617,391	5,619,408,233	5,505,462,439	4,174,142,183	3,025,322,805
Cost of sales	(5,778,574,962)	(5,312,319,539)	(4,693,065,958)	(4,194,009,701)	(3,563,376,080)	(2,530,517,212)
Gross profit	947,018,904	682,297,852	926,342,275	1,311,452,738	610,766,103	494,805,593
Marketing and selling expenses	(222,129,470)	(176,265,711)	(156,583,388)	(101,646,032)	(69,243,641)	(62,955,826)
Administrative expenses	(462,841,960)	(367,410,672)	(302,619,397)	(200,259,269)	(139,397,353)	(113,564,094)
Operating profit	262,047,474	138,621,469	467,139,490	1,009,547,437	402,125,109	318,285,673
Finance Costs	(138,273,604)	(109,624,271)	(135,118,869)	(133,742,264)	(93,909,807)	(91,710,220)
Other income	105,776,527	87,433,603	118,084,462	114,966,850	79,074,644	62,059,520
Other expenses	(14,394,889)	(21,989,492)	(31,311,707)	(290,106,836)	(124,651,152)	(14,622,408)
Impairment Reversal/(Charge) on	(6,063,446)	21,135,569	(149,980)	-	-	-
Profit before taxation	209,092,062	115,576,878	418,643,396	700,665,187	262,638,794	274,012,564
Taxation	(78,399,438)	(30,293,044)	(160,923,087)	(321,451,673)	(78,390,417)	(87,347,510)
Net profit for the year	130,692,624	85,283,834	257,720,309	379,213,514	184,248,377	186,665,054

Vertical Analysis		Percentage				
Net sales	100.0	100.0	100.0	100.0	100.0	100.0
Cost of sales	(85.9)	(88.6)	(83.5)	(76.2)	(85.4)	(83.6)
Gross profit	14.1	11.4	16.5	23.8	14.6	16.4
Marketing and selling expenses	(3.3)	(2.9)	(2.8)	(1.8)	(1.7)	(2.1)
Administrative expenses	(6.9)	(6.1)	(5.4)	(3.6)	(3.3)	(3.8)
Operating profit	3.9	2.3	8.3	18.3	9.6	10.5
Finance Costs	(2.1)	(1.8)	(2.4)	(2.4)	(2.2)	(3.0)
Other income	1.6	1.5	2.1	2.1	1.9	2.1
Other expenses	(0.2)	(0.4)	(0.6)	(5.3)	(3.0)	(0.5)
Profit before taxation	3.1	1.9	7.4	12.7	6.3	9.1
Taxation	(1.2)	(0.5)	(2.9)	(5.8)	(1.9)	(2.9)
Net profit for the year	1.9	1.4	4.6	6.9	4.4	6.2

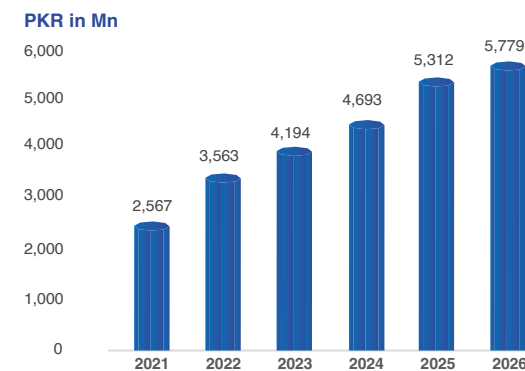
Horizontal Analysis		Percentage				
Net sales	12.2	6.7	2.1	31.9	38.0	39.7
Cost of sales	8.8	13.2	11.9	17.7	40.8	20.1
Gross profit	38.8	(26.3)	(29.4)	114.7	23.4	762.8
Marketing and selling expenses	26.0	12.6	54.0	46.8	10.0	133.7
Administrative expenses	26.0	21.4	51.1	43.7	22.7	28.7
Operating profit	89.0	(70.3)	(53.7)	151.1	26.3	650.6
Finance Costs	26.1	(18.9)	1.0	42.4	2.4	(41.6)
Other income	21.0	(26.0)	2.7	45.4	27.4	(69.5)
Other expenses	(34.5)	(29.8)	(89.2)	132.7	752.5	(90.2)
Profit before taxation	80.9	(72.4)	(40.3)	166.8	(4.2)	269.8
Taxation	158.8	(81.2)	(49.9)	310.1	(10.3)	(188.6)
Net profit for the year	53.2	(66.9)	(32.0)	105.8	(1.3)	397.0

GRAPHICAL PRESENTATION

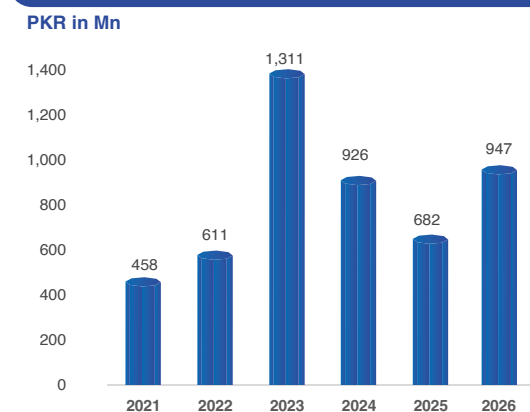
Revenue



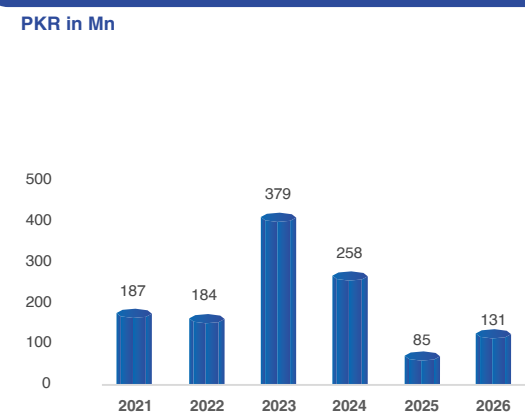
Cost of Sales



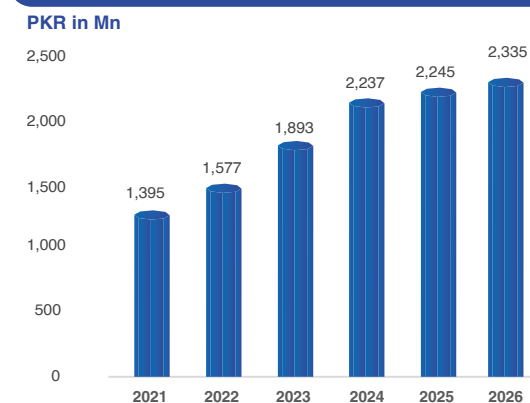
Gross Profit



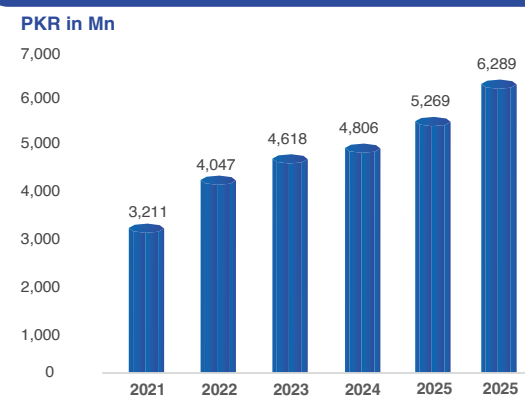
Net Profit



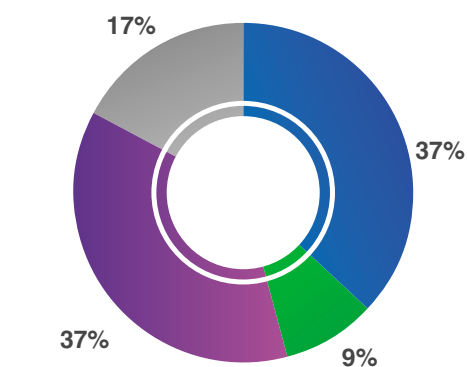
Equity



Total Assets

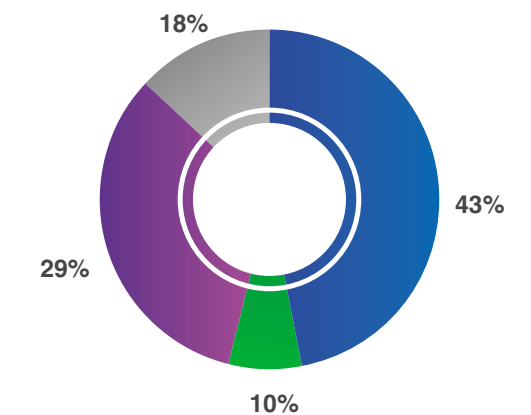


Total Equity and Liabilities - FY 2026

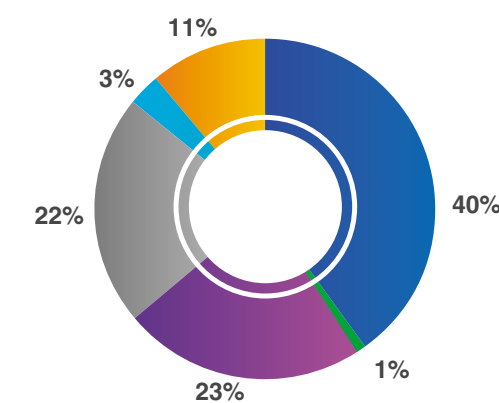


Share Capital and Reserves Non-current liabilities Trade Payables & Others Other Current Liabilities

Total Equity and Liabilities - FY 2025

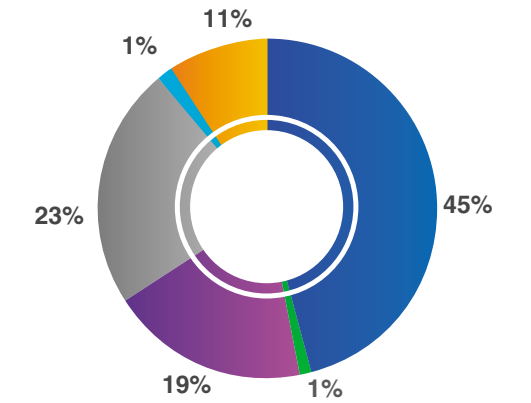


Total Assets-FY 2026



Property, Plant and Equipment Long Term Deposits Trade Debts
Stock-in-Trade Cash and Bank Balances Other Assets

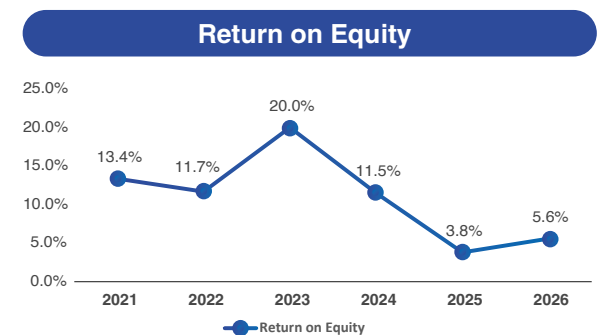
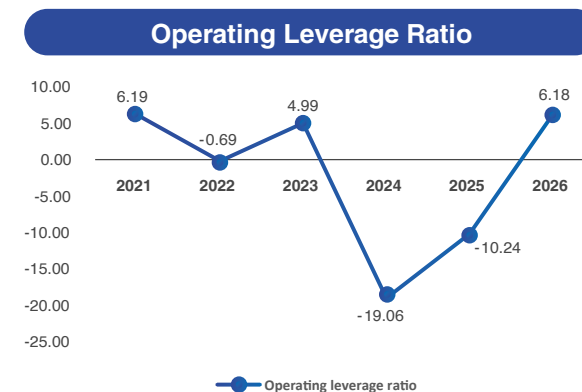
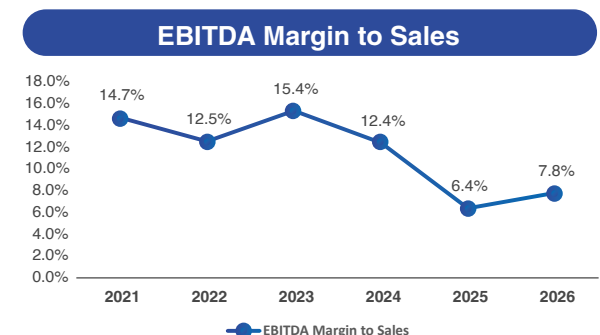
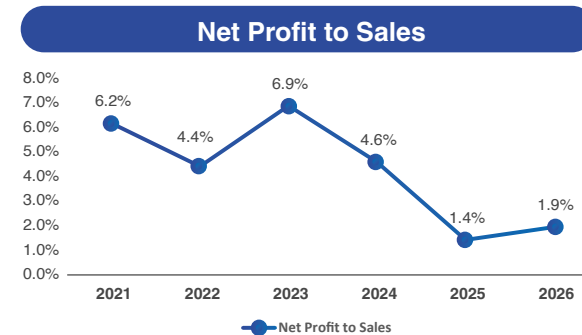
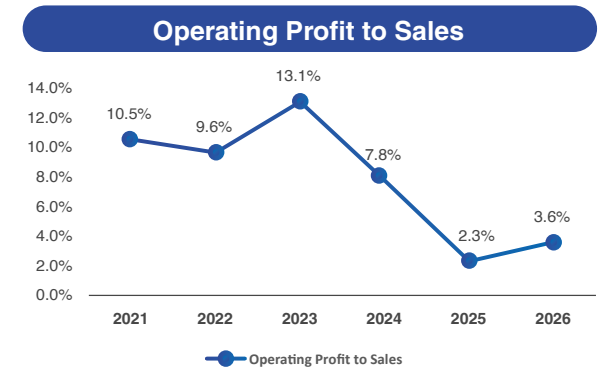
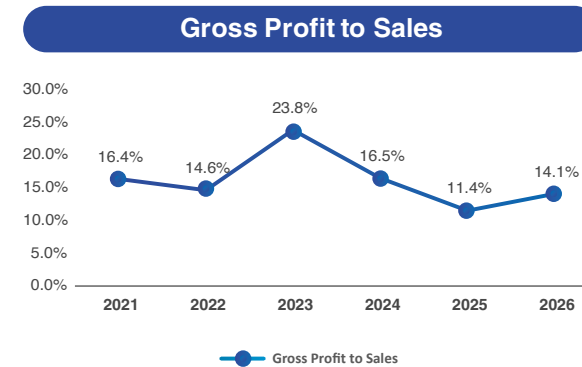
Total Assets-FY 2025



ANALYSIS OF FINANCIAL STATEMENTS

UoM	2026	2025	2024	2023	2022	2021
Profitability Ratios						
Gross Profit to Sales	%	14.1%	11.4%	16.5%	23.8%	14.6%
Operating Profit to Sales	%	3.6%	2.3%	7.8%	13.1%	9.6%
Net Profit to Sales	%	1.9%	1.4%	4.6%	6.9%	4.4%
EBITDA Margin to Sales	%	7.8%	6.4%	12.4%	15.4%	12.5%
Operating leverage ratio	times	6.18	(10.24)	(19.06)	4.99	0.69
Return on Equity / Shareholders' Funds	%	5.6%	3.8%	11.5%	20.0%	11.7%
Return on Capital employed	%	5.2%	3.6%	12.0%	20.5%	10.8%
Shareholders' Funds (Assets / Equity)		2.69	2.35	2.15	3.82	2.45
Return on Shareholders' Funds	%	5.6%	3.8%	11.5%	20.0%	11.7%
Return on Investment	%	2.3%	1.7%	5.5%	8.8%	5.1%
Total Shareholder Return	%	35.6%	182.5%	23.9%	6.5%	-31.7%
Return on Fixed Assets	%	5.2%	3.6%	11.5%	20.1%	9.5%
Cost to Income ratio	%	85.9%	88.5%	83.5%	76.2%	85.4%
Liquidity Ratios						
Current ratio	times	1.10	1.15	1.14	1.15	0.94
Quick ratio	times	0.69	0.66	0.63	0.66	0.46
Cash to Current Liabilities	times	0.06	0.03	0.07	0.11	0.04
Cash to Current Assets	times	0.05	0.02	0.06	0.10	0.04
Cash flow from Operations to Sales	times	0.09	0.07	0.10	0.12	0.13
Cash flow to capital expenditures	times	0.65	1.64	0.59	4.81	0.45
Cash flow coverage ratio	times	0.49	0.44	0.82	1.38	0.71
Activity/Turnover						
Inventory turnover ratio	times	4.39	4.48	4.09	3.76	4.26
No. of Days in Inventory	days	83.07	81	89	97	86
Debtor turnover ratio	times	5.22	5.87	5.92	6.81	7.25
No. of Days in Receivables	days	69.98	62	62	54	50
Creditor turnover ratio	times	2.51	3.12	2.57	2.51	3.36
Operating Cycle	days	153.05	144	151	151	136
Cash conversion Cycle	days	7.55	27	9	5	27
Total Assets turnover ratio	times	1.07	1.14	1.17	1.19	1.03
Fixed Assets turnover ratio	times	2.68	2.54	2.51	2.92	2.14
Market Ratios						
Market Value Per Share - at year end	Rs.	66.98	49.38	17.92	15.67	15.65
Market Value Per Share - high during the year	Rs.	92.56	49.38	24.24	17.39	28.36
Market Value Per Share - low during the year	Rs.	62.94	13.33	15.97	14.15	13.97
Cash Dividend per share	Rs.	0.00	0.5	1.25	1.50	1.00
Dividend Payout ratio	%	0.00%	34.77%	28.76%	23.46%	32.19%
Dividend Yield ratio	%	0.00%	1.01%	6.98%	9.57%	6.39%
Earnings per share (EPS)	Rs.	2.20	1.44	4.35	6.39	3.11
Price Earnings ratio	times	30.39	34.34	4.12	2.45	5.04
Price to Book ratio	times	0.63	0.56	0.22	0.20	0.23
Break-up value per share	Rs.	39.37	37.85	37.72	31.93	26.59
Break-up value per share - without surplus on revaluation	Rs.	25.49	23.97	23.84	21.42	16.08
Capital Structure Ratios						
Interest Cover/Time Interest earned ratio	times	2.71	2.86	6.35	8.54	6.27
Weighted average cost of debt	%	7.39%	5.6%	8.8%	13.9%	5.5%
Net Assets per share	Rs.	39.37	37.85	37.72	31.93	26.59
Financial leverage ratio	times	0.23	0.23	0.15	0.16	0.25
Debt to Equity ratio - as per book value	times	0.09	0.11	0.03	0.05	0.09
Debt to Equity ratio - as per market value	times	0.05	0.08	0.06	0.10	0.14
Earning Assets to Total Assets ratio	%	0.51%	0.56%	0.61%	0.28%	0.49%
Non-Financial Ratios						
% of Plant Availability	%	73.3%	77.8%	80.0%	81.1%	82.4%
Production per Employee	tons	62.03	40.63	43.23	51.39	51.94
Revenue per Employee (in millions)	Rs.	25.87	14.24	13.81	15.87	11.96
Staff turnover ratio	times	0.19	0.13	0.04	0.06	0.09
Spares Inventory as % of Assets Cost	%	2.5%	2.3%	1.3%	1.0%	0.0%
Maintenance Cost as % of Operating Expenses	%	0.7%	0.5%	2.7%	4.6%	4.5%
Customer Retention Ratio	%	100%	100%	100%	100%	100%

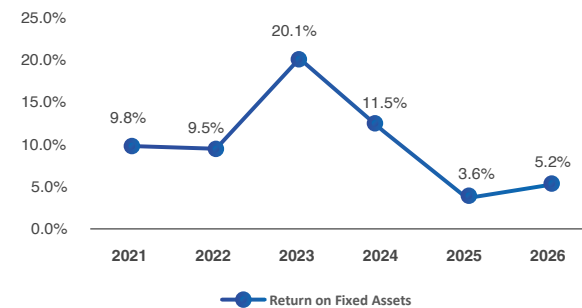
PROFITABILITY RATIOS



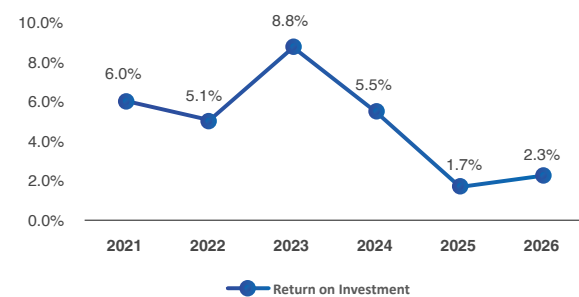
Return on Capital Employed



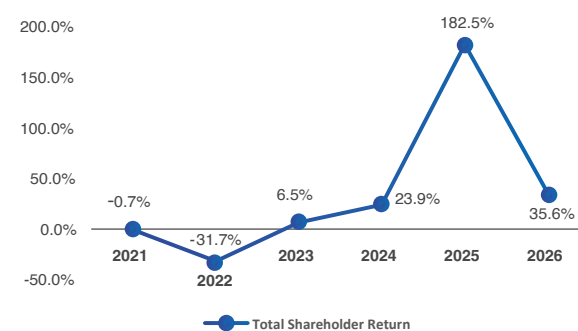
Return on Fixed Assets



Return on Investment

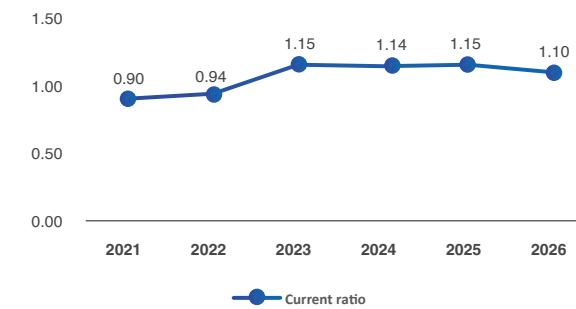


Total Shareholder Return

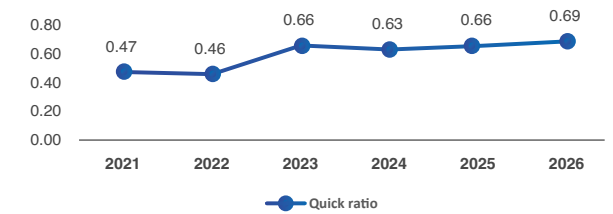


LIQUIDITY RATIOS

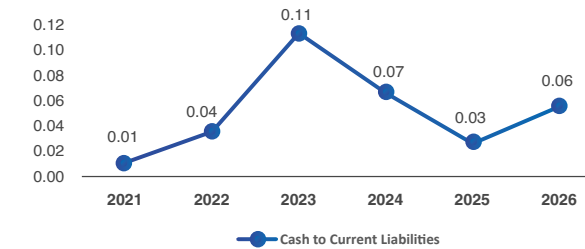
Current Ratio



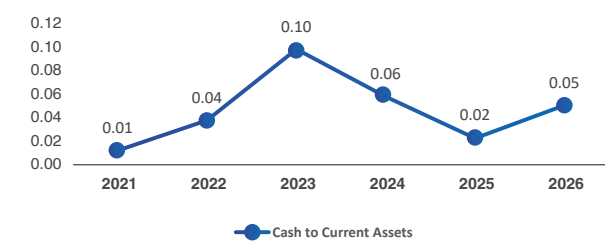
Quick Ratio



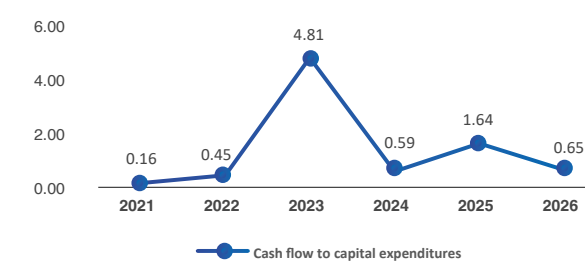
Cash to Current Liabilities



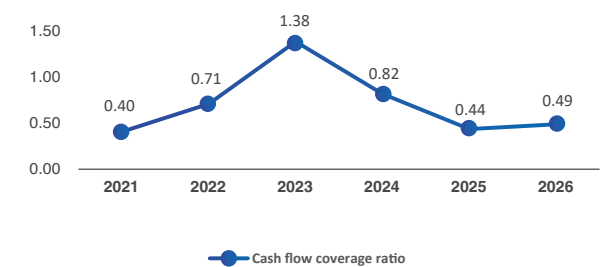
Cash to Current Assets



Cash Flow to Capital Expenditures



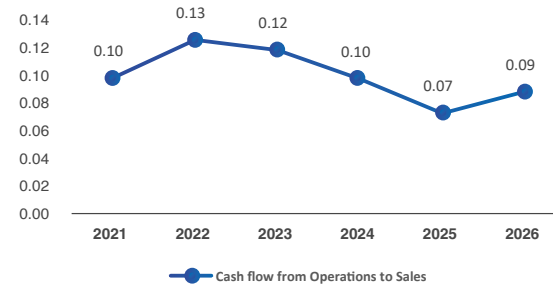
Cash Flow Coverage Ratio



COMMENTS

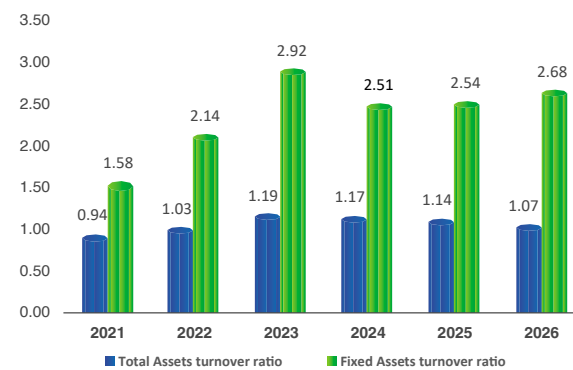
Gross and operating margins weakened after 2023, reflecting cost pressures but improved in 2026. Net profit to sales stayed low at 1.9% in 2026, showing limited bottom line strength. Return on equity improved slightly to 5.6%, yet overall profitability bit improved.

Cash Flow From Operations to Sales



ACTIVITY/TURNOVER RATIOS

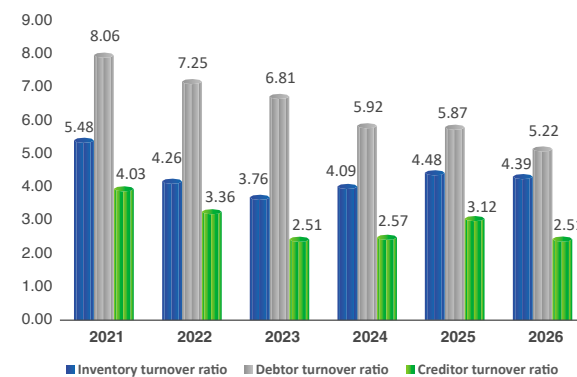
Turnover Ratios (in Times)



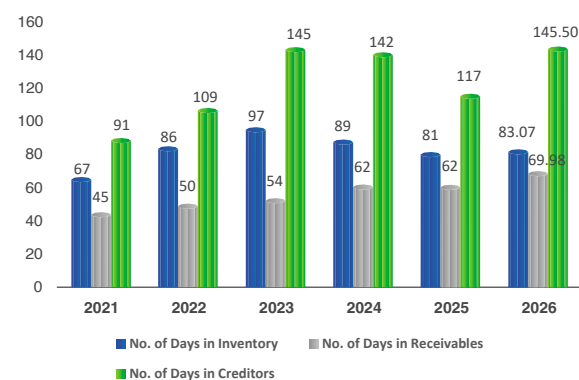
COMMENTS

Current and quick ratios stayed around 1.1 and 0.7 in 2026, reflecting moderate short term strength. Cash flow to capital expenditures spiked in 2023 due to planned expansion but normalized later. Cash Flow Coverage ratio shows weak position and highlighting the need for tighter cash management.

Working Capital Ratios (in Times)



Working Capital Ratios (in Days)

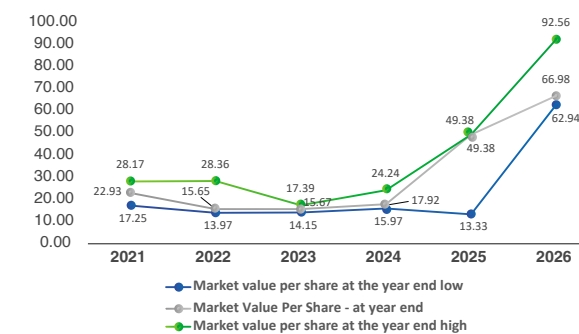


COMMENTS

Asset turnover ratios remain healthy, with fixed assets utilization above 2.6 times. Inventory and debtor turnover show volatility, pointing to working capital challenges. Days in inventory and receivables highlight efficiency gaps needing tighter control.

MARKET RATIOS

Market Value



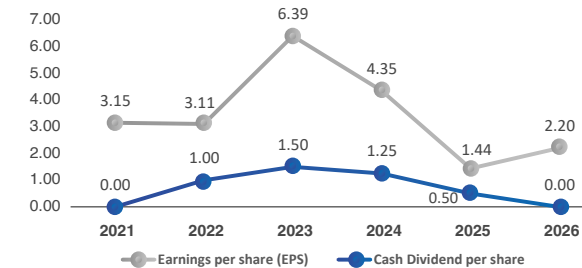
Earnings Ratio



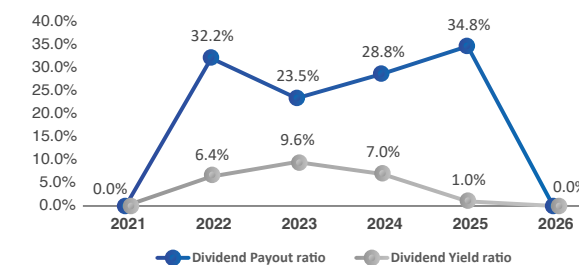
Price to Book Ratio



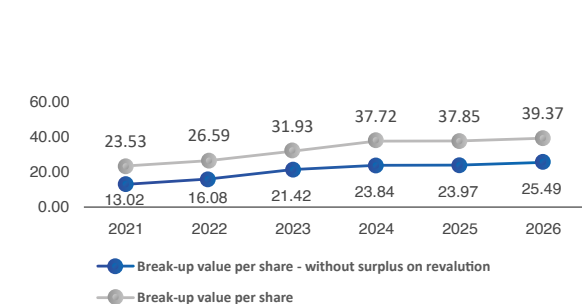
EPS VS DPS



Dividend Ratio



Break-up Value Per Share

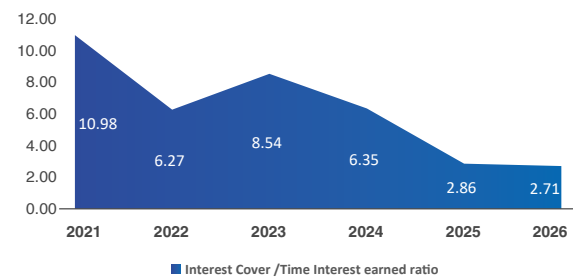


COMMENTS

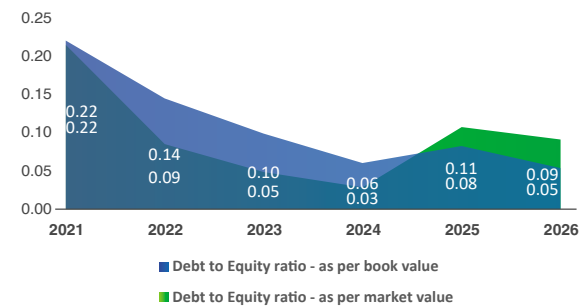
In FY 2026, the Company's share price climbed to Rs. 92.56, boosting valuation multiples. P/E and P/B ratios strengthened, signaling investor confidence. Dividend yield stayed modest as prices rose faster than payouts.

CAPITAL STRUCTURE RATIOS

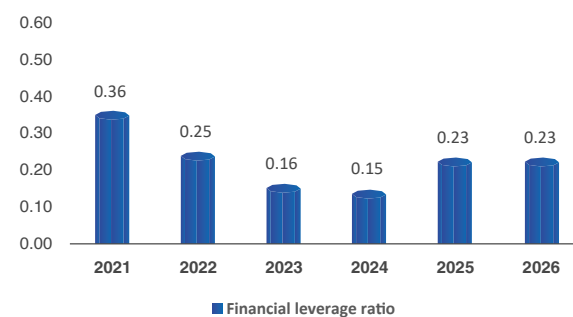
Interest Cover /Time Interest Earned Ratio



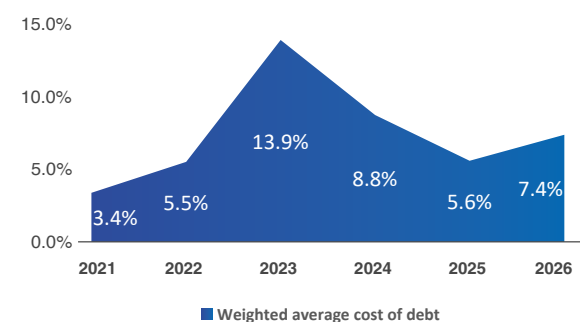
Debt to Equity



Financial Leverage Ratio



WAC of Debt

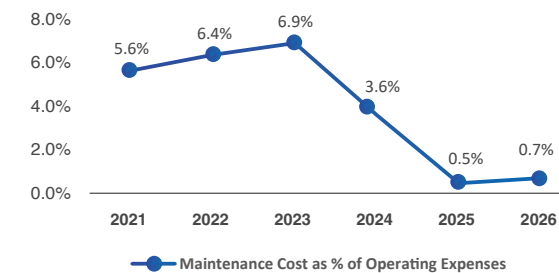


COMMENTS

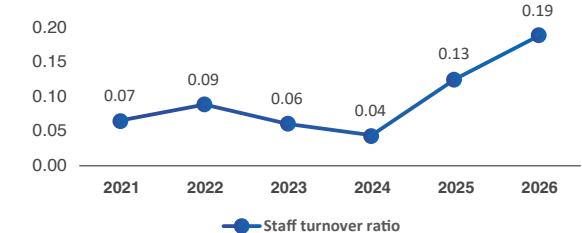
Debt to equity ratios remain consistently low, reflecting prudent financial management. Interest cover is slightly dipped to 2.71 in 2026, showing rising financing pressure. Weighted average cost of debt fluctuated, but overall leverage remains stable.

NON FINANCIAL RATIOS

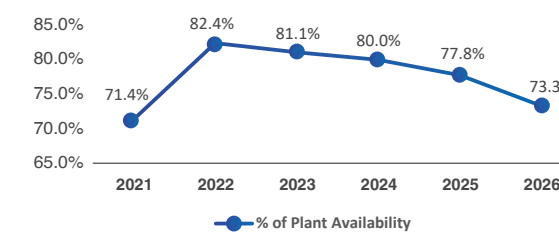
Maintenance Cost as % of Operating Expenses



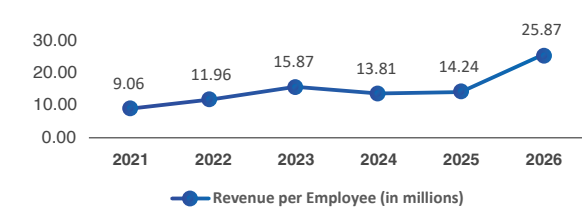
Staff Turnover Ratio



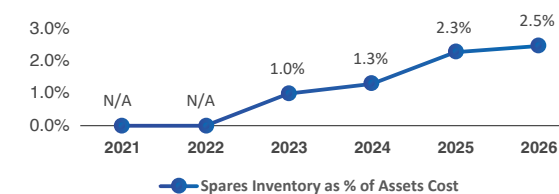
% of Plant Availability



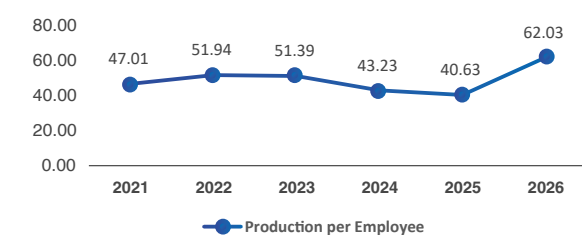
Revenue per Employee (in millions)



Spares Inventory as % of Assets Cost



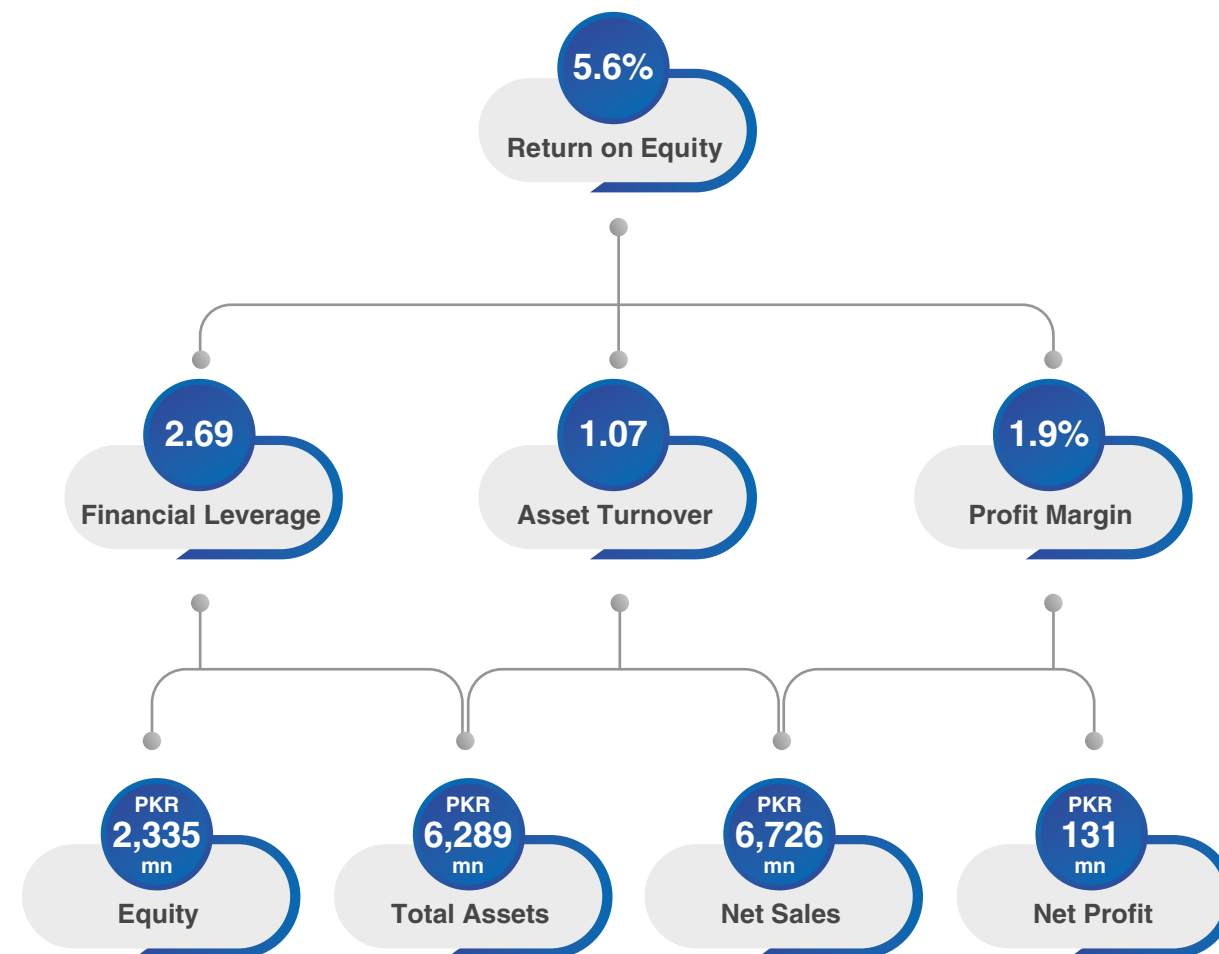
Production per Employee (Tons)



COMMENTS

Operational efficiency continues to show resilience, with revenue per employee rising sharply to Rs 25.87 million in 2026. Plant availability has declined gradually to 73.3%, indicating potential capacity constraints. Staff turnover has increased to 0.19.

DUPONT ANALYSIS



Year	Profit Margin	Assets Turnover	Financial Leverage	ROE
	(Net Profit/ Turnover)	(Turnover/ Total Assets)	(Total Assets/ Total Equity)	
	A	B	C	
2026	1.94%	1.07	2.69	5.6%
2025	1.42%	1.14	2.35	3.8%

FREE CASH FLOW

	2026	2025
	(Rupees)	
Cash Flows From Operating Activities	271,158,320	120,405,814
Interest expense	152,668,493	103,141,397
Tax impact on interest expense	(44,273,863)	(29,911,005)
	108,394,630	73,230,392
Capital Expenditures	(253,205,353)	(77,790,472)
Free Cash flow	126,347,597	115,845,734

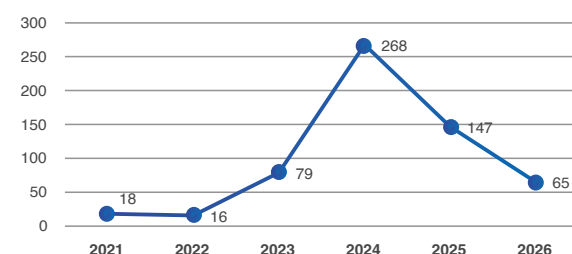
ECONOMIC VALUE ADDED

	2026	2025
	Figures in PKR Mn	
Net Income	130.7	85.3
Mark-up on islamic mode of financing	128.3	78.7
Net Operating Profit After Tax	259.0	164.0
Less: Cost of Capital		
WACC	12.54%	11.76%
Total Invested Capital	3,170.0	2,922.0
	(397.6)	(343.7)
Economic Value Added	(138.6)	(179.7)
Invested Capital		
Equity	2,334.7	2,244.6
LT Debt	153.8	204.8
ST Debt	681.5	472.6
Total Invested Capital	3,170.0	2,922.0

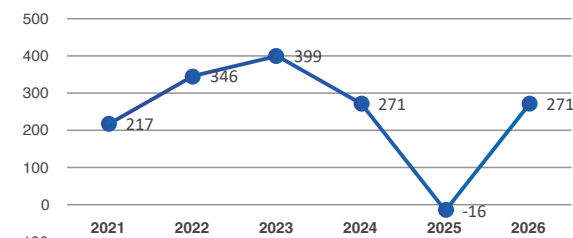
SUMMARY OF CASH FLOW

	2026	2025	2024	2023	2022	2021
	(Rupees)					
Cash & cash equivalents - Opening	65,091,237	146,593,352	267,862,572	78,694,417	15,687,101	18,194,200
Net cash flows from Operating activities	271,158,320	(15,668,210)	271,249,950	399,484,291	346,294,426	216,928,343
Net cash flows (used in) Investing activities	(253,205,353)	(77,790,472)	(247,050,466)	(66,223,311)	(173,365,856)	(96,508,554)
Net cash flows (used in) / generated from Financing activities	106,075,970	11,956,567	(145,468,704)	(144,092,825)	(109,921,253)	(122,926,888)
Changes in cash & cash equivalents	124,028,937	(81,502,115)	(121,269,220)	189,168,155	63,007,316	(2,507,099)
Cash & cash equivalents - Closing	189,120,174	65,091,237	146,593,352	267,862,572	78,694,417	15,687,101

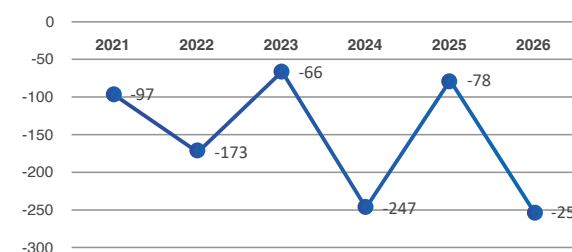
Opening Cash Flow (in millions)



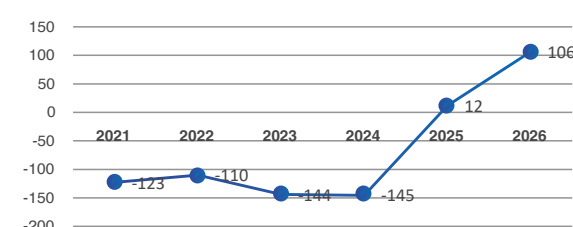
Net Operating Cash Flow (in millions)



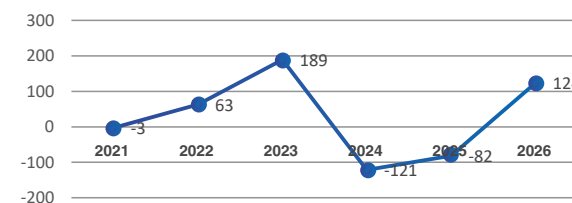
Net Investing Cash Flow (in millions)



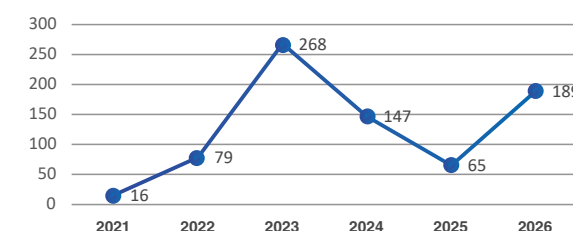
Net Financing Cash Flow (in millions)



Changes in Cash & Cash Equivalents (in millions)



Closing Cash Flow (in millions)



STATEMENT OF CASH FLOWS DIRECT METHOD

	2026	2025
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from customers	7,554,885,338	6,997,523,487
Cash paid for materials	(3,429,577,064)	(3,062,970,015)
Cash paid for stores & spares	(263,059,597)	(185,021,779)
Cash paid to employees	(810,947,694)	(705,869,320)
Cash paid for utilities	(953,794,222)	(917,195,802)
Cash paid for transportation, travelling	(217,116,324)	(164,847,057)
Cash paid for license fee	(64,261,396)	(63,153,021)
Finance costs paid	(121,026,278)	(110,959,023)
Income and sales tax paid	(1,353,099,710)	(1,283,215,453)
Others	(70,844,733)	(519,960,228)
Net cash generated from operating activities	271,158,320	(15,668,210)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets expenditure	(274,322,838)	(67,837,364)
Proceeds from disposal of fixed assets	21,117,485	28,046,892
Investment in term deposit receipts	-	(38,000,000)
Net cash used in investing activities	(253,205,353)	(77,790,472)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term borrowings - Net	206,917,218	136,074,024
Repayment of diminishing musharika	(36,347,872)	(31,545,878)
Payment of lease liabilities	(34,644,747)	(18,805,041)
Dividend paid	(29,848,629)	(73,766,538)
Net cash used in financing activities	106,075,970	11,956,568
Net decrease in cash and cash equivalents	124,028,937	(81,502,115)
Cash and cash equivalents at the beginning of the year	65,091,237	146,593,352
Cash and cash equivalents at the end of the year	189,120,174	65,091,237

SEGMENTAL REVIEW OF PERFORMANCE

The Company operates as a single, integrated business unit, with all operations being closely interrelated and managed centrally. As such, there are no separate business divisions or geographical segments that operate independently or require distinct financial reporting.

Given the unified nature of the Company's operations, a segmental analysis of revenue, results, profit before tax, or segment-specific assets and liabilities has not been presented. All activities contribute collectively to the Company's overall performance, and management monitors the business as one cohesive entity.

LOCAL VERSUS IMPORTED MATERIAL AND SENSITIVITY ANALYSIS

Macpac Films Ltd. manufactures BOPP and CPP films using a combination of locally sourced and imported raw materials. Polypropylene resin, a key input in the manufacturing process, is predominantly procured from international suppliers.

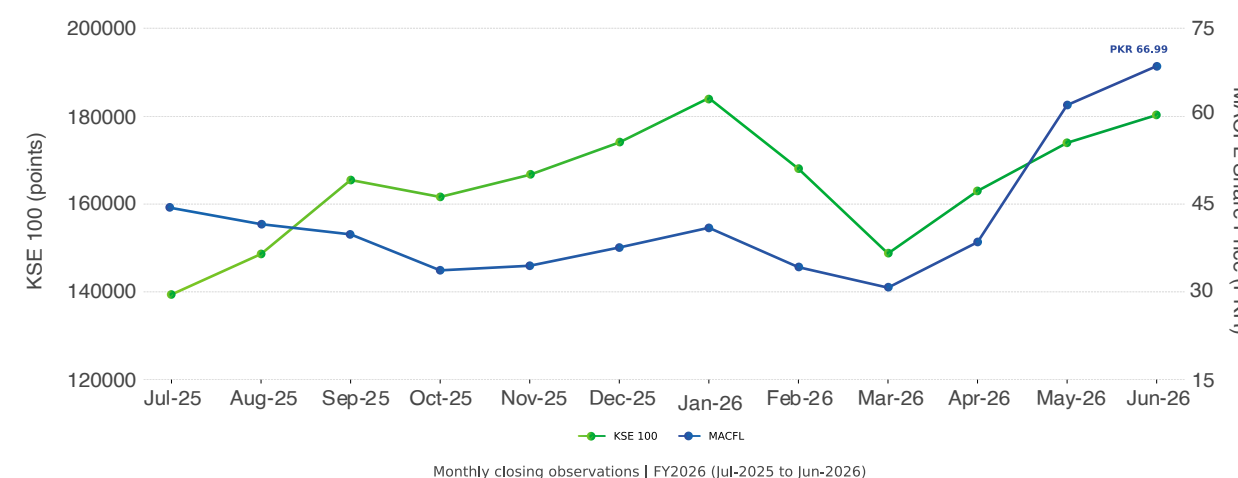
During the current financial year, imported raw materials accounted for approximately 64.8% of the total cost of goods sold. Accordingly, movements in international resin prices and the PKR exchange rate remain important factors affecting the Company's cost structure and profitability.

A fluctuation of PKR 100 per ton in the price of polypropylene resin has a corresponding impact of approximately PKR 64.8 per ton on the Company's overall production cost, based on the stated cost composition. Similarly, exchange-rate movements can materially affect the landed cost of imported raw materials and, consequently, cost of sales.

The Company therefore remains exposed to foreign currency and international commodity-price volatility. Management closely monitors global resin prices, freight and supply-chain conditions, and exchange-rate trends, while taking appropriate measures to manage procurement costs, operational efficiency, and their potential impact on profitability.

SHARE PRICE EXCELLENCE IN IN CORPORATE REPORTING SENSITIVITY ANALYSIS

SHARE PRICE SENSITIVITY GRAPH



MACPAC FILMS LIMITED SHARES SYMBOL: (MACFL) are traded on Pakistan Stock Exchanges, with a free float of 38.2% and market capitalization at the end of the fiscal year of PKR 3,973 million. There are many factors that might positively or adversely affect the share price of the Company, a few of which are listed below:

STOCK MARKET: The share price depends on overall market performance, investor confidence and the fundamentals of the economy. Positive sentiments and news flows prevailing in the market may result in an appreciation of the share price of the Company.

COMMODITY PRICES: The Company's performance is mainly dependent upon the availability of raw material and any fluctuation in major input price (raw material tariffs, power and overhead) can positively or negatively affect the margins and the EPS, which in turn can drive the market share price upwards or downwards.

REGULATIONS AND GOVERNMENT POLICIES: The share price is also sensitive to any changes in policies by the government and regulatory authorities. Policies, specific to the packaging sector and overall business activities, may affect the market share price either positively or negatively, depending on whether the policy is in favor of or against the industry.

EXCHANGE RATE: The volatility in currency exchange rates can also affect the market share price as the Company is involved in both exports and imports (exports of BOPP and imports of raw materials). The margins can be affected positively or adversely.

POLITICAL STABILITY: A stable political situation in the Country improves the industry and investor confidence and encourages foreigners to invest in local companies, which may have a positive impact on share price and vice versa.

MARKET SHARE OF MACFL

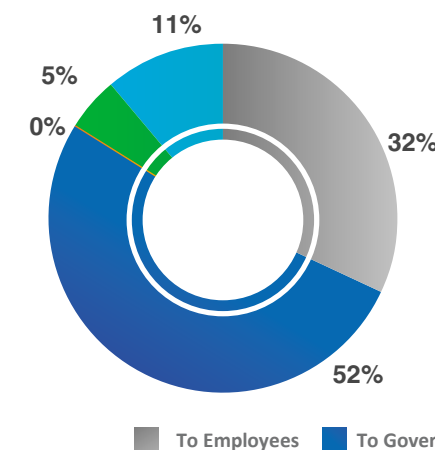
Macpac Films Ltd. (MACFL) holds a notable position in the local flexible packaging industry, specifically in the production of BOPP (Biaxially Oriented Polypropylene) and CPP (Cast Polypropylene) films.

During the year, the Company achieved a market share of approximately 6% in BOPP films and 9% in CPP films, based on total estimated industry capacity. The Company continues to focus on strengthening its market presence through operational efficiency, consistent product quality, and customer-centric service.

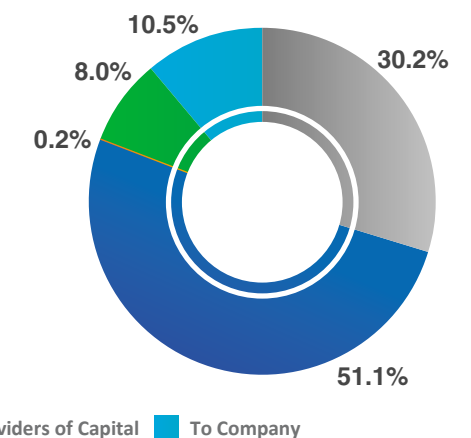
STATEMENT OF VALUE ADDED

	2026 PKR In '000'	%	2025 PKR In '000'	%
WEALTH GENERATED				
Gross Sales/ Revenues	7,982,547		7,122,861	
Bought-in-material and services	(5,407,475)		(4,839,454)	
	<u>2,575,072</u>	<u>100.0%</u>	<u>2,283,407</u>	<u>100.0%</u>
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	818,208	31.8%	688,823	30.2%
To Government				
Income tax, sales tax, excise duty and others	1,336,157	51.9%	1,167,103	51.1%
To Society				
Donation towards education, health and environment	4,745	0.2%	3,980	0.2%
To Providers of Capital				
Dividend to shareholders	-	0.0%	74,126	3.2%
Markup / Interest expenses on borrowed funds	138,274	5.4%	109,624	4.8%
To Company				
Depreciation, amortization, retained profit & surplus	277,688	10.8%	239,750	10.5%
	<u>2,575,072</u>	<u>100.0%</u>	<u>2,283,407</u>	<u>100%</u>

WEALTH DISTRIBUTION - 2026
(PERCENTAGE)



WEALTH DISTRIBUTION - 2025
(PERCENTAGE)



07

BUSINESS MODEL



DESCRIPTION OF BUSINESS MODEL 2026

Inputs:

Macpac Films Limited, a manufacturer of Biaxially Oriented Polypropylene (BOPP) films & Cast Polypropylene (CPP) in Pakistan, relies on several key inputs to deliver high-quality products to its customers:

Raw Materials



The primary raw materials include polypropylene resin and other additives. These raw materials are sourced mainly from international suppliers to maintain high product quality and consistency.

Human Resources



A skilled workforce comprising engineers, machine operators, quality control experts, and administrative staff is essential for smooth operations.

Technology & Machinery



Macpac Films Ltd uses advanced machinery and technologies, including film stretching and extrusion systems, essential for BOPP and CPP film production. The addition of thermal extrusion coating and metallization capabilities has expanded its value-added product line, placing the Company in a blue ocean with minimal competition. The implementation of SAP S/4 HANA has enhanced operational efficiency, financial reporting, inventory control, cost management, and supply chain performance, while offering a scalable platform for future growth.

Energy



Reliable energy sources are vital to our manufacturing operations. To mitigate energy dependence and environmental impact, the Company has invested in a solar power plant at production facility and head office, ensuring energy self-sufficiency, reducing carbon emissions and optimizing operational efficiency.

Financial Capital



Focus on sufficient working capital, investments in new technologies, and maintaining adequate liquidity to fund operations, innovation, and expansion.

Business Activities:

Macpac Films Limited undertakes the following core business activities:

Procurement & Supply Chain Management



Raw materials are procured from a global network of suppliers to ensure consistency and quality in production. The supply chain team manages logistics and inventory to avoid disruptions in the production process.

Production



Using high-end machinery, the polypropylene resin undergoes a process of extrusion, stretching, and coating to produce BOPP & CPP films with varied thickness, clarity, and tensile strength, depending on customer requirements.

Research & Development (R&D)



Continuous R&D initiatives focus on developing new film types, improving product quality, and enhancing production efficiency. This includes innovation in eco-friendly films, which align with global trends toward sustainability.

Quality Control



Rigorous quality control measures are followed at every stage of production to meet international standards, ensuring the films meet the strict specifications of clients across various industries, such as food packaging, labeling, and industrial packaging.

Sales & Marketing



Macpac Films Ltd's sales team is responsible for building and maintaining strong relationships with customers across Pakistan and internationally. Marketing efforts emphasize product value, innovation, and sustainability to strengthen brand reputation and customer loyalty. To support regional outreach and responsiveness, the Company has also established dedicated sales offices for the North region.

Distribution & Logistics



The finished products are seamlessly distributed to customers via well-established logistic networks. Exporting products also requires compliance with international trade regulations and packaging standards.

Outputs:

The primary outputs of Macpac Films Limited include:



Biaxially Oriented Polypropylene (BOPP) & Cast Polypropylene (CPP) Films

These are the Company's main products and are offered in various grades, including transparent, opaque, and metalized films. These films are used for packaging, labeling, and lamination across different industries, including FMCG (fast-moving consumer goods), pharmaceuticals, and more.



Custom Films

Macpac Films Ltd offers specialized films tailored to customer needs, including high-barrier options for food packaging and eco-friendly solutions. The addition of thermal extrusion coating enhances customization, enabling advanced lamination, improved barrier properties, and greater design flexibility.

Outcomes

The business outcomes reflect the overall success and impact of the business model, which include:



Revenue Growth

The production and sale of high-quality BOPP films continue to drive steady revenue growth for Macpac Films Limited in both domestic and international markets. The Company is optimizing its revenue and product mix by focusing on value-added films, including those enhanced through thermal extrusion and metallization, to improve margins and strengthen its market position.



Customer Satisfaction

High-quality, customized products, timely delivery, and strong customer service have helped in building long-term relationships with key clients, enhancing the Company's reputation.



Market Expansion

Continuous investment in product innovation and market research has allowed Macpac Films Limited to expand its footprint into international markets, diversifying revenue streams.

Business Activities:

Macpac Films Limited undertakes the following core business activities:



Sustainability:

With growing awareness around sustainability, Macpac Films Limited is exploring opportunities and eco-friendly packaging films. This not only aligns with global trends but also opens up new markets and customer segments.



Operational Efficiency:

Ongoing investments in technology, automation, and process optimization have reduced production costs and improved overall operational efficiency, contributing to higher profitability.

08

**DISCLOSURES ON
IT GOVERNANCE
& CYBERSECURITY**



BOARD OVERSIGHT OF IT GOVERNANCE AND CYBERSECURITY

BCR (8.01)

The Board of Directors exercises active oversight of IT governance and cybersecurity. This includes the Company's compliance with applicable legal and regulatory requirements relating to data privacy, cyber laws, and emerging technologies such as Artificial Intelligence (AI). In the event of any data breach or cyber incident, the Board engages promptly with management to assess the situation, oversee response actions, and ensure timely disclosures to stakeholders in accordance with applicable laws.

The Board reaffirms its commitment to continuously strengthening the Company's digital capabilities, maintaining a secure technology environment, and ensuring our IT governance remains resilient, adaptive, and value-driven in the face of a rapidly evolving digital ecosystem.

BOARD'S COMMITMENT TO INTERNAL AND IT CONTROLS

BCR (8.02)

Macpac Films has developed and implemented comprehensive IT and cybersecurity policies and procedures tailored to industry-specific requirements. These frameworks cover areas such as system access controls, data encryption, incident response, network security, and secure software development. Regular reviews and updates ensure our policies remain agile and responsive to the evolving threat landscape.

AUDIT COMMITTEE OVERSIGHT OF CYBERSECURITY AND DIGITAL RISK

BCR (8.03)

Our Audit Committee is responsible for overseeing the Company's cybersecurity posture, digital risk management, and strategic IT initiatives. The committee ensures that IT risks are adequately addressed, risk mitigation strategies are implemented, and that digital investments are aligned with business objectives.

PROACTIVE CYBER THREAT IDENTIFICATION AND ESCALATION MECHANISMS

BCR (8.04)

The Company has instituted robust controls and procedures for the proactive identification and escalation of cybersecurity threats. Real-time monitoring tools, threat intelligence systems, and periodic risk assessments enable early detection, timely response, and prompt communication to executive management and the Board about potential incidents or vulnerabilities.

INDEPENDENT CYBERSECURITY ASSESSMENTS AND EXTERNAL EVALUATIONS

BCR (8.05)

To ensure transparency and objectivity, Macpac Films engages time by time, independent experts to conduct comprehensive cybersecurity assessments, including penetration testing and reviews of third-party technology risks.

BOARD'S STATEMENT ON BUSINESS CONTINUITY AND DISASTER RECOVERY

BCR (8.06)

Macpac Films Limited remains unconditionally committed to maintaining operational resilience, protecting stakeholder value, and ensuring business continuity across all facets of our manufacturing and corporate operations. In an evolving risk landscape characterized by macroeconomic shifts, climate volatility, and accelerated digitalization, our Business Continuity and Disaster Recovery Plan (BCDRP) serves as a vital strategic pillar.

The Board of Directors ensures that the Company's BCDRP is not merely a reactive protocol, but a dynamic, continuously tested framework integrated into our daily governance. This comprehensive plan is engineered to safeguard critical manufacturing infrastructure, secure our global supply chains, and protect information technology assets against unforeseen disruptions including natural disasters, utility instabilities, regional supply shocks, and sophisticated cyber threats.

Through regular simulations, risk-appetite reviews, and investments in redundant technology and energy solutions, Macpac Films Limited guarantees long-term operational endurance. We confidently assure our shareholders, partners, and clients of our absolute readiness to sustain uninterrupted operations, fulfill market demands, and preserve corporate value through any external challenge.

ADOPTION OF INDUSTRY 4.0 TECHNOLOGIES AND DIGITAL TRANSFORMATION

BCR (8.07)

In line with Industry 4.0, Macpac Films has strategically adopted transformative technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Data Analytics, and Cloud Computing. These technologies have enhanced transparency, operational efficiency, decision-making, and overall governance, reinforcing our vision of becoming a future-ready, data-driven organization.

CYBERSECURITY TRAINING, AWARENESS CAMPAIGNS, AND HUMAN RISK MANAGEMENT

BCR (8.08)

Understanding that human behavior is a critical component of cybersecurity, Macpac Films has instituted regular training programs, awareness campaigns, and phishing simulations to educate employees on cyber hygiene, data protection practices, and compliance obligations. These efforts play a vital role in minimizing internal vulnerabilities and fostering a culture of cyber awareness.

ENTERPRISE RESOURCE PLANNING (ERP) IMPLEMENTATION AND OVERSIGHT

Macpac Films Limited has successfully adopted SAP system to modernize and unify its core business processes. The SAP implementation is a strategic initiative aimed at enhancing operational efficiency, data integrity, and cross-functional coordination across the organization. (5.21)

CORE SYSTEM DESIGN AND FUNCTIONAL INTEGRATION

Our ERP, SAP system has been meticulously designed to integrate and manage key business functions such as Finance, Human Resources, Procurement, Supply Chain, Production, Sales, and Inventory Management into a unified platform. This integrated environment facilitates real-time visibility, streamlined workflows, and improved decision-making across all business units. (5.21(a))

EXECUTIVE MANAGEMENT AND BOARD ALIGNMENT

The implementation and continuous enhancement of the ERP system are fully backed by the Company's senior management and Board of Directors. Macpac Films remains committed to system optimization through regular updates, process automation, and alignment with industry best practices to support the evolving needs of the business. (5.21(b))

WORKFORCE EMPOWERMENT AND USER TRAINING

Recognizing the importance of effective user adoption, the Company has conducted extensive training programs for employees across all relevant departments. Ongoing training sessions and refresher courses ensure that users remain proficient with new functionalities and system upgrades, promoting efficient system utilization and change management. (5.21(c))

RISK GOVERNANCE FRAMEWORK FOR ERP PROJECTS

The Company has established a robust governance framework to identify, assess, and mitigate risks associated with ERP implementation and operations. Regular audits, risk assessments, and internal controls are embedded within the system to ensure compliance, data accuracy, and operational continuity. (5.21(d))

SYSTEM SECURITY, ACCESS CONTROLS, AND SEGREGATION OF DUTIES

System security is a top priority for Macpac Films. We have implemented strict access management protocols, including role-based access controls and user authorization procedures to safeguard sensitive data. The ERP system is structured to maintain adequate segregation of duties, preventing conflicts of interest and unauthorized transactions. Continuous monitoring and regular reviews of user access rights are conducted to ensure compliance with internal policies and industry standards. (5.21(e))

09

FUTURE OUTLOOK

FORWARD-LOOKING STATEMENT

Macpac Films Limited remains committed to strengthening its market position through continued product innovation, enhanced operational performance, and focused investment in higher-value products. While the Company continues to operate in an environment characterized by elevated energy costs and inflationary pressures, its strategic priorities remain centered on expanding and diversifying its product portfolio, optimizing resource utilization, and advancing sustainability initiatives. As part of these efforts, the Company is evaluating opportunities to enhance energy efficiency and assessing the feasibility of adopting cleaner and more sustainable sources of energy. The ongoing geopolitical tensions in the Middle East, including the conflict involving the United States and Iran, have introduced additional uncertainty to global energy markets, trade routes, freight costs, and commodity prices. Given Pakistan's exposure to international energy markets, any prolonged disruption in supply of resin or transportation routes could contribute to volatility in fuel and energy costs, foreign exchange requirements, and disruption to supply chain and operations. The Company will therefore continue to closely monitor these developments and assess their potential implications for its operations, procurement, logistics, and financial performance.

As part of its response to a changing operating environment, the Company is progressing to improve energy efficiency and adopting cleaner and more sustainable sources of energy. These initiatives are expected to support more efficient resource utilization and strengthen the Company's resilience against potential fluctuations in energy costs. Moreover, in response to international supply chain disruption, the Company has engaged alternate source of raw material in order to ensure smooth supply chain and operations.

Accordingly, the Company will maintain flexibility and responsiveness in its operational and strategic planning to address changing market conditions. Management believes that continued investment in employee development, technological advancement, and operational efficiency will provide a strong foundation for identifying and pursuing sustainable growth opportunities. Through these initiatives, the Company aims to further strengthen business performance and create sustainable long-term value for its shareholders.

PERFORMANCE OF THE COMPANY COMPARED TO LAST YEAR'S DISCLOSURES

During the preceding year, Macpac Films Limited communicated its intention to maintain a strong focus on value-added products, enhance operational efficiency, and undertake strategic investments to address the challenges arising from the prevailing economic environment. The Company also recognized that persistent inflationary pressures and rising energy costs could increase its cost base and place pressure on profitability.

During FY 2026, the operating environment was further influenced by heightened geopolitical tensions, including the conflict involving the United States and Iran. Despite of backdrops to the operating environment, the Company's performance during FY 2026 remained broadly consistent with the expectations and strategic priorities. The Company also remained focused on sustaining its customer base and market presence. Maintaining strong customer relationships and consistent service levels continued to be key priorities, supporting the Company's ability to retain its position in the market.

During FY 2026, sales volumes stood at 14,561 metric tons, compared with 15,292 metric tons in FY 2024, reflecting a relatively stable level of sales activity. Overall, the results achieved during FY 2026 remained substantially aligned with the strategic objectives and forward-looking direction communicated in the previous year.

The implementation of planned investments, continued development of value-added products, and sustained focus on customer and market relationships demonstrate the Company's ongoing efforts to execute its strategy in a disciplined manner despite economic, geopolitical, and market-related uncertainties.

STATUS OF PROJECTS

The recently commissioned thermal extrusion coating machine represents a significant investment by Macpac Films Limited to expand its production capabilities and strengthen its presence in the advanced lamination solutions segment. In parallel with this investment, the Company continues to implement initiatives aimed at improving energy utilization and managing operating costs.

The Company is also evaluating renewable energy alternatives as part of its ongoing efforts to promote greater efficiency and sustainability across its operations. During the year, the Company had made significant progress with its solar power project. These initiatives form part of the Company's broader objective of enhancing long-term operational resilience while maintaining a strong focus on sustainable business practices.

During the year, the Company also undertook various routine maintenance activities to enhance the reliability, efficiency, and performance of its production equipment. While certain maintenance interventions resulted in temporary impacts on production volumes, these activities are intended to improve equipment reliability, minimize operational disruptions, and support stronger production performance over the longer term.

SOURCES OF INFORMATION / ASSUMPTIONS

The information and assumptions underlying this Future Outlook have been developed with consideration of the prevailing economic and business environment, together with the Company's internal assessment of relevant risks, opportunities, and operating conditions.

The information used in developing these assessments is obtained from various internal functions, including the manufacturing, technical, and supply chain departments. The Company also seeks relevant input from external professional advisers, including legal, technical, and financial consultants. This information is reviewed periodically to support informed management decision-making and enable the Company to respond effectively to evolving business conditions.

Macpac Films Limited maintains ongoing oversight of developments in domestic and international markets, as well as broader economic conditions that may affect its operations. The Company also maintains regular engagement with suppliers, customers, industry participants, and relevant experts to obtain market insights and evaluate emerging trends and developments.

These continuous assessments provide a basis for periodically reviewing and refining the Company's strategies, assumptions, and forecasts in response to changes in the operating environment.

AI AND THE INTELLIGENT ENTERPRISE

At Macpac Films Limited, technology is regarded as an important enabler of growth, resilience, and operational excellence. During 2026, the Company's digital transformation journey continued to progress from strengthening core digital capabilities towards the practical application of Artificial Intelligence (AI), Machine Learning (ML), and advanced analytics to generate measurable business value.

The Company's focus remains on leveraging technology to enhance manufacturing efficiency, product quality, management decision-making, and responsiveness to customer requirements.

Manufacturing Excellence:

The Company is leveraging machine learning and real-time data to enhance Overall Equipment Effectiveness (OEE), improve production visibility, identify performance losses, and support predictive maintenance. AI-enabled quality and process analytics are also being explored to reduce defects, minimize waste, and improve overall productivity.

Business Intelligence:

The Company's Power BI and analytics capabilities continue to evolve towards providing more predictive and actionable insights. These capabilities support performance monitoring, forecasting, cost analysis, and data-driven decision-making across various functions.

Customer & Business Intelligence:

Digital platforms and AI-enabled insights are supporting a deeper understanding of customer requirements, enabling faster responses and facilitating the identification of opportunities for more customized solutions and stronger customer partnerships.

Looking ahead, Macpac Films Limited remains committed to the responsible adoption of AI and intelligent technologies to enhance productivity, quality, cost efficiency, and long-term competitiveness. Through these initiatives, the Company seeks to create sustainable value for its shareholders, customers, employees, and communities.

RESEARCH & DEVELOPMENT INITIATIVES

Macpac Films Limited remains firmly committed to Research & Development (R&D) as the foundation of its long-term competitiveness. Our efforts focus on innovation, product diversification and advanced film solutions for the evolving flexible packaging industry.

A National First: Thermal Lamination Films

The year's defining milestone was the successful development customer orders of Thermal Lamination Films, the first commercial production of these specialized films in Pakistan. Engineered to protect printed materials, these films:

- Provide enhanced surface protection against scuffing, moisture and handling wear
- Improve durability and extend the life of printed products
- Deliver a premium visual and tactile finish

The portfolio comes in Gloss, Matt and Metallized variants. It serves a wide range of film- and paper-based applications, including printed packaging, folding cartons and premium print finishing. Local production gives Pakistan's converters and printers a domestic alternative to imported lamination films, which supports supply security, shorter lead times and import substitution.

Expanding the BOPP Portfolio: Heat Resistive, Broad Seal & Soap Grade Films

During the year, Macpac Films further strengthened its BOPP range with the development of three specialized products: Heat Resistive Film, Soap Grade Film and Broad Seal Film.

- Heat Resistive Film is engineered to perform reliably under elevated temperature conditions. It retains its structural stability, dimensional integrity and functional properties where standard films would soften or distort. This makes it suitable for applications that demand greater thermal resistance.
- Soap Grade Film is developed for the soap and personal-care packaging segment. It is designed for smooth machine runnability, a clean, attractive finish for high-quality print and dependable wrapping performance on high-speed lines.
- Broad Seal Film offers a wider sealing window, which gives converters and packers greater flexibility to achieve consistent, strong seals across varying machine speeds and temperature settings. This improves packaging reliability and reduces the risk of seal failure.

09 FUTURE OUTLOOK

Market Context: Why These Investments Matter

Our R&D priorities match the direction of global demand:

- The global BOPP films market reached USD 23.0 billion in 2026, and IMARC Group projects growth to USD 33.8 billion by 2034 at a CAGR of 4.14%. Estimates vary across research firms because of differences in scope and methodology, but they agree on steady growth.
- Growth is driven mainly by the food and beverage sector, particularly flexible packaging for dairy and ready-to-eat products.
- Demand for BOPP thermal lamination film is expanding as buyers seek protective, consistent finishes for book covers, paper packaging boxes, cosmetic packaging and electronics packaging. Future Market Insights also identifies BOPP-based films as the leading film type segment.
- Lucintel expects BOPP-based films to show the highest growth within the thermal lamination film category. The same analysis notes that digital printing, with its short runs, variable data and fast turnaround, is strongly influencing the market.

Looking Ahead

Through continuous product development, technical innovation and market-driven R&D, Macpac Films will keep introducing solutions that address emerging customer needs and contribute to the advancement of Pakistan's flexible packaging industry.



**IMPACT IN EVERY FILM,
PROGRESS IN EVERY
LAYER.**



10

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT



STAKEHOLDER ENGAGEMENT POLICY, PROCESS AND FREQUENCY

STAKEHOLDER ENGAGEMENT POLICY, PROCESS AND FREQUENCY

At Macpac Films Limited, we recognize the importance of maintaining strong relationships with our stakeholders. Our approach to stakeholder engagement is guided by our stakeholder engagement policy, which ensures transparency, accountability, and long-term value creation. This policy outlines how we identify stakeholders, engage with them, and integrate their insights into business decisions.

Identification of Stakeholders

Stakeholders are identified based on their influence, interest, and impact on the Company's operations. Key groups include:

- o Employees
- o Shareholders and Investors
- o Customers
- o Suppliers and Business Partners
- o Regulators and Government Bodies
- o Communities

Engagement Approach and Practices

Macpac Films Limited adopts a proactive approach to stakeholder engagement, ensuring that their views, concerns, and expectations are considered in decision-making. Our engagement practices include:

- Employees: Regular meetings, surveys, and open forums fostering inclusivity and collaboration.
- Shareholders: Annual general meetings, financial reports, investor briefings, and corporate updates.
- Customers: Feedback surveys and direct communication to enhance products and services.
- Suppliers: Ongoing collaboration for sustainable and ethical business practices.
- Regulators and Government Bodies: Consultations and industry forums ensuring regulatory compliance.
- Communities: Social and environmental initiatives supporting local development.

Engagement Frequency

Macpac Films Limited maintains a continuous approach to stakeholder communication, engaging with investors, employees, customers, suppliers, and regulators through structured statutory and operational channels throughout the financial year. During the year under review, the Company ensured that material information, financial updates, and strategic developments were consistently disseminated through the Pakistan Stock Exchange (PSX), the corporate website, and the Annual General Meeting (AGM) to keep all stakeholders comprehensively informed.

Impact on Performance And Value

Our stakeholder relationships directly influence the Company's ability to deliver sustainable growth. Regular engagement enhances employee morale, improves customer loyalty, secures reliable supplier partnerships, and fosters community goodwill. For shareholders, transparent communication builds trust and ensures confidence in governance practices. Moreover, strong regulatory compliance minimizes operational and market risks, reinforcing our reputation as a trusted leader in the packaging industry.

Ongoing Commitment

Macpac Films Limited remains committed to continuously strengthening its stakeholder engagement processes. By prioritizing open communication, digital transparency, and long-term collaboration, we ensure that stakeholder trust remains a cornerstone of our business, ultimately driving performance, institutional resilience, and sustainable value creation.

BOARD OVERSIGHT OF STAKEHOLDER ENGAGEMENT

The Board of Directors of Macpac Films Limited actively oversees stakeholder engagement to ensure that the Company's strategic trajectory and operational decisions remain closely aligned with stakeholder interests. The Board is committed to fostering corporate transparency and maintaining open lines of communication with shareholders, institutional investors, and financial analysts.

Throughout the financial year, governance-level stakeholder oversight was maintained through rigorous compliance reporting, regular updates on business operations, and structured disclosures. The Board monitors stakeholder sentiments, market dynamics, and investor expectations primarily through regular senior management briefings and formal reporting channels. This continuous feedback loop ensures that directors possess the necessary market insights to mitigate risks, gauge investor concerns, and make well-informed strategic choices that preserve long-term shareholder value.

Investors' Relations and Digital Access

To guarantee uninterrupted transparency and provide equal access to timely material information, the Company manages a dedicated Investors' Relations Section on the Macpac Films Limited Corporate Website. This centralized digital portal gives stakeholders immediate access to vital disclosures, including:

- Statutory notices and regulatory announcements submitted via the Pakistan Stock Exchange (PSX) PUCARS system.
- Financial data, including quarterly performance updates and audited Annual Financial Reports.
- Shareholder corporate governance tools, including institutional query routing and formal grievance/complaint forms.

By leveraging these robust digital tools alongside regular statutory meetings, the Board ensures continuous market engagement, builds institutional trust, and reinforces corporate alignment with stakeholder expectations.

CORPORATE BRIEFING SESSIONS SUMMARIES

In compliance with Chapter 5, Clause 5.7A of the Pakistan Stock Exchange (PSX) Regulations (as introduced via PSX Circular No. PSX/N-1168) dated October 29, 2025, the Company remains committed to the highest standards of transparency and shareholder engagement. Pursuant to these revised regulations, the Company is mandated to hold a Corporate Briefing Session (CBS) within 30 days of its Annual General Meeting (AGM) to brief investors, analysts, and shareholders on its financial performance and strategic outlook.

STRATEGIES TO ENCOURAGE MINORITY SHAREHOLDERS TO ATTEND THE ANNUAL GENERAL MEETING (AGM)

Macpac Films Limited is dedicated to fostering an inclusive and participatory environment for all shareholders, including minority shareholders. We recognize the importance of their involvement in the decision-making process and have implemented several measures to encourage their attendance at general meetings.

Timely and Transparent Communication

Macpac Films Limited provides early and detailed notice of the general meeting, including the date, time, location (or virtual platform), and agenda items to be discussed. This gives shareholders adequate time to plan their participation. Macpac Films Limited sends notices via multiple channels such as email, postal mail, the Company's website, and public announcements to ensure all minority shareholders receive the information.

Accessible Meeting Locations

General meetings are held at accessible locations to facilitate easy attendance for all shareholders. Macpac Films Limited also provides clear directions and logistical support to ensure that minority shareholders can attend without any inconvenience.

Virtual Attendance Options

To accommodate shareholders who may not be able to attend in person, we offer virtual attendance options. Shareholders can participate in the meetings through video conferencing and postal balloting. Shareholder Engagement Programs.

Macpac Films Limited distributes relevant materials (e.g., annual reports, financial statements, agenda items, and resolutions) in advance so that minority shareholders can review them and prepare for discussions or votes.

Simplified Voting Procedures

Macpac Films Limited has streamlined its voting procedures to make it easier for minority shareholders to cast their votes. Proxy voting options are available, allowing shareholders to appoint a representative to vote on their behalf if they are unable to attend the meeting.

Encouraging Feedback and Suggestions

Macpac Films Limited actively encourages minority shareholders to provide feedback and suggestions on how we can improve their experience and participation in general meetings.

Post-Meeting Engagement

After the meeting, Macpac Films Limited shares the extracts of the minutes, resolutions passed, and key decisions with shareholders through multiple channels as prescribed by PSX and SECP to keep them informed.

Issues Raised in Last Annual General Meeting (AGM)

During the Annual General Meeting (AGM) of Macpac Films Limited held on October 24, 2025, no major issues were raised by the shareholders. However, general questions related to the Company's financial accounts were asked. The management responded to those queries appropriately.

STAKEHOLDER EXPECTATIONS AND EMERGING INDUSTRY TRENDS

At Macpac Films Limited, we recognize that our stakeholders have diverse yet legitimate needs and interests, which guide our decision-making and long-term strategy. Addressing these expectations not only enhances trust but also positions the Company to remain resilient in a rapidly evolving industry landscape.

Employees

Our employees seek fair compensation, career development opportunities, and a safe, inclusive workplace. They also value transparent communication and continuous training that enable them to contribute meaningfully to the Company's success. Meeting these needs ensures high morale, stronger retention, and a more engaged workforce.

Shareholders and Investors

Shareholders and investors prioritize consistent financial performance, attractive returns, and sustainable value creation. Their interests also include transparent disclosures, strong governance practices, and a clear long-term strategy that demonstrates effective risk management and commitment to sustainability. By fulfilling these expectations, we reinforce investor confidence and maintain access to capital.

Customers

Customers expect reliable, high-quality, and cost-effective packaging solutions. In recent years, they have also placed increasing emphasis on environmentally responsible products, driving demand for recyclable and eco-friendly films. Timely delivery, responsive service, and business continuity remain critical to maintaining customer loyalty and long-term partnerships.

Suppliers and Business Partners

Suppliers and business partners value fair and transparent dealings, timely payments, and opportunities for long-term collaboration. They are increasingly focused on shared commitments to sustainability and compliance with ethical standards. By nurturing mutually beneficial relationships, Macpac Films Limited strengthens its supply chain resilience and fosters innovation.

Regulators and government bodies

Regulators and government bodies require strict compliance with laws, industry standards, and reporting obligations. They also expect businesses to contribute to national economic growth, tax compliance, and constructive engagement in policy dialogues. Macpac Films Limited's adherence to these requirements not only ensures uninterrupted operations but also enhances its credibility and reputation in the market.

Communities

Communities look to the Company to play a responsible role in social and environmental development. Their expectations include employment opportunities, skill development, and initiatives that minimize environmental impacts while promoting local socio-economic growth. By engaging meaningfully with communities, we foster goodwill and strengthen our social license to operate.

Industry Trends

The films and packaging industry is undergoing rapid transformation, shaped by key trends that directly affect stakeholder interests. There is growing global emphasis on sustainability and the circular economy, with rising demand for recyclable and biodegradable packaging. Technological advancements, including automation and digitalization, are redefining operational efficiencies and product quality standards. At the same time, fluctuating raw material prices continue to pressure margins and highlight the importance of supply chain resilience. Regulators are also tightening environmental and corporate governance requirements, while global competition compels companies to innovate and differentiate through quality and sustainability. Macpac Films Limited remains responsive to these evolving trends by investing in sustainable product development, enhancing digital and operational capabilities, and maintaining transparent engagement with all stakeholders. By aligning our strategies with legitimate stakeholder needs and industry dynamics, we strengthen resilience, foster long-term partnerships, and create sustainable value for all stakeholders.

IMPACT OF STAKEHOLDER RELATIONSHIPS ON PERFORMANCE AND VALUE

Strong stakeholder relationships are crucial to Macpac Films Limited's success. Positive relationships with our stakeholders can:

- Enhance our reputation: A positive reputation can attract investors, customers, and talent.
- Improve access to capital: Strong relationships with lenders and investors can facilitate access to financing.
- Strengthens our supply chain: Positive relationships with suppliers can ensure a reliable and efficient Supply chain.
- Foster innovation: Collaboration with stakeholders can lead to new ideas and products.
- Mitigate risks: Open communication with stakeholders can help us identify and address potential risks.
- Business Continuity: Adherence to regulations ensures uninterrupted operations and avoids penalties or shutdowns.
- Credibility & Market Access: Positive engagement with regulators enhances trust, easing approvals and access to new markets.

To manage these relationships effectively, Macpac Films Limited employ the following strategies:

- Regular communication: We maintain regular communication channels with our stakeholders to keep them informed about our activities and performance.
- Feedback mechanisms: We actively seek feedback from stakeholders to understand their perspectives and address their concerns.
- Stakeholder engagement initiatives: We organize various stakeholder engagement initiatives, such as investor conferences, community events, and media briefings.

Redressal of Investors' Complaints

Macpac Films Limited is committed to safeguarding the interests of its investors by ensuring timely resolution of complaints and queries. The Company has established a dedicated Investor Relations function, supported by an online Investors' Relations section on the corporate website, where stakeholders can lodge complaints, submit queries, and access relevant updates, including notices, announcements, and audited financial reports.

During the year under review, the Company effectively addressed all investor complaints received, ensuring their resolution in a timely manner in line with applicable regulatory requirements and the Company's internal grievance-handling procedures. The efficient redressal process reflects Macpac Films Limited's commitment to transparency, accountability, and maintaining the trust and confidence of its investors.

Shareholder Value and Returns

Macpac Films Limited is dedicated to maximizing shareholder value across all its operations. Over the past three years, we have consistently distributed regular dividends, demonstrating our commitment to rewarding our shareholders. Our Earnings Per Share (EPS) reflects our strong financial performance. Our strategic policy balances immediate gains for shareholders with the retention of a portion of our income to build reserves, ensuring sustainable growth and future expansion.

11

EXCELLENCE IN CORPORATE REPORTING

Monthly Budget

HOW TO USE: Enter your budget for each category in the **Summary By Category** table below. Enter transactions on the **Transactions** sheet to see how your actual spending compares to your budget.



STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Overview of Reporting Frameworks and Compliance

This Annual Report of Macpac Films Limited has been prepared in accordance with the following frameworks and standards applicable in Pakistan:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Provisions and directives issued under the Companies Act, 2017.

Where the provisions and directives under the Companies Act differ from IFRS standards, the Company has followed the applicable statutory requirements.

In addition, this report complies with the regulations of the Listed Companies Code of Corporate Governance, 2019, and the Rule Book of the Pakistan Stock Exchange (PSX), as well as best practices on corporate reporting promoted by the Joint Committee of ICAP and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

Adoption of the International Integrated Reporting Framework

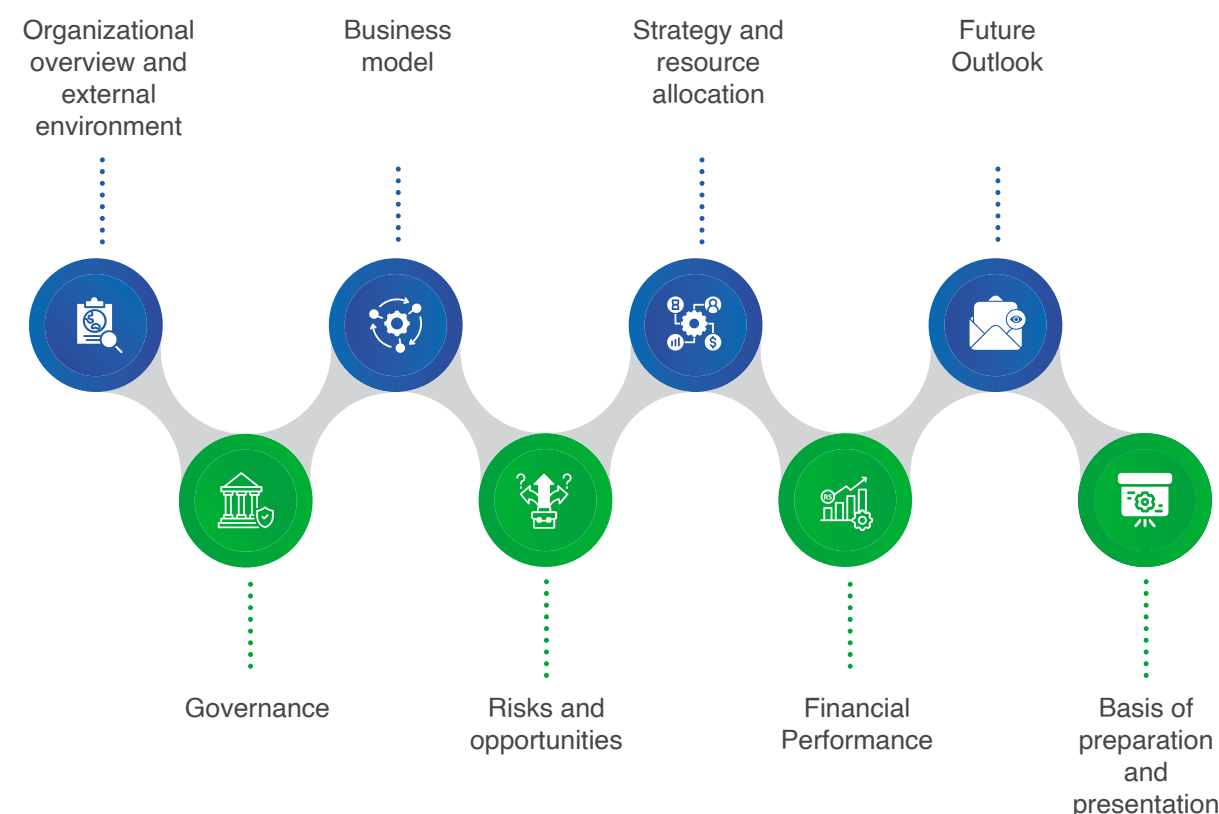
Macpac Films Limited is committed to the principles of the International Integrated Reporting Framework (IIRF) issued by the International Integrated Reporting Council (IIRC). This framework guides the preparation of this integrated Annual Report, providing a comprehensive overview of how the Company creates sustainable value over time.

The report highlights the Company's strategy, governance, business model, and performance, demonstrating the effective use and stewardship of multiple capitals — financial, manufactured, intellectual, human, social and relationship, and natural — which underpin long-term value creation.

In preparing this report, we have applied the fundamental concepts and guiding principles of the Integrated Reporting Framework, including:

- Strategic focus and future orientation;
- Connectivity of information across financial and non-financial aspects;
- Maintaining strong stakeholder relationships;
- Focusing on material issues critical to value creation;
- Ensuring conciseness, reliability, completeness, and consistency; and
- Enabling comparability over time and across the industry

The report is structured around the core content elements of the framework:



REPORTING PERIOD

This Annual Report covers the period from July 1, 2025, to June 30, 2026. Macpac Films Limited regards corporate reporting as a key channel to engage with its stakeholders, providing transparent and insightful disclosures on the Company's governance, strategy, operational performance, and future outlook.

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FINANCIAL STATEMENTS



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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of MACPAC Films Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **MACPAC Films Limited** ("the Company"), which comprise the statement of financial position as at **30 June 2026**, and the statement of profit or loss and other 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 and other 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 30 June 2026 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.



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Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Revenue Recognition	
	Refer notes 7.14 and 30 to the financial statements. The Company generates revenue from sale of plastic packaging films. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk consequently requiring significant time and audit efforts. We have focused our audit activities over revenue recognized near to year end as there is a risk that the revenue is recorded before the control of goods is transferred to the customer and in an incorrect accounting period.	Our audit procedures amongst others, included the following: • Obtained an understanding of the Company's process with respect to revenue recognition and tested design and implementation of controls relevant to such process; • Inspected contracts on selected samples to obtain an understanding of contract terms particularly relating to timing and the customer's acceptance of the products and assessing the Company's accounting policies for recognition of revenue with reference to the requirements of the prevailing accounting standards; • Performed substantive audit procedures including analytical procedures and test of details over revenue transactions along with inspection of related supporting documents, including dispatch-related documents and customer acknowledgement, on sample basis; • Compared a sample of revenue transactions recorded around the year end and post year end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; • Performed journal entry testing using a risk-based criterion, on a sample basis, relating to revenue transactions recorded by the Company and reviewed underlying documentation and business rationale of such journal entries; and



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S. No.	Key audit matters	How the matters were addressed in our audit
		Assessed the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.
2.	Valuation of Inventories	
	Refer notes 7.4 and 12 to the financial statements relating to valuation of inventories. As at June 30, 2026, the inventory balance amounted to Rs. 1.39 billion, which is 22% of total assets. We identified valuation of stock-in-trade as a key audit matter as it represents a significant portion of Company's total assets and it requires management judgement with respect to standard costs (including capitalization of variances), determination of net realizable value and determination of slow moving and obsolete inventories.	Our audit procedures, amongst others, included the following: - Obtained an understanding of policies and procedures followed by the Company with respect to valuation of inventories; - Assessed appropriateness of the Company's accounting policies for valuation of inventories and compliance of those policies with the accounting and reporting standards as applicable in Pakistan; - Obtained an understanding and assessed reasonableness of management's process for determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete and costs necessary to make the sales and their basis; - Performed recalculation on net realizable value (NRV) and compared the NRV to the carrying value of inventories to assess whether any adjustments were required to carrying value of inventories in accordance with the policy; - Assessed the adequacy of related financial statement disclosures 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. We were provided with the Director's Report to the Shareholders and



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Chairmans Review Report prior to the date of this Auditor's Report and the remaining parts of the Annual Report are expected to be made available to us after that data.

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



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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.

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);



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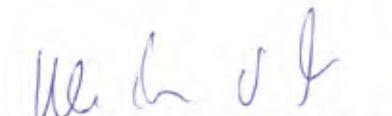
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Moneeza Usman Butt.

Date: 5 October 2026

Karachi

UDIN: AR202610102Q8RK5U6jt

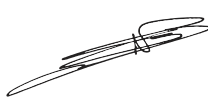

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Chartered Accountants

Statement of Financial Position

As at June 30, 2026

	Note	2026 ----- (Rupees) -----	2025 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,511,208,215	2,358,472,441
Intangible assets	10	9,334,444	13,501,671
Long-term deposits	11	32,175,100	29,516,490
		2,552,717,759	2,401,490,602
CURRENT ASSETS			
Inventories	12	1,394,533,016	1,235,718,099
Stores and spares		156,049,580	120,313,493
Trade receivables - net	13	1,452,841,599	1,025,180,289
Loans and advances	14	110,767,100	35,718,329
Short-term deposits, prepayments and other receivables	15	155,381,782	152,820,721
Taxation - net	16	229,177,534	184,120,839
Short term investment	17	48,524,062	48,524,062
Cash and bank balances	18	189,120,174	65,091,237
		3,736,394,847	2,867,487,069
TOTAL ASSETS		6,289,112,606	5,268,977,671
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
AUTHORISED SHARE CAPITAL			
70,000,000 (June 30, 2025: 70,000,000) ordinary shares of Rs.10/- each		700,000,000	700,000,000
Issued, subscribed and paid-up capital	19	593,011,500	593,011,500
Share premium	20	173,566,620	173,566,620
Revenue reserves	20	745,042,437	654,990,615
Surplus on revaluation of property, plant and equipment	20	823,040,000	823,040,000
		2,334,660,557	2,244,608,735
NON-CURRENT LIABILITIES			
Diminishing musharika arrangement	21	153,804,066	204,769,570
Lease liabilities	22	59,193,238	36,878,962
Deferred tax liability	23	95,375,770	111,109,528
Employee benefits obligations	24	237,676,887	183,756,913
		546,049,961	536,514,973
CURRENT LIABILITIES			
Trade and other payables	25	2,303,455,207	1,555,757,833
Contract liabilities	26	101,121,498	172,942,125
Short-term borrowings - secured	27	681,494,191	472,647,025
Unclaimed dividend		1,371,135	1,569,189
Current portion of liabilities	28	320,960,057	284,937,791
		3,408,402,088	2,487,853,963
TOTAL LIABILITIES		3,954,452,049	3,024,368,936
CONTINGENCIES AND COMMITMENTS			
	29		
TOTAL EQUITY AND LIABILITIES		6,289,112,606	5,268,977,671

The annexed notes from 1 to 51 form an integral part of these financial statements.


Chief Executive Officer

Director

Chief Financial Officer

Statement of Profit or Loss

For the year ended June 30, 2026

	Note	2026 ----- (Rupees) -----	2025 -----
Revenue from contracts with customers - net	30	6,725,593,866	5,994,617,391
Cost of sales	31	(5,778,574,962)	(5,312,319,539)
Gross profit		947,018,904	682,297,852
Administrative expenses	32	(462,841,960)	(367,410,672)
Marketing and distribution expenses	33	(222,129,470)	(176,265,711)
Other operating expenses	34	(14,394,889)	(21,989,492)
Impairment (charge) / reversal on trade receivables	13.1	(6,063,446)	21,135,569
Operating profit		241,589,139	137,767,546
Finance costs	35	(138,273,604)	(109,624,271)
Other income	36	105,776,527	87,433,603
Profit before income taxes and levies		209,092,062	115,576,878
Taxation - levies	37	(13,590,005)	(48,754,100)
Profit before income taxes		195,502,057	66,822,778
Taxation - income taxes	37	(64,809,433)	18,461,056
Profit after taxation		130,692,624	85,283,834
Earnings per share - basic and diluted	38	2.20	1.44

The annexed notes from 1 to 51 form an integral part of these financial statements.


Chief Executive Officer

Director

Chief Financial Officer

Statement of Comprehensive Income

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
Profit after taxation		130,692,624	85,283,834
Other comprehensive (loss) / income			
Item that will not be subsequently reclassified to profit or loss			
Re-measurement loss on defined benefit obligation	24.2	(15,479,193)	(5,543,202)
Related tax		4,488,966 (10,990,227)	2,023,269 (3,519,933)
Total comprehensive income for the year		119,702,397	81,763,901

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

Statement of Changes in Equity

For the year ended June 30, 2026

	Reserves					Total equity
	Capital reserves	Revenue reserve	Total			
Issued, subscribed and paid - up capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	Total reserves		
(Rupees)						
Balance as at July 01, 2024	593,011,500	173,566,620	823,040,000	647,353,151	1,643,959,771	2,236,971,271
Profit for the year	-	-	-	85,283,834	85,283,834	85,283,834
Other comprehensive loss for the year	-	-	-	(3,519,933)	(3,519,933)	(3,519,933)
Transaction with owners:	-	-	-	81,763,901	81,763,901	81,763,901
Final cash dividend for the year ended June 30, 2024 at the rate of Rs. 1.25 per share	-	-	-	(74,126,437)	(74,126,437)	(74,126,437)
Balance as at June 30, 2025	593,011,500	173,566,620	823,040,000	654,990,615	1,651,597,235	2,244,608,735
Balance as at July 01, 2025	593,011,500	173,566,620	823,040,000	654,990,615	1,651,597,235	2,244,608,735
Profit for the year	-	-	-	130,692,624	130,692,624	130,692,624
Other comprehensive loss for the year	-	-	-	(10,990,227)	(10,990,227)	(10,990,227)
Transaction with owners:	-	-	-	119,702,397	119,702,397	119,702,397
Final cash dividend for the year ended June 30, 2025 at the rate of Rs. 0.5 per share	-	-	-	(29,650,575)	(29,650,575)	(29,650,575)
Balance as at June 30, 2026	593,011,500	173,566,620	823,040,000	745,042,437	1,741,649,057	2,334,660,557

The annexed notes from 1 to 51 form an integral part of these financial statements.

Chief Executive Officer

Director

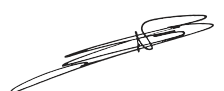
Chief Financial Officer

Statement of Cash Flows

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operating activities	41	592,856,015	298,603,637
Long term deposit paid		(2,658,610)	-
Taxes paid		(134,700,925)	(213,998,659)
Gratuity paid	24.2	(24,304,609)	(16,424,686)
Finance costs paid		(160,033,551)	(83,848,502)
Net cash generated from / (used in) operating activities		271,158,320	(15,668,210)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets expenditure		(274,322,838)	(67,837,364)
Proceeds from disposal of fixed assets		21,117,485	28,046,892
Investment in term deposit receipts		-	(38,000,000)
Net cash used in investing activities		(253,205,353)	(77,790,472)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings - proceeds		2,242,959,809	1,959,952,452
Short-term borrowings - repayments		(2,036,042,591)	(1,823,878,428)
Repayment of diminishing musharika		(36,347,872)	(31,545,878)
Payment of lease liabilities	22.1	(34,644,747)	(18,805,041)
Dividend paid		(29,848,629)	(73,766,538)
Net cash generated from financing activities		106,075,970	11,956,567
Net increase / (decrease) in cash and cash equivalents		124,028,937	(81,502,115)
Cash and cash equivalents at beginning of the year		65,091,237	146,593,352
Cash and cash equivalents at end of the year	18.2	189,120,174	65,091,237

The annexed notes from 1 to 51 form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Notes to the Financial Statements

For the year ended June 30, 2026

1 LEGAL STATUS AND OPERATIONS

Macpac Films Limited (the Company) was incorporated on August 19, 1993, in Pakistan as a limited liability company under the repealed Companies Ordinance, 1984 [now Companies act, 2017 (the Act)] and was listed on the Pakistan Stock Exchange Limited on February 24, 2004. The principal activity of the Company is to manufacture, produce, buy and sell plastic packaging films. The registered office of the Company is situated at Plot no. 44-C, P.E.C.H.S, Block 6, Main Razi Road, Karachi.

2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNIT / PLANT

Address	Location	Purpose
44-C, P.E.C.H.S, Block 6, Main Razi Road	Karachi	Head Office
Plot # Ez/1/P-10 East Industrial Zone	Karachi	Production Plant
Room # 21, Second floor, Gulberg Centre	Lahore	North Sales Office

3 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 as applicable in Pakistan comprise:

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

4 BASIS OF PREPARATION

4.1 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit obligation (gratuity) that is determined based on the present value of defined benefit obligation and leasehold land stated at its fair value as determined by an independent actuary and valuator, respectively.

4.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of rupees, unless otherwise stated.

Notes to the Financial Statements

For the year ended June 30, 2026

5 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS

5.1 Standards, amendments and improvements to the approved accounting standards that are not yet effective

There are certain amendments and interpretations to the approved accounting standards that were effective during the year. However, they did not have material effect on these financial statements and hence are not disclosed in these financial statements.

5.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures:

- Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented SPPI. This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

Notes to the Financial Statements

For the year ended June 30, 2026

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognized and derecognized and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognize their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognize its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

- Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

Notes to the Financial Statements

For the year ended June 30, 2026

Major amendments are introduced to IFRS 9, which are summarized as follows address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognized at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7)** address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures.

The amendments include guidance on:

- The ‘own-use’ exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

The amendments for the own-use exemption:

- Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
- The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.
- The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

Notes to the Financial Statements

For the year ended June 30, 2026

The amendments for hedge accounting:

- Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.
- The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

The new disclosure requirements:

- a company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position.
- where this is the case, a company is required to disclose further information such as:
- contractual features exposing the company to variability in electricity volume and risk of oversupply;
- estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
- qualitative information about how the company assessed whether a contract might become onerous; and
- qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the ‘net-purchaser’ assessment.
- in addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 1 January 2026.

6 KEY JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these

Notes to the Financial Statements

For the year ended June 30, 2026

estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. Information about judgments made in applying accounting policies that have the most significant effects on the amount recognised in the financial statements to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- (a) determining the impairment, residual values, revaluation of land, useful lives, method of depreciation of property, plant and equipment and intangible assets (notes 7.1, 7.3, 9.1 & 10.1);
- (b) provision for expected credit loss of certain financial assets (note 7.10 & 13.1);
- (c) recognition of staff retirement benefits (note 7.9 & 24);
- (d) recognition of taxation, levy and deferred tax (notes 7.6, 16 & 23);
- (e) estimation of net realisable value of inventory (note 7.4 & 12.2);
- (f) contingencies (note 7.23 & 29.1);
- (g) lease liabilities and right-of-use assets (note 7.20, 9.7 & 22); and
- (h) provisions (note 7.16).

7 MATERIAL ACCOUNTING POLICIES 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.

7.1 Property, plant and equipment

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land, which is stated at revalued amount less accumulated impairment losses, if any.

Depreciation is charged to statement of profit or loss on all operating assets using the reducing balance method other than leasehold improvement which is depreciated using straight line method at the rates specified in note 9.1 to the financial statements.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Assets' residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of operating fixed assets is derecognized upon disposal or when no future economic benefit are expected to arise from continued use of asset. Gain or loss on disposal or retirement of an asset represent the difference between the sale proceed and the carrying amount is charged to statement of profit or loss.

Notes to the Financial Statements

For the year ended June 30, 2026

Capital work-in-progress

Capital work-in progress is stated at cost less impairment loss, if any. It consists of expenditure incurred and advances made in respect of fixed assets in the course of their erection, acquisition and installation. The assets are transferred to relevant category of operating fixed assets or intangible assets when they are available for use.

7.2 Revaluation of property, plant and equipment

Leasehold land is measured at fair value less accumulated impairment losses recognised after the date of revaluation, if any. Valuations are performed every three years to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the surplus on revaluation of property, plant and equipment in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in the statement of profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the surplus on revaluation of property, plant and equipment.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

7.3 Intangible assets

Intangible assets are measured on initial recognition at cost. Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefit beyond one year are recognized as intangible assets. Subsequent to initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is charged to statement of profit or loss using the straight line method at the rates specified in note 10.2 to the financial statements.

Amortization on additions is charged from the day the asset is available for use and no amortization is charged from the day of disposal.

Assets' residual values, useful lives and method of amortization are reviewed and adjusted prospectively, if appropriate at each reporting date.

7.4 Inventories

These are valued at the lower of cost or net realisable value (NRV) of the inventories which is determined using weighted average cost method.

Cost of raw and packing materials comprise of purchase price including directly related expenses less trade discounts, if any.

Notes to the Financial Statements

For the year ended June 30, 2026

Weighted average cost in relation to work in process and finished goods constitute average manufacturing cost including direct material, labour and proportionate share of related direct overheads.

Inventories are written down based on current market conditions, historical experience and the selling prices of goods of a similar nature. Inventories are reviewed at each reporting date for excess quantities, obsolescence and declines in net realisable value, and an allowance is recognised where appropriate. Provision is also made for slow-moving inventories where considered necessary.

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

Scraps are valued at estimated realisable value.

7.5 Stores and spares

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges incurred thereon till the reporting date. Provision for obsolete and slow moving stores, spare parts and loose tools is determined based on management's estimate regarding their future usability.

7.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss account, except to the extent that it relates to items recognized directly in the other comprehensive income or in equity, in which case it is recognized in the other comprehensive income or equity respectively.

Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

For the year ended June 30, 2026

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits in the foreseeable future will be available against which the assets can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Levy

Tax charged under the Income Tax Ordinance, 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.

7.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change in value.

7.8 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less cost to sell. 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 assessment 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 ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notes to the Financial Statements

For the year ended June 30, 2026

7.9 Employee benefits obligations

Defined benefit plan - staff gratuity scheme

The Company operates a defined benefit gratuity scheme for management and non-management staff which are unfunded. The gratuity plans are final salary plans. The contributions to the unfunded gratuity scheme are made in accordance with the independent actuarial valuation. The Company recognizes expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of defined benefit scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

7.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

7.10.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to the Financial Statements

For the year ended June 30, 2026

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Financial assets at amortized cost (debt instruments);
- ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- iv) Financial assets at fair value through profit or loss.

i) Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

ii) Financial assets designated at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to statement of profit or loss.

The Company does not have any debt instruments at fair value through OCI investments during the current and last year and as of reporting date.

Notes to the Financial Statements

For the year ended June 30, 2026

iii) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to statement of profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any equity instruments at fair value through OCI investments during the current and last year and as of reporting date.

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Financial Statements

For the year ended June 30, 2026

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages.

7.10.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term financing, short term borrowings, due to related parties, accrued mark-up and trade and other payables.

i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Notes to the Financial Statements

For the year ended June 30, 2026

Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

b) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

7.10.3 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position when there is a currently enforceable legal right to offset the recognized amounts, and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

7.11 Short term investment

Investments in Term Deposit Receipts are classified at amortized cost and are initially measured at fair value. Transaction costs directly attributable to the acquisition are included in the carrying amount.

7.12 Trade receivables - net

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Notes to the Financial Statements

For the year ended June 30, 2026

7.13 Trade and other payables

Liabilities for trade and other payables are recognized at the fair value of the consideration to be paid for goods and services received plus significant directly attributable costs and these are subsequently measured at amortized cost.

These amounts represent liabilities for goods and services provided to the Company before the end of the reporting period that remain unpaid. Trade and other payables are classified as current liabilities unless settlement is not due within twelve months after the reporting date. They are initially recognized at fair value and subsequently measured at amortized cost. The normal credit period is in accordance with the contractual terms agreed with suppliers.

7.14 Revenue from contract with customers

Revenue is recognized on delivery of products to the customers. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable.

The Company recognizes revenue when performance obligation is satisfied, at a point in time, when control of goods have been transferred to a customer. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by customer from the Company premises, or when it is delivered by the Company at customer premises, for local and exports sale.

Customers are generally required to make payment either in advance or within agreed credit terms, depending on the contractual arrangement. Credit periods typically range up to 30 days from the date of invoice.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the rendering of services, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

7.15 Other income

Other income is recognized to the extent it is probable that economic benefit will flow to the Company and the amount can be measured reliably. Other income is measured at fair value of the consideration received or receivable and recognized on following basis:

Notes to the Financial Statements

For the year ended June 30, 2026

- Income from Islamic bank deposits is recognized on time proportion basis taking into account the amount outstanding and rates applicable thereon.
- Dividend income is recognized when the Company's right to receive the payment is established.
- Income from sale of scrap is recorded on delivery of scrap to the customer.
- Income from foreign currency exchange is described in note 7.18 of these financial statements.

7.16 Provisions

Provisions are recognized when the Company has present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

7.17 Contract Liabilities

A contract liability is the obligation to transfer the goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

7.18 Foreign currency transactions

Transactions in foreign currencies are accounted for in Pakistani Rupees at the rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported using the exchange rate as of the reporting date. Exchange gains and losses on transactions are included in statement of profit or loss in the year in which it occurs.

7.19 Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which the dividends are declared / approved. However, if these are approved after the reporting period but before the financial statements are authorized for issue, disclosure is made in the financial statements.

7.20 Leases

The Company assess at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Financial Statements

For the year ended June 30, 2026

The Company acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases of 12 months or less and leases of low value assets (if any). The Company recognizes lease liability to make lease payments and right-of-use assets (ROU assets) representing the right to use the underlying assets.

i) Right-of-use assets (ROU assets)

The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option (if any) reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its lease arrangements to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). Any change is accounted for change in estimate and applied prospectively with corresponding change in ROU assets and lease liabilities.

Notes to the Financial Statements

For the year ended June 30, 2026

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

7.21 Earning per share

The Company presents basic and diluted earnings per share (EPS) for the shareholders. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

7.22 Operating Segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has determined that the Chief Executive Officer of the Company, is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'. The Company is involved in the business of manufacture and sale of packaging material, which is its only operating segment.

7.23 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, at one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive 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 can not be measured with sufficient reliability.

Notes to the Financial Statements

For the year ended June 30, 2026

8 DETAILS OF RELATED PARTIES OF THE COMPANY

Details of related parties with whom the Company has entered into transactions with or has arrangements / agreements in place during the year are as follows:

Name of related party	Basis of relationship	% of share-holding
Hilal Foods (Private) Limited	Common Directorship	NIL
Shalimar Foods Products	Common Directorship	NIL
Toyo Packaging (Private) Limited	Common Directorship	NIL
Mac Business Solution (Private) Limited	Common Directorship	NIL
TGA Sustainability (Private) Limited	Common Directorship	NIL
Mr. Najm ul Hassan (Chief Executive Officer)	Key management personnel	0.0015%
Mr. Ehtesham Maqbool Elahi (Executive Director)	Key management personnel	16.63%
Mr. Habib Elahi (Director Operations)	Key management personnel	15.49%
Mr. Shariq Maqbool Elahi (Non - Executive Director)	Key management personnel	15.48%
Mr. Naeem Ali Muhammad Munshi (Non - Executive Director)	Key management personnel	10.13%
Mr. Fahad Munshi (Non - Executive Director)	Key management personnel	0.0008%
Mr. Shabbir Hamza Khandwala (Independent Director)	Key management personnel	0.0008%
Ms. Hafsa Abbasy (Independent Director)	Key management personnel	0.0008%
Ms. Muneeza Kassim (Group CFO)	Key management personnel	NIL
Mr. Muhammad Asim (CFO)	Key management personnel	NIL
Mr. Aquil A. Khan (Company Secretary)	Key management personnel	NIL

		2026	2025
	Note	(Rupees)	
Operating fixed assets	9.1	2,240,560,792	2,283,415,030
Right-of-use assets	9.7	75,056,478	36,684,686
Capital work-in-progress	9.9	195,590,945	38,372,725
		<u>2,511,208,215</u>	<u>2,358,472,441</u>

Notes to the Financial Statements

For the year ended June 30, 2026

9.1 Operating fixed assets	30 June 2026										
	OWNED										
	Leasehold land	Buildings on leasehold land	Leasehold improvement	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators and solars	Office equipment	Computers	Motor vehicles
Net carrying value basis Opening net book value (NBV) as at July 01, 2025 Additions (at cost) Transfers (at cost) (Note 9.9) Disposals (at NBV) Depreciation charge (Note 9.4) Net book value (NBV) as at June 30, 2026 Gross carrying value basis Cost / revalued amount Accumulated depreciation Net book value (NBV) as at June 30, 2026 Rate of depreciation	840,000,000	152,998,898	23,703,882	993,209,896	22,257,944	27,009,115	18,473,477	99,099,853	15,148,712	11,334,129	80,179,124
	-	3,031,574	-	77,669,301	138,000	-	545,761	75,030	10,237,000	2,720,510	325,244
	-	5,010,244	-	6,211,721	-	-	-	25,839,233	-	-	-
	-	(7,882,162)	(7,687,746)	(102,023,993)	(2,229,245)	(2,700,912)	(1,875,052)	(12,069,507)	(166,654)	-	(7,096,623)
	-	-	-	(102,023,993)	(2,229,245)	(2,700,912)	(1,875,052)	(12,069,507)	(2,030,819)	(3,180,620)	(14,950,431)
	840,000,000	153,158,554	16,016,136	964,303,833	20,166,699	24,308,203	17,144,186	112,944,609	23,188,239	10,874,019	58,456,314
	840,000,000	243,451,513	31,895,008	2,363,759,764	31,286,338	33,729,199	25,867,190	139,331,220	36,436,849	22,024,946	127,267,902
	-	(90,292,959)	(15,878,872)	(1,399,455,931)	(11,119,639)	(9,420,996)	(8,723,004)	(26,386,611)	(13,248,610)	(11,150,927)	(68,811,588)
	840,000,000	153,158,554	16,016,136	964,303,833	20,166,699	24,308,203	17,144,186	112,944,609	23,188,239	10,874,019	58,456,314
		5%	20%	10%	10%	10%	10%	10%	10%	25%	20%

Net carrying value basis Opening net book value (NBV) as at July 01, 2024 Additions / transfers (at cost) (Note 9.9) Disposals (at NBV) Depreciation charge (Note 9.4) Net book value (NBV) as at June 30, 2025 Gross carrying value basis Cost / revalued amount Accumulated depreciation Net book value (NBV) as at June 30, 2025 Rate of depreciation	Leasehold land	Buildings on leasehold land	Leasehold improvement	Plant and machinery	Furniture and fixtures	Electric installations	Refrigeration and air conditioning	Generators and solars	Office equipment	Computers	Motor vehicles
	840,000,000	153,392,349	22,753,307	816,024,913	19,151,657	19,984,770	18,667,322	112,191,424	15,013,349	10,622,977	45,393,975
	-	7,457,571	7,756,744	265,909,296	5,325,347	9,554,204	1,757,608	37,446,352	1,729,910	3,977,990	51,333,244
	-	-	-	-	-	-	-	(98,623,792)	-	(61,924)	(1,860,370)
	-	(7,851,022)	(6,806,169)	(88,724,313)	(2,219,060)	(2,529,859)	(1,951,453)	(11,716,131)	(1,594,547)	(3,204,914)	(14,687,725)
	840,000,000	152,998,898	23,703,882	993,209,896	22,257,944	27,009,115	18,473,477	99,099,853	15,148,712	11,334,129	80,179,124
	840,000,000	235,409,695	31,895,008	2,301,637,748	31,148,338	33,729,199	25,321,429	113,416,957	26,387,849	19,304,436	148,614,873
	-	(82,410,797)	(8,191,126)	(1,308,427,852)	(8,890,394)	(6,720,084)	(6,847,952)	(14,317,104)	(11,239,137)	(7,970,307)	(68,435,749)
	840,000,000	152,998,898	23,703,882	993,209,896	22,257,944	27,009,115	18,473,477	99,099,853	15,148,712	11,334,129	80,179,124
		5%	20%	10%	10%	10%	10%	10%	10%	25%	20%

Notes to the Financial Statements

For the year ended June 30, 2026

9.2 The Company revalued its leasehold land using the market comparable method. The valuation was carried out by an independent valuer, based on proprietary databases of transaction prices for properties of a similar nature, location, and condition. The revaluation of leasehold land was performed on June 30, 2024, by Chadils Valuations (Private) Limited, an accredited independent valuer certified by the Pakistan Bankers’ Association, with experience in valuing similar assets. A net gain from the revaluation of the leasehold land, amounting to Rs. 200 million, was recognised in Other Comprehensive Income (OCI) in 2024, resulting in a total revaluation gain of Rs. 823 million, which has been recognised as a revaluation surplus in the statement of financial position. Forced sales value of leasehold land is Rs. 672 million.

Had there been no revaluation, the carrying value of the leasehold land would be as follows:

	2026 (Rupees)	2025
Leasehold land	<u>16,960,000</u>	<u>16,960,000</u>

9.3 Details of operating fixed assets disposal having net book value in excess of Rs. 500,000/- are as follows:

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain/(loss)	Mode of disposal	Particulars of buyer
Motor vehicle	9,762,430	6,428,335	3,334,095	5,713,335	2,379,240	Employee buyback policy	Habib Elahi - Employee
Plant and machinery	2,055,000	68,072	1,986,928	2,055,000	68,072	Machine Returned	Orient Rental Modarbah - Third Party
Motor vehicle	8,524,100	5,579,813	2,944,287	7,472,144	4,527,857	Employee buyback policy	Najm Ul Hassan - Employee
Plant and machinery	17,493,705	8,990,719	8,502,986	2,500,000	(6,002,986)	By negotiation	Saifullah Engineering - Third Party

9.4 Allocation of depreciation expense	Note	2026 (Rupees)	2025
Cost of sales	31	134,052,945	118,171,846
Administrative expenses	32	20,368,439	20,966,231
Marketing and distribution expenses	33	2,209,103	2,147,116
		<u>156,630,487</u>	<u>141,285,193</u>

9.5 The details of immovable assets (i.e. land and building) of the Company as at June 30, 2026 are as follows:

Location	Address	Usage	Covered Area (sq. ft)
Karachi	Plot # Ez/1/P-10 East Industrial Zone, Karachi	Total facility	<u>697,017.00</u>
Karachi	Plot # Ez/1/P-10 East Industrial Zone, Karachi	Production facility	<u>181,387.97</u>

9.6 Plant and machinery are subject to charges against various financing facilities obtained from banks, as disclosed in Notes 21 and 27 to these financial statements.

Notes to the Financial Statements

For the year ended June 30, 2026

9.7 Right-of-use assets

	2026		
	Buildings	Motor vehicles	Total
	(Rupees)		
Cost			
Balance at beginning of the year	59,400,250	-	59,400,250
Additions during the year	-	55,769,740	55,769,740
Balance at end of the year	59,400,250	55,769,740	115,169,990
Accumulated depreciation			
Balance at beginning of the year	22,715,564	-	22,715,564
Depreciation charge	11,880,084	5,517,864	17,397,948
Balance at end of the year	34,595,648	5,517,864	40,113,512
Cost	59,400,250	55,769,740	115,169,990
Accumulated depreciation	(34,595,648)	(5,517,864)	(40,113,512)
Net book value as at June 30, 2026	24,804,602	50,251,876	75,056,478
	2025		
	Buildings	Motor vehicles	Total
	(Rupees)		
Cost			
Balance at beginning of the year	61,337,646	-	61,337,646
Termination during the year	(1,937,396)	-	(1,937,396)
Balance at end of the year	59,400,250	-	59,400,250
Accumulated depreciation			
Balance at beginning of the year	12,119,744	-	12,119,744
Termination during the year	(1,937,396)	-	(1,937,396)
Depreciation charge	12,533,216	-	12,533,216
Balance at end of the year	22,715,564	-	22,715,564
Cost	59,400,250	-	59,400,250
Accumulated depreciation	(22,715,564)	-	(22,715,564)
Net book value as at June 30, 2025	36,684,686	-	36,684,686

9.7.1 Right of use asset is depreciated over lease term.

		2026	2025
	Note	(Rupees)	
Administrative expenses	32	16,566,550	11,880,084
Marketing and distribution expenses	33	831,398	653,132
		17,397,948	12,533,216

Notes to the Financial Statements

For the year ended June 30, 2026

9.9 Capital work-in-progress

	Balance as at July 01, 2025	Additions	Transfers	Balance as at June 30, 2026
	(Rupees)			
Buildings on leasehold land	626,511	4,383,733	(5,010,244)	-
Plant and machinery	4,741,295	12,838,510	(6,211,721)	11,368,084
Electric installations	689,998	133,400,540	-	134,090,538
Generators and solars	32,314,921	41,818,656	(25,839,233)	48,294,344
Office equipment	-	164,877	-	164,877
Computers	-	1,673,102	-	1,673,102
	38,372,725	194,279,418	(37,061,198)	195,590,945
	Balance as at July 01, 2024	Additions	Transfers	Balance as at June 30, 2025
	(Rupees)			
Buildings on leasehold land	2,043,253	6,040,829	(7,457,571)	626,511
Leasehold improvement	6,803,170	953,574	(7,756,744)	-
Plant and machinery	30,524,371	240,126,220	(265,909,296)	4,741,295
Furniture and fixtures	4,566,224	759,123	(5,325,347)	-
Electric installations	5,279,723	4,964,479	(9,554,204)	689,998
Refrigeration and air conditioning	1,757,608	-	(1,757,608)	-
Generators and solars	61,248,205	8,515,069	(37,448,353)	32,314,921
Office equipment	-	1,729,910	(1,729,910)	-
Computers	-	3,977,990	(3,977,990)	-
Motor vehicles	-	51,333,243	(51,333,243)	-
	112,222,554	318,400,437	(392,250,266)	38,372,725

		2026	2025
	Note	(Rupees)	
10 INTANGIBLE ASSETS			
Computer software	10.1	9,334,444	13,501,671
10.1 Computer software			
Net carrying value basis			
Opening balance		13,501,671	17,668,898
Amortization	10.2	(4,167,227)	(4,167,227)
Closing balance		9,334,444	13,501,671

Notes to the Financial Statements

For the year ended June 30, 2026

	2026 (Rupees)	2025
Gross carrying value basis		
Cost	22,541,294	22,541,294
Accumulated amortization	(13,206,850)	(9,039,623)
Net carrying value	9,334,444	13,501,671

10.2 Amortization charge for the year at the rate of 20% per annum has been allocated as follows:

	Note	2026 (Rupees)	2025
Cost of sales	31	2,400,000	2,400,000
Administrative expenses	32	967,227	967,227
Marketing and distribution expenses	33	800,000	800,000
		4,167,227	4,167,227

11 LONG-TERM DEPOSITS

Security deposits

Sui Southern Gas Company Limited (SSGC)	13,111,600	12,576,930
Other deposits	19,063,500	16,939,560
	32,175,100	29,516,490

12 INVENTORIES

Raw material:

- In hand	232,011,412	175,502,819
- In transit	781,176,212	382,637,580
- In bonded warehouse	54,812,158	402,845,292
	1,067,999,782	960,985,691

Packing material

Work in process	31	14,064,559	14,753,257
Finished goods	12.2 & 31	222,832,506	243,857,815
		89,636,169	16,121,336
		326,533,234	274,732,408

12.1 These comprise raw materials stored at third-party warehouse.

12.2 Finished goods having cost of Rs. 2.15 million (2025: Rs. Nil) have been written down to their net realisable value of Rs 0.35 million (2025: Rs. Nil).

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
13 TRADE RECEIVABLES - NET			
Trade receivables due from related parties	13.3 & 13.4	385,429,047	349,579,879
Other trade receivables		1,120,938,667	723,063,079
		1,506,367,714	1,072,642,958
Less: Allowance for expected credit loss	13.1	(53,526,115)	(47,462,669)
	13.2	1,452,841,599	1,025,180,289

13.1 Allowance for expected credit loss

Opening balance	47,462,669	68,598,238
Impairment charge / (reversal) on trade receivables	6,063,446	(21,135,569)
Closing balance	53,526,115	47,462,669

13.2 The aging of the total trade receivables including related parties as at the reporting date is as under:

			2026		
	Credit Impaired	Weighted average loss rate	Gross receivables	Impairment loss on trade receivables	Net receivables
		%		(Rupees)	
Not past due	No	0.00%	997,462,294	-	997,462,294
Past due 1 - 90 days	Yes	0.87%	320,911,680	2,797,008	318,114,672
Past due 91 - 180 days	Yes	2.79%	99,986,494	2,785,626	97,200,868
Past due 181 - 270 days	Yes	5.81%	37,706,872	2,189,452	35,517,420
Past due 271 - 360 days	Yes	39.20%	7,476,992	2,930,647	4,546,345
Over 360 days	Yes	100.00%	42,823,382	42,823,382	-
			1,506,367,714	53,526,115	1,452,841,599
			2025		
	Credit Impaired	Weighted average loss rate	Gross receivables	Impairment loss on trade receivables	Net receivables
		%		(Rupees)	
Not past due	No	0%	378,244,030	-	378,244,030
Past due 1 - 90 days	No	0%	511,040,941	-	511,040,941
Past due 91 - 180 days	No	0%	91,978,359	-	91,978,359
Past due 181 - 270 days	No	0%	38,779,858	-	38,779,858
Past due 271 - 360 days	Yes	6%	5,483,004	345,903	5,137,101
Over 360 days	Yes	100%	47,116,766	47,116,766	-
			1,072,642,958	47,462,669	1,025,180,289

Notes to the Financial Statements

For the year ended June 30, 2026

13.3 Represents balances due from related parties which are as follows:

	2026 (Rupees)	2025
Description		
Hilal Foods (Private) Limited	9,458,399	11,738,374
Shalimar Foods Products	9,333,390	16,155,466
Toyo Packaging (Private) Limited	145,805,447	113,327,006
Mac Business Solution (Private) Limited	65,895,684	72,817,650
TGA Sustainability (Private) Limited	154,936,127	135,541,383
	<u>385,429,047</u>	<u>349,579,879</u>

13.4 The related parties from whom the maximum amount outstanding at any time during the year calculated by reference to month-end balances are as under:

	2026 (Rupees)	2025
Hilal Foods (Private) Limited	19,118,317	11,738,374
Shalimar Foods Products	18,351,504	16,155,466
Toyo Packaging (Private) Limited	151,167,345	113,327,006
Mac Business Solution (Private) Limited	76,458,502	72,817,650
TGA Sustainability (Private) Limited	176,280,275	135,541,383

13.5 Aging of trade receivables as at the reporting date is as under:

	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	>360 days
Related parties								
Hilal Foods (Private) Limited	9,458,399	6,425,390	3,033,009	-	-	-	-	-
Shalimar Foods Products	9,333,390	7,928,710	1,404,680	-	-	-	-	-
Mac Business Solution (Private) Limited	65,895,684	6,406,714	7,006,250	27,368,632	16,559,206	7,030,735	1,524,147	-
TGA Sustainability (Private) Limited	154,936,127	19,783,404	49,434,966	32,126,631	39,079,577	11,952,227	901,638	1,657,684
Toyo Packaging (Private) Limited	145,805,447	21,896,158	30,134,401	49,194,683	26,009,841	18,570,364	-	-
	<u>385,429,047</u>	<u>62,440,376</u>	<u>91,013,306</u>	<u>108,689,946</u>	<u>81,648,624</u>	<u>37,553,326</u>	<u>2,425,785</u>	<u>1,657,684</u>
Other than related parties	<u>1,120,938,667</u>	<u>935,021,919</u>	<u>42,157,785</u>	<u>79,050,642</u>	<u>18,337,870</u>	<u>153,546</u>	<u>5,051,207</u>	<u>41,165,698</u>
2026	<u>1,506,367,714</u>	<u>997,462,295</u>	<u>133,171,091</u>	<u>187,740,588</u>	<u>99,986,494</u>	<u>37,706,872</u>	<u>7,476,992</u>	<u>42,823,382</u>
	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	>360 days
Related parties								
Hilal Foods (Private) Limited	11,738,374	6,154,677	4,872,629	711,068	-	-	-	-
Shalimar Foods Products	16,155,466	2,227,032	3,753,098	3,589,705	6,585,631	-	-	-
Mac Business Solution (Private) Limited	72,817,650	43,330,762	29,486,888	-	-	-	-	-
TGA Sustainability (Private) Limited	135,541,383	39,530,877	16,739,168	8,679,416	43,879,674	24,585,091	2,127,157	-
Toyo Packaging (Private) Limited	113,327,006	36,396,831	26,386,379	25,034,405	25,509,391	-	-	-
	<u>349,579,879</u>	<u>127,640,179</u>	<u>81,238,162</u>	<u>38,014,594</u>	<u>75,974,696</u>	<u>24,585,091</u>	<u>2,127,157</u>	<u>-</u>
Other than related parties	<u>723,063,079</u>	<u>579,938,069</u>	<u>50,365,122</u>	<u>12,088,846</u>	<u>16,003,662</u>	<u>14,194,767</u>	<u>3,355,847</u>	<u>47,116,766</u>
2025	<u>1,072,642,958</u>	<u>707,578,248</u>	<u>131,603,284</u>	<u>50,103,440</u>	<u>91,978,358</u>	<u>38,779,858</u>	<u>5,483,004</u>	<u>47,116,766</u>

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
14 LOANS AND ADVANCES			
Unsecured, considered good			
Loans			
- Employees	14.1	2,650,207	1,019,756
Advances			
- Suppliers and contractors	14.2	107,087,593	34,698,573
- Employees	14.3	1,029,300	-
		<u>108,116,893</u>	<u>34,698,573</u>
		<u>110,767,100</u>	<u>35,718,329</u>

- 14.1** Represents interest free loans given to employees in accordance with the Company's policy.
- 14.2** This includes advances to the Collector of Customs amounting to Rs. 68.68 million (2025: Rs. Nil).
- 14.3** Represents advances given to employees for business expenses which are settled as and when the expenses are incurred.

	Note	2026 (Rupees)	2025
15 SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Short term deposits - unsecured, considered good			
- Containers		563,800	586,350
- Nazir high court	29.1.1	9,525,757	9,525,757
- Margin against letter of credit		-	25,240,000
- Others		3,086,876	696,000
		<u>13,176,433</u>	<u>36,048,107</u>
Short-term prepayments	15.1	19,484,784	14,474,888
Due from related parties	15.2	23,161,920	18,998,452
Sales tax refundable		12,890,103	-
Other receivables	15.3	86,668,542	83,299,274
		<u>155,381,782</u>	<u>152,820,721</u>

15.1 Represents prepayments made for the SAP, internet connection, mobile bills and fuel cards given to employees.

Notes to the Financial Statements

For the year ended June 30, 2026

- 15.2** The related parties from whom the maximum amount outstanding at any time during the year calculated by reference to month-end balances are as under:

	2026 (Rupees)	2025
Mac Business Solution (Private) Limited	<u>6,752,755</u>	6,746,201
TGA Sustainability (Private) Limited	<u>16,409,165</u>	<u>14,244,737</u>

- 15.2.1** Aging of related parties as at the reporting date in other receivables:

	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	
			(Rupees)					
Related parties								
Mac Business Solution (Private) Limited	6,752,755	5,003,445	3,784	377,378	1,368,148	-	-	-
TGA Sustainability (Private) Limited	16,409,165	15,084,420	11,767	234,134	1,078,844	-	-	-
2026	23,161,920	20,087,865	15,551	611,512	2,446,992	-	-	-

	Total	Neither past due nor impaired	Past due but not impaired					
			> 30 days upto 60 Days	> 60 days upto 90 days	>90 days upto 180 Days	>180 days upto 270 Days	>270 days upto 360 Days	
			(Rupees)					
Related parties								
Mac Business Solution (Private) Limited	4,753,715	-	-	-	-	564,375	4,189,340	-
TGA Sustainability (Private) Limited	14,244,737	1,726,064	-	-	-	-	11,139,982	1,378,691
2025	18,998,452	1,726,064	-	-	-	564,375	15,329,322	1,378,691

- 15.3** This includes Rs. 71.98 million (2025: Rs. 80.67 million) in respect of supplier rebates receivable, which are to be settled in cash, and Rs. 13.80 million in respect of an insurance claim receivable relating to stores and spares destroyed in a fire.

16 TAXATION - NET

Tax contingencies are disclosed in Note 29 to these financial statements.

17 SHORT TERM INVESTMENT

This represents Shariah compliant investments in term deposit receipts (TDRs) amounting to Rs. 48.52 million, maturing on March 31, 2027, at a rate of 8.5% to 10.5% (2025: Rs. 48.52 million at a rate of 6.4% to 9.9%). These TDRs are submitted as bank guarantee to SSGC being a security deposit.

	Note	2026 (Rupees)	2025
18 CASH AND BANK BALANCES			
Cash in hand		<u>3,518,818</u>	2,362,457
Cash at banks	18.1	<u>185,601,356</u>	<u>62,728,780</u>
		<u>189,120,174</u>	<u>65,091,237</u>

Notes to the Financial Statements

For the year ended June 30, 2026

- 18.1** As at 30 June 2026, the mark-up rates on savings accounts ranged from 2.47% to 2.78% per annum (2025: 2.78% to 4.78% per annum).

- 18.2** The above figures of cash and bank balances represents the amount of cash and cash equivalents shown in the statement of cash flows at the end of the year.

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Authorised share capital

	2026 (Number of Shares)	2025		2026 (Rupees)	2025
	<u>70,000,000</u>	70,000,000	Ordinary shares of Rs. 10 each	<u>700,000,000</u>	700,000,000

Issued, subscribed and paid up share capital

	2026 (Number of Shares)	2025	Fully paid ordinary shares of Rs. 10/- each	2026 (Rupees)	2025
	<u>25,986,000</u>	25,986,000	- Issued for cash	<u>259,860,000</u>	259,860,000
	<u>12,900,000</u>	12,900,000	- Issued as fully paid bonus shares	<u>129,000,000</u>	129,000,000
	<u>20,415,150</u>	20,415,150	- Issued as right shares at a premium	<u>204,151,500</u>	204,151,500
	<u>59,301,150</u>	59,301,150		<u>593,011,500</u>	593,011,500

- 19.1** The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

	Note	2026 (Rupees)	2025
20 RESERVES			
Capital reserve			
Share premium		<u>173,566,620</u>	173,566,620
Surplus on revaluation of property, plant and equipment	9.2	<u>823,040,000</u>	823,040,000
Revenue reserve			
Unappropriated profit		<u>745,042,437</u>	654,990,615
		<u>1,741,649,057</u>	<u>1,651,597,235</u>

21 DIMINISHING MUSHARIKA ARRANGEMENT

	21.1 - 21.3 28	2026 (Rupees)	2025
Outstanding		<u>218,026,212</u>	244,386,968
Current portion		<u>(64,222,146)</u>	(39,617,398)
Long Term		<u>153,804,066</u>	<u>204,769,570</u>

Notes to the Financial Statements

For the year ended June 30, 2026

21.1 During the year, the Company obtained an islamic mode diminishing musharika facility from a financial institution for plant and machinery aggregating to Rs. 14.7 million (2025: Rs. 129 million) for a period of 5 years including grace period of 6 months. The rate of return used as the discounting factor is 3 month KIBOR plus 2.5%. Musharika units are to be purchased in 5 years in 60 monthly installments latest by October 2030 and are secured against the specific charge over plant and machinery.

21.2 The Company also has an islamic mode diminishing musharika facility from financial institutions for Plant and Machinery aggregating to Rs. 171 million (2025: Rs. 199 million) for a period of 4 to 5 years. The rate of return used as the discounting factor is 3 Month to 1 year KIBOR plus spread of 2.5%.

21.3 The Company also has an islamic mode diminishing musharika facility from financial institutions for vehicles aggregating to Rs. 33 million (2025: Rs. 45 million) for a period of 4 to 5 years. The rate of return used as the discounting factor is 3 Month to 1 year KIBOR plus spread of 1.5% to 2.5%.

22 LEASE LIABILITIES

22.1 The carrying amounts of lease liabilities and the movement during the year are as follows:

		2026 (Rupees)	2025
	Note		
Opening balance		49,530,915	56,776,640
Addition		55,769,740	-
Interest expense relating to lease liability	35	12,606,801	11,559,316
Payments		(34,644,747)	(18,805,041)
Closing balance		83,262,709	49,530,915
Current	28	24,069,471	12,651,953
Non-Current		59,193,238	36,878,962
		83,262,709	49,530,915

22.2 The Company also has leased assets with lease terms of 12 months or less. The Company applies the 'short-term' lease recognition exemption for such leases.

22.3 The following are the amounts recognised in statement of profit or loss:

		2026 (Rupees)	2025
	Note		
Depreciation expense of right-of-use assets	9.8	17,397,948	12,533,216
Interest expense on lease liabilities	35	12,606,801	11,559,316
Expense relating to short-term lease	32	3,004,480	1,755,000

Notes to the Financial Statements

For the year ended June 30, 2026

22.4 The amount of future lease payments together with the present value of the minimum lease payments and the periods during which they fall due are as follows:

	2026	2025	2026	2025
	Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
	(Rupees)			
Within one year	35,395,047	23,503,903	22,233,751	12,651,953
Later one year but not later than five years	71,070,097	59,758,806	46,119,149	36,878,962
Total minimum lease payments	106,465,144	83,262,709	68,352,900	49,530,915
Less: Finance charges	(23,202,435)	-	(18,821,985)	-
Present value of minimum lease payments	83,262,709	83,262,709	49,530,915	49,530,915
Less: Current portion	(24,069,471)	(24,069,471)	(12,651,953)	(12,651,953)
	59,193,238	59,193,238	36,878,962	36,878,962

23 DEFERRED TAX LIABILITY

Taxable temporary differences arising due to:

- Accelerated tax depreciation	192,367,778	263,387,462
- Right-of-use assets	21,766,379	13,389,910
	214,134,157	276,777,372

Deductible temporary differences arising due to:

- Lease liabilities	(24,146,186)	(18,078,784)
- Provision for staff retirement benefits – gratuity	(64,437,331)	(67,071,273)
- Provision for expected credit loss	(15,522,573)	(17,323,874)
- Accelerated tax amortization	(416,088)	(522,872)
- Provision for GIDC	(2,580,336)	(3,247,664)
- Workers' welfare fund	-	(860,930)
- Workers' profit participation fund	-	(6,971,972)
- Unrealized exchange gain / (loss)	1,934,132	(3,157,788)
- Minimum tax	(13,590,005)	(48,432,687)
	(118,758,387)	(165,667,844)
	95,375,770	111,109,528

23.1 Deferred tax asset of Rs. 48.43 million arising from excess minimum tax over normal tax for Tax Year 2025 has not been recognised as management does not anticipate that sufficient future taxable profits will be available against which it can be utilised.

23.2 During the year, the reversal of deferred tax liability amounting to Rs. 15.73 million (2025: Rs. 41.42 million) has been recognized in the financial statements, of which Rs. 11.24 million (2025: Rs. 39.39 million) has been recognized in profit or loss and Rs. 4.49 million (2025: Rs. 2.02 million) has been recognized in other comprehensive income.

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
24 EMPLOYEE BENEFITS OBLIGATIONS			
24.1 The amount recognized in the statement of financial position is as follows:			
Present value of defined benefit obligation	24.2	<u>237,676,887</u>	<u>183,756,913</u>
24.2 Changes in the present value of defined benefit obligation are as follows:			
Opening balance		183,756,913	140,549,985
Charge for the year	24.3	62,745,390	54,088,412
Re-measurement loss recognized in other comprehensive income		15,479,193	5,543,202
Benefits paid		(9,763,289)	(9,806,058)
Advances paid		(14,541,320)	(6,618,628)
Closing balance		<u>237,676,887</u>	<u>183,756,913</u>
24.3 Charge for the year recognized in the statement of profit or loss is as follows:			
Current service cost		42,574,089	34,359,056
Interest cost		20,171,301	19,729,356
		<u>62,745,390</u>	<u>54,088,412</u>
24.4 The charge for the year has been allocated as follows:			
Cost of sales	31.1	36,469,443	32,064,215
Administrative expenses	32.1	20,514,882	18,549,908
Marketing and distribution expenses	33.1	5,761,065	3,474,289
		<u>62,745,390</u>	<u>54,088,412</u>
24.5 The principal assumptions used in the actuarial valuations carried out as of June 30, 2026 using the 'Projected Unit Credit' method are as follows:			
		2026 (Rupees)	2025
Expected rate of increase in salary level		<u>13.0% p.a</u>	<u>13.0% p.a</u>
Discount rate		<u>11.75% p.a</u>	<u>11.75% p.a</u>
24.6 Impact of changes in assumption on present value of defined benefit scheme without payable is as follows:			
Assumption		2026 1% increase (Rupees)	2025 1% increase
Discount rate		<u>271,876,252</u>	<u>213,575,090</u>
Salary		<u>307,926,951</u>	<u>242,218,873</u>

Notes to the Financial Statements

For the year ended June 30, 2026

Assumption	2026 1% decrease (Rupees)	2025 1% decrease
Discount rate	<u>(307,008,899)</u>	<u>(241,413,452)</u>
Salary	<u>(270,747,350)</u>	<u>(212,612,567)</u>

24.7 Maturity profile of the defined benefit obligation:

	2026 (Years)	2025
Weighted average duration	<u>6.09</u>	<u>6.19</u>

24.8 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks – The risk that the actual mortality experience is different. The effect depends on the beneficiaries’ service/age distribution and the benefit.

Final salary risks – The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries’ service/age distribution and the benefit.

24.9 Comparison of five years:

As at June 30,	2026	2025	2024	2023	2022
	<u>(Rupees)</u>				
Present value of defined benefit obligation	<u>237,676,887</u>	<u>183,756,913</u>	<u>140,549,985</u>	<u>80,878,191</u>	<u>61,936,775</u>

25 TRADE AND OTHER PAYABLES

	Note	2026 (Rupees)	2025
Trade creditors - local	25.1	641,603,721	184,108,803
Trade creditors - import		1,115,394,041	919,800,890
Accrued and other liabilities		61,342,403	40,583,924
Workers’ profits participation fund	25.2	207,447,706	219,449,060
Workers’ welfare fund	25.3	32,952,829	38,140,398
Withholding tax payable		244,714,507	129,511,706
Sales tax payable		-	24,163,052
		<u>2,303,455,207</u>	<u>1,555,757,833</u>

Notes to the Financial Statements

For the year ended June 30, 2026

		2026 (Rupees)	2025
25.1 This includes balances due to related parties which are as follows:	Note		
Mac Business Solution (Private) Limited		5,848,263	6,476,724
TGA Sustainability (Private) Limited		360,420	257,325
Toyo Packaging (Private) Limited		5,922,143	6,086,896
		<u>12,130,826</u>	<u>12,820,945</u>
25.2 Workers' profits participation fund			
Opening balance		219,449,060	216,384,616
Charge for the year	34	10,431,079	6,207,136
Interest on workers' profits participation fund	35	7,423,461	12,894,156
Paid during the year		(29,855,894)	(16,036,848)
Closing balance		<u>207,447,706</u>	<u>219,449,060</u>
25.3 Workers' welfare fund			
Opening balance		38,140,398	35,781,616
Charge for the year	34	3,963,810	2,358,782
Paid during the year		(9,151,379)	-
Closing balance		<u>32,952,829</u>	<u>38,140,398</u>

26 CONTRACT LIABILITIES

Contract liabilities amounting to Rs. 172.94 million as of the beginning of the year have been recognized as revenue during the year ended June 30, 2026.

	Note	2026 (Rupees)	2025
27 SHORT-TERM BORROWINGS - SECURED			
Istisna arrangement	27.1 & 27.3	604,500,011	464,849,991
Murabaha arrangement	27.2 & 27.3	67,267,199	-
Accrued mark up	27.1 & 27.2	9,726,981	7,797,034
		<u>681,494,191</u>	<u>472,647,025</u>

27.1 This represents short term finance facility having limit of Rs. 1,250 million (2025: Rs. 750 million) which are available from various banks for the purpose of meeting import requirements. At June 30, 2026, total facility availed was Rs. 604.50 million (2025: 464.85 million) payable in 3 to 6 months. These carry mark-up rate of 6 Months KIBOR plus spread of 1.75% to 2.5% per annum (2025: 6 months KIBOR plus spread of 2.5% per annum) on local currency facility. At June 30, 2026, mark-up payable on these borrowings amounted to Rs. 9.35 million (2025: Rs. 7.8 million).

Notes to the Financial Statements

For the year ended June 30, 2026

27.2 This represents short term import finance facility having limit of Rs. 1,000 million (2025: Rs. 500 million) which are available from various banks for the purpose of meeting import requirements. At June 30, 2026, total facility availed was Rs. 67.27 million (2025: Rs. Nil) payable in 6 months. These carry mark-up rate of 6 Months KIBOR + 1.75% per annum on local currency facility. At June 30, 2026, mark-up payable on these borrowings amounted to Rs. 0.37 million.

27.3 Total short-term facilities available under mark-up arrangements amounted to Rs. 2,250 million (2025: Rs. 1,250 million), of which Rs. 1,578.23 million (2025: Rs. 785.15 million) remained unavailed at the year end. These facilities, including guarantees mentioned in the note 29.2.3 respectively are secured by joint pari passu charges of Rs. 1,001 million over the current assets, Rs. 660 million over the plant and machinery, and Rs. 340 million over the leasehold land and building of the Company.

	Note	2026 (Rupees)	2025
28 CURRENT PORTION OF LIABILITIES			
Diminishing musharika arrangement	21	64,222,146	39,617,398
Lease liabilities	22.1	24,069,471	12,651,953
Provision for Gas Infrastructure Development Cess	28.1	232,668,440	232,668,440
		<u>320,960,057</u>	<u>284,937,791</u>

28.1 In accordance with the Gas Infrastructure Development Cess Act, 2011 (the "GIDC Act, 2011"), the Company was required to pay GIDC to the applicable gas supplier, as specified in the First Schedule and at the rates prescribed in the Second Schedule to the GIDC Act, 2011. On August 13, 2020, the Supreme Court of Pakistan (SCP) delivered a judgement directing recovery of all arrears of Cess that had accrued up to July 31, 2020, payable in twenty-four equal monthly installments commencing August 01, 2020, without any component of late payment surcharge. Accordingly, the Company recorded the full provision based on the amounts charged by SSGC on account of GIDC. The Company subsequently filed a stay petition before the High Court of Sindh to restrain SSGC from recovering the GIDC amount, which was granted to the Company in 2020.

29 CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

29.1.1 In August 2015, Sui Southern Gas Company Limited (SSGC) increased rates of natural gas on the basis of notification dated August 31, 2015 issued by Oil and Gas Regulatory Authority (OGRA) whereby prices for natural gas for industrial sector have increased from Rs. 488 to Rs. 600 per MMBTU whereas those for the captive power sector have been increased from Rs. 573 to Rs. 600 per MMBTU and the Company falls in the category of captive power. The Company challenged the OGRA notification and filed writ petition in the HCS in Suit No. 2419 of 2015. Thereafter, High Court Sindh (HCS) vide its order dated May 18, 2016, decided the case in Company's favor and concluded that the OGRA notification lacks the sanctity of law and it cannot be validated in terms of Section 7 and 8 of the Oil and Gas Regulatory Authority Ordinance 2002. SSGC filed an appeal in the HCS which was dismissed on August 15, 2017. Subsequently, SSGC has taken the matter to the Supreme Court of Pakistan and filed petition to appeal against the order dated August 15, 2017.

Notes to the Financial Statements

For the year ended June 30, 2026

Further, OGRA in suppression of its Notification No. SRO 876(1) 2015 dated August 31, 2015 notified the sale price and minimum charges, in respect of natural gas to industrial customers with effect from December 15, 2016 being flat rate of Rs.600 per MMBTU. The Company challenged the impugned notification dated December 30, 2016 before the HCS. HCS has passed ad-interim orders dated January 20, 2017 suggesting stay on the rates aforementioned, while ordering plaintiffs to deposit the differential amount in terms of impugned notification as security till further orders. Accordingly, the Company has deposited the security to Nazir of High Court as disclosed in note 15 to financial statements.

However, due to the inherent uncertainties involved in the matter, the management based on the opinion of their legal advisor, has not accounted for increase in tariff rate amounting to Rs. 9.525 million as of June 30, 2026 as the management is confident that the decision of the case will be in their favor.

29.1.2 The Deputy Commissioner Inland Revenue had passed an order under Section 11 of the Sales Tax Act, 1990. An appeal against the above order had been filed before the Commissioner Inland Revenue - Appeals (CIRA) by the Company, and an order was passed by the CIRA dated August 31, 2022 wherein a tax demand of Rs. 17.03 million had been upheld and the remaining tax demand of Rs. 277.59 million had been remanded back by CIRA with specific directions. The Company had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the demand upheld in the aforesaid order of the CIRA. The appeal had been heard by ATIR and had been remanded for de novo proceedings.

The Concerned Deputy Commissioner Inland Revenue had initiated the remand back proceedings and had confirmed the demand as established earlier without following the direction of the CIRA, through its Order-in-Original No. 14/2022-2023 dated June 14, 2023. The Company had also filed an appeal before CIRA against the aforesaid remand back proceeding order, which had been heard by CIRA. The CIRA, through its order no. 26 dated November 17, 2023, had deleted the demand of Rs. 254.91 million and had remanded Rs. 22.68 million to the assessing officer for readjudication. The Company had filed its reply dated June 13, 2025 on the notice issued by the Assessing Officer. As at June 30, 2026, no further hearing or order has been recieved in the matter subsequent to the filling of the aforesaid reply.

On the basis of the factual and legal position in the above pending appeals with the CIRA and ATIR, the Company's tax consultants anticipate a favorable outcome. Therefore, the Company, based on the aforesaid position, has not made any provision in these financial statements.

29.1.3 The Deputy Commissioner Inland Revenue had issued a demand of penalty of Rs. 8.50 million and default surcharge of Rs. 1.31 million. An appeal against the above order had been filed before the Commissioner Inland Revenue - Appeals (CIRA) by the Company, and an order had been passed by CIRA dated April 11, 2023, deciding the appeal against such order and deleting the demand. The department had filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the appellate order of the Commissioner Inland Revenue - Appeals. The hearing against the aforesaid appeal had not been fixed by the Appellate Tribunal Inland Revenue. Based on the factual and legal position of the matter, the Company's tax adviser anticipates a favourable outcome and has advised that no provision is required in respect of the aforesaid demand. Accordingly, no provision has been made in these financial statements.

Notes to the Financial Statements

For the year ended June 30, 2026

29.1.4 The Company is involved in litigations relating to Super Tax under Section 4C and default surcharge under Section 205 of the Income Tax Ordinance, 2001. For Tax Year 2022, an order passed under Section 4C created a Super Tax liability of Rs. 7.767 million, which has been fully discharged by the Company. Subsequently, a default surcharge of Rs. 3.593 million was levied under Section 205. The Company has challenged the said demand before the Commissioner Inland Revenue (Appeals) and has obtained a stay order from the High Court of Sindh. The appeal is currently pending adjudication.

For Tax Year 2023, an order under Section 4C created a Super Tax liability of Rs. 71.50 million. Against this liability, the Company has discharged Rs. 35.6 million and has requested the Commissioner Inland Revenue to permit payment of the remaining balance of approximately Rs. 36 million in instalments under Section 137(4) of the Income Tax Ordinance, 2001. In addition, a default surcharge demand of Rs. 15.01 million was raised under Section 205. The Company has filed an appeal against the said demand before the Commissioner Inland Revenue (Appeals) and has obtained a stay order from the Honorable Sindh High Court. The appeal is pending adjudication. Based on the advice received from the Company's tax advisors, management believes that it has strong grounds to contest the disputed default surcharge demands and expects a favourable outcome in the pending appellate proceedings. Accordingly, no provision has been recognised in these financial statements in respect of such demands.

29.1.5 The Company's return of income for Tax Year 2020 was deemed assessed under Section 120 of the Income Tax Ordinance, 2001, reflecting a tax refundable amount of Rs. 27.86 million along with the tax loss declared for the year. Subsequently, the Additional Commissioner Inland Revenue (ADCIR) passed an order dated 29 January 2024 under Sections 122(9) and 122(5A), making certain adjustments to the Company's declared tax loss. The Company filed an appeal before the CIRA. The CIRA, vide appellate order dated 29 April 2026, granted relief and remanded the relevant matters for appropriate consideration. Thereafter, while giving effect to the appellate order under Section 124, the ADCIR passed an Appeal Effect Order dated 30 June 2026, substantially restoring the Company's tax refund. However, tax credit amounting to Rs. 8.24 million claimed under Section 65B was disallowed in light of the Supreme Court's decision and its consequential impact was incorporated into the tax computation. As a result, the refundable amount was revised from Rs. 27.86 million to Rs. 10.86 million, primarily due to adjustments against the Company's advance tax liabilities under Section 147 of the Ordinance.

29.1.6 In tax year 2021, the Income Tax Assessment under Section 120 of the Ordinance was subject to amendment in terms of Section 122(5A) and a showcase notice had been issued under Section 122(9) of the Ordinance. The Company submitted legal response to the showcase notice and made complete responses against the aforesaid show cause as well. However, amended assessment order under section 122(5A) dated January 30, 2024 passed by the Additional Commissioner whereby tax demand of Rs. 9.2 million had been established. The Company filed an appeal before the Commissioner Inland Revenue (Appeals), who partly allowed the appeal. To the extent the decision remained adverse, the Company filed a second appeal before ATIR, which is currently pending adjudication.

Based on the advice of the Company's tax advisor, management anticipates a favourable outcome in the matter. Accordingly, no provision has been recognised in these financial statements.

Notes to the Financial Statements

For the year ended June 30, 2026

29.1.7 During the year ended 30 June 2022, the Company received a show cause notice under Section 122(9) of the Ordinance, whereby the Income Tax Assessment framed under Section 120 was proposed to be amended in terms of Section 122(5A) of the Ordinance. The Company submitted a legal response and filed complete responses against the aforesaid show cause notice. However, an amended assessment order under Section 122(5A) dated February 29, 2024 was passed by the Additional Commissioner, whereby a tax demand of Rs. 50.06 million was established. The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) [CIRA] against the aforesaid order, which is pending adjudication. Accordingly, based on the advice of its tax consultants, the Company has not recognized any provision in respect of the aforesaid matter in these financial statements.

29.1.8 The Company filed a Suit No. 798 of 2016 before the High Court of Sindh and impugned the insertion of Tariff Heading 9830.0000 in the Second Schedule to the Sindh Sales Tax on Services Act, 2011 through the Finance Act, 2013 and subsequent show cause notice dated December 03, 2015 issued by the Sindh Revenue Board on the basis of this tariff heading and said heading reads "Services provided in the matter of manufacturing or processing for others on toll basis". The High Court of Sindh granted an ad interim order in favour of the Company, which is still in operation. The suit is still pending before the High Court of Sindh and the Company has a reasonable probability of success in this suit. Therefore, the Company based on advice of its tax consultants has not made any provision in these financial statements.

29.1.9 The Company had filed five appeals before the Commissioner Appeal Sindh Revenue Board (CASRB), Karachi against four Orders dated November 16, 2023 in respect of the year 2017, 2021, 2022 and 2023 and one Order dated November 23, 2023 pertain to the year 2018 whereby SWWF demand of Rs.25.18 million had been established by the Deputy Commissioner-SRB, Karachi. All aforesaid five appeals are pending before the Commissioner Appeal Sindh Revenue Board. The Company had made payment of 10% of demand in compliance with the appellate order passed by the Appellate Tribunal SRB to obtain stay against recovery of impugned demand of SWWF. Therefore, the Company based on advice of its tax consultant anticipates favorable outcome of aforesaid appeals. Hence, no provision has been made in these financial statements.

29.1.10 In the year 2017, a sales tax audit for the tax years 2012–2014 of the Company was selected, and an order was passed by the Deputy Commissioner Inland Revenue dated October 23, 2017 for a demand of Rs. 3.78 million against the Company. An appeal against the above order was filed before the Commissioner Inland Revenue (Appeals-II) [CIR-A] by the Company, and during the year, CIR-A set aside the issues pertaining to sales tax amounting to Rs. 0.77 million and deleted the sales tax demand of Rs. 0.90 million together with the related default surcharge, and forwarded the same for further examination to the Deputy Commissioner Inland Revenue, while the Company had already paid the aforesaid demand of Rs. 0.83 million together with related penalty of Rs. 0.04 million into the Government Treasury.

Since then, no sales tax demand stands payable as at June 30, 2026, unless re-examined or reassessed by the DCIR as per the direction of CIR-A. Therefore, the Company, based on the advice of its tax consultants, has not made any provision in these financial statements.

29.1.11 The Company, together with other captive power producers, has filed a constitutional petition before the High Court of Islamabad ("the Court") challenging the Off the Grid (Captive Power Plants) Levy Act, 2025 and related notifications, on grounds including unlawful delegation of taxing power and improper enactment as a Money Bill. The Court has admitted the petition and granted interim relief dated May 5, 2026 restraining coercive action, conditional upon the Company providing post-dated cheques to SSGC for the disputed amounts. Based on

Notes to the Financial Statements

For the year ended June 30, 2026

the opinion of legal counsel, the likelihood of an unfavorable outcome is considered remote. Accordingly, no provision has been recognized in these financial statements.

		2026	2025
		(Rupees)	
29.2	Commitments		
	Post dated cheques deposited	29.2.1 <u>66,731,975</u>	-
	Outstanding bank guarantees	29.2.2 <u>70,624,112</u>	50,774,062
	Outstanding letters of credit	29.2.3 <u>542,919,100</u>	894,560,890

29.2.1 These have been deposited with SSGC as security against the contingency disclosed in note 29.1.11 to these financial statements.

29.2.2 These include bank guarantees issued by Islamic banks in favor of SSGC and K-Electric Limited.

29.2.3 The facilities for letters of credit from various banks amount to Rs. 1,261.49 million (2025: Rs. 895 million).

		2026	2025
		(Rupees)	
30	REVENUE FROM CONTRACTS WITH CUSTOMERS- NET		
	Gross sales		
	- Local	<u>7,964,971,792</u>	7,090,720,224
	- Exports	<u>17,574,856</u>	32,141,275
		<u>7,982,546,648</u>	7,122,861,499
	Less: Sales tax	<u>(1,256,952,782)</u>	(1,128,244,108)
		<u>6,725,593,866</u>	5,994,617,391

31 COST OF SALES

	Raw material consumed	<u>3,746,437,979</u>	3,353,239,805
	Salaries, wages and other benefits	31.1 <u>472,454,879</u>	416,558,842
	Oil and lubricants / diesel	<u>19,107,157</u>	13,934,774
	Packing material consumed	<u>138,542,509</u>	123,480,752
	Consumable stores	<u>121,619,252</u>	94,502,987
	Repairs and maintenance	<u>19,526,766</u>	17,973,878
	Vehicle running and maintenance	<u>24,071,451</u>	14,680,518
	Utilities	<u>997,948,086</u>	955,888,734

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
SAP service charges		30,787,638	25,614,541
Insurance		15,898,718	16,315,977
Communication		6,769,398	5,412,065
Fees, consultancy and subscription		19,311,205	4,800,000
Security charges		3,803,096	4,529,918
Depreciation	9.4	134,052,945	118,171,846
Transportation		63,213,879	42,950,081
Amortization	10.2	2,400,000	2,400,000
Traveling and accommodation		11,644,557	8,030,217
Others		3,474,971	3,616,915
		<u>5,831,064,486</u>	<u>5,222,101,850</u>
Opening work-in-process		243,857,815	269,044,165
		<u>6,074,922,301</u>	<u>5,491,146,015</u>
Closing work-in-process	12	(222,832,506)	(243,857,815)
Cost of goods manufactured		<u>5,852,089,795</u>	<u>5,247,288,200</u>
Finished goods			
Opening stock		16,121,336	81,152,675
		<u>(89,636,169)</u>	<u>(16,121,336)</u>
Closing stock	12	(73,514,833)	65,031,339
		<u>5,778,574,962</u>	<u>5,312,319,539</u>

31.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 36.47 million (2025: Rs. 32.06 million).

	Note	2026 (Rupees)	2025
32 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	32.1	296,182,148	229,440,977
Directors' remuneration		4,440,000	4,608,000
Vehicle maintenance		21,797,618	15,187,019
Legal and professional		9,168,263	3,133,275
Traveling and accommodation		11,521,735	11,259,687
Insurance		2,384,016	1,459,585
Fees, consultancy and subscription		22,380,039	14,776,640
Rent and rates	32.2	3,004,480	2,115,933
Postage and stationery		3,558,447	2,296,349
Donation and charity	32.3	4,745,000	3,980,000
SAP service charges		13,921,956	10,033,370
Communication		5,887,097	5,202,579
Transportation		1,320,613	1,522,681
Amortization	10.2	967,227	967,227
Utilities and fuel		5,190,624	4,975,916

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
Auditors' remuneration	32.4	5,800,000	5,800,000
Depreciation	9.4 & 9.8	36,934,989	32,846,315
Repair and maintenance		4,555,692	9,372,409
Security		3,966,996	2,929,989
Others		5,115,020	5,502,721
		<u>462,841,960</u>	<u>367,410,672</u>

32.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 20.51 million (2025: Rs. 18.55 million).

32.2 This represents expense relating to short term lease.

32.3 Details of donations given to single party are as follows:

	2026 (Rupees)	2025
Citizen Police Liaison Committee	500,000	1,500,000
Family Educational Services Foundation	850,000	-
Karachi Down Syndrome Program	300,000	-
Lady Dufferin Hospital	50,000	-
Orange Tree Foundation	1,600,000	700,000
The Citizens Foundation	500,000	-
The Patients Behbud Society	700,000	-
Deaf Reach	-	500,000

32.3.1 None of the directors of the Company had any interest in any of the donees to whom donations were made.

	2026 (Rupees)	2025
32.4 Auditor's remuneration		
Audit fee	3,584,000	3,584,000
Fee for review of half yearly financial statements	672,000	672,000
Other services	942,080	942,080
Out of pocket expenses	601,920	601,920
	<u>5,800,000</u>	<u>5,800,000</u>

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
33 MARKETING AND DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	33.1	49,570,754	38,215,604
Vehicle running and maintenance		7,107,574	4,346,040
Travelling and accommodation		2,244,160	1,431,376
Advertisement and sales promotion		11,613,740	10,507,802
Cartage and octroi		127,171,380	99,653,016
Postage and stationery		241,894	204,087
Communication		364,287	457,875
SAP service charges		19,551,802	17,235,756
Power / electricity		192,333	238,735
Depreciation	9.4 & 9.8	3,040,501	2,800,248
Amortization	10.2	800,000	800,000
Insurance		231,045	375,172
		<u>222,129,470</u>	<u>176,265,711</u>

33.1 Salaries, wages and other benefits includes staff retirement benefit amounting to Rs. 5.76 million (2025: Rs. 3.47 million).

	Note	2026 (Rupees)	2025
34 OTHER OPERATING EXPENSES			
Workers' profits participation fund	25.2	10,431,079	6,207,136
Workers' welfare fund	25.3	3,963,810	2,358,712
Exchange loss - net		-	13,423,644
		<u>14,394,889</u>	<u>21,989,492</u>

	Note	2026 (Rupees)	2025
35 FINANCE COSTS			
Profit on Islamic mode of financing			
- Diminishing musharika arrangements		33,499,532	12,652,585
- Istisna and murabaha arrangement		74,800,729	66,035,340
		<u>108,300,261</u>	<u>78,687,925</u>
Others			
- Lease liabilities	22.1	12,606,801	11,559,316
- Interest on workers' profits participation fund	25.2	7,423,461	12,894,156
- Bank charges		9,943,081	6,482,874
		<u>29,973,343</u>	<u>30,936,346</u>
		<u>138,273,604</u>	<u>109,624,271</u>

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
36 OTHER INCOME			
Income from islamic bank		3,021,706	2,010,787
Scrap sales		18,028,349	17,450,896
Exchange gain - net		3,648,630	-
Gain / (loss) on sale of operating fixed assets		3,089,116	(12,699,196)
Others	36.1	77,988,726	80,671,116
		<u>105,776,527</u>	<u>87,433,603</u>

36.1 This amount represents rebate recognized during the year from suppliers.

	Note	2026 (Rupees)	2025
37 TAXATION			
Levies			
Minimum tax	37.1	13,590,005	48,754,100
Income taxes			
Current		72,293,254	26,098,265
Prior		3,760,971	(5,163,985)
Deferred		(11,244,792)	(39,395,336)
		<u>64,809,433</u>	<u>(18,461,056)</u>
		<u>78,399,438</u>	<u>30,293,044</u>

37.1 This represents minimum tax under section 113 of the Income Tax Ordinance, 2001, to the extent of the excess over the amount of income tax calculated using the notified tax rate.

37.2 The income tax return of the Company has been filed up to tax year 2025.

37.3 Relationship between income tax expense and accounting profit:

	2026 (Rupees)	2025
Profit before income taxes and levy	209,092,062	115,576,878
Tax at the enacted tax rate 29% (2025: 29%)	60,636,699	33,517,295
Super tax under section 4C @ 1.5% (2025: Nil)	3,560,566	-
Prior year tax	3,760,971	(5,163,985)
Net effect of rate difference	8,897,024	-
Others	1,544,178	1,939,734
	<u>78,399,438</u>	<u>30,293,044</u>
Effective tax rate	<u>37%</u>	<u>26%</u>

Notes to the Financial Statements

For the year ended June 30, 2026

	2026 (Rupees)	2025
37.4 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:		
Current tax liability for the year as per applicable tax laws	89,644,229	69,688,380
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(76,054,224)	(20,934,280)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	(13,590,005)	(48,754,100)
Difference	-	-

38 EARNING PER SHARE - BASIC AND DILUTED

Profit attributable to ordinary shareholders	130,692,624	85,283,834
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	59,301,150	59,301,150
	(Rupees)	
Earnings per share - basic and diluted	2.20	1.44

There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2026 and June 30, 2025.

39 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

The aggregate amount charged in these financial statements for the period in respect of remuneration and benefits to the Chief Executive, Directors and Executives of the Company were as follows:

Notes to the Financial Statements

For the year ended June 30, 2026

	Chief Executive		Director		Executives	
	2026	2025	2026	2025	2026	2025
	(Rupees)		(Rupees)		(Rupees)	
Remuneration	42,159,009	39,460,727	42,615,357	22,113,263	181,228,709	154,248,219
Medical allowance	5,362,406	4,680,000	3,850,030	1,284,869	6,426,558	7,051,535
Gratuity	2,691,000	2,340,000	2,997,720	1,406,497	10,436,741	10,758,659
Other perquisites (Motor vehicle maintenance etc.)	3,496,883	1,460,071	3,655,086	2,306,818	22,957,569	24,648,812
	53,709,298	47,940,798	53,118,193	27,111,447	221,049,577	196,707,225
Number of person(s)	1	1	2	1	43*	34

*During this fiscal year, with effect from 31 December 2025, Mr Shahzaib Tariq resigned as Chief Financial Officer and Mr Muhammad Asim was appointed in his place.

Executive means an employee, other than chief executive and directors, whose basic salary exceeds Rs. 1,200,000 in a financial year.

In addition, the Chief Executive, Directors and certain executives are also provided with use of the Company's maintained cars and other benefits in accordance with their terms of employment for official use.

No remuneration has been paid to non executive directors during the year except as disclosed in note 39.1.

39.1 Aggregate amount charged in the financial statements for fees to non-executive directors is Rs. 4.44 million (2025: Rs. 4.61 million) against attending the board meetings.

40 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise of associated companies, major shareholders, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties as per agreed rates. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. The transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

	2026 (Rupees)	2025
Key Management Personnel		
Common Directorship		
Toyo Packaging (Private) Limited		
Shared expenses charged - net	218,202	-
Purchases	1,759,657	-
Payments	1,706,209	-
Sales	248,144,317	230,913,702
Receipts	215,665,877	231,862,382

Notes to the Financial Statements

For the year ended June 30, 2026

		2026 (Rupees)	2025
Hilal Foods (Private) Limited			
Sales		53,748,925	50,366,735
Receipts against sale of goods		56,028,900	47,465,553
Shalimar Food Products			
Sales		55,265,835	23,108,762
Receipts		62,087,911	15,069,152
Mac Business Solutions (Private) Limited			
Shared expenses charged - net		64,964,337	-
Payments		67,591,838	-
Sales		117,119,029	270,748,239
Receipts		124,040,995	242,003,561
TGA Sustainability (Private) Limited			
Shared expenses charged - net		17,216,671	-
Purchases		24,963,420	-
Payments		9,808,082	2,113,615
Sales		276,846,433	171,884,563
Receipts		257,451,689	94,603,864
Key Management Personnel			
Remuneration		274,164,770	120,330,301
Dividend paid		18,489,212	46,764,280
40.1	The related parties status of outstanding receivables, if any, as at June 30, 2026 and June 30, 2025 are disclosed in respective notes to these financial statements.		
41 CASH GENERATED FROM OPERATING ACTIVITIES	<i>Note</i>	2026 (Rupees)	2025
Profit before income taxes and levies		209,092,062	115,579,878
Adjustments for non-cash and other items:			
Depreciation	9.4 & 9.8	174,028,435	153,818,409
Amortization	10.2	4,167,227	4,167,227
Provision for gratuity	24.2	62,745,390	54,088,412
Finance costs	34 & 35	152,668,493	109,624,271
Impairment charge / (reversal) on trade receivables	13.1	6,063,446	(21,135,569)
Exchange (gain) / loss - unrealized		(6,669,422)	1,715,026
(Gain) / loss on disposal of operating fixed assets	36	(3,089,116)	12,699,196
		389,914,453	314,976,972
		599,006,515	430,553,850
Working capital changes	41.1	(6,150,500)	(131,950,213)
		592,856,015	298,603,637

Notes to the Financial Statements

For the year ended June 30, 2026

		2026 (Rupees)	2025
41.1 Working capital changes			
(Increase) / decrease in current assets			
Inventories		(158,814,917)	(104,078,039)
Stores and spares		(35,736,087)	(58,838,386)
Trade receivables		(433,724,756)	(101,565,583)
Loans and advances		(75,048,771)	11,581,581
Short term deposits, prepayments and other receivables		10,329,042	(1,030,897)
		(692,995,489)	(253,931,324)
(Decrease) / increase in current liabilities			
Contract liabilities		(71,820,627)	(41,931,167)
Trade and other payables		758,665,616	163,912,278
		(6,150,500)	(131,950,213)
42 SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I SCHEDULE IV OF THE COMPANIES ACT, 2017			
Disclosures required in relations to the Statement of Financial Position - Liability Side:			
	<i>Note</i>	2026 (Rupees)	2025
i) Financing (long-term, short-term, or lease financing) obtained			
- Liabilities against diminishing musharika financing	21	218,026,212	244,386,968
- Current portion of liabilities against diminishing musharika financing	21	64,222,146	39,617,398
- Short term borrowing as per Islamic mode		671,767,210	464,849,991
- Short term borrowing as per Conventional mode		-	-
ii) Interest or mark-up accrued on any conventional or islamic loan			
- Mark-up accrued on short term borrowing as per Islamic mode	27	9,726,981	7,797,034
- Mark-up accrued on short term borrowing as per Conventional mode		-	-
Disclosures required in the Statement of Financial Position – Asset Side:			
iii) Long-term and short-term Shariah compliant investments		-	-
iv) Shariah compliant bank deposits, bank balances and TDRs		203,771,617	111,215,215

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
Disclosures required in relation to the Statement of Profit or Loss and Other Comprehensive Income;			
v) Revenue earned from a Shariah compliant business segment	30	6,725,593,866	5,994,617,391
vi) Break-up of late payments or liquidated damages		-	-
vii) Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah compliant associates		-	-
viii) Profit earned from Shariah compliant bank deposits, bank balances, or TDRs		3,021,706	2,010,787
ix) Exchange gain earned from actual currency		-	-
x) Exchange gains earned using conventional derivative financial instruments		-	-
xi) Markup paid on Islamic mode of financing		121,026,278	83,848,502
xii) Shariah compliant other income		21,117,465	17,450,896

42.1 Relationship with Shariah compliant financial institutions

Islamic Banks

Bank Name

Relationship

Dubai Islamic Bank	Agent, partner and account holder
Al Baraka Bank (Pakistan) Limited	Agent, partner and account holder
Bank AL Habib Limited	Account holder
Meezan Bank Limited	Partner and account holder
Bank Alfalah Limited	Account holder
Faysal Bank Limited	Account holder
Habib Metropolitan Bank Limited	Account holder
The Bank of Punjab	Agent and account holder
Standard Chartered Bank (Pakistan) Limited	Agent and account holder
First Habib Modarba	Partner
United Bank Limited	Account holder

Takaful Operators

The Company has relationship with the following takaful operators

- EFU General Insurance Limited WTO PTF
- TPL Insurance Limited WTO PTF
- UBL Insurers Limited WTO
- Adamjee Insurance Company Limited WTO

Notes to the Financial Statements

For the year ended June 30, 2026

43 FINANCIAL INSTRUMENTS

Financial Risk Management

The main risks arising from the Company's financial instruments are market risks, credit risk and liquidity risk. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments.

43.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The maximum exposure to credit risk at the reporting date is:

	Note	2026 (Rupees)	2025
Long-term deposits	11	32,175,100	29,516,490
Trade receivables - net	13	1,452,841,599	1,025,180,289
Loans and advances	14	3,679,507	35,718,329
Short term deposits, prepayments and other receivables	15	123,006,895	138,345,833
Short term investment	17	48,524,062	48,524,062
Bank balances	18	185,601,356	62,728,780
		<u>1,845,828,519</u>	<u>1,340,013,813</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counterparty default rates as shown below:

Trade receivables

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management.

Notes to the Financial Statements

For the year ended June 30, 2026

For trade debts, the Company applies IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are calculated by using historical 24 months ageing balance, and further any impact of changes in macroeconomic factors is incorporated in the loss rate calculation.

The Company is not significantly exposed to concentration of credit risk. The management also continuously monitors the credit exposure towards the customer and makes provision against those balances which are doubtful of recovery.

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages.

	2026 (Rupees)	2025
Bank balances		
A1+ (PACRA)	42,713,019	3,969,200
A-1+ (JCR VIS)	101,656,137	51,239,574
A-1 JCR VIS	41,232,200	7,515,778
A-2 (JCR VIS)	-	4,228
	<u>185,601,356</u>	<u>62,728,780</u>

43.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rate and foreign exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable range.

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk in respect of Company's short-term financing arrangements at floating interest rates to meet its business operations and working capital requirements.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). This analysis excludes the impact of movement in market variables on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have a symmetric impact on the Company's result.

Notes to the Financial Statements

For the year ended June 30, 2026

		Increase / decrease in basis points	Effect on profit before tax (Rupees)
June 30, 2026	+	100	8,889,152
	-	100	<u>(8,889,152)</u>
June 30, 2025	+	100	7,142,956
	-	100	<u>(7,142,956)</u>

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates primarily relates to the Company's operating activities. The Company manages its currency risk by effective fund management and timely repayment of its current liabilities. The Company, however, has not hedged its foreign currency liabilities as the management has assessed that it will not be cost beneficial.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	2026 (US Dollar)	2025
Creditors	<u>3,588,415</u>	<u>3,184,975</u>
	(EURO)	
Creditors	<u>26,400</u>	<u>44,916</u>

Following is the demonstration of the sensitivity to a reasonably possible change in exchange rate of all currencies applied to assets and liabilities as at June 30, 2026 represented in foreign currencies, with all other variables held constant, on the Company's profit before tax.

	Change in exchange rate (%)	Effect on profit before tax (Rupees)
June 30, 2026	+10%	100,817,565
	-10%	<u>(100,817,565)</u>
June 30, 2025	+10%	91,980,079
	-10%	<u>(91,980,079)</u>

Notes to the Financial Statements

For the year ended June 30, 2026

(iii) Other price risk

Other price risk is the risk that the fair value of 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 investment securities. As at the reporting date, the Company is not exposed to other price risk as the Company does not have any investment in equity shares.

43.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments. Balances due within 12 months equals to their carrying balances as the impact of discounting is not significant:

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
	(Rupees)					
June 30, 2026						
Lease liabilities	-	17,697,524	17,697,523	71,070,097	-	106,465,144
Diminishing musharika	-	32,111,073	32,111,073	153,804,066	-	218,026,212
Trade and other payables	-	2,303,455,207	-	-	-	2,303,455,207
Contract liabilities	-	101,121,498	-	-	-	101,121,498
Short-term borrowings	-	671,767,210	-	-	-	671,767,210
	-	3,126,152,512	49,808,596	224,874,163	-	3,400,835,271

June 30, 2025

Lease liabilities	-	11,116,875	11,116,875	46,119,149	-	68,352,899
Diminishing musharika	-	19,808,699	19,808,699	204,769,570	-	244,386,968
Trade and other payables	-	1,555,757,833	-	-	-	1,555,757,833
Contract liabilities	-	172,942,125	-	-	-	172,942,125
Short-term borrowings	-	472,647,025	-	-	-	472,647,025
	-	2,232,272,557	30,925,574	250,888,719	-	2,514,086,850

Effective interest / yield rates for the financial liabilities are mentioned in the respective notes to the financial statements.

Notes to the Financial Statements

For the year ended June 30, 2026

44 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Short-term borrowings - secured	Unclaimed Dividend	Diminishing Musharika Liabilities	2026 Lease Liabilities	Equity	Total
	(Rupees)					
Balance as at 1 July 2025	464,849,991	1,569,189	244,386,968	49,530,915	2,244,608,735	3,004,945,798
Changes from financing cash flows						
Repayment of loan and borrowings	(2,036,042,591)	-	-	-	-	(2,036,042,591)
Proceeds from loan and borrowings	2,242,959,809	-	-	-	-	2,242,959,809
Dividend paid	-	(29,848,629)	-	-	-	(29,848,629)
Payments against lease liabilities	-	-	-	(34,644,747)	-	(34,644,747)
Financing against diminishing musharika arrangement - net	-	-	(74,550,288)	-	-	(74,550,288)
Total changes from financing activities	206,917,218	(29,848,629)	(74,550,288)	(34,644,747)	-	67,863,554
Liability related other changes						
Mark-up expense - net	-	-	33,499,532	12,606,801	-	46,106,333
Additions	-	-	14,700,000	55,769,740	-	70,469,740
Dividend declared	-	29,650,575	-	-	(29,650,575)	-
Total liability related other changes	-	29,650,575	48,199,532	68,376,541	(29,650,575)	116,576,073
Total comprehensive income for the year	-	-	-	-	119,702,397	119,702,397
Balance as at 30 June, 2026	671,767,209	1,371,135	218,026,212	83,262,709	2,334,660,557	3,309,087,822

	Short-term borrowings - secured	Unclaimed Dividend	Diminishing Musharika Liabilities	2025 Lease Liabilities	Equity	Total
	(Rupees)					
Balance as at 1 July 2024	325,180,889	1,209,289	41,665,695	56,776,440	2,236,971,271	2,661,803,584
Changes from financing cash flows						
Repayment of loan and borrowings	(1,754,284,453)	-	-	-	-	(1,754,284,453)
Proceeds from loan and borrowings	1,893,953,555	-	-	-	-	1,893,953,555
Dividend paid	-	(73,766,537)	-	-	-	(73,766,537)
Payments against lease liabilities	-	-	-	(18,804,841)	-	(18,804,841)
Financing against diminishing musharika arrangement - net	-	-	(31,545,978)	-	-	(31,545,978)
Total changes from financing activities	139,669,102	(73,766,537)	(31,545,978)	(18,804,841)	-	15,551,746
Liability related other changes						
Mark-up expense - net	-	-	-	11,559,316	-	11,559,316
Additions	-	-	12,652,585	-	-	12,652,585
Dividend declared	-	74,126,437	221,614,666	-	(74,126,437)	221,614,666
Total liability related other changes	-	74,126,437	234,267,251	11,559,316	(74,126,437)	245,826,567
Total comprehensive income for the year	-	-	-	-	81,763,901	81,763,901
Balance as at 30 June, 2025	464,849,991	1,569,189	244,386,968	49,530,915	2,244,608,735	3,004,945,798

45 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the Financial Statements

For the year ended June 30, 2026

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants at in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

	JUNE 30,2026				
	Carrying amount		Fair value		
	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
	(Rupees)				
Financial assets not measured at fair value					
Deposits	32,175,100	-	-	-	-
Trade receivables - net	1,452,841,599	-	-	-	-
Loans and advances	3,679,507	-	-	-	-
Short-term deposits, prepayments and other receivables	123,006,895	-	-	-	-
Short term Investment	48,524,062	-	-	-	-
Cash and bank balances	189,120,174	-	-	-	-

Notes to the Financial Statements

For the year ended June 30, 2026

	JUNE 30,2026				
	Carrying amount		Fair value		
	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
	(Rupees)				
Financial liabilities - not measured at fair value					
Diminishing musharika arrangement	-	153,804,066	-	-	-
Lease liabilities	-	83,262,709	-	-	-
Trade and other payables	-	2,303,455,207	-	-	-
Short-term borrowings - secured	-	681,494,191	-	-	-
Unclaimed dividend	-	1,371,135	-	-	-

	JUNE 30,2025				
	Carrying amount		Fair value		
	Amortised cost	Other financial liabilities	Level 1	Level 2	Level 3
	(Rupees)				
Financial assets not measured at fair value					
Deposits	29,516,490	-	-	-	-
Trade receivables - net	1,025,180,289	-	-	-	-
Loans and advances	1,019,756	-	-	-	-
Short-term deposits, prepayments and other receivables	113,105,843	-	-	-	-
Short term Investment	48,524,062	-	-	-	-
Cash and bank balances	65,091,237	-	-	-	-
Financial liabilities - not measured at fair value					
Diminishing musharika arrangement	-	204,769,570	-	-	-
Lease liabilities	-	49,530,915	-	-	-
Trade and other payables	-	1,555,757,833	-	-	-
Short-term borrowings - secured	-	472,647,025	-	-	-
Unclaimed dividend	-	1,569,189	-	-	-

46 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and reserves. The gearing ratio as at June 30, 2026 and June 30, 2025 are as follows:

Notes to the Financial Statements

For the year ended June 30, 2026

	Note	2026 (Rupees)	2025
Lease liabilities	22	83,262,709	49,530,915
Diminishing musharika arrangement	21	218,026,212	244,386,968
Short-term borrowings	27	681,494,191	472,647,025
Total debts		982,783,112	766,564,908
Less: Cash and bank balances	18	(189,120,174)	(65,091,237)
Net debt		793,662,938	701,473,671
Share capital	19	593,011,500	593,011,500
Reserves		1,741,649,057	1,651,597,235
Total equity		2,334,660,557	2,244,608,735
Total capital		3,128,323,495	2,946,082,406
Gearing ratio		25.37%	23.81%

	2026 (Number)	2025
Number of employees of the company at the year end	260	240
Average number of employees of the company during the year	254	240

47.1 In addition to the above, the Company also engages third party and contractual staff for both office and factory operations.

	2026		2025	
Operational capacity	Rated Capacity	Actual production	Rated Capacity	Actual production
	(Metric Tons)			
BOPP – Port Qasim Authority	15,000	10,569	15,000	11,508
CPP – Port Qasim Authority	7,000	5,558	7,000	5,594
Thermal - Port Qasim Authority	3,600	4	3,600	5

48.1 Actual production was below capacity due to low demand and therefore the plant capacity was utilized to the extent of orders received from customers.

Notes to the Financial Statements

For the year ended June 30, 2026

49 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever consider necessary, for the purpose of comparison, the effects of which are not material. The following reclassifications have been made during the year:

Reclassified from	Reclassified to	Description	(Rupees)
Trade and other payables	Contract liabilities	Contract liabilities	172,942,125
Administrative expense	Cost of sales	Amortization	2,400,000
Administrative expense	Marketing and distribution expense	Amortization	800,000
Other operating expense	Cost of sales	Repairs and maintenance	6,032,225
Administrative expense	Marketing and distribution expense	Utilities and fuel	121,800
Marketing and distribution expense	Administrative expense	Others	360,933

50 SUBSEQUENT EVENTS

The Board of Directors of the Company in their meeting held on September 01, 2026 have recommended cash dividend of Rs. Nil per share (2025: Rs. 0.5 per share) amounting to Rs. Nill in million (2025: Rs. 29.6 million) for the year ended June 30, 2026.

51 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on September 01, 2026 by the Board of Directors of the Company.


Chief Executive Officer


Director


Chief Financial Officer

13

STAKEHOLDERS INFORMATION



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
622	1	to	100	12,049
469	101	to	500	194,550
172	501	to	1000	144,922
221	1001	to	5000	534,898
48	5001	to	10000	364,936
17	10001	to	15000	214,405
14	15001	to	20000	256,844
8	20001	to	25000	184,441
8	25001	to	30000	222,045
1	30001	to	35000	33,000
2	35001	to	40000	77,000
3	40001	to	45000	129,967
1	45001	to	50000	50,000
1	55001	to	60000	60,000
2	60001	to	65000	127,000
1	65001	to	70000	65,454
1	75001	to	80000	77,348
1	80001	to	85000	81,900
1	85001	to	90000	90,000
1	90001	to	95000	93,600
3	95001	to	100000	295,500
1	115001	to	120000	118,300
1	135001	to	140000	137,250
2	140001	to	145000	288,000
1	155001	to	160000	157,700
2	160001	to	165000	323,801
1	165001	to	170000	166,746
2	175001	to	180000	358,000
1	190001	to	195000	193,514
1	220001	to	225000	221,500
1	225001	to	230000	225,600
2	240001	to	245000	486,654
1	255001	to	260000	256,026
1	265001	to	270000	270,000
1	275001	to	280000	277,768
1	305001	to	310000	310,000
1	310001	to	315000	315,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

# OF SHAREHOLDERS	SHAREHOLDINGS' SLAB			TOTAL SHARES HELD
1	325001	to	330000	325,500
1	335001	to	340000	337,500
1	360001	to	365000	362,500
2	365001	to	370000	734,500
1	385001	to	390000	390,000
1	395001	to	400000	400,000
1	405001	to	410000	406,500
1	415001	to	420000	416,745
1	445001	to	450000	450,000
1	450001	to	455000	452,289
1	455001	to	460000	457,500
1	475001	to	480000	480,000
1	495001	to	500000	500,000
1	535001	to	540000	536,887
2	585001	to	590000	1,173,082
1	710001	to	715000	711,276
1	730001	to	735000	731,320
1	765001	to	770000	766,000
1	770001	to	775000	773,651
1	780001	to	785000	784,803
1	810001	to	815000	811,000
1	840001	to	845000	845,000
1	865001	to	870000	870,000
1	980001	to	985000	982,004
1	1045001	to	1050000	1,050,000
1	1090001	to	1095000	1,090,228
1	1105001	to	1110000	1,107,519
1	1140001	to	1145000	1,140,988
1	1165001	to	1170000	1,169,692
1	1260001	to	1265000	1,260,133
1	5135001	to	5140000	5,138,783
2	8400001	to	8405000	16,801,925
1	8425001	to	8430000	8,428,107
1653				59,301,150

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
Government of Pakistan			
0	0	-	-
Directors, Chief Executive Officer and their spouse(s) and minor children			
MR. SHARIQ MAQBOOL ELAHI	4	9,185,678	15.49
EHTESHAM MAQBOOL ELAHI	3	9,867,708	16.64
NAEEM ALI MUHAMMAD MUNSHI	2	6,008,783	10.13
SHABBIR HAMZA KHANDWALA	1	500	0.00
NAJMUL HASSAN	1	900	0.00
FAHAD MUNSHI	1	500	0.00
HAFSA ABBASY	1	500	0.00
Associated Companies, undertakings and related parties	-	-	-
Executive	2	9,185,765.00	15.49
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Financial Institutions.	1	6,500	0.01
Insurance Companies	0	-	-
Modarabas and Mutual Funds	0	-	-
General Public			
a. Local	1585	21,117,166	35.61
b. Foreign	37	261,440	0.44
OTHERS	15	3,665,710	6.18
Total	1653	59,301,150	100.00

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2026

SHARE HOLDERS HOLDING 10% OR MORE	SHARES HELD	PERCENTAGE
MR. SHARIQ MAQBOOL ELAHI	9,185,678	15.49
EHTESHAM MAQBOOL ELAHI	9,867,708	16.64
MR. HABIB ELAHI	9,185,765	15.49
NAEEM ALI MOHAMMAD MUNSHI	6,008,783	10.13

SHAREHOLDER INFORMATION

Registered Office

Plot No. 44-C, Block-6, P.E.C.H.S., Main Razi Road, Karachi.

Email: info@macpacfilms.com

Shares of Macpac Films Limited are listed on Pakistan Stock Exchange

Stock Code

The stock code for dealing in equity shares of Macpac Films Limited at PSX is 'MACFL'

Contact Info

Email: company.secretary@macpacfilms.com
Tel: +92-21-111-MFL-111

Shares Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326034
Email: info@cdcpak.com
Website: www.cdcpakistan.com

NOTICE OF 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-First (31st) Annual General Meeting ('AGM') of the Members of Macpac Films Limited (the Company) will be held on Tuesday, October 27, 2026 at 10:30 A.M. at Ashreitech, 2nd Floor, NASTP, Shahrah-e-Faisal, Near Faisal Base, Karachi, as well as through video conferencing facility to transact the following businesses:

Ordinary Business

- To receive, consider, and adopt the audited financial statements of the Company for the year ended June 30, 2026, together with the Chairman's Review Report, Report of the Directors and the Auditor's Report thereon.

<https://www.macpacfilms.com>



- To appoint Auditors for the year 2026-27 and to fix their remuneration. The present auditors, M/s KPMG Taseer Hadi & Co., being eligible, have offered themselves for re-appointment.
- To transact any other business with the permission of the Chair.

By order of the Board

Aquil A. Khan
Company Secretary

Karachi: October 5, 2026

NOTES:

1. Notice of Book Closure

The share transfer books of the Company will remain closed from October 20, 2026 to October 27, 2026 (both days inclusive). Transfers received, in order, at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S., main Shahrah-e-Faisal, Karachi-74000, by the close of business on October 19, 2026, will be considered in time for the determination of the entitlement to attend and vote at the AGM.

2. Participation in the AGM Proceedings via Video Link Facility

- In addition to in person attendance the Company shall also arrange for video link facility for remote attendance. The members/proxies interested to participate in the AGM through this facility, are requested to get themselves registered with the Company at cdcsr@cdcsrsl.com by providing the following details: –

Shareholder Name	Company Name	Folio/ CDC Number	CNIC Number	Cell Number	Registered Email Address
	Macpac Films Limited				

- Video-link and login credentials will be shared with the members/proxies whose emails containing all the above particulars are received at the given email address by the close of business on October 19, 2026.
- The members can also provide their comments and questions for the agenda items of the AGM on email: company.secretary@macpacfilms.com.

3. Appointment of Proxy and participation in the AGM

- A member entitled to attend, speak, and vote at the AGM is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. A proxy must be a member of the Company.
- The instrument appointing proxy must be deposited at the Registered Office of the Company duly signed, not later than 48 hours before the time of the AGM. A member cannot appoint more than one proxy. An attested copy of the shareholder's Computerized National Identity Card (CNIC) must be attached with the Proxy form. The instrument appointing Proxy is available on the Company's website (<https://www.macpacfilms.com>)
- Owners of the physical shares and of the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original valid Computerized National Identity Card (CNIC) or Passport, for identification purposes, at the time of attending the meeting in person. In the case of a corporate entity, the Board of Directors' resolution/Power of Attorney, with specimen signature of the nominee, shall be produced at the time of the meeting (unless it has been provided earlier).

4. Circulation / Transmission of Annual Report 2025 and Notice of Meeting

- In accordance with the provisions of Section 223 of the Companies Act, 2017, and the shareholders' approval obtained in the AGM held on October 16, 2023 pursuant to the SECP SRO 389(1)/2023 dated March 21, 2023, the audited financial statements of the Company for the year ended June 30, 2026, are available on the Company's website which can be accessed by the using the QR Code/weblink as mentioned above.
- This notice of AGM is also being circulated through post/courier to the members in accordance with the provisions of the Companies Act, 2017. Annual Report 2026 is also being sent electronically to members via email whose email addresses are available with CDC Share Registrar Services.
- Any shareholder requiring a printed copy of the Annual Report 2026 shall be provided with a copy free of cost within seven working days of receipt of such request.

5. Conversion of Physical Shares into Book-Entry Form

- Pursuant to Section 72 of the Companies Act and the directive issued by SECP vide its letter No. CSD/ED/Misc./2016-639-640 dated 26 March 2021, all listed companies are required to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in Book-Entry-Form.
- In view of the aforesaid requirement, shareholders of the Company are requested to convert their physical shares into book-entry form as soon as possible. Conversion of shares into book-entry form would facilitate the shareholders i.e., readily available market for instant sale and purchase of shares, elimination of risk of loss and damage, easy and safe transfer and less formalities as compared to physical shares. Shareholders may contact the Share Registrar of the Company for assistance in the conversion of shares.

6. Mandatory Registration Details of Physical Shareholders

According to Section 119 of the Companies Act 2017 and Regulation 47 of the Companies Regulations, 2025, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar, CDC Share Registrar Services Limited, CDC House, Main Shahra-e-Faisal, Karachi immediately, to avoid any non-compliance of law or any inconvenience in future.

7. Unclaimed Dividends / Shares

- Shareholders who by any reason could not claim their dividends/shares, if any, are advised to contact our Share Registrar, CDC Share Registrar Services Limited, CDC House, Main Shahrah-e-Faisal, Karachi.
- In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividends/shares remaining unclaimed for a period of three years or more, shall be deposited with the Federal Government/SECP.

IMPORTANT:

Shareholders are requested to carry their original computerised national identity card (cnic) which is a security requirement for access to the meeting venue.

- یہ اسے جی ایم نوٹس کمپنیز ایکٹ 2017 کی دفعات کے مطابق
- حصص داران کو بذریعہ ڈاک / کوریئر بھیجنا چاہیے۔ سالانہ رپورٹ 2026 بھی ان حصص داران کو ای میل کے ذریعے الیکٹرانک طور پر ارسال کی جا رہی ہے جن کے ای میل پتے سی ڈی سی یا شیئرز رجسٹرار کے پاس موجود ہیں۔
- جو بھی شیئر ہولڈر سالانہ رپورٹ 2026 کی طباعتی نقل کا متقاضی ہوگا، اسے ایسی درخواست موصول ہونے کے ساتھ ساتھ کاروباری دنوں کے اندر بلا معاوضہ ایک نقل فراہم کی جائے گی۔

5. فزیکل شیئرز کو بک-اینٹری فارم میں تبدیل کرنا

- کمپنیز ایکٹ کے دفعہ 72 اور SECP کے خط نمبر CSD/ED/Misc./2016-639-640 مؤرخہ 26 مارچ 2021 کے تحت جاری کردہ ہدایت کے مطابق، تمام فہرست شدہ کمپنیاں اپنے ان حصص داران کو، جو اب بھی فزیکل صورت میں شیئرز رکھتے ہیں، اس بات کی تلقین کرنے کی پابند ہیں کہ وہ اپنے شیئرز کو بک-اینٹری فارم میں تبدیل کریں۔
- مذکورہ ضرورت کے پیش نظر کمپنی کے حصص داران سے درخواست ہے کہ وہ اپنے فزیکل شیئرز کو جلد از جلد بک-اینٹری فارم میں تبدیل کریں۔ شیئرز کو بک-اینٹری فارم میں تبدیل کرنے سے حصص داران کو سہولت ہوگی، مثلاً فوری خرید و فروخت کے لیے دستیاب مارکیٹ، ضیاع اور نقصان کے خدشے کا خاتمہ، آسان اور محفوظ منتقلی، اور فزیکل شیئرز کے مقابلے میں کم تکلفات۔ حصص داران شیئرز کی تبدیلی میں معاونت کے لیے کمپنی کے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

6. فزیکل حصص داران کی لازمی رجسٹریشن کی تفصیلات

کمپنیز ایکٹ 2017 کی دفعہ 119 اور کمپنیز ریگولیشنز 2025 کے ریگولیشن 47 کے مطابق، تمام فزیکل حصص داران کو مشورہ دیا جاتا ہے کہ وہ اپنی لازمی معلومات جیسے کہ شناختی کارڈ (CNIC) نمبر، پتہ، ای میل ایڈریس، رابطہ موبائل / ٹیلی فون نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ ہماری شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، مین شاہراہ فیصل، کراچی کو فوراً فراہم کریں، تاکہ قانون کی کسی عدم تعمیل یا مستقبل میں کسی بھی قسم کی پریشانی سے بچا جاسکے۔

7. غیر دعوٰی شدہ ڈیویڈنڈ / شیئرز

- ایسے حصص داران جنہوں نے کسی وجہ سے اپنے ڈیویڈنڈ / شیئرز، اگر کوئی ہوں، دعوٰی نہیں کیے، انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے شیئرز رجسٹرار، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، مین شاہراہ فیصل، کراچی سے رابطہ کریں۔
- کمپنیز ایکٹ، 2017 کی دفعہ 244 کے مطابق، مقررہ طریقہ کار مکمل کرنے کے بعد، تین سال یا اس سے زیادہ عرصے تک غیر دعوٰی شدہ رہنے والے تمام ڈیویڈنڈ / شیئرز وفاقی حکومت / SECP کے پاس جمع کرا دیے جائیں گے۔

اہم نوٹ:

شیئر ہولڈرز سے گزارش ہے کہ وہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) اپنے ساتھ لائیں، جو کہ اجلاس گاہ (میٹنگ کی جگہ) میں داخلے کے لیے سکیورٹی کی لازمی شرط ہے

اكتیسواں (31 واں) سالانہ عام اجلاس کانوٹس

بذریعہ ہذا نوٹس اطلاع دی جاتی ہے کہ میک پیک فلمز لمیٹڈ کے حصص داران کا اکتیسواں (31 واں) سالانہ عام اجلاس (AGM) منگل، 27 اکتوبر 2026 کو صبح 10:30 بجے عشری ٹیک، دوسری منزل، این اے ایس ٹی پی (ناسٹپ)، شاہراہ فیصل، نزد فیصل بیس، کراچی میں، نیز ویڈیو کانفرنسنگ سہولت کے ذریعے، درج ذیل امور پر غور و خوض کیا جائے گا:

عمومی امور

1. کمپنی کے مالی سال جو 30 جون 2026 کو ختم ہوا کے آڈٹ شدہ حسابات کے ساتھ چیئرمین کی جائزہ رپورٹ، ڈائریکٹرز کی رپورٹ اور آڈیٹرز کی رپورٹ (سالانہ رپورٹ 2026) وصول کرنا، غور کرنا اور منظور کرنا



<https://www.macpacfilms.com>

2. سال 2026-27 کے لیے آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ موجودہ آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، اہل ہونے کے ناطے، دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔
3. کسی بھی دیگر ایسے کاروبار کی انجام دہی جو سالانہ عام اجلاس (AGM) میں چیئرمین کی اجازت سے کیا جاسکتا ہو۔

محکم پورڈ

عقیل اے۔ خان
کمپنی سیکریٹری

کراچی: 05 اکتوبر، 2026

نوٹس:

1. شیئرز انسٹریکٹس کی بندش

کمپنی کی شیئرز انسٹریکٹس 20 اکتوبر 2026 سے 27 اکتوبر 2026 تک (بشمول دونوں دن) بند رہیں گی۔ شیئرز رجسٹرار میسرز CDC شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک 'B'، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400 کے دفتر میں 19 اکتوبر 2026 کے کاروباری اوقات کے اختتام تک ترتیب کے مطابق موصول ہونے والی مستقليات، حصص داران کے حتمی نقد منافع کے استحقاق کے تعین اور اجلاس میں شرکت ووٹ دینے کے لیے بروقت تصورات کی جائیں گی۔

2. ویڈیولنک سہولت کے ذریعے اے جی ایم کی کارروائی میں شرکت

- i. بالمشافہ اجلاس کے علاوہ کمپنی دور دراز سے شرکت کے لیے ویڈیولنک سہولت بھی فراہم کرے گی۔ اس سہولت کے ذریعے اے جی ایم میں شرکت کے خواہشمند حصص داران/پراکسیز سے گزارش ہے کہ وہ درج ذیل تفصیلات فراہم کرتے ہوئے کمپنی کے ساتھ cdcsr@cdcsrsl.com پر خود کو رجسٹر کرائیں۔:

حصص دار کا نام	کمپنی کا نام	فولیو/ CDC نمبر	شناختی کارڈ (CNIC) نمبر	موبائل نمبر	رجسٹرڈ ای میل پتہ
	میک پیک فلمز لمیٹڈ				

- ii. ویڈیولنک اور لاگ ان اسناد ان حصص داران/پراکسیز کو شیئرز کی جائیں گی جن کی ای میلز، جن میں بالا تمام معلومات شامل ہوں، کاروباری اوقات کے اختتام تک 19 اکتوبر 2026 کو دیے گئے ای میل پتے پر موصول ہو جائیں گی۔
- iii. حصص داران AGM کے ایجنڈا آئٹمز کے لیے اپنی آراء اور سوالات ای میل company.secretary@macpacfilms.com پر بھی بھیج سکتے ہیں۔

3. پراکسی کی تقرری اور AGM میں شرکت

- i. وہ ممبر جو AGM میں شرکت، گفتگو اور ووٹ دینے کا حق رکھتا ہے، کسی دوسرے ممبر کو اپنی طرف سے شرکت، گفتگو اور ووٹ دینے کے لیے پراکسی مقرر کرنے کا حق رکھتا ہے۔ پراکسی کمپنی کا ممبر ہونا لازم ہے۔
- ii. پراکسی مقرر کرنے کا آلہ، باقاعدہ دستخط شدہ صورت میں، AGM کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں جمع کرایا جانا چاہیے۔ ایک ممبر ایک سے زیادہ پراکسی مقرر نہیں کر سکتا۔ شیئرز ہولڈر کے کمپیوٹرائزڈ نیشنل آئیڈنٹیفیکیشن کارڈ (CNIC) کی مصدقہ نقل پراکسی فارم کے ساتھ منسلک ہونا ضروری ہے۔ پراکسی مقرر کرنے کا آلہ کمپنی کی ویب سائٹ (<https://www.macpacfilms.com>) پر دستیاب ہے۔
- iii. فزیکل حصص کے مالکان اور وہ حصص جو سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے نام پر رجسٹرڈ ہیں اور/یا ان کے نمائندے، میٹنگ میں بذات خود شرکت کے وقت شناخت کے لیے اپنا اصل قابل اعتبار کمپیوٹرائزڈ نیشنل آئیڈنٹیفیکیشن کارڈ (CNIC) یا پاسپورٹ پیش کرنے کے پابند ہوں گے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/وکالت نامہ، نامزد شخص کے دستخطوں کے نمونے کے ساتھ، میٹنگ کے وقت پیش کرنا ہوں گے (جب تک کہ یہ پہلے سے فراہم نہ کیا گیا ہو)۔

4. سالانہ رپورٹ 2026 اور نوٹس آف میٹنگ کی ترسیل/نشر و اشاعت

- i. کمپنیز ایکٹ 2017 کی دفعہ 223 کی دفعات اور SECP کے SRO 389(1)/2023 مؤرخہ 21 مارچ 2023 کے تحت 16 اکتوبر 2023 کو منعقدہ عام اجلاس میں حاصل کردہ حصص داران کی منظوری کے مطابق، کمپنی کے 30 جون 2026 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالی بیانات کمپنی کی ویب سائٹ پر دستیاب ہیں جن تک اوپر مذکورہ QR کوڈ/ویب لنک کے ذریعے رسائی حاصل کی جاسکتی ہے۔

PROXY FORM

MACPAC FILMS LIMITED
31TH Annual General Meeting

I/We, _____ of _____, being member (s) of Macpac Films Limited, holding _____ ordinary shares, hereby appoint _____ of _____ or failing him/her _____ of _____, who is/are also member(s) of Macpac Films Limited, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at 31st Annual General Meeting of the company to be held at 10:30 AM on October 27, 2026 at Ashreitech, 2nd Floor, NASTP, Shahrah-e-Faisal, Near Faisal Base, Karachi-Pakistan, and at any adjournment thereof.

Witness my/our hand (s) this _____ day of _____, 2026
Signed by the said _____

Witnesses:

1. Signature _____
Name _____
Address: _____
CNIC or Passport No. _____

2. Signature _____
Name _____
Address _____
CNIC or Passport No. _____

Folio/CDC Account No.

Signature

This signature should agree with the specimen registered with the Company.

Note:

1.

This Proxy Form must be deposited at the Company's share registrar office as soon as possible but not later than 48 hours before time of holding of meeting. Failing to do so would render the Proxy Form invalid.
2.

No person shall act as a proxy unless he/she is a member of the Company.
3.

Please carry your original CNIC.

پراکسی فارم

میک پیک فلز لمیٹڈ
آکٹیوواں (31 واں) سالانہ عام اجلاس

میں/ہم، _____ ولد/دختر _____، جو میک پیک فلز لمیٹڈ کے رکن/ارکان ہوں، اور

_____ عام حصص کا حامل/حاملان ہوں، اس کے ذریعے _____ ولد/دختر _____ یا ان کی عدم موجودگی میں

ولد/دختر _____، جو میک پیک فلز لمیٹڈ کے رکن/ارکان بھی ہیں، کو اپنے/اپنی عدم موجودگی میں اپنا/اپنے پراکسی مقرر کرتا/کرتے ہیں تاکہ وہ میری/ہماری جانب سے

کمپنی کی 31 ویں سالانہ عام اجلاس میں، جو 27 اکتوبر 2026 کو صبح 10:30 بجے عشری ٹیک، دوسری منزل، این اے ایس ٹی پی (ناسٹپ)، شاہراہ فیصل، نزد فیصل بیس، کراچی، پاکستان

میں منعقد ہوگا، اور اس کی کسی بھی ملوثی نشست میں شرکت کریں اور میری/ہماری جانب سے رائے دی کریں۔

گواہ رہے کہ میں/ہم نے اس _____ دن _____، _____ کو دستخط کیے

مندرجہ ذیل کے دستخط _____ 2026

گواہان:

1. _____ دستخط _____ 2. _____ دستخط _____

نام _____ نام _____

پتہ _____ پتہ _____

شناختی کارڈ یا پاسپورٹ نمبر _____ شناختی کارڈ یا پاسپورٹ نمبر _____

فولیو/سی ڈی سی اکاؤنٹ نمبر

دستخط

دستخط بینک میں موجود نمونے کے

دستخط کے مطابق ہونا چاہئیں

نوٹ:

1) یہ پراکسی فارم کمپنی کے شیئر رجسٹر اے کے دفتر میں حتی الامکان جلد از جلد لیکن اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل جمع کرانا

ضروری ہے۔ اس کی عدم تعمیل کی صورت میں پراکسی فارم کا عدم سمجھا جائے گا۔

2) کسی غیر ممبر کو پراکسی کے طور پر نامزد نہیں کیا جاسکتا ہے۔

3) مہربانی فرما کر اپنا اصل شناختی کارڈ ساتھ لائیں۔



MACPAC FILMS LIMITED

Registrar:

Central Depository Company of Pakistan,
Share Registrar Department, CDC
House, 99-B, Block-B, S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.

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