EST. 1959 · FAISALABAD, PAKISTAN

Crescent
Cotton Mills Limited

Corporate Briefing Session

Company overview

Yarn · Greige Fabric · Home Textiles · Hosiery

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EST. 1959 · FAISALABAD, PAKISTAN

Crescent
Cotton Mills Limited

Company Profile

AT A GLANCE

1959	49,000	40	PKR 5.58 bn
Incorporated	Spindles installed	RIFA air-jet looms (2026)	Sales, FY2026

Crescent Cotton Mills Limited (CCML) is a Pakistan Stock Exchange–listed textile manufacturer with more than six decades of operating history. Originally established as Crescent Sugar Mills & Distillery Limited, the Company today operates spinning, weaving, hosiery and home textile businesses, supplying cotton and blended yarn to local and export markets and fabric and home textile products to customers in the United Kingdom and Europe.

BASIC INFORMATION

Date of incorporation	7 March 1959
Registration number	0000984
National tax number	0710139-2
Sales tax registration	04-03-2900-001-82
Telephone	041-8752111-4, 041-8750363-4
Facsimile	041-8750366
Email	info@crescentcotton.com
Website	www.crescentcotton.com
Registered office	New Lahore Road, Nishatabad, Faisalabad
Stock listing	Pakistan Stock Exchange (symbol: CCM)
Financial year end	30 June

BOARD OF DIRECTORS

Name	Designation
Mr. Taimur Amjad	Chairman
Mr. Abid Mehmood	Chief Executive Officer
Mr. Adnan Amjad	Non-Executive Director
Mr. Naveed Gulzar	Executive Director
Ms. Nazish Arshad	Non-Executive Director
Mr. Salman Saif Sheikh	Independent Director
Ms. Shameen Azfar	Independent Director

Board elected on 15 May 2026 for a three-year term commencing 18 May 2026. Directors other than the Chairman and Chief Executive Officer are listed in alphabetical order.

HISTORY

Crescent Sugar Mills & Distillery Limited was incorporated on 7 March 1959. The Company had three lines of business: a Sugar Unit, a Distillery Unit and a Spinning Unit. Initially a subsidiary of The Crescent Textile Mills Limited, it was listed on the Karachi Stock Exchange on 30 November 1965 and is now listed on the Pakistan Stock Exchange.

On 2 May 2012, with the approval of the Board of Directors, the shareholders and the Securities & Exchange Commission of Pakistan, the Company's name was changed to Crescent Cotton Mills Limited.

OPERATIONS

Spinning Units

The Company operates two Spinning Units at Kotla Kahlon, 8–9 kilometres from Shahkot towards Sheikhupura. Spinning Unit #1 was put into operation on 1 July 1990 and Spinning Unit #2 in December 1994. Following successive expansions, the two units presently have 49,000 spindles installed.

Cotton as well as blended yarn is produced for both the local and export markets. Yarn production in FY2025 was approximately 9.7 million kg. The Spinning Units have received ISO 9002 certification.

Weaving Unit

In June 2026 the Company commissioned a weaving unit of 40 RIFA air-jet looms, extending its operations from yarn into greige fabric production and giving the Home Textiles Division an in-house fabric base.

Home Textiles & Hosiery

A dedicated Home Textiles Division deals in fabric and made-ups, including bed linen, towels and bath linen, and exports primarily in containers to the United Kingdom and Europe. The Company has also set up a hosiery unit of 57 socks-knitting machines.

Legacy Operations

Spinning Unit, Pattoki. The Company's third spinning unit, at 46 km Lahore–Multan Road, Pattoki, District Kasur, was disposed of in FY2025 following shareholder approval; its results are reported as discontinued operations.

Sugar Unit. The Sugar Unit went into commercial production in December 1960 with a daily crushing capacity of 3,000 TCD and the capability to produce 23,167 metric tons of refined white sugar. The project was spread over approximately 98 acres on the main Faisalabad–Lahore Road. Owing to operational difficulties, the plant and machinery of the Sugar Unit have since been disposed of.

Distillery Unit. The Distillery, with a capacity of 2.727 million litres of industrial alcohol, went into commercial production in 1965 within the premises of the Sugar Unit, producing high-quality denatured and rectified spirit. Owing to operational difficulties, its plant and machinery have also been disposed of.

CERTIFICATIONS & SUSTAINABILITY

The Company holds GOTS (Global Organic Textile Standard) and OEKO-TEX certifications. Approximately 3 MW of solar generation capacity is installed at the Kotla Kahlon spinning facility, reducing the plant's reliance on grid power.

SUBSIDIARY

Crescot Mills Limited

Crescent Cotton Mills Limited has one subsidiary, Crescot Mills Limited, in which the Company holds 66.15% of the equity. Crescot was a spinning unit situated at B-10, SITE Kotri, District Hyderabad. Owing to heavy losses, it ceased all production in August 1998 and disposed of part of its plant and machinery, and management had the company de-listed from the Karachi Stock Exchange (Guarantee) Limited, the sole exchange on which it was listed. In 2021 the

entire assets of Crescot Mills Limited were disposed of; in 2022 the company commenced trading in textile raw materials.

VISION

VISION STATEMENT

To be a trusted textile partner, recognised in Pakistan and internationally for quality, reliability and responsible manufacturing across yarn, fabric and home textiles, while pursuing sustainable growth for the Company.

MISSION

MISSION STATEMENT

To deliver consistent, certified-quality yarn, fabric, home textiles and hosiery to customers at home and abroad by investing in modern machinery, renewable energy and sustainable practices; to create long-term value for our shareholders; to develop our people; and to meet our responsibilities to the community and the environment.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Crescent Cotton Mills Limited (CCML) holds, and will continue to hold, a leading position among yarn and textile manufacturers in Pakistan. CCML's activities are guided by the highest standards and principles of business conduct as accepted by the national as well as international business community.

Crescent Cotton Mills Limited is proud of its reputation and its honest treatment of customers, directors and employees. The professionalism of CCML's management and employees, and the corporate principles and ethics they abide by, continue to be an essential factor in the development of the Company. These factors continue to shape and strengthen its position in the business community, and we believe adherence to these principles is key to a successful future for Crescent Cotton Mills Limited.

Crescent Cotton Mills Limited operates in an emerging economy. Following the principles of good corporate citizenship, CCML is committed to setting an example of high ethical and proper business practices. It is our belief that adherence to the principles of corporate governance and transparency sets the tone for the ongoing development of our industry and the economy in which we operate.

Pakistan is CCML's home. As such, we are committed to increasing wealth in Pakistan and have made this one of our business priorities.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Compliance with best practices of corporate governance provides assurance that the Company is ethically managed according to prudently determined risk parameters, in line with generally adopted corporate practices, and that all transactions not only comply with all laws but are also fairly and accurately reflected in the financial statements.

The implementation of, and compliance with, the elements of the Code of Corporate Governance is the responsibility of the Board of Directors of the Company. This document reflects the Company's procedure for compliance with those elements.

KEY OPERATING AND FINANCIAL DATA

Six-year summary · Rupees in million

Rupees in million	2026	2025	2024	2023	2022	2021
Summary of Profit and Loss Account						
Sales	5,578	5,574	5,963	6,386	7,115	5,406
Gross profit	397	432	477	468	726	726
Profit from operations	218	162	222	297	431	485
Finance cost	82	85	84	110	99	87
Profit / (loss) before taxation	**136**	**77**	**138**	**187**	**332**	**398**
Levy and taxation	81	70	62	72	83	76
Profit after tax – continuing operations	55	7	76	115	249	322
Profit / (loss) – discontinued operations	–	54	(26)	–	–	–
Profit / (loss) after taxation – total	**55**	**61**	**50**	**115**	**249**	**322**
Summary of Balance Sheet						
Property, plant and equipment	5,842	5,373	587	5,911	5,312	5,204
Other non-current assets	64	82	68	63	57	60
Stock in trade	676	647	557	636	658	488
Trade debts	457	465	490	477	514	195
Other current assets	1,270	1,844	6,586	1,124	852	744
Current assets	**2,403**	**2,956**	**7,633**	**2,237**	**2,024**	**1,427**
Total assets	**8,309**	**8,411**	**8,288**	**8,211**	**7,393**	**6,691**
Shareholders' equity	1,655	1,371	1,226	1,176	1,091	887
Revaluation surplus on fixed assets	4,896	4,896	4,926	4,926	4,283	4,137
Long-term financing	20	8	20	54	111	204
Other non-current liabilities	116	135	137	98	161	149
Trade and other payables	645	1,071	1,210	1,173	815	678
Short-term borrowings	943	903	698	561	674	369
Other current liabilities	34	27	71	223	258	267
Current liabilities	**1,622**	**2,001**	**1,979**	**1,957**	**1,747**	**1,314**
Total equity and liabilities	**8,309**	**8,411**	**8,288**	**8,211**	**7,393**	**6,691**
Summary of Cash Flow Statement						
Cash at beginning of year	15	20	50	44	143	42
Net cash from / (used in) operating activities	218	(229)	(106)	226	(233)	548
Net cash from / (used in) investing activities	(147)	60	(5)	(2)	(64)	(59)
Net cash from / (used in) financing activities	58	164	81	(218)	198	(388)
Net increase / (decrease) in cash	129	(5)	(30)	6	(99)	101
Cash at end of year	**144**	**15**	**20**	**50**	**44**	**143**

Note: In FY2024 the Nishatabad land and buildings and the Pattoki spinning unit were classified as held for sale within other current assets, which lowers FY2024 property, plant and equipment and raises current assets. The Pattoki unit was sold in FY2025; the Nishatabad land and buildings were reclassified back to property, plant and equipment.

PERFORMANCE INDICATORS

Six-year summary

Indicator		2026	2025	2024	2023	2022	2021
Profitability Ratios							
Gross profit ratio	%	7.12	7.75	8.00	7.33	10.20	13.43
Net profit to sales (continuing)	%	0.99	0.12	1.29	1.80	3.50	5.96
Return on equity	%	3.32	0.51	6.20	9.78	22.82	36.30
Return on capital employed	%	20.37	11.53	20.67	28.01	49.73	59.61
Earning / (loss) per share	Rs.	2.44	2.68	2.24	5.07	10.99	14.19
Liquidity Ratios							
Current ratio	Times	1.48	1.48	3.86	1.14	1.16	1.09
Quick ratio	Times	1.06	1.15	3.58	0.82	0.78	0.71
Cash to current liabilities	Times	0.09	0.01	0.01	0.03	0.03	0.11
Activity / Turnover Ratios							
Inventory turnover	Times	8	9	9	9	11	9
Number of days in inventory	Days	47	43	40	40	33	40
Debtor turnover	Times	12	12	12	13	20	23
Number of days in receivables	Days	30	31	30	28	18	16
Creditors turnover	Times	6	5	5	6	9	7
Number of days in payables	Days	60	81	79	61	43	52
Total assets turnover	Times	0.67	0.67	0.72	0.82	1.01	0.80
Property, plant and equipment turnover	Times	0.99	1.87	1.84	1.14	1.35	1.04
Investment / Market Ratios							
Basic and diluted earning / (loss) per share	Rs.	2.44	2.68	2.24	5.07	10.99	14.19
Price earning ratio	Times	17.04	21.71	41.12	6.68	4.15	3.86
Market value per share – end of year	Rs.	41.57	58.17	92.10	33.86	45.66	54.75
Market value per share – highest	Rs.	68.88	104.10	111.94	44.30	63.50	64.00
Market value per share – lowest	Rs.	34.40	42.00	34.75	29.00	45.66	24.94
Break-up value without revaluation surplus	Rs.	73.04	60.50	54.10	51.90	48.15	39.14
Break-up value with revaluation surplus	Rs.	289.10	276.57	271.49	269.28	237.16	221.71
Capital Structure Ratios							
Financial leverage ratio	Times	0.58	0.66	0.59	0.52	0.72	0.65
Long-term debt to equity ratio	%	1.21	0.58	1.63	4.59	10.17	23.00
Interest coverage ratio	Times	2.66	1.91	2.64	2.70	4.35	5.57

Profitability ratios are on continuing operations (FY2026 had no discontinued operations). Earnings per share is on total profit after tax (including discontinued operations) over 22,660,123 shares: FY2025 Rs. 2.68 (continuing Rs. 0.29, discontinued Rs. 2.39); FY2024 Rs. 2.24 (continuing Rs. 3.38, discontinued Rs. (1.15)). Market highs and lows are intraday trading prices from Pakistan Stock Exchange daily data for each July–June financial year. Turnover ratios use average balances; FY2024–25 property, plant and equipment turnover is affected by the held-for-sale reclassification.

CRESCENT COTTON MILLS LIMITED

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors of your Company are pleased to present their report and audited financial statements for the year ended June 30, 2026 together with the auditors' report thereon.

Overview Of Economy And Industry

Pakistan's textile sector remained under pressure, with exports staying sluggish during the year ended 30 June 2026. The period was marked by increased volatility and global economic uncertainty. The outbreak of the US–Iran war in February 2026 further disrupted global markets. This conflict has significantly slowed global growth, fueled inflation, and worsened fuel and food insecurity. Pakistan has been particularly affected by surging fuel prices, which continue to drive up the cost of doing business. The competitive environment for Pakistan's textile sector has been intensified by India's Free Trade Agreement (FTA) with the United Kingdom and the conclusion of its FTA negotiations with the European Union in January 2026. The continued uncertainty of US tariff policies has created an ambiguous trading environment, prompting global buyers to adopt a cautious approach and slow down order placements. On the domestic front, the industry is facing a severe shortage of raw materials. Pakistan produced only 5.60 million cotton bales against a target of 10.20 million during the last year, resulting in a shortfall of around 45% and necessitating higher imports of costly cotton. Furthermore, geopolitical tensions led to an increase in crude oil prices, which in turn pushed up international polyester fibre prices. These higher input costs have significantly squeezed operating margins across the sector.

In response to these multifaceted challenges, the Company remains focused on enhancing operational efficiency and diversifying its product portfolio. It is also committed to maintaining and strengthening partnerships with key global brands in order to sustain high capacity utilization. Accordingly, it is well positioned to navigate the current geopolitical disruptions and capitalize on evolving market opportunities.

Financial And Operational Performance

The company, despite of many operational challenges has been able to post better results in profitability through persistent and diligent efforts.

Our textile business faced a number of challenges wherein both the demand and margins fell considerably. In spite of operating in such adverse circumstances the company managed to earn profit during the year under review hence, we have performed much better than many other similar units operating in the country.

The company earned a post-tax profit of Rs. 55.269 million as compared to post-tax profit of Rs. 60.710 million in the last year.

Sales revenue during the year under review has been recorded at Rs. 5,577.854 million whereas in the last year it stood at Rs. 5,573.501 million.

Our gross profit ratio for continuing operations this year is 7.11% (2025: 7.75%).

Summary of key financial results in comparison to last year are highlighted as below:

SUMMARY OF KEY FINANCIAL RESULTS IN COMPARISON TO LAST YEAR

PROFIT AND LOSS	FY-2026		FY-2025		INCREASE/(DECREASE)	
	RS. IN "000"	%	RS. IN "000"	%	RS. IN "000"	%
CONTINUING OPERATIONS						
Sales revenue	5,577,854	100.00	5,573,501	100.00	4,353	0.08
Cost of sales	5,181,223	92.89	5,141,580	92.25	39,643	0.77
Gross profit	396,631	7.11	431,921	7.75	(35,290)	(8.17)
Operating expenses	323,706	5.80	358,928	6.44	(35,222)	(9.81)
Other income	144,967	2.60	88,985	1.60	55,982	62.91
Profit from operations	217,892	3.91	161,978	2.91	55,914	34.52
Finance cost	81,772	1.47	85,272	1.53	(3,500)	(4.10)
Levy & Taxation	80,851	1.45	70,217	1.26	10,634	15.14
Profit after taxation	55,269	0.99	6,489	0.12	48,780	751.73
DISCONTINUED OPERATION						
Profit/(Loss) after taxation	0	0.00	54,221	0.97	(54,221)	(100.00)
Profit after taxation	55,269		60,710		(5,441)	(8.96)
Earnings per share (Rs.)	2.44		2.68		(0.24)	

Pakistan's economy demonstrated a gradual recovery during FY2025–26, with real GDP growth improving to 3.70%, compared with revised growth of 3.18% in the preceding fiscal year. While macroeconomic stabilization, improved sectoral performance and ongoing structural reforms supported this recovery, economic gains remained vulnerable to external uncertainties, climate-related challenges and persistent structural constraints.

Financial Strength

The company has been able to improve its financial strength, the current ratio of the company is now 1.48 (2025: 1.48). The Company's cash flow management system projects cash inflows and outflows on a regular basis and monitors the cash position on a daily basis. The Company manages its working capital requirements through short term borrowings.

Earnings Per Share

The profit per share stood at Rs. 2.44 per share (2025: Rupees 2.68 per share).

Risk And Opportunities

Crescent Cotton Mills Limited takes risks and creates opportunities in the normal course of business. Taking risk is important to remain competitive and ensure sustainable success. Our risk and opportunity management encompass an effective framework to conduct business in a well controlled environment where risk is mitigated and opportunities are availed. Each risk and opportunity is properly weighted and considered before making any choice. Decisions are formulated only if opportunities outweigh risks. Following is the summary of risks and strategies to mitigate those risks:

Strategic Risks

We are operating in a competitive environment where innovation, quality and cost matters. This risk is mitigated through continuous research & development. Strategic risk is considered as the most crucial of all the risks. Head of all business divisions meet at regular basis to form an integrated approach towards tackling risks both at the international and national level.

Business Risks

The Company faces a number of following business risks:

Cotton Supply and Price

The supply and prices of cotton is subject to the act of nature and demand dynamics of local and international cotton markets. There is always a risk of non-availability of cotton and upward shift in the cotton prices in local and international markets. The Company mitigates this risk by the procurement of the cotton in bulk at the start of the harvesting season.

Export Demand and Price

We face the risk of competition and decline in demand of our products in international markets. We minimize this risk by building strong relations with customers, broadening our customer base, developing innovative products without compromising on quality and providing timely deliveries to customers.

Energy Availability and Cost

The rising cost and un-availability of energy i.e. electricity and gas shortage is a major threat to manufacturing industry. This risk, if unmitigated can render us misfit to compete in the international markets. In order to counter the rising energy costs, the Company is considering to opt for alternative renewable energy sources. The measures to conserve energy have also been taken at all manufacturing facilities of the Company.

Financial Risks

The Board of Directors of the Company is responsible to formulate the financial risk management policies that are implemented by the Finance Department of the Company. The Company faces the following financial risks:

Currency risk

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to United States Dollar (USD) and Euro. The Company's foreign exchange risk exposure is restricted to the amount receivable from the foreign entities.

Interest rate risk

The Company's interest rate risk arises from long term financing and short term borrowings. Fair value sensitivity analysis and cash flow sensitivity analysis shows that the Company's profitability is not materially exposed to the interest rate risk.

Credit risk

The Company's credit exposure to credit risk and impairment losses relates to its trade debts, investments, bank balances, other receivables, loans, advances and deposits. This risk is mitigated by the fact that majority of our customers have a strong financial standing and we have a long standing business relationship with all our customers. We do not expect nonperformance by our customers; hence, the credit risk is minimal.

Liquidity risk

It is at the minimum due to the availability of enough funds through committed credit facilities from the Banks and Financial institutions.

Employee Recruitment and Retention

Failure to attract and retain the right people may adversely affect the achievement of company's growth plan. Strong emphasis is placed on the company's human resource and its skill set. We operate the best talent management and human resource instruments to attract, retain and motivate personnel and staff.

Product Development

The management of the company is focused on the product development for the export market and later on development of our own brand of high international value products, which should create its own demand in the international market. More than 90% production of the company can be classified to the basic commodity items and to develop a suitable market for a commodity item is a big task for which the management is constantly striving.

Statement on Corporate and financial reporting framework

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity.
- Proper books of account of the listed Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained, if any.
- The system of internal control is sound in design and has been effectively implemented and monitored, and,

- There are no significant doubts upon the listed Company's ability to continue as a going concern.
- Summarized key operating and financial data for last six years is annexed.
- All the statutory payments on account of taxes, duties, levies and charges have been made except those disclosed in the financial statements.
- There are seven (7) directors of the Company including:

  i) 5 Male
  ii) 2 Female

- There have been four (4) Board Meetings during the year and attendance of each director is stated under:-

NAME OF DIRECTOR (In alphabetical order)		**MEETINGS ATTENDED**
Mr. Abid Mahmood	- Chief Executive Officer	4
Mr. Adnan Amjad	- Non-Executive Director	4
Mr. Naveed Gulzar	- Executive Director	4
Miss. Nazish Arshad	- Non-Executive Director	4
Mr. Salman Rafi	- Independent Director	0*
Mrs. Shameen Azfar	- Independent Director	3
Mr. Taimur Amjad	- Chairman	4

  * Leaves of absence were obtained and approved from relevant director in two meetings.

- During the year four (4) meetings of the Audit Committee were held and following were the attendance:-

NAME OF DIRECTOR (In alphabetical order)		**MEETINGS ATTENDED**
Mr. Salman Rafi	- Chairman	0*
Mr. Adnan Amjad	- Member	4
Mr. Taimur Amjad	- Member	4

  * Leaves of absence were obtained and approved from relevant director in two meetings.

- The members composition of HR and Remuneration Committee is as Follows:

  i. Mrs. Shameen Azfar - Chairperson
  ii. Mr. Adnan Amjad - Member
  iii. Miss Nazish Arshad - Member

- The members composition of Sustainability Committee is as Follows:

  i. Mrs. Shameen Azfar - Chairperson
  ii. Mr. Adnan Amjad - Member
  iii. Miss Nazish Arshad - Member

Financial Statements

As required under regulation 25 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Chief Executive Officer and Chief Financial Officer presented the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board after consideration and approval authorized the signing of financial statements for issuance and circulation.

The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company M/s. Riaz Ahmad & Company, Chartered Accountants and their report is attached with the financial statements.

Appropriations

The Board of Directors of the company feels that it is prudent to plough back the profits for future growth and enhanced working capital needs of the company and do not recommend any dividend for the year ended June 30, 2026. The Company will be able to provide sufficient returns to shareholders in the upcoming years.

Pattern of Shareholding

The pattern of shareholding as per section 227 of the Companies Act, 2017 is attached.
During the year there was no shares of the Company purchased / sold by directors/spouses/minor children, Chief Financial Officer, Company Secretary and their spouses and minor children.

Related parties

The transactions between the related parties were carried out at arm's length prices determined in accordance with the comparable uncontrolled prices method. These transactions have been ratified by the Audit Committee and approved by the Board.

Gender pay gap statement under Circular No 10 dated 17 April 2024:

There are a few females in the Company. However, following is gender pay gap calculated for the year ended 30-06-2026

(i) Mean Gender Pay Gap : 175 %

(ii) Median Gender Pay Gap : 397 %

To Address the Sustainability Risks and Opportunities

The Board has established a dedicated Sustainability Committee to monitor and review the Company's sustainability-related risks and opportunities. The Company reinforced its commitment to environmental, social, and governance (ESG) principles and sustainability. Our strategic objectives are deeply rooted in fostering long-term value for our stakeholders while advancing responsible business practices that line up with global sustainability standards.

Our approach to ESG and sustainability is comprehensive, driven by a commitment to ethical governance, social responsibility and environmental stewardship. We have integrated ESG considerations into our core business strategies, ensuring that these principles are not only adhered to but are central to our decision-making procedures.

This progress is informed by the latest regulatory policies and guidelines on ESG, sustainability, and climate related risk management. We are committed to embedding ESG into every aspect of our operations, ensuring alignment with our core values and meeting the expectations of our stakeholders.

The directors remain committed to furthering these objectives, continuously adapting our strategies to meet the changing expectations of our stakeholders and to contribute positively to the broader community and environment. We believe that our efforts in ESG and sustainability not only align with our core values but also position the company as a leader in a responsible and sustainable business practices.

Corporate Governance

The Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 is annexed.

Directors' Remuneration

The Board determines remuneration in line with the Code of Corporate Governance, ensuring no Director participates in the decision regarding his/her own remuneration. Details of Directors' and CEO's remuneration are provided in the notes to the financial statements. (Annexure-II)

Committees of the Board

The board of directors in compliance with the Code of Corporate Governance has established an Audit Committee, Human Resources and Remuneration Committee and Sustainability Committee.

Corporate Social Responsibility

The Company understands its corporate responsibility towards the society and fulfills its obligation by providing financial support to under privileged members of the society and its deserving employees as well as doing philanthropy work. The company is also contributing considerable amounts to the National Exchequer, applying solutions for energy conservation and environment protection, providing best quality products and after-sales technical services to its valued customers.

The Company regularly undertakes welfare work as part of its philanthropic activities. The Company is providing healthy, safe and learning work environment to its employees and sends them to attend training courses, seminars, workshops and conferences both within the country and abroad.

External Auditors

The present external auditors M/s. Riaz Ahmad & Company, Chartered Accountants would retire at the conclusion of the annual general meeting and being eligible for re-appointment have given their consent. Based on the suggestion of the audit committee, the Board has recommended re-appointment of M/s. Riaz Ahmad & Company, Chartered Accountants as external auditors for the year ending June 30, 2027.

Events after reporting date

There is no significant event after reporting period which needs to be mentioned in Directors' Report.

Consolidated financial statements

Consolidated financial statements with accompanying information have been annexed as required under section 228 of the Companies Act, 2017.

Way Forward

The textile sector remains a key contributor to Pakistan's economy; however, it operates in a challenging macroeconomic environment characterized by high energy costs, exchange rate volatility, inflationary pressures, and fiscal constraints. Rising oil prices have further increased electricity and captive power generation costs, while lower domestic cotton availability has led to greater reliance on imported raw materials, increasing both input costs and working capital requirements. These pressures are expected to persist in the near term. Despite these challenges, improving global demand for value-added textile products and ongoing structural adjustments within the industry may support performance over the medium term. At the same time, growing emphasis on sustainability and ESG compliance is expected to shape industry practices and influence export competitiveness. Crescent Cotton Mills Limited remains focused on strengthening its operations through disciplined cost management and targeted improvements. The Company is undertaking gradual modernization, enhancing its product mix, and optimizing processes to improve overall efficiency and competitiveness in export markets. It also continues to prioritize compliance, workforce development, and occupational health and safety standards. The Company is actively engaging with industry stakeholders and relevant authorities to address key sector challenges, including energy pricing, export facilitation, and policy support. Overall, while near-term conditions remain constrained, the Company is focused on maintaining operational stability and progressively strengthening its long term position through prudent management and efficiency-driven initiatives.

The operating environment for the industry is expected to remain challenging in the near term due to high prices of raw material, inconsistent demand, and high interest rates. The Board and management remain focused on strengthening operational performance through improved efficiency, optimized energy utilization, increase in solar capacity, and disciplined cost control measures. Emphasis will also be placed on prudent working capital management, stable customer relationships, and selective market diversification to enhance order consistency and capacity utilization. While external uncertainties persist, the Company is committed to adopting prudent financial and operational strategies aimed at stabilizing performance and gradually restoring profitability, thereby safeguarding long-term shareholder value.

The company has setup a state of the art weaving unit comprising forty new looms. The weaving unit is expected to start its operations in full swing in the financial year 2026-2027. This will no doubt be a source of additional revenues for the company.

SUBSIDIARY

CRESCOT MILLS LIMITED (CML)

CML is engaged in the business of trading of raw materials of textiles. During the year CML earned revenue of Rupees 554.373 million and incurred loss after taxation of Rupees 12.021 million.

For and on behalf of
the Board of Directors

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Faisalabad
September 30, 2026

Annexure-I

Form - 20

The Companies Act, 2017

(Section 227 (2) f)

Pattern Of Shareholding

1. Incorporation Number **0000984**
2. Name of The Company **Crescent Cotton Mills Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at : **June 30, 2026**

Shareholders	From	To	Total Shares
705	1	100	21,188
458	101	500	112,974
159	501	1,000	115,686
156	1,001	5,000	338,214
28	5,001	10,000	206,436
13	10,001	15,000	152,460
4	15,001	20,000	70,046
7	20,001	25,000	164,408
4	25,001	30,000	110,337
4	35,001	40,000	150,025
4	40,001	45,000	169,968
2	45,001	50,000	93,915
4	50,001	55,000	211,228
4	55,001	60,000	237,024
1	60,001	65,000	63,600
1	70,001	75,000	71,549
1	75,001	80,000	75,500
2	80,001	85,000	166,198
1	85,001	90,000	86,204
3	95,001	100,000	297,520
4	100,001	105,000	412,434
1	120,001	125,000	121,480
1	130,001	135,000	132,915
1	135,001	140,000	136,219
2	145,001	150,000	297,358
1	155,001	160,000	157,855
1	160,001	165,000	162,541
1	165,001	170,000	167,866
1	170,001	175,000	173,012
2	175,001	180,000	355,715
2	190,001	195,000	381,600
2	205,001	210,000	413,183
1	210,001	215,000	212,000
2	215,001	220,000	435,570
1	225,001	230,000	227,986
1	230,001	235,000	233,132
1	240,001	245,000	244,565
1	335,001	340,000	340,000
1	350,001	355,000	353,224
1	370,001	375,000	372,905
2	400,001	405,000	806,745
1	410,001	415,000	413,264
1	480,001	485,000	483,124
1	540,001	545,000	543,046
1	545,001	550,000	550,000
1	570,001	575,000	571,620
1	590,001	595,000	590,744
1	605,001	610,000	606,885
2	640,001	645,000	1,285,083
1	645,001	650,000	650,000
1	735,001	740,000	737,066
1	855,001	860,000	860,000
1	1,015,001	1,020,000	1,017,813
1	1,030,001	1,035,000	1,034,499
1	1,060,001	1,065,000	1,061,848
1	1,225,001	1,230,000	1,229,104
1	1,970,001	1,975,000	1,973,245
1608			**22,660,126**

Form - 20 (II)

Sr.#	Categories of Shareholders	Numbers	Shares Held	Percentage
1	Insurance Companies	1	212,000	0.94
2	Joint Stock Companies	19	1,354,363	5.98
3	Individuals	1567	19,500,659	86.06
4	Mutual Fund	2	1,061,974	4.69
5	Others	8	150,901	0.67
6	Financial Institutions	7	374,764	1.65
7	Investment Companies	4	5,465	0.02
	Grand Total	**1,608**	**22,660,126**	**100.00**

PATTERN OF HOLDING OF SHARES

Held by Shareholders as at June 30, 2026

Categories of Shareholder	Total Holding	%Age
1 - Directors, Chief Executive Officer, Their Spouses and Minor Childern		
Chief Executive Officer		
Mr. Abid Mehmood	316,092	1.39
Directors		
Mr. Adnan Amjad	806,599	3.56
Mr. Salman Saif	2,500	0.01
Mrs. Shameen Azfar	2,500	0.01
Mr. Naveed Gulzar	1,128,147	4.98
Mr. Taimur Amjad	737,066	3.25
Mrs. Nazish Arshad	2,544,865	11.23
Director's Spouses and Their Minor Childern		
Mrs. Marium Naveed	105	0.00
Mst. Shireen Abid	1,582,328	6.98
	7,120,202	**31.42**
2 - Executives		
Executives	3,774,605	16.66
	3,774,605	**16.66**
3 - Associated Companies, Undertakings & Related Parties		
-	-	-
	-	**-**
6 - Banks, NBFCs, DFIs, Takaful, Pension Funds		
Banks, NBFCs, DFIs, Takaful, Pension Funds	1,442,203	6.36
	1,442,203	**6.36**
7 - Other Companies		
Other Companies,Corporate Bodies, Trust etc.	1,717,264	7.58
	1,717,264	**7.58**
9 - General Public		
A. Local	8,605,852	37.98
B. Foreign	-	-
	8,605,852	**37.98**
	22,660,126	**100.00**
Shareholders More Than 5.00%		
Miss Nazish Arshad	**2,544,865**	11.23
Mst. Shireen Abid	**1,582,328**	6.98

Annexure-II

REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

	Chief Executive Officer		Directors	
	2026	**2025**	**2026**	**2025**
			(RUPEES IN THOUSAND)	
Managerial remuneration	**9,065**	9,018	**6,018**	6,002
Allowances:				
Housing	**4,079**	4,058	**2,708**	2,701
Utilities	**907**	902	**602**	600
Group insurance	**-**	-	**6**	6
Reimbursable expenses	**907**	902	**602**	600
	14,958	14,880	**9,936**	9,909
Number of persons	**1**	1	**1**	1