COLONY TEXTILE MILLS LIMITED

M. Ismail Aiwan-e-Science Building 205, Ferozepur Road Lahore
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Email:corporate@colonytextiles.com Website:www.colonytextiles.com

CTM/PSX-2526/26
November 6, 2026

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

SUBJECT: **FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2026**
COLONY TEXTILE MILLS LIMITED

Dear Sir

We have to inform you that the Board of Directors of the Company in their meeting held on November 06, 2026 at 10:30 a.m. at the Registered Office of the Company, 205-Aiwan-e-Science Building, Ferozepur Road, Lahore, has determined the following:

A. CASH DIVIDEND/ BONUS SHARES/ RIGHT SHARES

Nil

B. FINANCIAL RESULTS

The financial results of the Company are attached as per Annexure "A"

C. ANY OTHER PRICE SENSITIVE INFORMATION

The Auditors in their Report stated the following observation: -

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the "Basis for Adverse Opinion" section of our report, the accompanying statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with the notes forming part thereof, do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required, and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the loss, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

As disclosed in note 1.1 to the financial statements, the Company incurred a net loss of Rs. 11,052.31 million during the year ended June 30, 2026 (2025: Rs. 2,227.09 million) after reporting a gross loss of Rs. 2,033.34 million (2025: Rs. 1,333.57 million) and an operating loss of Rs. 2,552.13 million (2025: Rs. 1,951.04 million). As at that date, the Company's accumulated loss stood at Rs. 13,117.80 million (2025: Rs. 2,226.60 million) and its current liabilities exceeded its current assets by Rs. 24,661.12 million (2025: Rs. 4,899.93 million). These events and conditions indicate the existence of a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern therefore the company may not be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements have been prepared by management on a going concern basis. Accordingly, in our judgment, management's use of the going concern basis of accounting in the preparation of the financial statements is inappropriate in the circumstances.

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' International Code of Ethics for Professional Accountants (including International Independence Standards) 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 adverse opinion.

However, the management of the Company has firmed up a turnaround plan based on disposal of the land, buildings and plant and machinery of Weaving Unit of the Company at Riawind Lahore to secured creditors of the Company i.e. debt-asset swap. Independent fair valuation of land, buildings and plant and machinery of Weaving Unit of the Company at Riawind Lahore lead the management of the Company to believe that residual debt of the Company [post debt-asset swap] shall be sustainable. The debt-asset swap proposal of the management of the Company has been favourably considered by lenders of the Company. The management has planned to seek all required approvals in coming months for roll out of the turnaround plan.

The aforesaid would result in reduction of total debt of the Company to sustainable level, availability of adequate financial resources for the Company to sustain the continuity of its business for the foreseeable future and thus maintain its going concern status. Accordingly, the

financial statements for the year under reference have been prepared on a going concern basis which assumes that the Company will continue to operate its business, realize its assets, and discharge its liabilities, in the normal course of business.

The Annual General Meeting of the Company will be held on Friday, 27th November, 2026 at 10:30 a.m. at the registered office of the Company, 205-Ferozpur Road, Lahore.

The Share Transfer Books of the Company will remain closed from November 20, 2026 to November 27, 2026 (both days inclusive). Transfers received in order by our Share Registrars, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, The Mall, Lahore by the close of business on November 19, 2026 will be considered in time for attending and vote in Annual General Meeting.

The Annual Report for the Financial Year ended June 30, 2026 will be placed on Company's website in due course of time

Thanking you

Yours truly
For **Colony Textile Mills Limited**

Saud Haleem
Company Secretary

CC: The Surveillance Supervision and Enforcement Department, Securities & Exchange Commission of Pakistan, 6th Floor NIC Building 63 Jinnah Avenue, Islamabad.

COLONY TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated	2024 Rupees ('000') Restated
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	9	**5,300,000**	5,300,000	5,300,000
Issued, subscribed and paid up capital	10	**4,980,100**	4,980,100	4,980,100
Reserve arising on amalgamation		**3,156,388**	3,156,388	3,156,388
Revaluation surplus on property, plant and equipment	11	**6,205,615**	19,594	19,594
Directors' loan	12	**120,000**	120,000	120,000
General reserves		**4,702**	4,702	4,702
Unappropriated profit / (loss)		**(13,117,808)**	(2,226,606)	23,320
Surplus on remeasurement of investments	13	**1,107**	1,101	819
		1,350,104	6,055,279	8,304,923
Non-current liabilities				
Long term financing	14	**91,673**	5,692,279	6,351,780
Deferred liabilities	16	**264,127**	3,717,887	3,628,750
		355,800	9,410,166	9,980,530
Current liabilities				
Trade and other payables	17	**8,612,375**	7,047,400	6,998,393
Short term borrowings	18	**1,483,477**	1,510,455	1,572,646
Accrued mark up	19	**828,162**	684,879	516,138
Unclaimed dividend		**94**	94	94
Deferred Mark up classified under Current Liabilities	20	**11,367,916**	-	-
Current portion of long term liabilities	21	**7,552,635**	1,978,679	1,296,174
Provision for taxation and tax levies	22	**313,674**	280,915	278,338
		30,158,333	11,502,422	10,661,783
Contingencies and commitments	23	**-**	-	-
		31,864,237	26,967,867	28,947,236
ASSETS				
Non-current assets				
Property, plant and equipment	24	**23,020,020**	18,152,911	18,671,967
Right of use assets	25	**70,093**	73,782	77,665
Investment property	26	**2,838,902**	1,793,180	1,542,570
Long term investments	27	**375,471**	289,964	223,374
Long term deposits	28	**62,542**	55,541	54,465
		26,367,028	20,365,378	20,570,041
Current assets				
Stores, spare parts and loose tools	29	**281,604**	281,891	382,198
Stock in trade	30	**2,123,761**	2,919,461	4,203,953
Trade debts	31	**589,103**	149,079	201,306
Loans and advances	32	**188,458**	194,383	301,291
Trade deposits and short term prepayments	33	**102,769**	102,748	102,363
Other financial assets	34	**57**	41	22
Tax refunds due from the government	35	**2,181,228**	2,908,145	3,098,184
Cash and bank balances	36	**30,229**	46,741	87,878
		5,497,209	6,602,489	8,377,195
		31,864,237	26,967,867	28,947,236

The annexed notes from 01 to 58 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

COLONY TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
Sales - net	37	**20,528,423**	16,888,072
Cost of sales	38	**22,561,769**	18,221,646
Gross profit / (loss)		**(2,033,346)**	(1,333,574)
Operating expenses:			
Distribution cost	39	**180,450**	239,940
Administrative expenses	40	**338,342**	377,533
		518,792	617,473
Operating profit / (loss)		**(2,552,138)**	(1,951,047)
Finance cost	41	**1,285,219**	1,404,783
Other operating charges	42	**7,274,365**	2,492
		8,559,584	1,407,275
		(11,111,722)	(3,358,322)
Other income	43	**318,856**	1,346,187
Profit / (loss) before levy and taxation		**(10,792,866)**	(2,012,135)
Levy	44	**259,449**	214,961
Profit / (loss) before taxation		**(11,052,315)**	(2,227,096)
Taxation	44	**-**	-
Profit / (loss) for the year		**(11,052,315)**	(2,227,096)
Earnings/(loss) per share - basic and diluted	45	**(22.19)**	(4.47)

The annexed notes from 01 to 58 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

COLONY TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	**2026** **Rupees ('000')**	2025 Rupees ('000') Restated
Profit / (loss) for the year		**(11,052,315)**	(2,227,096)
Other comprehensive income:			
Items that will not be reclassified to statement of profit or loss:			
Revaluation surplus during the year	11	**6,302,777**	-
Remeasurement (loss) / gain of defined benefit obligation	16.03	**44,357**	(22,830)
		6,347,134	(22,830)
Items that may be reclassified to statement of profit or loss:			
Net fair value (loss) / gain on investment measured at FVTOCI		**6**	282
		6,347,140	**(22,548)**
Total comprehensive income/(loss) for the year		**(4,705,175)**	(2,249,644)

The annexed notes from 01 to 58 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

COLONY TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 Rupees ('000')	2025 Rupees ('000') Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	53	**821,626**	809,086
Finance cost paid		**(50,396)**	(61,434)
Staff retirement benefit paid	16.03	**(41,100)**	(217,698)
Income tax and levies paid		**(343,040)**	(191,929)
		(434,536)	(471,061)
Net cash generated from operating activities		**387,090**	338,025
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure	24.1	**(293,383)**	(352,954)
Proceeds from disposal of property, plant and equipment	24.5	**9,570**	11,505
Long term deposits		**(7,001)**	(1,076)
Net cash used in investing activities		**(290,814)**	(342,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances - net		**(85,810)**	25,555
Lease rentals - net	15	**-**	-
Short term borrowings - net	18	**(26,978)**	(62,191)
Net cash used in financing activities		**(112,788)**	(36,636)
Net increase / (decrease) in cash and cash equivalents		**(16,512)**	(41,137)
Cash and cash equivalents at beginning of the year		**46,741**	87,878
Cash and cash equivalents at end of the year		**30,229**	46,741

The annexed notes from 01 to 58 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER **DIRECTOR** **CHIEF EXECUTIVE OFFICER**

COLONY TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

Particulars	Share capital	Capital Reserves		Directors' loan	Revenue reserves		Surplus on re-measurement of investments	Total
		Reserve arising on amalgamation	Revaluation surplus on property, plant and equipment		General reserves	Unappropriated profit/(loss)		
	Rupees ('000')							
Balance as at 30 June 2024 as previously reported	4,980,100	3,156,388	19,594	120,000	4,702	(931,685)	819	7,349,918
Effect of retrospective restatement of deferred taxation (Note 8)	-	-	-	-	-	955,005	-	955,005
Balance as at 30 June 2024 - Restated	4,980,100	3,156,388	19,594	120,000	4,702	23,320	819	8,304,923
Profit for the year	-	-	-	-	-	(2,227,096)	-	(2,227,096)
Remeasurement of defined benefit obligation	-	-	-	-	-	(22,830)	-	(22,830)
Fair value gain on investment measured at FVTOCI	-	-	-	-	-	-	282	282
Total comprehensive income for the year	-	-	-	-	-	(2,249,926)	282	(2,249,644)
Balance as at 30 June 2025	4,980,100	3,156,388	19,594	120,000	4,702	(2,226,606)	1,101	6,055,279
Profit / (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(11,052,315)**	**-**	**(11,052,315)**
Remeasurement of defined benefit obligation	**-**	**-**	**-**	**-**	**-**	**44,357**	**-**	**44,357**
Revaluation surplus on PPE	**-**	**-**	**6,302,777**	**-**	**-**	**-**	**-**	**6,302,777**
Fair value gain on investment measured at FVTOCI	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**6**
Total comprehensive income for the year	**-**	**-**	**6,302,777**	**-**	**-**	**(11,007,958)**	**6**	**(4,705,175)**
Transfer of incremental deprication - net of deferred tax	**-**	**-**	**(116,756)**	**-**	**-**	**116,756**	**-**	**-**
Balance as at 30 June 2026	**4,980,100**	**3,156,388**	**6,205,615**	**120,000**	**4,702**	**(13,117,808)**	**1,107**	**1,350,104**

The annexed notes from 01 to 58 form an integral part of these financial statements.

CHIEF FINANCIAL OFFICER **DIRECTOR** **CHIEF EXECUTIVE OFFICER**