



Dawood
Lawrencepur
Limited

ANNUAL
REPORT
2025



CONTENTS

Vision and Mission	04
Our Values	05
Company Information	06
Committees	07
Board of Directors	08
Employee Engagement & Workplace Culture	18
Operating Highlights (Six Years at a Glance)	21
Horizontal Analysis (Statement of Financial Position)	22
Vertical Analysis (Statement of Financial Position)	24
Horizontal Analysis (Profit & Loss)	26
Vertical Analysis (Profit & Loss)	26
Investor Relations	28
Statement of Value Addition and Distribution	29
Gender Pay Gap	31
Notice of Annual General Meeting	32
Chairman's Review Report	51
Directors' Report	53
Review Report on Statement of Compliance with COCG	61
Statement of Compliance with Listed Companies COCG	62
Auditor's Report on Unconsolidated Financial Statements	66
Unconsolidated Financial Statements	71
Auditor's Report on Consolidated Financial Statements	119
Consolidated Financial Statements	124
Pattern of Shareholding	191
Directors' Report (Urdu)	202
Form of Proxy	203
Miscellaneous Forms	205

OUR VISION

To be a trusted and innovative investment management company, focused on achieving sustainable growth through strategic portfolio diversification.

OUR MISSION

We strive to generate superior returns by making informed investments, effectively managing risk, and ensuring long-term value creation for our stakeholders.

OUR VALUES

RESPECT FOR OUR PEOPLE

We greatly value all individuals connected to us, including our employees, subcontractors, and vendors.

ETHICS AND INTEGRITY

We regard integrity of the highest standards as our priority to ensure that all our employees relate strongly to company ethics and values.

HEALTH, SAFETY, AND ENVIRONMENT

We hold both, clients, and employees to the highest safety standards.

CUSTOMER SATISFACTION

We believe in maintaining the highest standards of service by not just meeting customer expectations but exceeding them.

SHAREHOLDER VALUE CREATION

We will always honor the trust our shareholders have placed in us and work tirelessly for increasing our shareholder value.

STEWARDSHIP

We believe in maximizing the resources entrusted to us to deliver positive returns to society.

COMPANY INFORMATION

Board of Directors

Mr. Ruhail Muhammad
(Chairman & Independent Director)
Mr. Abdul Samad Dawood (Director)
Ms. Sabrina Dawood (Director)
Mr. Muhammed Amin (Independent Director)
Mr. Shafiq Ahmed (Director)
Mr. Sikander Hazir (Director)
Mr. Muhammad Bilal Ahmed
(Director & CEO)

Board Audit Committee

Mr. Muhammed Amin (Chairman)
Mr. Ruhail Muhammad
Mr. Shafiq Ahmed

Human Resource and Remuneration Committee

Mr. Ruhail Muhammad (Chairman)
Mr. Abdul Samad Dawood
Mr. Muhammed Amin

Chief Financial Officer

Mr. Kamran Hanif Jangda

Company Secretary

Mr. Khwaja Osama Musharraf

Head of Internal Audit

Mr. Amjad Ali

Auditors

A. F. Ferguson & Co. (Chartered Accountants)

Bankers

Bank Al-Habib Limited
Standard Chartered Bank (Pakistan) Limited
Habib Bank Limited
National Bank of Pakistan
Habib Metropolitan Bank Limited
MCB Bank Limited
Dubai Islamic Bank Limited
United Bank Limited

Legal Advisor

Zia Law Associates
17, Second Floor, Shah Chiragh Chambers
The Mall, Lahore

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block 'B'
S.M.C.H.S, Main Shahra-e-Faisal
Karachi - 74400
Tel: +92 (21) 111-111-500

Registered I Head Office

Dawood Centre, M.T. Khan Road Karachi-75530
Tel: +92-21-35686001-16
E-mail: company.secretary@dawoodhercules.com
Website: www.dawoodlawrencepur.com

Mills

Dawoodabad
Railway Station Road and
Luddan Road, Chak 439, E.B, Tehsil Burewala,
District Vehari.
Tel.: 067- 3353347, 3353 1 45, 3353246
Fax: 067- 3354679

DawoodPur

G.T. Road, Faqirabad, District Attock.
Tel.: 057-2641074-6
Fax: 057-2641073

COMMITTEES

Board Audit Committee:

The Board has constituted an Audit Committee comprising the following three directors, with an Independent Director serving as the Chairman.

Mr. Muhammed Amin - Chairman
Mr. Ruhail Muhammad - Member
Mr. Shafiq Ahmed - Member

The Committee meets at least once in a quarter or as often as it considers necessary to review and discuss all matters specified in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Head of Internal Audit acts as Secretary of the Committee.

Human Resource & Remuneration Committee:

The Board has constituted a Human Resource & Remuneration Committee comprising the following three directors, with an Independent Director serving as the Chairman.

Mr. Ruhail Muhammad - Chairman
Mr. Abdul Samad Dawood - Member
Mr. Muhammed Amin - Member

The Committee meets at least once a year or as often as it considers necessary for reviewing and approving the company's executive compensation, overall compensation strategy, human resources management policies, performance evaluation and succession plans, including career planning for employees with high potential.

The Head of Human Resources acts as Secretary of the Committee

BOARD OF DIRECTORS

**RUHAIL
MUHAMMAD**



**ABDUL SAMAD
DAWOOD**



**SABRINA
DAWOOD**



**MUHAMMED
AMIN**

**SHAFIQ
AHMED**



**SIKANDER
HAZIR**



**MUHAMMAD BILAL
AHMED**



Ruhail Muhammad

Chairman

Mr. Ruhail Muhammad brings over 40 years of leadership experience in general management, strategy, financial planning, business development, and people development across diverse sectors, including chemicals and energy.

He currently serves as the Chief Executive Officer of Lucky Electric Power Company Limited, a 660 MW power plant subsidiary of Lucky Cement. Previously, he was the Chief Executive Officer of Engro Fertilizers from 2012 to 2018. He also served as the Chief Executive Officer of Hub Power Holdings Ltd., a subsidiary of HUBCO, where he led the company's growth portfolio, including acquisitions, project financing, and financial restructuring initiatives.

Over the course of his career, he has served on the boards of several leading organizations, including Engro Corporation and its subsidiaries, K-Electric, NBP Funds, Pakistan Institute of Corporate Governance, British Overseas School, KP Energy Board (PEDO), and as Chairman of Pakistan Mercantile Exchange Limited.

He presently serves as Chairman of Pakistan Stock Exchange and is a board member of Lucky Electric Power Company Limited, other Lucky Group entities, NOWPDP, EFU Life Assurance Ltd., and Karachi Education Initiative (KSBL).

Mr. Muhammad is a CFA Charter holder and holds an MBA from the Institute of Business Administration, Pakistan. He has also attended the Advanced Management Program at INSEAD and an Agri-Business certification from Harvard Business School.



Abdul Samad Dawood

Director

Mr. Abdul Samad Dawood is the Vice Chairman and Chief Executive Officer of Engro Holdings (formerly known as Dawood Hercules Corporation). Engro Holdings is the holding company of Engro Corporation and the investing platform for the Engro enterprise.

Mr. Abdul Samad Dawood's experience of management and governance spans 20+ years with a special interest in mergers and acquisitions. He has led multi-billion-dollar M&A deals, including Engro Holdings' (formerly Dawood Hercules Corporation) acquisition of The Hub Power Company from National Power International Holdings B.V. in 2012 and the sale of DH Fertilizers to Fatima Fertilizer Company in 2015. He was also given the responsibility to lead the merger of Engro Foods (a subsidiary of Engro Corporation) into global dairy giant Royal FrieslandCampina N.V. based on the convergence of their values, goals, and abilities to address Pakistan's nutritional challenges; he has since served as the Chair of the Board of FrieslandCampina Engro Pakistan. These efforts are a culmination of the values advocated by Group Chairman, Mr. Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

His corporate governance journey spans various organizations in line with his interests; he is the Chairman of FrieslandCampina Engro Pakistan and a member of the Boards of Engro Holdings, Engro Corporation, The Dawood Foundation (TDF), Khaadi Corporation, Karachi Education Initiative, Karachi School of Business and Leadership, Dawood Corporation (Private) Limited, Dawood Investments (Private) Limited, Endeavour Pakistan, and the Pakistan Business Council. In the past, he has served on the Boards of The Hub Power Company and Sui Northern Gas Pipelines. He is also an active member of the Young Presidents' Organization.

Mr. Abdul Samad Dawood has a keen interest in music and plays the piano and guitar. He is a graduate in Economics from University College London, UK and a certified director of corporate governance from the Pakistan Institute of Corporate Governance.



Sabrina Dawood

Director

Ms. Sabrina Dawood has been a member of the Board since April 2014 and serves as Vice Chair of the Board of Trustees of The Dawood Foundation (TDF), a leading philanthropic organization dedicated to promoting education and fostering innovative learning environments. She has played a pivotal role in advancing educational initiatives, including Dawood Public School, which has provided O and A level education to over 2,500 female students for more than three decades. Her expertise in governance extends to her contributions as a member of the Board of Governors of the National Management Foundation (NMF) at Lahore University of Management Sciences (LUMS) and on the Board of the Karachi School of Business and Leadership (KSBL).

She holds an MSc in Medical Anthropology from University College London and a BA in Anthropology and Law from the London School of Economics.



Muhammed Amin

Director

Mr. Muhammed Amin has a distinguished career in Pakistan's corporate sector, currently serving as Chairman of International Packaging Films Limited. With a career spanning over four decades, Muhammed Amin has held several prominent executive roles, including CEO of Sunridge Foods Private Limited, CEO of Mondelez Pakistan Limited (formerly Kraft Foods), and key leadership positions at The Gillette Company, USA. His early career includes experience with Bristol-Myers Squibb and A. F. Ferguson & Co., reflecting a strong foundation in both multinational and local business environments.

Beyond his executive responsibilities, Mr. Amin has made significant contributions in non executive and advisory capacities. He currently serves as an Adviser to the Board of Shan Foods Private Limited. He also chairs the Audit Committee at Burque Corporation and the Strategy Committee at Spar. His previous board roles include directorships at Engro Foods Limited and Al Shaheer Corporation.

A strong advocate for governance, education, and industry development, Mr. Amin has served on the Board of Governors at The British Overseas School, Karachi, and on executive committees of the Lasbela Chamber of Commerce and Industry and the American Business Council of Pakistan. He is also the current President of the Dhoraji Youth Services Foundation.

Throughout his career, he has demonstrated a steadfast commitment to excellence, strategic growth, and community service. His leadership and advisory roles have been instrumental in shaping the direction of leading organizations within Pakistan's corporate landscape.



Shafiq Ahmed

Director

Mr. Shafiq Ahmed joined The Dawood Group in 2007 and has held senior leadership positions across several Group companies, including serving as Chief Executive Officer of Dawood Lawrencepur Limited and Tenaga Generasi Limited. He currently oversees the Group's private companies, including Dawood Corporation (Private) Limited, as Chief Executive Officer.

He serves on the Boards of Tenaga Generasi Limited, Reon Alpha (Private) Limited, Dawood Investments (Private) Limited, and Dawood Corporation (Private) Limited, as well as Inbox Business Technologies Limited.

Prior to joining the Group, he held senior management positions at Pakistan National Shipping Corporation and spent nine years with Ernst & Young Ford Rhodes. With over 25 years of experience, Mr. Ahmed brings expertise across textiles, energy, and accounting, having worked with industry leaders and pioneers in these sectors.

He is a Chartered Accountant from the Institute of Chartered Accountants of Pakistan, holds a degree in Law from the University of Karachi, and is a certified director from the Pakistan Institute of Corporate Governance.



Sikander Hazir

Director

Mr. Sikander Hazir brings over 16 years of extensive human resources experience, specializing in transforming the resource management capabilities of large and mid-sized organizations. Having spent a significant amount of time in Engro Corporation and Frontier Works Organization, he managed HR innovation programs to enhance productivity and significantly reduce operating costs. In his current role, he oversees HR-related matters of the Dawood Group while performing other key duties. Mr. Hazir holds a Bachelor of Engineering in Information and Communication Technology (ICT) and a Master of Business Administration (MBA) from the National University of Sciences and Technology (NUST), Islamabad. His strategic approach and leadership have consistently delivered measurable improvements in workforce efficiency and business performance. In addition to his professional experiences, Mr. Hazir is an avid golfer and enjoys reading autobiographies.



Muhammad Bilal Ahmed

Director & CEO

Mr. Muhammad Bilal Ahmed is an accomplished finance and investment professional with over 15 years of experience across capital allocation, treasury, and strategic planning within large, diversified business groups.

He currently serves as a Member of the Board of Directors and the Board Audit Committee of Engro Polymer & Chemicals Limited, where he provides strategic oversight with a focus on financial discipline, capital structure optimization, and long-term value creation.

Mr. Ahmed is also Vice President – Investments at Engro Holdings Limited, responsible for capital allocation and M&A initiatives across the Group. In addition, he is Chief Executive Officer of Dawood Lawrencepur Limited.

He has been associated with the Group since 2011 and has held several senior leadership roles. Mr. Ahmed has extensive experience within Engro Polymer & Chemicals Limited, having previously served in senior advisory roles across business planning, finance, treasury, and insurance. Earlier in his career, he worked at Al Meezan Investment Management Limited and has also served as Visiting Faculty at the Institute of Business Administration (IBA), Karachi.

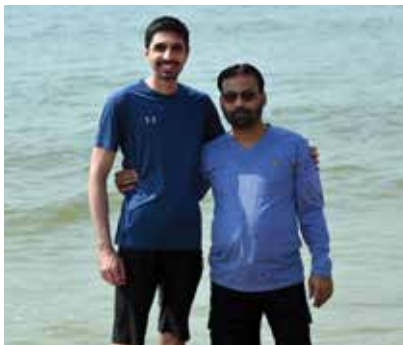
Mr. Ahmed is a graduate of the University of Cambridge and a Chartered Financial Analyst (CFA). He serves on the Board of Trustees of the Oxford and Cambridge Society Karachi Educational Trust.

He brings to the Board deep sector knowledge, strong financial acumen, and extensive experience in governance, and capital markets.

EMPLOYEE ENGAGEMENT AND WORKPLACE CULTURE

Annual Picnic

During the year, the Company organized a day trip to The Cove Resort, offering employees a chance to take a break from routine work and spend time together outside the office. The day featured various recreational activities that encouraged interaction and strengthened team bonding.



Indoor Cricket

Employees gathered for a friendly indoor cricket activity, enjoying time together and strengthening team spirit outside the workplace.



EMPLOYEE ENGAGEMENT AND WORKPLACE CULTURE

Birthdays, Farewells, Spark Awards and Long Service Recognitions

Celebrating milestones together is an important part of our workplace culture. Throughout the year, the Company marked employees' birthdays, farewells, spark awards and long service recognitions, creating moments of appreciation and strengthening the sense of community within the organization.



FINANCIAL HIGHLIGHTS

OPERATING HIGHLIGHTS

SIX YEARS AT A GLANCE

Sr.#	PARTICULARS	UNIT	Six Year at Glance					
			2020	2021	2022	2023	2024	2025
A) STATEMENT OF PROFIT OR LOSS								
1	Sales Value	Rs. In 000	5,626,725	11,881,431	13,659,277	5,879,648	6,418,708	7,133,513
2	Gross Profit	Rs. In 000	2,058,632	2,627,791	3,169,454	4,079,578	5,197,252	5,234,229
3	Operating Profit	Rs. In 000	1,474,250	1,813,496	2,312,458	594,877	8,004,519	7,244,770
4	EBITDA	Rs. In 000	3,489,534	3,973,722	4,107,354	2,954,897	11,285,655	9,685,571
5	Profit Before Taxation from Continuing Operations	Rs. In 000	2,001,811	2,665,629	2,551,298	1,141,723	9,849,815	8,352,153
6	Profit After Taxation from Continuing Operations	Rs. In 000	1,813,175	2,507,053	2,088,624	(210,333)	9,207,539	8,033,387
7	Profit / (Loss) from Discontinued Operations	Rs. In 000	(22,604)	(21,438)	(31,719)	(351,198)	(41,095)	110,481
8	Profit / (Loss) For The Year	Rs. In 000	1,790,571	2,485,615	2,056,905	(561,531)	9,166,444	8,143,868
B) DIVIDEND								
1	Cash Dividend	%	-	-	70	-	80	-
2	Stock Dividend	%	-	-	-	-	-	-
C) STATEMENT OF FINANCIAL POSITION								
1	Fixed assets	Rs. in 000	12,535,077	12,481,982	13,636,260	295,737	12,756,076	7,474,982
2	Long term investments	Rs. in 000	10,909,397	11,570,345	11,370,030	10,656,105	12,011,194	21,436,762
3	Current Assets	Rs. in 000	5,516,906	9,071,159	10,200,291	23,713,106	11,555,393	14,486,111
4	Current Liabilities	Rs. in 000	3,974,602	6,751,689	6,947,042	13,580,016	3,928,778	4,438,910
5	Paid Up Capital	Rs. in 000	592,998	592,998	592,998	592,998	592,998	592,998
6	Capital Reserves	Rs. in 000	206,666	217,866	206,666	(478,316)	(592,898)	(592,898)
7	Revenue Reserve	Rs. in 000	13,358,781	15,152,648	16,439,671	15,978,598	23,630,683	33,479,440
8	Non Controlling Interest	Rs. in 000	1,492,729	1,827,304	2,220,372	2,123,656	3,101,172	2,571,344
9	No. of Ordinary Shares	in thousands	59,300	59,300	59,300	59,300	59,300	59,300
D) RATIO ANALYSIS								
1	Gross Profit	%	36.59	22.12	23.20	69.38	80.97	73.38
2	Net Profit to Sales	%	31.82	20.92	15.06	(9.55)	142.81	114.16
3	Operating Profit Margin	%	26.20	15.26	16.93	10.12	124.71	101.56
4	EBITDA margin	%	62.02	33.44	30.07	50.26	175.82	135.78
5	Earnings Per Share	Rs.	25.82	36.64	28.59	12.19	131.56	146.27
6	Inventory Turnover	Time	(16.47)	(21.12)	(12.79)	(3.56)	(421.63)	(1,897.39)
7	Age of Inventory	Days	(22.16)	(17.28)	(28.54)	(102.46)	(0.87)	(0.19)
8	Debtors Turnover	Time	1.98	3.39	3.81	3.83	7.46	5.90
9	Average Collection Period	Days	184.56	107.54	95.82	95.36	48.90	61.90
10	Operating Cycle	Days	162.40	90.25	67.27	(7.10)	48.03	61.71
11	Total Assets Turnover	Time	0.19	0.36	0.39	0.17	0.18	0.16
12	Fixed Assets Turnover	Time	0.45	0.95	1.00	19.88	0.50	0.95
13	Break-up Value of Share	Rs.	238.76	269.20	290.71	271.39	398.50	564.58
14	Dividend Yield	%	-	-	3.33	-	3.04	-
15	Dividend Payout Ratio	%	-	-	20.18	-	5.18	-
16	Return on Equity	%	12.65	15.57	11.93	(3.49)	38.79	24.32
17	Debt Equity Ratio	Time	0.55	0.44	0.42	0.01	0.12	0.00
18	Current Ratio	Time	1.39	1.34	1.47	1.75	2.94	3.26
19	Quick Ratio	Time	1.33	1.25	1.32	1.75	2.94	3.26
20	Total Debt Ratio	Time	0.46	0.46	0.45	0.47	0.27	0.17
21	Interest Cover Ratio	Time	(3.86)	(6.05)	(4.59)	(2.43)	(24.01)	(26.79)
22	Dividend Cover Ratio	Time	-	-	4.96	-	19.32	-
23	Return on capital employed	%	6.24	7.35	8.85	3.14	27.26	19.87
24	Market Value per Share	Rs.	234.77	198.67	210.00	215.50	262.75	676.55
25	Market Capitalization	Rs. in Million	13,921,815	11,781,092	12,452,99	12,779,108	15,581,024	40,119,285
26	Price Earning Ratio	Times	9.09	5.42	7.35	17.68	2.00	4.63
E) PRODUCTION								
1	Power	Mega watts	116,659	130,608	121,601	129,561	137,355	105,240
F) OTHERS								
1	Employees	Nos.	138	145	120	88	18	16
2	Capital Expenditure	Rs. in 000	413,242	130	6,007	310,726	20,188	65,230

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

----- Rs. in 000s -----

Particulars	2020	2021 (Restated)	2022	2023 (Restated)	2024	2025
Share Capital, Equity and Reserves						
Issued, subscribed and paid up capital	592,998	592,998	592,998	592,998	592,998	592,998
Capital reserve	206,666	217,866	206,666	(478,316)	(592,898)	(592,898)
Revenue Reserve	13,358,781	15,152,648	16,439,671	15,978,598	23,630,683	33,479,440
Non-Controlling interest	1,492,729	1,827,304	2,220,372	2,123,656	3,101,172	2,571,344
Share holder's equity with FVR	<u>15,651,174</u>	<u>17,790,816</u>	<u>19,459,707</u>	<u>18,216,936</u>	<u>26,731,955</u>	<u>36,050,884</u>
Non Current Liabilities	9,455,166	8,700,067	8,903,153	2,870,774	5,735,191	2,976,835
Sub Total	<u>25,106,340</u>	<u>26,490,883</u>	<u>28,362,860</u>	<u>21,087,710</u>	<u>32,467,146</u>	<u>39,027,719</u>
Current Liabilities						
Current portion - long term borrowings	1,304,685	1,546,072	1,995,064	23,826	2,590,377	2,939,097
Current portion - Deferred grant	5,369	3,056	-	-	-	-
Current portion - lease Liabilities	29,355	17,320	18,168	-	9,762	9,762
Short term financing - secured	992,745	1,395,175	1,186,695	-	-	-
Trade and other payables	1,005,778	3,107,115	2,247,367	191,190	656,217	740,366
Accrued interest / mark-up	148,018	146,622	241,729	752	131,493	56,482
Provision for taxation	-	-	-	283,157	452,700	599,841
Liabilities classified as held for sale	-	-	-	12,995,685	-	-
Contract Liabilities	410,985	453,452	1,171,823	-	-	-
Others	77,667	82,877	86,196	85,406	88,229	93,362
Sub Total	<u>3,974,602</u>	<u>6,751,689</u>	<u>6,947,042</u>	<u>13,580,016</u>	<u>3,928,778</u>	<u>4,438,910</u>
Total	<u>29,080,942</u>	<u>33,242,572</u>	<u>35,309,902</u>	<u>34,667,726</u>	<u>36,395,924</u>	<u>43,466,629</u>

----- Rs. in 000s -----

Particulars	2020	2021 (Restated)	2022	2023 (Restated)	2024	2025
Assets						
Property, plant and equipment including intangible assets	12,535,077	12,481,982	13,636,260	295,737	12,756,076	7,474,982
Right-of-use assets	116,689	115,831	100,174	-	68,879	63,131
Biological Asset	-	-	-	-	1,604	2,155
Long term investments	10,909,397	11,570,345	11,370,030	10,656,105	12,011,194	21,436,762
Others	2,873	3,255	3,147	2,778	2,778	3,488
Sub Total	<u>23,564,036</u>	<u>24,171,413</u>	<u>25,109,611</u>	<u>10,954,620</u>	<u>24,840,531</u>	<u>28,980,518</u>
Current Assets						
Stores, spares and loose tools	892	892	892	892	892	892
Contract Asset	324,240	1,127,153	1,542,666	4,842	7,144	7,094
Stock in trade	241,852	634,520	1,006,155	4,418	1,376	626
Trade debts	2,896,123	4,104,939	3,066,540	5,664	1,714,110	705,495
Loans, advances, deposits, prepayments, accrued income and other receivables	1,137,833	1,730,590	2,467,280	52,972	2,658,822	2,761,195
Short term investments	96,024	239,326	33,399	1,303,809	4,064,652	9,341,146
Taxes recoverable	130,757	85,569	74,378	-	-	-
Asset classified as held for sale	-	-	-	22,194,612	-	180,000
Cash and bank balances	689,185	1,148,170	2,008,981	145,897	3,108,397	1,489,663
Sub Total	<u>5,516,906</u>	<u>9,071,159</u>	<u>10,200,291</u>	<u>23,713,106</u>	<u>11,555,393</u>	<u>14,486,111</u>
Total Assets Employed	<u>29,080,942</u>	<u>33,242,572</u>	<u>35,309,902</u>	<u>34,667,726</u>	<u>36,395,924</u>	<u>43,466,629</u>

-----Percentage Change-----

20 over 19	21 over 20	22 over 21	23 over 22	24 over 23	25 over 24
-	-	-	-	-	-
0%	5%	-5%	-331%	24%	0%
10%	13%	8%	-3%	48%	42%
23%	22%	22%	-4%	46%	-17%
11%	14%	9%	-6%	47%	35%
-8%	-8%	2%	-68%	100%	-48%
3%	6%	7%	-26%	54%	20%
15%	19%	29%	-99%	10772%	13%
-	-43%	-100%	-	-	-
11%	-41%	5%	-100%	-	0%
22%	41%	-15%	-100%	-	-
-18%	209%	-28%	-91%	243%	13%
-35%	-1%	65%	-100%	17386%	-57%
-	-	-	-	60%	33%
-	-	-	-	-100%	-
78%	10%	158%	-100%	-	-
7%	7%	4%	-1%	3%	6%
7%	70%	3%	95%	-71%	13%
3%	14%	6%	-2%	5%	19%

-----Percentage Change-----

20 over 19	21 over 20	22 over 21	23 over 22	24 over 23	25 over 24
-3%	0%	9%	-98%	4213%	-41%
-17%	-1%	-14%	-100%	-	-8%
-	-	-	-	-	34%
5%	6%	-2%	-6%	13%	78%
-17%	13%	-3%	-12%	0%	26%
1%	3%	4%	-56%	127%	17%
0%	0%	0%	0%	0%	0%
100%	248%	37%	-100%	48%	-1%
26%	162%	59%	-100%	-69%	-55%
4%	42%	-25%	-100%	30163%	-59%
72%	52%	43%	-98%	4919%	4%
-77%	149%	-86%	3804%	212%	130%
38%	-35%	-13%	-100%	0%	0%
100%	-	-	-	100%	-
63%	67%	75%	-93%	2031%	-52%
16%	64%	12%	132%	-51%	25%
3%	14%	6%	-2%	5%	19%

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

-----Rs. in 000s -----

Particulars	2020	2021 (Restated)	2022	2023 (Restated)	2024	2025
Share Capital, Equity and Reserves						
Issued, subscribed and paid up capital	592,998	592,998	592,998	592,998	592,998	592,998
Capital reserve	206,666	217,866	206,666	-478,316	-592,898	-592,898
Revenue Reserve	13,358,781	15,152,648	16,439,671	15,978,598	23,630,683	33,479,440
Non-Controlling interest	1,492,729	1,827,304	2,220,372	2,123,656	3,101,172	2,571,344
Share holder's Equity with FVR	<u>15,651,174</u>	<u>17,790,816</u>	<u>19,459,707</u>	<u>18,216,936</u>	<u>26,731,955</u>	<u>36,050,884</u>
Non Current Liabilities	9,455,166	8,700,067	8,903,153	2,870,774	5,735,191	2,976,835
Sub Total	<u>25,106,340</u>	<u>26,490,883</u>	<u>28,362,860</u>	<u>21,087,710</u>	<u>32,467,146</u>	<u>39,027,719</u>
Current Liabilities						
Current portion - long term borrowings	1,304,685	1,546,072	1,995,064	23,826	2,590,377	2,939,097
Current portion - Deferred grant	5,369	3,056	-	-	-	-
Current portion - lease Liabilities	29,355	17,320	18,168	-	9,762	9,762
Short term financing - secured	992,745	1,395,175	1,186,695	-	-	-
Trade and other payables	1,005,778	3,107,115	2,247,367	191,190	656,217	740,366
Accrued interest / mark-up	148,018	146,622	241,729	752	131,493	56,482
Provision for taxation	-	-	-	283,157	452,700	599,841
Liabilities classified as held for sale	-	-	-	12,995,685	-	-
Contract Liabilities	410,985	453,452	1,171,823	-	-	-
Others	77,667	82,877	86,196	85,406	88,229	93,362
Sub Total	<u>3,974,602</u>	<u>6,751,689</u>	<u>6,947,042</u>	<u>13,580,016</u>	<u>3,928,778</u>	<u>4,438,910</u>
Total	<u>29,080,942</u>	<u>33,242,572</u>	<u>35,309,902</u>	<u>34,667,726</u>	<u>36,395,924</u>	<u>43,466,629</u>

-----Rs. in 000s -----

Particulars	2020	2021 (Restated)	2022	2023 (Restated)	2024	2025
Assets						
Property, plant and equipment including intangible assets	12,535,077	12,481,982	13,636,260	295,737	12,756,076	7,474,982
Right-of-use assets	116,689	115,831	100,174	-	68,879	63,131
Biological asset	-	-	-	-	1,604	2,155
Long term investments	10,909,397	11,570,345	11,370,030	10,656,105	12,011,194	21,436,762
Others	2,873	3,255	3,147	2,778	2,778	3,488
Sub Total	<u>23,564,036</u>	<u>24,171,413</u>	<u>25,109,611</u>	<u>10,954,620</u>	<u>24,840,531</u>	<u>28,980,518</u>
Current Assets						
Stores, spares and loose tools	892	892	892	892	892	892
Contract Asset	324,240	1,127,153	1,542,666	4,842	7,144	7,094
Stock in trade	241,852	634,520	1,006,155	4,418	1,376	626
Trade debts	2,896,123	4,104,939	3,066,540	5,664	1,714,110	705,495
Loans, advances, deposits, prepayments, accrued income and other receivables	1,137,833	1,730,590	2,467,280	52,972	2,658,822	2,761,195
Short term investments	96,024	239,326	33,399	1,303,809	4,064,652	9,341,146
Taxes recoverable	130,757	85,569	74,378	-	-	-
Asset - Held for sale	-	-	-	22,194,612	-	180,000
Cash and bank balances	689,185	1,148,170	2,008,981	145,897	3,108,397	1,489,663
Sub Total	<u>5,516,906</u>	<u>9,071,159</u>	<u>10,200,291</u>	<u>23,713,106</u>	<u>11,555,393</u>	<u>14,486,111</u>
Total Assets Employed	<u>29,080,942</u>	<u>33,242,572</u>	<u>35,309,902</u>	<u>34,667,726</u>	<u>36,395,924</u>	<u>43,466,629</u>

-----Percentage Change-----

2020	2021	2022	2023	2024	2025
2%	2%	2%	2%	2%	1%
1%	1%	1%	-1%	-2%	-1%
46%	46%	46%	46%	65%	77%
5%	5%	6%	6%	9%	6%
54%	54%	55%	53%	74%	83%
32%	26%	25%	8%	16%	7%
86%	80%	80%	61%	90%	90%
4%	5%	6%	0%	7%	7%
0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%
4%	4%	4%	0%	0%	0%
4%	9%	6%	1%	2%	2%
1%	0%	1%	0%	0%	0%
0%	0%	0%	1%	1%	1%
0%	0%	0%	37%	0%	0%
1%	2%	3%	0%	0%	0%
0%	0%	0%	0%	0%	0%
14%	20%	20%	39%	10%	10%
100%	100%	100%	100%	100%	100%

-----Percentage Change-----

2020	2021	2022	2023	2024	2025
43%	38%	39%	1%	35%	17%
0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%
38%	35%	32%	31%	33%	50%
0%	0%	0%	0%	0%	0%
81%	73%	71%	32%	68%	67%
0%	0%	0%	0%	0%	0%
1%	3%	4%	0%	0%	0%
1%	2%	3%	0%	0%	0%
10%	12%	9%	0%	5%	2%
4%	5%	7%	0%	7%	6%
0%	1%	0%	4%	11%	22%
0%	0%	0%	0%	0%	0%
0%	0%	0%	64%	0%	0%
3%	4%	6%	0%	9%	3%
19%	27%	29%	68%	32%	33%
100%	100%	100%	100%	100%	100%

HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

----- Rs. in 000s -----

Particulars	2020	2021 Restated	2022	2023 Restated	2024	2025
CONTINUING OPERATIONS						
Revenue from contracts with customers - net	5,626,725	11,881,431	13,659,277	5,879,648	6,418,708	7,133,513
Cost of sales	(3,568,093)	(9,253,640)	(10,489,823)	(1,800,070)	(1,221,456)	(1,899,284)
Gross profit	2,058,632	2,627,791	3,169,454	4,079,578	5,197,252	5,234,229
Selling and distribution expenses	(266,131)	(386,331)	(297,850)	-	-	-
Administrative expenses	(330,723)	(432,341)	(526,574)	(275,110)	(432,857)	(357,898)
Operating expenses	(48,264)	(107,926)	(301,286)	(3,808,656)	(7,058)	(4,203,252)
Other income	60,736	112,303	268,714	599,065	3,247,182	6,571,691
	(584,382)	(814,295)	(856,996)	(3,484,701)	2,807,267	2,010,541
Operating profit	1,474,250	1,813,496	2,312,458	594,877	8,004,519	7,244,770
Finance cost	(700,058)	(527,849)	(711,033)	(800,496)	(428,142)	(323,901)
Share of profit of associates & Joint Ventures	1,227,619	1,379,982	949,873	1,347,342	2,273,438	1,431,284
	527,561	852,133	238,840	546,846	1,845,296	1,107,383
Profit before taxation & levy from continuing operations	2,001,811	2,665,629	2,551,298	1,141,723	9,849,815	8,352,153
Taxation & Levy	(188,636)	(158,576)	(462,674)	(1,352,056)	(642,276)	(318,766)
Profit after taxation & levy from continuing operations	1,813,175	2,507,053	2,088,624	(210,333)	9,207,539	8,033,387
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operation	(22,604)	(21,438)	(31,719)	(351,198)	(41,095)	110,481
Profit / (loss) after taxation	1,790,571	2,485,615	2,056,905	(561,531)	9,166,444	8,143,868

VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

----- Rs. in 000s -----

Particulars	2020	2021 Restated	2022	2023 Restated	2024	2025
CONTINUING OPERATIONS						
Revenue from contracts with customers - net	5,626,725	11,881,431	13,659,277	5,879,648	6,418,708	7,133,513
Cost of sales	(3,568,093)	(9,253,640)	(10,489,823)	(1,800,070)	(1,221,456)	(1,899,284)
Gross profit	2,058,632	2,627,791	3,169,454	4,079,578	5,197,252	5,234,229
Selling and distribution expenses	(266,131)	(386,331)	(297,850)	-	-	-
Administrative expenses	(330,723)	(432,341)	(526,574)	(275,110)	(432,857)	(357,898)
Operating expenses	(48,264)	(107,926)	(301,286)	(3,808,656)	(7,058)	(4,203,252)
Other income	60,736	112,303	268,714	599,065	3,247,182	6,571,691
	(584,382)	(814,295)	(856,996)	(3,484,701)	2,807,267	2,010,541
Operating profit	1,474,250	1,813,496	2,312,458	594,877	8,004,519	7,244,770
Finance cost	(700,058)	(527,849)	(711,033)	(800,496)	(428,142)	(323,901)
Share of profit of associates	1,227,619	1,379,982	949,873	1,347,342	2,273,438	1,431,284
	527,561	852,133	238,840	546,846	1,845,296	1,107,383
Profit before taxation & levy from continuing operations	2,001,811	2,665,629	2,551,298	1,141,723	9,849,815	8,352,153
Taxation and levy	(188,636)	(158,576)	(462,674)	(1,352,056)	(642,276)	(318,766)
Profit after taxation & levy from continuing operations	1,813,175	2,507,053	2,088,624	(210,333)	9,207,539	8,033,387
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operation	(22,604)	(21,438)	(31,719)	(351,198)	(41,095)	110,481
Profit / (loss) after taxation	1,790,571	2,485,615	2,056,905	(561,531)	9,166,444	8,143,868

-----Percentage Change-----

20 over 19	21 over 20	22 over 21	23 over 22	24 over 23	25 over 24
-23%	111%	15%	-57%	9%	11%
-23%	159%	13%	-83%	-32%	55%
-22%	28%	21%	29%	27%	1%
7%	45%	-23%	-100%	-	-
6%	31%	22%	-48%	57%	-17%
-36%	124%	179%	1164%	-100%	59453%
-4%	85%	139%	123%	442%	102%
-4%	39%	5%	307%	-181%	-28%
-27%	23%	28%	-74%	1246%	-9%
-26%	-25%	35%	13%	-47%	-24%
34%	12%	-31%	42%	69%	-37%
-1748%	62%	-72%	129%	237%	-40%
1%	33%	-4%	-55%	763%	-15%
80%	-16%	192%	192%	-52%	-50%
-	38%	-17%	-110%	-4478%	-13%
-35%	-5%	48%	1007%	-88%	-369%
-3%	39%	-17%	-127%	-1732%	-11%

-----Percentage-----

2020	2021	2022	2023	2024	2025
100%	100%	100%	100%	100%	100%
-63%	-78%	-77%	-31%	-19%	-27%
37%	22%	23%	69%	81%	73%
-4%	-3%	-2%	0%	0%	0%
-6%	-4%	-4%	-4%	-7%	-5%
-1%	-1%	-2%	-65%	0%	-59%
1%	1%	2%	10%	51%	92%
-10%	-7%	-6%	-59%	44%	28%
26%	15%	17%	10%	125%	101%
-12%	-4%	-5%	-14%	-7%	-5%
22%	12%	7%	23%	35%	20%
10%	8%	2%	9%	28%	16%
36%	22%	19%	19%	153%	117%
-3%	-1%	-3%	-23%	-10%	-4%
33%	21%	16%	-4%	143%	113%
0%	0%	0%	-6%	-1%	2%
33%	21%	16%	-10%	142%	114%

INVESTOR RELATIONS

FINANCIAL CALENDER

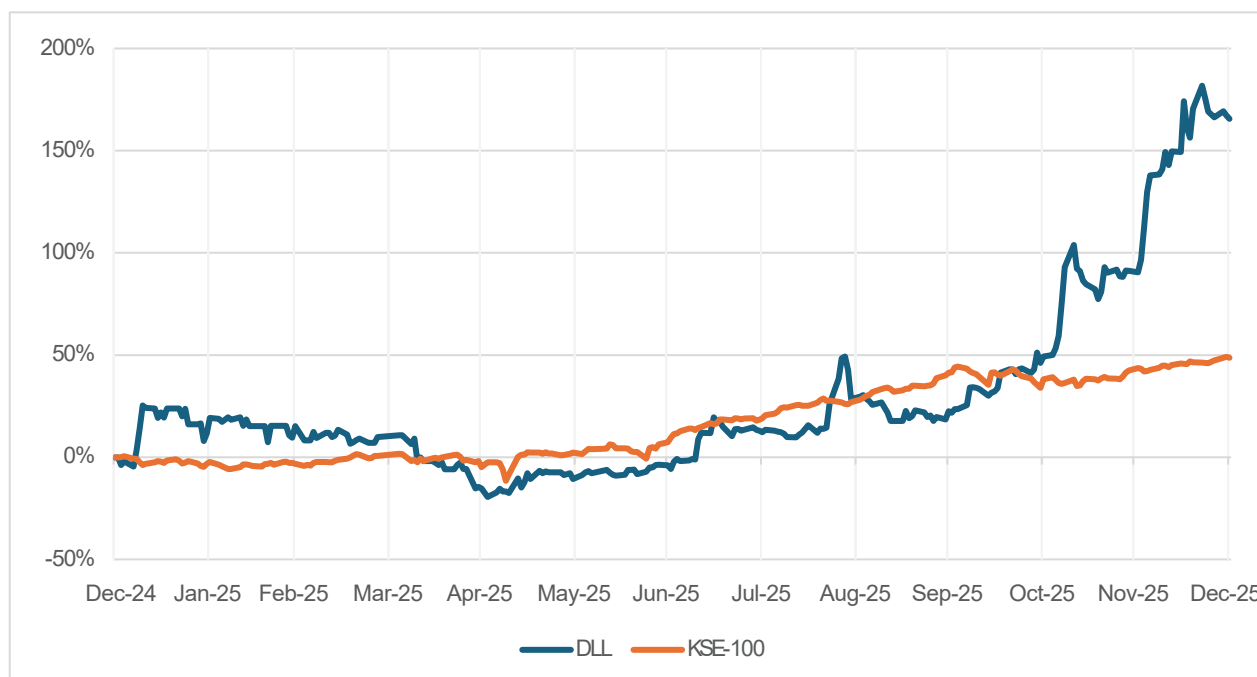
Financial Year ended 31 December 2025

30 th April 2025	Announcement of first quarter results
28 th August 2025	Announcement of second quarter results
28 th October 2025	Announcement of third quarter results
9 th March 2026	Announcement of fourth quarter results
15 th April 2026	76 th Annual General Meeting

Trading Performance During the Financial Period	2025	2024	2023	2022
Opening price	260.00	215.50	210.00	198.67
Closing price	676.55	219.49	215.50	210.00
Highest price	717.89	274.91	283.00	219.97
Lowest price	205.50	172.25	186.21	162.00
Average daily volume traded	8,897	7,137	2,529	5,806

Period Shareholder Market	Shareholder	KSE-100
1-year period (01 January 2025 to 31 December 2025)	175.97%	48.75%
3-year period (01 January 2023 to 31 December 2025)	211.22%	330.61%
5-year period (01 January 2021 to 31 December 2025)	219.60%	291.71%

Total Return: investment performance by combining price appreciation with reinvested income (Dividend or other corporate event)



Investor Relations Enquiry:
Source: dps.psx.com.pk

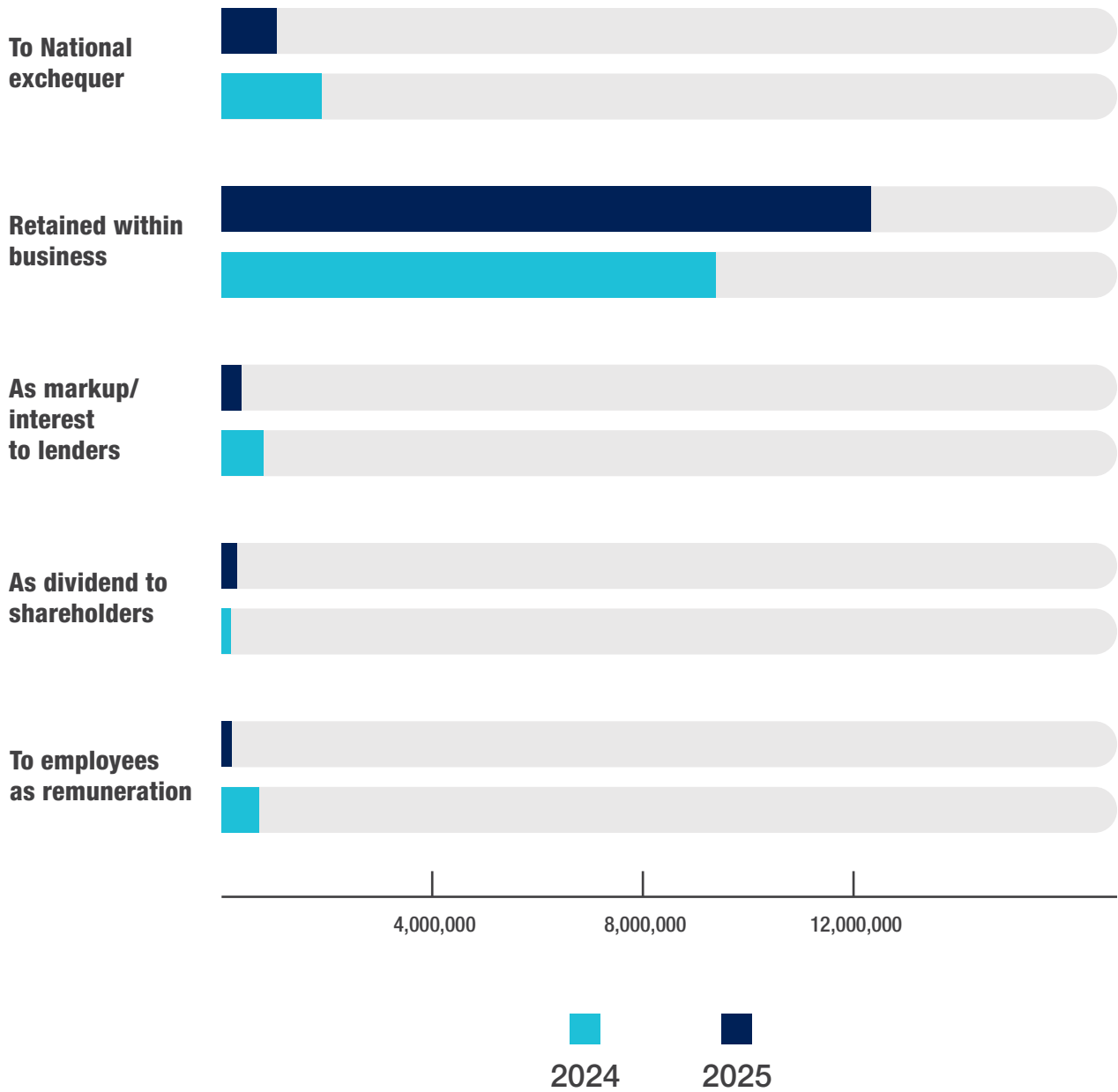
STATEMENT OF VALUE ADDITION AND DISTRIBUTION

CONSOLIDATED

	2025		2024	
	PKR '000'	%age	PKR '000'	%age
Wealth generated				
Total gross revenue & other income	16,200,978		20,156,004	
Brought in materials and services	(1,932,491)		(7,167,237)	
Total value addition	<u>14,268,487</u>		<u>12,988,767</u>	
Wealth distribution				
To employees (Salaries, wages & benefits)	198,594	1%	711,665	5%
To government (Income Tax, sales tax)	1,047,024	7%	1,907,902	15%
To providers of capital:				
Dividend to Shareholders	296,449	2%	177,899	1%
Markup/interest expenses on borrowed money	388,237	3%	799,568	6%
Retained for investment and future growth, depreciation and retained profits	12,338,183	86%	9,391,733	72%
Total value distribution	<u>14,268,487</u>		<u>12,988,767</u>	

CONSOLIDATED FINANCIALS

(Rs. in 000s)



GENDER PAY GAP

The Company ensures equitable representation of all genders within its workforce and upholds equal pay for equal work, regardless of gender. At Dawood Lawrencepur Limited, gender diversity is a core value that shapes our organizational culture and strategic direction. Throughout 2025, we continued to strengthen an inclusive workforce by leveraging shared resources across the Group, ensuring a balanced representation of male and female professionals at all levels.

As a leader in promoting Diversity, Equity, and Inclusion (DE&I), the Company remains committed to equitable compensation practices. We ensure that all employees, irrespective of gender, are compensated fairly for their roles, responsibilities, and contributions. Our workforce composition reflects this commitment, maintaining gender balance across departments and leadership positions.

For reporting gender parity for Dawood Lawrencepur Limited, we have used the recommended calculation assumptions to determine the Male-to-Female pay ratio, which stands at 18% for Mean and 24% for Median.



NOTICE OF 76TH ANNUAL GENERAL MEETING

Notice is hereby given that the 76th Annual General Meeting ("AGM") of the shareholders of Dawood Lawrencepur Limited (the "Company") will be held on Wednesday, April 15, 2026 at 3:00 PM at Karachi School of Business Leadership (KSBL), National Stadium Road, opposite Liaquat National Hospital, Karachi, and through video link facility, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Unconsolidated and Consolidated Financial Statements of the Company for the year ended December 31, 2025, together with the Directors' Report, Auditors' Reports thereon and Chairman's Review Report.

In accordance with Section 223 of the Companies Act, 2017 (the "Act") and SRO No. 389(I)/2023 dated March 21, 2023, the annual audited financial statements of the Company have been uploaded on the Company's website, and may be accessed through the following weblink and QR-enabled code:



<https://dawoodlawrencepur.com/documentuploaderdll/dll-annual-report-2025/>

2. To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Board of Directors and the Audit Committee have recommended the reappointment of Messrs. A. F. Ferguson & Co., Chartered Accountants as auditors of the Company.
3. To elect seven (7) directors of the Company, as fixed by the Board of Directors, in accordance with Section 159(1) of the Act, for a term of three (3) years commencing from April 15, 2026. Names of the retiring directors are as follows:
 1. Mr. Ruhail Muhammad
 2. Mr. Abdul Samad Dawood
 3. Ms. Sabrina Dawood
 4. Mr. Muhammed Amin
 5. Mr. Shafiq Ahmed
 6. Mr. Sikander Hazir
 7. Mr. Muhammad Bilal Ahmed

The Statement of Material Facts under section 166(3) of the Act, in respect of the election of directors, is annexed with this notice.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, pass with or without modification(s), the special resolution under Section 199 of the Act as set out in the statement of material fact, for approval of the proposed investment by way of loan and advances to its associated company, Engro Holdings Limited.
2. To consider and, if thought fit, pass, with or without modification(s), the special resolutions, in terms of Section 85 of the Act, as set out in the statement of material fact, for subdivision of the share capital of the Company.
3. To consider and, if deemed fit, pass, with or without modification(s), the special resolution(s) as set out in the statement of material fact, for change of the Registered Office of the Company from Karachi (the Province of Sindh) to Islamabad (Islamabad Capital Territory) and consequent alteration in the Memorandum of Association of the Company.

4. To consider and, if deemed fit, pass, with or without modification(s), the ordinary resolution(s), in terms of Section 183(3) of the Act, as set out in the statement of material fact for the sale of the Company's land.

The Statement of Material Facts under Section 134(3) of the Act, in respect of the aforesaid Special Businesses, is annexed hereto.

By Order of the Board



Khwaja Osama Musharraf
Company Secretary

Karachi
Dated: March 17, 2026

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from April 9, 2026, to April 15, 2026 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, M/s. CDC Share Registrar Services Limited [Address: CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400; email info@cdcsrsl.com] by the close of business on April 8, 2026, will be considered in time for attendance and voting at the AGM.

2. Video Conference Facility for AGM:

As per the directive issued by the Securities and Exchange Commission of Pakistan ("SECP"), the Company has arranged a video conference facility to enable shareholders to participate in the AGM through video link. The members and their proxies who intend to attend the AGM through video-link must register by sending an email to company.secretary@dawoodhercules.com. Such an email should include the member's name, CNIC/Passport number, folio number, phone number, and registered email address in the email with the subject 'Registration for Dawood Lawrencepur Limited's AGM' along with a valid copy of their CNICs (both sides) or passports. The video link and login credentials will be shared with those members whose complete registration details are received at least twenty-four (24) hours before the time of the AGM.

3. Participation in the AGM:

A member entitled to attend, speak and vote at the AGM may appoint another person as proxy to attend, speak and vote on his/her/its behalf. A proxy need not be a member of the Company.

The instrument appointing a proxy and the power of the attorney or other authority/board resolution under which it is signed or a notarized copy thereof must be deposited at the registered office of the Company at least forty-eight (48) hours before the time of the AGM (no account shall be taken of any part of the day that is not a working day).

The proxy form, in English and Urdu languages, is attached to this notice and is also available on the Company's website: www.dawoodlawrencepur.com

In case of appointment of proxy by corporate entities, a resolution of the board of directors/power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. The proxy holders are required to produce their original, valid CNICs or original passports at the time of the AGM.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least forty-eight (48) hours before the time of the AGM (no account shall be taken of any part of the day that is not a working day).

CDC account holders will further have to follow the guidelines below as laid down by the SECP:

(i) For Attending the AGM

- (a) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid CNIC or the original passport at the above-mentioned email address at least forty-eight (48) hours before the AGM.

- (b) In case of a corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be shared on the above-mentioned email address at least forty-eight (48) hours before the AGM (unless it has been provided earlier).

(ii) For Appointing Proxies

- (a) In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirements.
- (b) Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (c) The proxy shall produce an original valid CNIC or original passport at the above-mentioned email address at least forty-eight (48) hours before -AGM.
- (d) In case of a corporate entity, the board of directors' resolution/power of attorney with specimen signature shall be submitted to the email address mentioned above at least forty-eight (48) hours before the AGM (unless it has been provided earlier) along with the proxy form to the Company.
- (e) Proxy form will be witnessed by two (2) persons whose names, addresses, and valid CNIC numbers shall be mentioned on the form.

4. Transmission/availability of Annual Report 2025

In compliance with Section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2025 to the members through email whose email addresses are available with the Company's Share Registrar, M/s. CDC Share Registrar Services Limited. However, the Company shall provide hard copies of the Annual Report, free of cost, to any member upon request at their registered address within one week of receiving such request.

In accordance with Section 223(7) of the Act, the audited financial statements of the Company have also been placed on the Company's website, which may be accessed at www.dawoodlawrencepur.com

Further, pursuant to SECP S.R.O. 389(I)/2023 dated March 21, 2023, the Company has electronically circulated the Notice of the AGM along with a QR-enabled code and a web link providing access to the audited financial statements of the Company for the year ended December 31, 2025.

5. Election Of Directors

In terms of section 159(1) of the Act, the Board of Directors has fixed the number of Directors at seven (7), to be elected in the AGM of the Company for a term of three (3) years commencing from Wednesday, April 15, 2026.

Any person who seeks to contest the election for the office of director of the Company shall file the following information/documents with the Company at its registered office at least fourteen (14) days before the date of the AGM:

- a. Notice of his/her intention to offer himself/herself for election, under section 159(3) of the Act;

- b. Consent to act as a director on the Appendix to Form-9 of the Companies Regulations, 2024;
- c. Copy of CNIC (both sides) / Passport (in case of a foreign national) and NTN;
- d. Details of directorship/offices held in other entities;
- e. Detailed profile along with office address;
- f. A declaration confirming that:
 - He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Code"), the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company, and other applicable laws/regulations.
 - He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Code, and other applicable laws/regulations.
- g. A director shall be a member of the Company at the time of filing his / her consent for the contesting election of directors, except a person representing a member, which is not a natural person.
- h. Independent directors shall be elected in accordance with Sections 159 and 166 of the Act, and shall meet the criteria laid down under Section 166 of the Act and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:

- i. Declaration of independence under Regulation 6(3) of the Code;
- ii. Undertaking on non-judicial stamp paper confirming that he/she meets the requirements of Section 166 of the Act and Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

6. Voting Through E-voting and Postal Ballot Paper

Pursuant to the Companies (Postal Ballot) Regulations, 2018 (as may be amended), members will be allowed to exercise their right of vote through postal ballot, that is, voting by post or through E-voting, in accordance with the requirements and procedure contained in the aforesaid Regulations for the purpose of election of directors, where the number of persons offering themselves for election exceeds the number of directors fixed under Section 159 of the Act, and for agenda items constituting special business.

7. Appointment of a scrutinizer

Under Regulation 11 of the Companies (Postal Ballot) Regulations, 2018 (as amended), the Board of the Company has appointed M/s UHY Hassan Naeem & Co, Chartered Accountants, (a QCR-rated audit firm) to act as the Scrutinizer of the Company for the election of directors, investment in associated company and sale of land to be transacted in the AGM and to undertake other responsibilities as defined in Regulation 11A of the aforementioned Regulations.

8. Computerized National Identity Card (“CNIC”) / National Tax Number (“NTN”)

All those individual members holding physical shares who have not yet recorded their CNIC number are once again reminded to immediately submit a copy of their CNIC to the Company's Share Registrar, CDC Share Registrar Services Limited. Members, while sending CNIC, must quote the company name and their respective folio numbers.

The corporate members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to the Company's Share Registrar. The corporate members, while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

9. Unclaimed Dividend/Shares

Shareholders, who for any reason could not claim their dividends/shares, if any, are advised to contact the Company's Share Registrar to collect/enquire about their unclaimed dividends/shares.

In compliance with Section 244 of the Act, after having completed the stipulated procedure, all such dividends outstanding for a period of 3 years or more from the date due and payable shall be deposited with the Federal Government in case of unclaimed dividends, and in case of shares, shall be delivered to the SECP.

10. Deposit of Physical Shares into CDC Accounts

As per Section 72 of the Act, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 31, 2017.

Furthermore, the SECP vide its letter CSD/ED/Misc/2016-639-640 dated March 26, 2021, has directed all listed companies to pursue such shareholders who are still holding shares in physical form to convert the same into book entry form. In this regard, shareholders having physical shareholding are requested to open a CDC sub-account with any of the brokers or an investor's account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody, instant credit of entitlements (bonus shares and right shares and the ability to sell their shares at any time, as trading in physical shares is not permitted under the existing regulations of the Pakistan Stock Exchange Limited.

11. Prohibition of Distribution of Gifts

In compliance with Section 185 of the Act, read with SRO 452(I)/2025 dated March 17, 2025, no gift shall be offered to the shareholders at the AGM.

Statement of Material Facts under section 166(3) of the Act

The statement sets out the material facts pertaining to the justification for selecting the persons for appointment as an independent directors to be elected at the AGM of the Company to be held on April 15, 2025.

The independent directors shall be elected through the process of election of directors in terms of Section 159 and 166(1) of the Act, read with the Code; they shall meet the criteria laid down under Section 166(2) of the Act and the Companies (Manner and Selection of Independent Directors) Regulations, 2018. The Company shall exercise its due diligence of candidates contenting as an independent directors and ensure that the names of independent directors are available in the databank of independent directors maintained by the Pakistan Institute of Corporate Governance.

Final list of contesting directors will be published in Newspapers not later than seven (7) days before the date of the said meeting in terms of section 159(4) of the Act. Further, the website of the Company will also be updated with the required information for each Director.

The Directors of the Company have no interest in the above business except their eligibility for re-election as directors of the Company.

Statement of Material Facts under section 134(3) of the Act

The statement sets out below the material facts concerning the special businesses to be transacted at the AGM of the Company to be held on April 15, 2025:

Agenda 1:

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, is as follows:

S. No.	Description	Relevant Information					
(a)	Disclosures for all types of investments						
	(A) Regarding associated company or associated undertaking:						
	(i) Name of associated company or associated undertaking	Engro Holdings Limited					
	(ii) Basis of relationship	Common directorship					
	(iii) Earnings per share for the last three years (PKR)	<table border="1"><thead><tr><th>2024</th><th>2023</th><th>2022</th></tr></thead><tbody><tr><td>20.48</td><td>21.50</td><td>7.67</td></tr></tbody></table>	2024	2023	2022	20.48	21.50
2024	2023	2022					
20.48	21.50	7.67					
(iv) Break-up value per share, based on the latest audited financial statements; and	PKR 69.3						

(v) Financial position, including main items of the statement of financial position and profit and loss account on the basis of its latest financial statements; and

Financial Position as of December 31, 2024 and Income Statement for the year ended December 31, 2024 are as follows:

Main items of the statement of financial position:

Particulars	(PKR in '000)
Property and equipment	39,921
Right-of-use assets	5,735
Investment properties	48,268
Long-term investments	23,309,927
Advances, deposits and prepayments	12,015
Other receivables	28,516
Short-term investments	16,546,268
Cash and bank balances	260,773
Total Assets	40,251,423
Defined benefit liabilities	7,633
Deferred taxation	2,012,564
Current portion of lease liabilities	7,870
Trade and other payables	1,095,892
Unclaimed dividend	1,000,870
Taxation - net	2,754,388
Total Liabilities	6,879,217
Total Equity	33,372,206

Main items of Profit or Loss Account:

Particulars	(PKR in '000)
Return on Investments-net	14,414,780
Profit before Tax	13,092,111
Profit after Tax	9,854,391

<p>(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p> <p>(V) funds invested or to be invested by the promoters, sponsors, associated company, or associated undertaking, distinguishing between cash and non-cash amounts.</p>	<p>Not applicable.</p>
<p>(B) General Disclosure:</p>	
<p>(i) maximum amount of investment to be made;</p>	<p>Loan upto Rs. 7,000,000,000</p>
<p>(ii) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</p>	<p>Purpose:</p> <p>To provide assistance to the associated company.</p> <p>Benefits to the Company and its members:</p> <p>The company will earn more income than by keeping the money in the bank.</p> <p>Period:</p> <p>The tenure of the investment shall be one year.</p>
<p>(iii) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:</p>	<p>The Company intends to use surplus funds/banking lines/security available to it to provide the requisite financing to Engro Holdings Limited. Additionally, if the Company has unutilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:</p>
<p>(i) justification for investment through borrowings;</p>	<p>Engro Holdings Limited will pay a markup rate that is not lower than the borrowing cost of the Company;</p>

	(ii) details of collateral, guarantees provided and assets pledged for obtaining such funds; and	The Company secures its overdraft lines by providing a ranking charge over movable assets (excluding long-term investments)
	(iii) cost-benefit analysis;	The Company will charge the associated company a mutually agreed markup rate, which will be higher than the bank borrowing rate, which will improve the profitability of the Company.
	(iv) salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment;	As detailed above, each financing facility will be provided on an arm's length basis.
	(v) direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>The sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following directors of the Company are also serving as directors on the Engro Holdings Limited Board as of December 31, 2025, along with their respective shareholdings, as follows:</p> <p>Mr. Abdul Samad Dawood: 5,925,624 Ms. Sabrina Dawood: 9,228,646 Mr. Muhammed Amin: 100</p> <p>The Company holds 77,931,896 shares of Engro Holdings Limited.</p>
	(vi) in case any investment in associated company or associated undertaking has already been made, the performance review of such investment, including complete information/justification for any impairment or write offs; and	Not Applicable.
	(vii) any other important details necessary for the members to understand the transaction;	Not Applicable.
(b)	In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:	
	(i) maximum price at which securities will be acquired	Not Applicable
	(ii) in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	
	(iii) maximum number of securities to be acquired;	

<p>(iv) number of securities and percentage thereof held before and after the proposed investment;</p> <p>(v) current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and</p> <p>(vi) fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;</p>	<p>Not Applicable</p>
<p>(b) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:</p>	
<p>(i) category-wise amount of investment;</p>	<p>Loan upto Rs. 7,000,000,000</p>
<p>(ii) average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah-compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;</p>	<p>The average borrowing cost of the Company on its short-term borrowings is 3 months KIBOR + 50 bps.</p> <p>The KIBOR rates as of December 31, 2025 for one, three, and six months were 10.84%, 10.63%, and 10.65%, respectively.</p>
<p>(iii) rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;</p>	<p>The rate of interest, mark-up, profit, fees or commission to be charged by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated company will be charged rates that are greater than or equal to the market rates for such facilities. Each financing facility will be provided on an arm's length basis.</p>
<p>(iv) particulars of collateral or security to be obtained in relation to the proposed investment;</p>	<p>No security is obtained since the Company and Engro Holdings Limited are associated companies.</p>
<p>(v) if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions, including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and</p>	<p>No conversion features.</p>
<p>(vi) repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.</p>	<p>Facility granted for a period of one year. The terms and conditions are already mentioned above.</p>

Except to the extent as mentioned in B(v) above, none of the Directors of the Company has any direct or indirect interest in the above-mentioned special business, except to the extent of their shareholding in the Company.

The following resolutions is proposed to be passed as special resolutions:

“RESOLVED that, the approval of the members of Dawood Lawrencepur Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized to make investment in the form of a revolving loan and advances facility to its associated company, Engro Holdings Limited, an aggregate amount of up to Pakistani Rupees Seven Billion (Rs. 7,000,000,000) on an arm’s length basis, valid for a period of one year from the date of the special resolution.

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolution and to complete all necessary corporate and legal compliances and formalities required in connection therewith.”

Agenda No. 2

The shareholders are hereby informed that the subscribed and paid-up capital of the Company comprises 80,076,652 ordinary shares, each with a face value of Rs. 10/-. The market price of the Company shares is significantly higher than their face value, making them less accessible to retail and individual investors. Accordingly, to increase market liquidity of the Company’s shares and broaden the shareholders’ base, the Board of Directors has proposed subdividing the Company’s capital by reducing the face value of shares from Rs. 10/- to Rs. 1/-. Accordingly, the shareholders will receive 10 shares of face value Rs. 1/- each against every 1 share of Rs. 10/- held in their names as on the effective date to be announced later.

The new shares proposed to be created, as a result of subdivision, shall rank pari passu with no change in the rights and privileges attached to the shares as compared to the existing shares. The new shares with a reduced face value of Rs. 1/- will be issued to the shareholders either in physical form or by crediting in their investor accounts maintained with Central Depository Company of Pakistan Limited, as the case may be, as per the entitlement of respective shareholders on the effective date.

The Board of Directors approved and recommended the proposed resolution to be passed as a special resolution under Section 85 of the Act and Article 11 of the Articles of Association of the Company.

For the purpose of the subdivision of shares and resultant increase in the number of shares, the existing Clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company need to be amended.

Existing Clause V of the Memorandum of Association and Clause 4 of the Articles of Association:

The authorised share capital of the company is PKR 6,600,000,000/- divided into 660,000,000 ordinary shares of Rs. 10/- each with powers to increase, reduce, sub-divide, consolidate or reorganize the capital of the Company and to divide the shares in the capital of the Company into several classes and kinds in accordance with the provisions of the Companies Act, 2017.

Proposed Existing Clause V of the Memorandum of Association and Clause 4 of the Articles of Association:

The authorised share capital of the company is PKR 6,600,000,000/- divided into 6,600,000,000/-

ordinary shares of Rs. 1/- each with powers to increase, reduce, sub-divide, consolidate or reorganize the capital of the Company and to divide the shares in the capital of the Company into several classes and kinds in accordance with the provisions of the Companies Act, 2017.

None of the Directors of the Company has any direct or indirect interest in the above-mentioned special business, except to the extent of their shareholding in the Company.

The following resolutions are proposed to be passed as special resolutions:

“RESOLVED that the approval of the members of Dawood Lawrencepur Limited (the “Company”) be and is hereby accorded, pursuant to Section 85 of the Companies Act, 2017 and Article 11 of the Articles of Association of the Company, to alter the existing capital of the Company, including its authorized, issued and paid-up capital, in such a manner that each ordinary share of the Company having a face value of Rs. 10/- be and is hereby subdivided into ten (10) ordinary shares of Rs. 1/- each, without any change in the rights and privileges attached to the shares.

FURTHER RESOLVED that the Authorized Capital of the Company, comprising 660,000,000 Ordinary Shares of Rs. 10/- each, be and is hereby subdivided into 6,600,000,000 Ordinary Shares of Rs. 1/- each.

FURTHER RESOLVED that Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company be amended accordingly to reflect the above subdivision.

FURTHER RESOLVED that the issued and paid-up capital of the Company, comprising 80,076,652 Ordinary Shares of Rs. 10/- each, be and is hereby subdivided into 800,766,520 Ordinary Shares of Rs. 1/- each.

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith.”

Agenda No. 3

The shareholders are hereby informed that, at present, the registered office of the Company is in the Province of Sindh at Dawood Center, M.T. Khan Road, Karachi. It is proposed that the Registered Office of the Company be changed to 68, Margalla Road, F-6/2, Islamabad, in Islamabad Capital Territory.

Relocating the registered office to Islamabad may improve overall cost efficiency by aligning the Company’s regulatory and statutory framework with the applicable jurisdiction and may also provide greater flexibility for future corporate initiatives.

The shareholding of the Company is geographically dispersed across Pakistan. Members of the Company are located across various regions, including Sindh, Punjab, Baluchistan, Khyber Pakhtunkhwa and the Islamabad Capital Territory.

The Board believes that the proposed relocation will result in improved administrative efficiency, streamlined regulatory coordination and overall operational convenience, which would be beneficial for the Company and its members.

There is no inquiry, inspection or investigation initiated or pending against the Company by any regulatory authority.

Existing Clause II of the Memorandum of Association:

The Registered Office of the company shall be situated in the Province of Sindh.

Proposed Clause II of the Memorandum of Association:

The Registered Office of the company shall be situated in the Islamabad Capital Territory.

None of the Directors of the Company has any direct or indirect interest in the above-mentioned special business except to the extent of their shareholding in the Company.

The following resolutions are proposed to be passed as special resolutions:

"RESOLVED that, the approval of the members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded, subject to fulfillment of requirements as per the Companies Act, 2017, for change of the Registered Office of the Company from Dawood Center, M. T. Khan Road, Karachi in the Province of Sindh to 68, Margalla Road, F-6/2, Islamabad in the Islamabad Capital Territory.

RESOLVED FURTHER that Clause II of the Memorandum of Association of the Company be and is hereby amended accordingly to reflect the above change of registered office.

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith."

Agenda No. 4

The shareholders are hereby informed that, in line with the Company's strategy to optimize asset utilization and divest from non-core or underperforming assets, the Board of Directors has approved the disposal of the Burewala Land, located at Mahal 439/E-B and 445/E-B on Luddan Road, Burewala.

This proposed disposal is aligned with the Company's long-term strategic objectives to enhance operational efficiency, reduce maintenance and holding costs, and reallocate capital to higher-return initiatives.

The Board has authorized the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary to initiate the disposal process, which includes identifying and evaluating potential buyers, appointing legal and financial advisors, and ensuring a fair and transparent transaction process. A comprehensive proposal will be submitted to the Board for final consideration and approval following receipt of credible offers and completion of all necessary due diligence.

As the land constitutes a sizeable part under Section 183(3) of the Act, the sale shall be subject to the approval of shareholders through ordinary resolutions.

The material facts required to be disclosed under SECP SRO 423 (I)/2018 dated April 3, 2018 when the Board of Directors proposes to sell, lease or otherwise dispose of an 'undertaking' or a 'sizeable part' thereof is to be transacted under clause (a) or (b) of sub-section (3) of section 183 of the Act, are given hereunder:

S. No.	Description	Relevant Information
(1)	Details of assets to be sold, leased or disposed of:	
(a)	Description / Name of asset	The Company's land measuring approximately 313.725 acres, situated at Mahal 439/E-B and 445/E-B, Luddan Road, Burewala, Pakistan.
(b)	Acquisition date of the asset	1954
(c)	Cost	Rs. 3,109,000
(d)	Revalued amount and date of revaluation (if applicable)	Rs. 12,749,784,000 to Rs. 13,250,000,000 dated October 31, 2025
(e)	Book value	Rs. 3,109,000
(f)	Approximate current market price/fair value	Rs. 13,000,000,000
(g)	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof:	The value of the land is subject to market fluctuation. The exact sale price will be known when actual offers will be received.
(h)	In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease	Not Applicable.
	Additional information in case of disposal of land:	
(i)	(i) Location;	Mahal 439/E-B and 445/E-B, Luddan Road, Burewala, Pakistan.
	(ii) Nature of land	Industrial.
	(iii) Area proposed to be sold	313.725 acres.
(ii)	The proposed manner of disposal of the said assets.	The land is proposed to be disposed of through negotiations with the buyer(s) through person(s) authorized by the Board of Directors.
(iii)	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts	Not Applicable.
	Additional information in case of disposal of land:	
(iv)	a. Utilization of the proceeds received from the transaction	Proceeds to be directed towards higher return initiatives.
	b. Effect on operational capacity of the company, if any	No effect on the operational capacity of the Company.
	c. Quantitative and qualitative benefits expected to accrue to the members	Proceeds from the sale of Land will be directed towards higher return initiatives, which will be beneficial for the Company and its members.

None of the Directors of the Company has any direct or indirect interest in the above-mentioned special business except to the extent of their shareholding in the Company.

The following resolutions are proposed to be passed as ordinary resolutions:

"RESOLVED that, approval of the members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded, pursuant to Section 183(3) and other applicable provisions of the Companies Act, 2017, and subject to such terms and conditions as may be determined by the Board of Directors, the sale of land, located at Mahal 439/E-B and 445/E-B on Luddan Road, Burewala, as per other details provided in the statement of material facts.

FURTHER RESOLVED that the Board of Directors be and are hereby authorized to finalize, approve and execute all necessary documents, deeds, agreements, and arrangements and to do all acts, matters, and things, including the appointment of consultants, legal advisors, and valuers, for the purpose of effecting the disposal of the land fairly, transparently and in the best interest of the Company.

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the aforementioned resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith."



POSTAL BALLOT PAPER

Dawood Lawrencepur Limited

Office Address: 9th Floor, Dawood Centre, MT Khan Road, Karachi
Contact: +92 21 35686001 – 16

Ballot Paper for voting on special businesses through post for the poll to be held at the Annual General Meeting ("AGM") of Dawood Lawrencepur Limited, being held on Wednesday, April 15, 2026, at 3:00 PM at the Karachi School of Business and Leadership, situated at National Stadium Road, Opposite Liaquat National Hospital, Karachi, and through video conferencing.

Contact Details of the Chairman, where ballot paper may be sent:

Business Address: Dawood Lawrencepur Limited, 9th Floor, Dawood Centre, MT Khan Road, Karachi, Pakistan
Attention: Company Secretary
Designated email address: company.secretary@dawoodhercules.com

Name of Shareholder / Joint Shareholders	
Registered Address of Shareholder	
Number of Shares Held	
Folio Number / Participant or Investor Account Number	
CNIC Number (copy to be attached)	
Additional Information & Enclosures (In case of Representative of Body Corporate, Corporation & Federal Government)	

I/we hereby exercise my/our vote in respect of the following agenda through postal ballot by conveying my/our assent or dissent to the following resolutions by placing a tick (✓) mark in the appropriate boxes below:

Agenda Item	Nature and Description of Resolutions	No. of Ordinary Shares for which votes are cast	I / We assent to the Special Resolution(s) (FOR)	I / We dissent to the Special Resolution(s) (AGAINST)
1.	<p>"RESOLVED that, the approval of the members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to make investment in the form of a revolving loan and advances facility to its associated company, Engro Holdings Limited, an aggregate amount of up to Pakistani Rupees Seven Billion (Rs. 7,000,000,000) on an arm's length basis, valid for a period of one year from the date of the special resolution.</p> <p>FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolution and to complete all necessary corporate and legal compliances and formalities required in connection therewith."</p>			

2.	<p>"RESOLVED that the approval of the members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded, pursuant to Section 85 of the Companies Act, 2017 and Article 11 of the Articles of Association of the Company, to alter the existing capital of the Company, including its authorized, issued and paid-up capital, in such a manner that each ordinary share of the Company having a face value of Rs. 10/- be and is hereby subdivided into ten (10) ordinary shares of Rs. 1/- each, without any change in the rights and privileges attached to the shares.</p> <p>FURTHER RESOLVED that the Authorized Capital of the Company, comprising 660,000,000 Ordinary Shares of Rs. 10/- each, be and is hereby subdivided into 6,600,000,000 Ordinary Shares of Rs. 1/- each.</p> <p>FURTHER RESOLVED that Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company be amended accordingly to reflect the above subdivision.</p> <p>FURTHER RESOLVED that the issued and paid-up capital of the Company, comprising 80,076,652 Ordinary Shares of Rs. 10/- each, be and is hereby subdivided into 800,766,520 Ordinary Shares of Rs. 1/- each.</p> <p>FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith."</p>			
3.	<p>"RESOLVED that, the approval of the members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded, subject to fulfillment of requirements as per the Companies Act, 2017, for change of the Registered Office of the Company from Dawood Center, M. T. Khan Road, Karachi in the Province of Sindh to 68, Margalla Road, F-6/2, Islamabad in the Islamabad Capital Territory.</p> <p>RESOLVED FURTHER that Clause II of the Memorandum of Association of the Company be and is hereby amended accordingly to reflect the above change of registered office.</p> <p>FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the foregoing resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith."</p>			

4.	<p>“RESOLVED that, approval of the members of Dawood Lawrencepur Limited (the “Company”) be and is hereby accorded, pursuant to Section 183(3) and other applicable provisions of the Companies Act, 2017, and subject to such terms and conditions as may be determined by the Board of Directors, the sale of land, located at Mahal 439/E-B and 445/E-B on Luddan Road, Burewala, as per other details provided in the statement of material facts.</p> <p>FURTHER RESOLVED that the Board of Directors be and are hereby authorized to finalize, approve and execute all necessary documents, deeds, agreements, and arrangements and to do all acts, matters, and things, including the appointment of consultants, legal advisors, and valuers, for the purpose of effecting the disposal of the land fairly, transparently and in the best interest of the Company.</p> <p>FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are hereby authorized, any two acting jointly, to take all necessary steps to give effect to the aforementioned resolutions and to complete all necessary corporate and legal compliances and formalities required in connection therewith.”</p>			
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Signature of Member(s) / Proxy Holder / Authorized Representative

Place:

Date:

NOTES:

1. The duly filled and signed Postal Ballot Paper must be sent to the Chairman of AGM at the above-mentioned postal or email address.
2. A copy of the valid CNIC (both sides)/Passport (in case of a foreigner) must be enclosed with the Postal Ballot Paper.
3. In case of a representative of a body corporate, corporation or Federal Government/Provincial Government, the Postal Ballot Paper must be accompanied by a copy of the valid CNIC (both sides)/Passport (in case of a foreigner) of an authorized person and an attested copy of Board Resolution/Power of Attorney/Authorization Letter etc. in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable.
4. The Postal Ballot Paper must reach the Chairman of AGM on or before April 14, 2026, by 5:00 PM. Any Postal Ballot Paper(s) received after this date and time shall not be considered for voting.
5. The signature on the Postal Ballot Paper must match the signature on the CNIC/Passport (in case of a foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, or overwritten Postal Ballot Paper(s) shall be rejected.
7. Postal Ballot Paper has also been placed on the Company's website at www.dawoodlawrencepur.com. Members may download the Postal Ballot Paper from the website or use the original/photocopy published in the newspaper, if applicable.

CHAIRMAN'S REVIEW REPORT

For the year ended December 31, 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Dawood Lawrencepur Limited (the "Company") for the year ended December 31, 2025. This year marked an important step in strengthening our foundations and preparing the Company for long-term, steady growth.

Our mandate is simple: to create value for our shareholders – whether by adding it through thoughtful investment or by preserving it through prudent stewardship. Over the past year, our teams carefully assessed our operating model and identified areas where overlaps of mandate within our group were limiting efficiency and diluting focus. Their analysis and recommendations resulted in the merger effort undertaken this year, a step aimed at strengthening the Company's long-term foundations.



As a result of it, we have a stronger equity base and balance sheet, allowing the Company to operate with greater stability and capacity for future investments. Secondly, we have a broader and more diversified portfolio of assets after integrating the investment holdings of the merging companies – helping reduce concentration risk and strengthening the long-term profile of the combined portfolio. Thirdly, we will have streamlined governance and controls, creating a more efficient oversight framework, which further enables decisions to be made with greater clarity and consistency. And lastly, by eliminating duplicative structures and administrative requirements, the Company expects to benefit from reduced operating expenses and more focused resource utilization.

The integration process this year demanded careful coordination across teams and functions. I would like to sincerely appreciate the team that worked tirelessly to achieve this goal and its host of benefits, and which ensured that the transition was handled responsibly and with due diligence.

With these steps completed, the Company now functions as a consolidated investment holding company, responsible for deploying shareholder capital with discipline and for stewarding a diverse, long-term portfolio.

This is all the more important given the context we operate in. Regional and global uncertainty continued to influence financial markets during the year. While such volatility may persist in the near term, our approach remains unchanged: to evaluate opportunities on fundamental merit and maintain a long-term view. Our conviction in the businesses we invest in remains strong, as many of our portfolio companies demonstrated:

- sound balance sheets
- capable management teams
- and business models aligned with structural growth trends.

We believe, these qualities allow them to withstand periods of turbulence and deliver value over longer cycles. Our focus remains on prudent capital allocation, thoughtful diversification, and supporting companies that create durable economic value.

I am also grateful to my fellow Board members for their guidance and oversight, and to our shareholders, partners, and stakeholders for their continued trust and engagement.

As we move forward, our priority is to safeguard the Company's financial strength, allocate capital responsibly, and deepen our focus as an investment holding company.

While external conditions may remain unpredictable, we are confident that the steps taken in 2025 have positioned the Company on stronger footing. We look ahead with a sense of responsibility and steady optimism, committed to creating lasting value for all stakeholders.

A handwritten signature in blue ink, appearing to read 'Ruhail Muhammad', with a stylized flourish at the end.

Regards,
Ruhail Muhammad

DIRECTORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

The Directors of Dawood Lawrencepur Limited (the "Company") are pleased to present their report for the year ended December 31, 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company is to manage investments in its associated and subsidiary companies engaged in the business of electric power generation and sale, produced through renewable wind and solar energy, to the national grid and a commercial entity. It also actively manages an investment portfolio in the local capital markets.

THE ENVIRONMENT WE OPERATED IN

Calendar Year 2025 ended with improving economic stability and gradual recovery. After a period of tight policy measures, CY2025 reflected a shift from stabilization towards more measured growth, particularly in the second half of the year. Despite ongoing regional and global uncertainties, Pakistan's economy showed signs of steady progress.

During 2025, geopolitical developments had a visible impact on economic conditions. Early cross-border tensions with India, regional security operations, and conflict in the Middle East, including Israel-Iran hostilities followed by ceasefire arrangements, created short-term uncertainty in global commodity prices and financial markets. At the same time, changes in U.S. trade policy, including the imposition and later partial easing of tariffs on Pakistan, affected export sentiment. While these events led to temporary volatility, improved diplomatic engagement and easing regional tensions helped restore relative stability towards the end of the year.

On the economic front, progress under the IMF's Extended Fund Facility remained an important support. The completion of the first and second program reviews strengthened investor confidence and signaled continued commitment to reforms. Pakistan also saw improvements in its sovereign credit ratings, reflecting better macroeconomic indicators and policy continuity.

Industrial activity gradually improved during the year. Large-Scale Manufacturing grew by 2.5% in CY2025, with stronger momentum in the second half (+4.8% YoY), largely driven by recovery in the automobile sector. Although growth was uneven across industries, it marked an improvement compared to the previous year.

Inflation declined significantly from earlier highs, with CPI recorded at 5.6% in December 2025. As price pressures eased and the external position remained manageable, the State Bank of Pakistan reduced the policy rate to 10.5% in December 2025 after maintaining it for six months. This step reflected a more stable inflation outlook while remaining cautious about risks.

The external account remained under control with stable PKR, thanks to strong flow of remittances (16% yoy in 2025), however current account deficit of US\$220 million in 2025, reflects a gradual increase in imports in line with improving economic activity.

Overall, CY2025 was a year of steady consolidation and gradual recovery. Continued fiscal discipline, reform implementation, and a stable security environment will be important to maintain this momentum in the period ahead.

BUSINESS OVERVIEW

Equities Portfolio

We are pleased to report another strong performance for your portfolio, which delivered a return of 63%, outperforming the KSE-100 index return of 51.2%. The investment themes we built the portfolio around continued to deliver robust returns, further reinforcing our conviction in this strategy.

Our top holdings in the banking sector remained key value drivers, with UBL leading as one of the best performing stocks in the listed space. UBL's strategic positioning, riding the yield curve and swiftly mobilizing deposits, has enabled it to navigate the lower-rate environment effectively. The management of UBL has done a remarkable job in mobilizing deposits, especially the low-cost current account ones, which will continue to support the profitability of the bank. Meanwhile, MCB continues to offer consistent dividend yield and disciplined balance sheet management, making it a resilient value play within the sector.

Our E&P sector investments (OGDC & PPL) largely remained intact despite their underperformance versus the broader index. We believe that these companies will remain beneficiaries of continued energy sector reforms in shape of better gas sector collections and deferment of LNG cargoes. The next milestone for these companies is the financial close and the commercial operations of their investment in the Reko Diq project. We believe that investment in gold and copper mining will not only be a game changer for these companies, but for the country as a whole. With monetary debasement and declining trust in the global fiat monetary system, we are witnessing an increasing number of central banks preferring to hold gold as part of their reserves, a trend that is likely to continue, if not intensify, in the future. This is likely to maintain the support for the gold prices. Likewise, with the world trending towards cleaner energy, new energy vehicles and energy guzzling AI applications, the requirement for copper will continue to remain high and likely the prices as well. All of this provides strong tailwinds for higher cash flow generation for both of these state-owned E&P companies.

We continue to hold our position in Systems Limited, Pakistan's leading IT company, which remains a standout value driver. With its dollarized revenue model, Systems is among the few Pakistani companies generating USD-based cash flows. Systems not only has a focus on organic growth but is also focused on value-generative M&A as well. We remain optimistic about this business and will closely monitor any material developments.

Our position in Fauji Fertilizer Company continued to contribute positively to portfolio performance. The company remains the largest urea producer in Pakistan, benefiting from its strong market presence and access to the lowest-cost gas through the MARI network, which is a key competitive advantage that supports healthy margins even in challenging environments.

In general, we continue to maintain a close eye on the opportunities in the market and scout for any good investments that deserve the capital that you have entrusted with us.

Wind Energy Project

The 49.5-megawatt Wind Power Plant – Tenaga Generasi Limited is operating satisfactorily and meeting the expected availability and BOP loss targets. The BOP Loss for the review period was 1.6% against a target of 4.6%, whilst the Plant Availability was 97.7%. Health, Safety and the Environment (HSE) remained the priority, with the plant operating safely for 3,369 days equivalent to 786,373 safe man-hours since COD with zero LTI.

In Q1 2025, a Medical Treated Case (MTC) involving a GE technician was recorded. Root Cause identified deviations from OEM procedures and the use of a defective tool. Immediate remedial actions included a temporary maintenance suspension, a GE performance review, and a Company-led audit, resulting in the replacement of responsible staff with competent personnel. To mitigate future risk, the Company implemented Management Safety Audits (MSA) for GE Vernova's operations.

The average wind speed during the reporting period was 6.11 m/sec, which is lower than the wind speeds of the previous year (6.14 m/sec), budgeted (6.49 m/s) and P90 (6.70 m/s). The total NPMV for the reporting period was 11.03 GWh as compared to last year's same period of 21.5 GWh. The total energy billed during the reporting period was 99.5 GWh, which is lower than that of the same period last year at 103.2 GWh, P90 level 127.5 GWh and Budget 111.7 GWh. The difference between the previous year's and the current year's NDE is that, due to lower curtailments, dispatched energy was higher and NPMV was lower.

AMALGAMATION

During the last quarter and subsequent to the year end, the Scheme of Arrangement for the amalgamation of DH Partners Limited and Cyan Limited with and into Dawood Lawrencepur Limited was duly approved by the respective Boards and shareholders of the companies involved. The Honorable Islamabad High Court also sanctioned the Scheme on February 12, 2026. Upon implementation of the Scheme in accordance with its terms, the entire undertakings, assets, liabilities, and obligations of the amalgamating companies will vest in Dawood Lawrencepur Limited, the surviving entity.

The amalgamation is expected to result in a more efficient and unified investment platform, enabling improved capital allocation, a strengthened balance sheet, and enhanced long-term shareholder value.

Your company will inherit the assets and liabilities of DH Partners Limited and Cyan Limited. They own sizeable stakes in very strong businesses, which we believe will create shared prosperity for all shareholders alike.

FINANCIAL REPORT

Financial performance

The consolidated revenue of the Group (DLL and its subsidiaries) from continuing operations was PKR 7,134 million as compared to PKR 6,419 million last year.

The consolidated gross profit of the Group from continuing operations for 2025 was PKR 5,234 million as against PKR 5,197 million last year.

The share of profit from the associated company amounted to PKR 1,431 million, representing a decrease of PKR 842 million compared to the prior year.

After accounting for a tax charge of PKR 232 million, profit after tax from continuing operations stood at PKR 8,033 million, a decrease from PKR 9,208 million in 2024.

Profits from discontinued operations stood at PKR 110 million, as compared to a loss of PKR 41 million last year. The increase was primarily attributable to the sale of scrap items amounting to PKR 180 million.

On a standalone basis, the Company received dividends from its associated company amounting to PKR 148 million, as compared to PKR 818 million last year.

Earnings per share

The unconsolidated earnings per share for the year 2025 stood at PKR 288.2, compared to PKR 51.26 in 2024, primarily due to the initial recognition of Engro Holdings Limited (ENGROH) at fair value, which resulted in a gain of PKR 16,810 million. Meanwhile, the consolidated earnings per share attributable to owners of the Holding Company from continuing operations for the year 2025 was PKR 144.41, up from PKR 132.25 in the prior year.

Dividend Consideration

The Directors have not proposed a dividend for the year 2025. This decision was primarily due to the ongoing merger and restructuring activities under the Company's scheme, as well as the consideration of alternative uses of cash to support strategic investments and long-term growth.

Auditors

The present auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants, are retiring at the conclusion of the forthcoming annual general meeting and offer themselves for reappointment. The Audit Committee has recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants as auditors of the Company for the year ending December 31, 2026, and the Board has endorsed this recommendation.

Shares traded and average prices at Pakistan Stock Exchange (PSX)

During the year, 2,224,330 shares of the Company were traded on PSX. The average price of the Company's share based on the daily closing rate was PKR 332 while the 52 weeks high-low during 2025 was PKR 718 to PKR 206 per share respectively.

Pattern of shareholding

The pattern of shareholding of the Company as at December 31, 2025, together with other necessary information, will be made available in the annual report along with the proxy form.

Market capitalization and book value

At the close of the year, the market capitalization of the Company was PKR 40,119 million (2024: PKR 15,581 million) with a market value of PKR 676.55 per share (2024: PKR 262.75) and the breakup value of PKR 428.13 per share (2024: PKR 120.09 per share).

Risk Management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to limits. Risk management policies and systems are reviewed regularly to react to change in market conditions and the Company's activities.

Corporate Governance

The management is committed to good corporate governance and compliance with best practices. The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Rule Book and Listing Regulations have been duly complied with. For further details, please refer to the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019 which will be made available with the annual report.

Code of Conduct

The Board has adopted a Business Code of Conduct, and all employees are aware of and have signed off on this Statement. The Code of Conduct is rigorously followed throughout the organization as all employees observe the rules of business conduct laid down therein.

Vision and Mission

The Board of Directors confirms that the Company continues to operate in line with its vision and mission, focusing on sustainable growth, strategic portfolio diversification, and creating long-term value for its stakeholders.

Corporate Social Responsibility

The Company along with its subsidiaries continued its commitment to social responsibility, focusing

on the development of a community-based school in Gharo, Sindh. The initiative has strengthened the school's infrastructure and led to a substantial increase in student enrollment, providing more children in the surrounding community with access to quality education. A local NGO manages daily operations, including teacher recruitment and general maintenance, ensuring effective delivery of educational services. The Company and its subsidiaries remained focused on their principal business activities while continuing engagement with community-oriented initiatives in line with their corporate social responsibility objectives.

Sustainability-Related Risks

The Company recognizes that sustainability-related risks, including climate change, depletion of non-renewable resources, and environmental pressures, may have implications for its operations and long-term risk profile. These considerations are integrated into the Company's enterprise risk management framework and are subject to oversight by the Board and relevant committees. Management monitors emerging environmental developments and evaluates potential impacts alongside core business priorities, with a focus on operational practices and initiatives that reduce environmental impact. The Company is guided by the principles of Conservation, Community, and Circular Economy in managing sustainability-related risks and fostering positive, long-term outcomes for the communities in which it operates.

Diversity, Equity, and Inclusion (DE&I)

The Company is committed to cultivating a workforce that reflects diversity across gender, culture, ethnicity, and professional experience. Recognizing that varied perspectives enhance decision-making and innovation, the Company promotes inclusive recruitment practices, equitable career development opportunities, and a workplace culture grounded in respect, fairness, and collaboration. Through these initiatives, the Company seeks to build an inclusive environment where all employees are empowered to contribute meaningfully and thrive, reinforcing its commitment to ethical and responsible business practices.

Board of Directors

The total number of directors includes the following:

- Male Directors: 6
- Female Directors: 1

The composition of the board members is as follows:

- Independent Directors: 2
- Non-Executive Male Directors: 3
- Non-Executive Female Directors: 1
- Executive Directors: 1

Board of Directors meetings

During the year ended December 31, 2025, a total of six meetings of the Board of Directors were held. The position of attendance during respective tenure was as follows:

Existing Board

Name of Director	Meetings Held	Meetings Attended
Mr. Ruhail Muhammad	6	5
Mr. Abdul Samad Dawood	6	6
Ms. Sabrina Dawood	6	4
Mr. Shafiq Ahmed	6	6
Mr. Muhammed Amin	6	6
Mr. Sikandar Hazir	6	6
Mr. Muhammad Bilal Ahmed*	6	4

* Mr. Mohammad Shamoan Chaudry resigned as CEO and Director with effect from May 16, 2025, and Mr. Muhammad Bilal Ahmed was appointed as CEO and Director with effect from the same date.

Board Audit Committee meetings

The Board of Directors has established an Audit Committee, in compliance with the Code of Corporate Governance, which oversees internal controls and compliance and has been working efficiently since its inception. The Audit Committee reviewed the quarterly, half-yearly, and annual financial statements before submission to the Board and their publication. The Audit Committee had detailed discussions with the external auditors on various issues, including their letter to the management. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

During the year ended December 31, 2025, a total of five meetings of the Board Audit Committee were held. The position of attendance during respective tenure was as follows:

Existing Committee Members

Name of Director	Meetings Held	Meetings Attended
Mr. Muhammed Amin	5	5
Mr. Shafiq Ahmed	5	5
Mr. Ruhail Muhammad	5	5

Human Resource and Remuneration Committee meetings

During the year ended December 31, 2025, one meeting of the Human Resource and Remuneration Committee (HR&RC) was held. The position of attendance during respective tenure was as follows:

Existing Committee Members

Name of Director	Meetings Held	Meetings Attended
Mr. Ruhail Muhammad	1	1
Mr. Abdul Samad Dawood	1	1
Mr. Muhammed Amin	1	1

Directors' Remuneration

The Company has a formal and transparent policy for the remuneration of the directors in accordance with the Articles of Association of the Company and the Companies Act 2017. The remuneration, including the directors' fee for attending the Board or Board Committee Meeting, paid to the Directors and CEO, is disclosed in the Unconsolidated and Consolidated Financial Statements of the Company.

Statement of Directors responsibility

The Directors confirm compliance with Corporate and Financial Reporting Framework as per the Listing Regulations of the Stock Exchange in Pakistan as follows::

- a) The financial statements prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures therefrom have been adequately disclosed.
- e) The system of internal controls is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) Key operating and financial data for the last six years in summarized form will be made available in the annual report.

FUTURE OUTLOOK

Economy and Capital Markets

Beyond the FY2026 Federal Budget, Pakistan's reform trajectory has gained momentum through landmark privatization initiatives, including the divestment of Pakistan International Airlines (PIA) and the phased privatization of power distribution companies (DISCOs). These steps are expected to ease the fiscal burden, improve operational efficiency, and attract foreign investment. Complementing these structural reforms, the government has taken measures to rationalize the power grid, including tariff adjustments, removal of cross-subsidies, and incentives for industrial consumers. At the same time, efforts to integrate renewable energy and align net metering prices with market realities are aimed at enhancing long-term sustainability and competitiveness in the energy sector.

While the fiscal managers continue to do a good job locally, the external geo-political environment has turned hostile with an active war in the Middle East. Pakistan will be adversely affected by the rise in energy prices, the largest component to our import bill, and challenges to shipment of export goods. In case, this war sustains and the disruptions to energy supply chains continue, it will exert significant pressure on Pakistan's external account and eventually on interest rates and exchange rates. This can likely have a continued negative spillover impact on the financial markets as well.

We believe that the combined portfolio is well constructed to deliver growth despite the external headwinds. While the apparent prices might be affected, the underlying business are likely to continue to post profitability and, more importantly, growth. This will ensure that as the situation normalizes, businesses will emerge stronger from where they were before.

Wind Energy project

The government's ongoing renegotiation of power tariffs has created uncertainty in the sector, potentially undermining investor confidence. While high-capacity payments have contributed to rising energy costs, focusing solely on IPPs overlooks key issues such as theft and line losses. Without structural reforms including competitive bidding, least-cost planning, and grid modernization, circular debt and tariff instability are likely to persist. Sustainable sector stability requires transparent negotiations, equitable burden-sharing, and comprehensive efficiency improvements.

ACKNOWLEDGEMENT

The Board expresses its gratitude to all the shareholders for their confidence and support. We would like to thank all stakeholders, including but not limited to financial institutions, who have been associated with us for their support and cooperation and assure them of our commitment to look after their respective interests.

We would like to thank the management and employees for their sincere contributions towards the growth and prosperity of the Company.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Chairman

Dated: March 09, 2026



A.F.FERGUSON & Co.

To the members of Dawood Lawrencepur 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 Dawood Lawrencepur Limited (the Company) for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: March 19, 2026
UDIN: CR202510056DKVe0MTwb

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

For the year ended December 31, 2025

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") in the following manner:

1. The total number of directors are Seven (7) as per the following:
 - a. Male: Six (6)
 - b. Female: One (1)
2. The composition of the Board as at December 31, 2025, was as follows:

Category	Names
Independent Directors	Mr. Ruhail Muhammad - Chairman Mr. Muhammed Amin
Non-executive Directors	Mr. Abdul Samad Dawood Ms. Sabrina Dawood Mr. Shafiq Ahmed Mr. Sikander Hazir
Executive Director	Mr. Muhammad Bilal Ahmed (Director and Chief Executive Officer)

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the 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 has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. The Company is compliant with respect of certification of directors under the Director's Training program;
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 unconsolidated and consolidated financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Name of Committees	Names of Members and Designation
Board Audit Committee	Mr. Muhammed Amin - Chairman Mr. Shafiq Ahmed - Member Mr. Ruhail Muhammad - Member
Human Resource and Remuneration Committee	Mr. Ruhail Muhammad - Chairman Mr. Abdul Samad Dawood - Member Mr. Muhammed Amin - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as follows:
 - a) Board Audit Committee: - Five (5) meetings were held during the financial year ended on December 31, 2025.
 - b) Human Resource and Remuneration Committee: - One (1) meeting held during the financial year ended on December 31, 2025.
15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the 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 Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. With respect to the compliance with Regulation 6, the Board has appointed two independent directors, and the fraction one-third number was not rounded up to one as the two independent directors elected had requisite competencies, skills, knowledge and experience to fulfil their obligations as per the requirements of the applicable laws and regulations and hence, appointment of third independent director was not warranted.

The Board was also guided by the fact that as per Regulation 6 rounding up is not mandatory and the necessary explanation for not rounding-up as required under the Regulations have been included above; and

19. Explanation for the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Nomination and Risk management committees (regulations 29 and 30)

The Functions of Nomination Committee and Risk Management Committee are being performed by Board and the Audit Committee respectively. Therefore, separate committees have not been formed.



Ruhail Muhammad
Chairman



Muhammad Bilal Ahmed
Chief Executive Officer

Dated: March 9, 2026



INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Dawood Lawrencepur Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 December 31, 2025 and of the profit and other comprehensive income, 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 Unconsolidated 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 Matter

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Following is the Key Audit Matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	<p>Scheme of Arrangement</p> <p>(Refer note 6.1.8 to the annexed unconsolidated financial statements)</p> <p>Engro Holdings Limited (ENGROH) along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) entered into a Scheme of Arrangement (the Engro / DH Scheme), in accordance with which, effective January 1, 2025:</p> <ul style="list-style-type: none"> the Company's shareholding in DHPL has been retained at 16.19%. Accordingly, the Company is continuing with its assessment that it retains significant influence over DHPL, hence the investment is classified as associate. The Company's investment in ENGROH stands at 6.47%. Based on the applicable accounting standards, the investment has been measured at fair value as it ceased to be an associate, resulting in a gain of Rs 16,810 million recognized in profit or loss for the year. <p>The matter, being a significant event for the year, has been determined as a 'key audit matter'.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> Read the Islamabad High Court's sanctioned order regarding the Engro / DH Scheme. Checked the mathematical accuracy of the amount of cost of investment allocated between the shares of ENGROH and DHPL. Recomputed the difference between the fair value of the investment in shares of ENGROH and the related allocated cost as at the date it ceased to be an associate i.e. Rs 16,810 million which is recognised as gain in profit or loss for the year. Recomputed the deferred tax liability recorded on the gain recognized in profit or loss on initial recognition. Assessed whether the related disclosures made in the annexed unconsolidated financial statements are in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

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



Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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);
- (b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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.



A.F.FERGUSON & Co.

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

A. F. Ferguson & Co
Chartered Accountants
Karachi
Date: March 19, 2026
UDIN: AR202510056BbrmhqDPK

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

ASSETS	Note	2025	2024
		----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	18,499	15,637
Biological assets		2,155	1,604
Intangible assets		64	107
Long term investments	6	20,838,960	2,388,176
Long term deposits		3,488	2,778
Staff retirement benefits	16	1,961	-
Deferred taxation - net	7	-	266,557
Total non-current assets		20,865,127	2,674,859
Current assets			
Stores and spares		892	892
Stock-in-trade	8	626	1,376
Trade debts	9	-	-
Loans to subsidiaries	10	3,474	440,039
Loans and advances		653	1,833
Deposits, prepayments and other receivables	11	115,127	87,938
Interest accrued	12	11,169	437,782
Short term investments	13	7,006,374	4,052,957
Cash and bank balances	14	520,915	151,453
Total current assets		7,659,230	5,174,270
TOTAL ASSETS		28,524,357	7,849,129
EQUITY AND LIABILITIES			
Equity			
Share capital	15	592,998	592,998
Capital reserves		206,666	206,666
Unappropriated profits		24,587,802	6,321,983
Total equity		25,387,466	7,121,647
Non-current liabilities			
Staff retirement benefits	16	-	13,223
Deferred Taxation - net	7	2,127,464	-
		2,127,464	13,223
Current liabilities			
Trade and other payables	17	305,715	187,216
Unclaimed dividend		86,002	77,585
Unpaid dividend		-	3,284
Provisions	18	7,360	7,360
Taxes payable		610,350	438,814
Total current liabilities		1,009,427	714,259
		3,136,891	727,482
Contingencies and commitments	19		
TOTAL EQUITY AND LIABILITIES		28,524,357	7,849,129

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
----- (Rupees in '000) -----			
CONTINUING OPERATIONS			
Revenue	20	2,742,145	3,325,380
Operating expenses	21	(153,256)	(228,695)
Other expenses	22	(93,085)	(74,089)
		(246,341)	(302,784)
Other income - net	23	16,925,245	201,400
Finance costs	24	(576)	(1,122)
Profit before levy and taxation from continuing operations		19,420,473	3,222,874
Levy	25	(86,374)	(45,468)
Profit before taxation from continuing operations		19,334,099	3,177,406
Taxation	25	(2,440,338)	(123,228)
Profit after taxation from continuing operations		16,893,761	3,054,178
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	26	196,710	(14,210)
Profit for the year		17,090,471	3,039,968
----- (Rupees) -----			
Earnings / (loss) per share - basic and diluted			
Total		288.20	51.26
Continuing operations	27	284.89	51.50
Discontinued operations	27	3.31	(0.24)

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
Profit for the year		17,090,471	3,039,968
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of investment		1,635,011	-
Impact of tax		(163,502)	-
		<u>1,471,509</u>	-
Remeasurement of post employment benefit obligation - actuarial gain / (loss)	16.6	338	(1,320)
		<u>1,471,847</u>	(1,320)
Total comprehensive income for the year		<u>18,562,318</u>	<u>3,038,648</u>

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operating activities	28	106,761	(199,418)
Finance costs paid		(576)	(1,122)
Gratuity paid		(18,411)	(1,441)
Income tax and levy paid		(124,656)	(267,163)
Short term investments - net		(718,813)	(1,508,592)
Dividend received	20	493,565	2,050,156
Profit received on bank deposits	20	8,486	21,792
Net Cash (utilised in) / generated from operating activities		(253,644)	94,212
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(4,742)	(1,649)
Investment in biological assets		(551)	(1,604)
Purchase of intangible asset		-	(128)
Proceeds from disposal of property, plant and equipment		11	9,885
Proceeds from sale of Reon Energy Limited		-	100,000
Investment in subsidiary		-	(20,000)
Loan to subsidiaries	10.4	436,565	(617)
Mark-up received from related parties		483,189	2,689
Net cash generated from investing activities		914,472	88,576
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(291,366)	(175,076)
Net cash used in financing activities		(291,366)	(175,076)
Net increase in cash and cash equivalents		369,462	7,712
Cash and cash equivalents at beginning of the year	14	151,453	143,741
Cash and cash equivalents at end of the year		520,915	151,453

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

	Capital reserves					Revenue reserve		
	Share capital	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	Total
	----- (Rupees in '000) -----							
Balance as at January 1, 2024	592,998	10,521	136,865	25,969	33,311	206,666	3,461,234	4,260,898
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	3,039,968	3,039,968
Other comprehensive loss	-	-	-	-	-	-	(1,320)	(1,320)
Total comprehensive income for the year	-	-	-	-	-	-	3,038,648	3,038,648
Transactions with owners								
Interim dividend for the year ended Dec. 31, 2024 @ Rs 3.00 per share	-	-	-	-	-	-	(177,899)	(177,899)
Balance as at December 31, 2024	592,998	10,521	136,865	25,969	33,311	206,666	6,321,983	7,121,647
Profit for the year	-	-	-	-	-	-	17,090,471	17,090,471
Other comprehensive gain	-	-	-	-	-	-	1,471,847	1,471,847
Total comprehensive income for the year	-	-	-	-	-	-	18,562,318	18,562,318
Transactions with owners								
Final dividend for the year ended Dec. 31, 2024 @ Rs 5.00 per share	-	-	-	-	-	-	(296,499)	(296,499)
Balance as at December 31, 2025	592,998	10,521	136,865	25,969	33,311	206,666	24,587,802	25,387,466

The annexed notes from 1 to 39 form an integral part of these unconsolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Lawrencepur Limited (the Company) was incorporated in Pakistan in the year 2004, as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 among Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Company are listed on the Pakistan Stock Exchange. The principal activity of the Company is to manage investments including in its subsidiaries and associated companies. The Company's head office is situated at Dawood Centre, M.T. Khan Road, Karachi. Dawood Corporation (Private) Limited (DCPL) being the parent holds 54.84% of the shares in the Company.

1.2 During the years 2007 and 2008, the Company suspended operations of LWTM, BTM, DL and DCM. In this respect, all immovable assets of DL, DCM, LWTM and BTM were disposed of, except for the land and building pertaining to LWTM and BTM as stated in note 5.2 to these unconsolidated financial statements. Consequently, the Company does not have any industrial unit in production. The Company continues to operate the 'Lawrencepur' brand name under a license.

1.3 During the year, the Board of Directors of the Company, in its meeting held on October 28, 2025, granted "in principle" approval for the amalgamation of the Company with DH Partners Limited (DHPL) and Cyan Limited (Cyan) through a Scheme of Arrangement ('the Amalgamation Scheme'). Subsequently, on December 15, 2025 the Board approved the Scheme under sections 279 and 283 of the Companies Act, 2017. The Scheme relates to the amalgamation of entire undertakings, including all assets, liabilities and obligations, of DHPL and Cyan with and into the Company as follows:

- amalgamation of DHPL and Cyan (defined as the "Amalgamating Companies" in the Amalgamation Scheme) into the Company, the surviving entity, by transferring to and vesting in the Company the entire undertaking, including all assets, liabilities and obligations, of the Amalgamating Companies as a going concern, against the allotment and issue by the Company of fully paid-up ordinary shares of Rs. 10 in the capital of the Company to members of DHPL who are appearing in its register of members on DHPL's Record Date, except the Company (as specified in the Amalgamation Scheme) and the members of Cyan who are appearing in the register of members of Cyan on the Cyan Record Date (as specified in the Amalgamation Scheme) under the Amalgamation Scheme, in each case, based on swap ratios as set forth in the Amalgamation Scheme; and
- the dissolution of Cyan and DHPL (the Amalgamating Companies) without winding up, in accordance with the terms of the Scheme.

Subsequent to year-end, the shareholders of DHPL, in an Extraordinary General Meeting held on January 27, 2026, approved the Amalgamation Scheme. Thereafter, the Islamabad High Court approved and sanctioned the Amalgamation Scheme on February 12, 2026.

2. BASIS OF PREPARATION

These unconsolidated financial statements have been prepared under the historical cost convention except as specified in the relevant accounting policies.

The preparation of these unconsolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving judgement, assumptions and estimates significant

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

to these financial statements are disclosed in note 4.

These unconsolidated financial statements represent the separate financial statements of the Company in which investments in subsidiaries and associates other than those classified as held for sale, have been stated at cost less accumulated impairment losses, if any. The consolidated financial statements of the Company and its subsidiaries have been presented separately.

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the Company's functional currency.

2.3 New standards, amendments and interpretation to published accounting and reporting standards which became effective during the year ended December 31, 2025

There were certain amendments to applicable financial reporting framework which became effective for the Company during the current year. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

2.4 New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company:

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after January 1, 2026. The new standard includes IFRS 18 Presentation and Disclosure in Financial Statements with applicability date of January 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Company's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3.1 Property, plant and equipment

Property, plant and equipment, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss in the year in which these are incurred.

Depreciation is charged using the straight-line method whereby the cost of an operating asset less its estimated residual value is charged over its estimated useful life. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed of.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Disposal of asset is recognised when significant risks and rewards incidental to ownership have been transferred to the buyer. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of an asset is recognised in the period of disposal in the profit or loss.

3.2 Financial instruments

3.2.1 Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); or
- those to be measured subsequently at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets, impairment losses and foreign exchange gain and losses are recognised in profit or loss.

b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

c) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented within other gains / (losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.2.2 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.2.3 Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.2.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments (other than trade debts) carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12 month ECL under IFRS 9 'Financial Instruments'.

For trade debts, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Financial assets considered irrecoverable are written-off. To measure the expected credit losses, trade debts are grouped based on shared credit risk characteristics and the days past due.

3.3 Impairment of non-financial assets including investment in subsidiaries and associates

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

3.4 Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Further, the Company also considers whether:

- It has power over the investee entity;
- It has exposure or right, to variable returns from its involvement with the investee entity; and
- It has the ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary companies are stated at cost less accumulated impairment losses, if any.

3.5 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investment in associates are carried at cost less accumulated impairment losses, if any.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and other short-term highly liquid investments with less than three months maturity from the date of acquisition.

3.7 Provisions

Provisions are recognised when the Company has a 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.8 Employees' retirement benefits - defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

return for their service in current and prior periods, and discounted to determine its present value. The calculation is performed at least once annually, by a qualified actuary using the projected unit credit method. The Company operates a funded defined benefit 'Gratuity' plan for all of its permanent employees who have completed qualifying period of service.

Provisions are made in the financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values. Remeasurement gains and losses arising from the actuarial valuation are recognised immediately in other comprehensive income.

3.9 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental cost, if any, directly attributable to the issue of shares, are recognised in equity as a deduction, net of tax, from proceeds.

3.10 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

3.11 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 /IAS 37 and accordingly are classified as levy.

Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

Deferred

The Company accounts for deferred taxation arising on all temporary differences using the balance sheet method. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted at the reporting date. A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the related deductible temporary differences can be utilised.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3.12 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

3.13 Revenue and other income

Revenue

- Dividend income is recognised when the Company's right to receive the dividend is established.
- Capital gains / losses arising on sale of investments are included in the profit or loss on the date at which the transaction takes place.
- Income on investments and mark-up on deposits are recognised on an accrual basis.
- Unrealised gains / losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

Other income

- Gains or losses arising from changes in fair value less costs to sell of biological assets are recognized in the profit and loss.
- Rental Income earned is recognised recognized in the profit and loss..
- Royalty Income earned from from 'Lawrencepur' Brand name is recognized in the profit and loss.
- Income from sale of goods is recognised at a point in time when goods are transferred to the customer and when performance obligations are fulfilled. Goods are considered to be transferred when the control is transferred to the customer, i.e. at the time of dispatch of goods.

3.14 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at rates of exchange prevailing at the reporting date. Foreign exchange differences are recognised in the profit or loss.

3.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Management has disclosed information as required by IFRS 8 'Operating Segments' in note 35 to these unconsolidated financial statements.

3.17 Contingent liabilities

Contingent liabilities are disclosed when:

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

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- (a) Impairment – notes 3.2.4 and 3.3
- (b) Provision for taxation – note 3.11
- (c) Estimation of contingent liabilities – note 3.17

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
As at January 1, 2024									
Cost	3,157	67,127	103,940	66,130	7,425	4,629	13,699	2,450	268,557
Accumulated depreciation	-	(63,377)	(100,761)	(62,739)	(7,167)	(3,801)	(9,696)	(2,450)	(249,991)
Net book value	3,157	3,750	3,179	3,391	258	828	4,003	-	18,566
Year ended December 31, 2024									
Net book value at beginning of the year	3,157	3,750	3,179	3,391	258	828	4,003	-	18,566
Additions	-	1,100	-	-	549	-	-	-	1,649
Writeoff	-	-	-	-	(1,840)	(3,069)	(897)	-	(5,806)
Cost	-	-	-	-	1,840	3,069	897	-	5,806
Accumulated depreciation	-	-	-	-	(1,840)	(3,069)	(897)	-	(5,806)
Disposals	-	-	-	(13,819)	(3,564)	(231)	(4,092)	-	(27,711)
Cost	-	(6,055)	-	12,389	3,564	165	3,684	-	25,694
Accumulated depreciation	-	5,892	-	(1,430)	-	(66)	(408)	-	(2,067)
Depreciation (note 5.1)	-	(237)	(191)	(757)	(357)	(192)	(777)	-	(2,511)
Net book value at end of the year	3,157	4,450	2,988	1,204	450	570	2,818	-	15,637
As at December 31, 2024									
Cost	3,157	62,172	103,940	52,311	2,570	1,329	8,710	2,450	236,639
Accumulated depreciation	-	(57,722)	(100,952)	(51,107)	(2,120)	(759)	(5,892)	(2,450)	(221,002)
Net book value	3,157	4,450	2,988	1,204	450	570	2,818	-	15,637

(Rupees in '000)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
Balance brought forward									
Year ended December 31, 2025									
Net book value at beginning of the year	3,157	4,450	2,988	1,204	450	570	2,818	-	15,637
Additions	-	3,400	-	-	282	1,060	-	-	4,742
Disposals	-	-	-	-	(111)	-	-	-	(111)
Cost	-	-	-	-	(111)	-	-	-	(111)
Accumulated depreciation	-	-	-	-	111	-	-	-	111
Depreciation (note 5.1)	-	(304)	(192)	(207)	(306)	(308)	(563)	-	(1,880)
Net book value at end of the year	<u>3,157</u>	<u>7,546</u>	<u>2,796</u>	<u>997</u>	<u>426</u>	<u>1,322</u>	<u>2,255</u>	-	<u>18,499</u>
As at December 31, 2025									
Cost	3,157	65,572	103,940	52,311	2,741	2,389	8,710	2,450	241,270
Accumulated depreciation	-	(58,026)	(101,144)	(51,314)	(2,315)	(1,067)	(6,455)	(2,450)	(222,771)
Net book value	<u>3,157</u>	<u>7,546</u>	<u>2,796</u>	<u>997</u>	<u>426</u>	<u>1,322</u>	<u>2,255</u>	-	<u>18,499</u>
Annual rate of depreciation (%) 2025 and 2024	-	5%	5%	10%	33%	20%	20%	10%	

(Rupees in '000)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

5.1 Depreciation for the year has been charged in:

Administrative expenses (note 21)	1,880	2,511
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5.2 The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land in Acres
BTM Factory	Dawoodabad, Railway Station Road and Luddan Road, Chak 439, E.B, Tehsil Burewala, District Vehari.	313.725
LWTM Factory	G.T. Road, Faqirabad District Attock	230.000

2025 2024
----- (Rupees in '000) -----

6. Long term investments

Investment in related parties, at cost (note 6.1)	2,482,495	2,528,102
Provision for impairment (note 6.1.10)	(168,001)	(168,001)
	2,314,494	2,360,101

Other investments

- Financial assets at fair value through profit or loss (note 6.2)	33,550	28,060
- Financial assets at fair value through other comprehensive income (note 6.2)	18,490,916	15
	18,524,466	28,075
	20,838,960	2,388,176

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

6.1 Investment in related parties - at cost

Subsidiary - unlisted

Tenaga Generasi Limited (notes 6.1.1)
Percentage holding 75% (2024: 75%)
227,027,608 (2024: 227,027,608)
fully paid ordinary shares of Rs 10 each

2,294,804 2,294,804

Wholly owned subsidiaries - unlisted

Reon Alpha (Private) Limited (note 6.1.2)
Percentage holding 100% (2024: 100%)
16,800,100 (2024: 16,800,100)
fully paid ordinary shares of Rs 10 each

168,001 168,001

Mozart (Private) Limited (note 6.1.3)
Percentage holding 100% (2024: 100%) 100 (2024: 100)
fully paid ordinary shares of Rs 10 each

1 1

Greengo (Private) Limited (note 6.1.4)
Percentage holding 100% (2024: 100%) 100 (2024: 100)
fully paid ordinary shares of Rs 10 each

1 1

Abrax (Private) Limited (note 6.1.5)
Percentage holding 100% (2024: 100%) 100 (2024: 100)
fully paid ordinary shares of Rs 10 each

1 1

168,004 168,004

Associate - quoted

Engro Holdings Limited (notes 6.1.6 & 6.1.8)

- 65,294

DH Partners Limited (DHPL) (notes 6.1.7 & 6.1.8)
Percentage holding 16.19% (2024: Nil)
77,931,896 (2024: Nil)
fully paid ordinary shares of Rs 10 each
market value Rs 2,648.91 million (2024: Nil)

19,687 -
2,482,495 **2,528,102**

6.1.1 Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 1, 2005 as a public unlisted company to carry out the business of power generation as an independent power producer using wind energy.

6.1.2 Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 as a private limited company. The principal business of RAPL is to own and operate electric power generation project and supply electricity as an independent power producer. RAPL's plant commenced commercial operations on April 22, 2020.

The Company's board of directors in its meeting held on October 28, 2025 discussed the proposal for disposal of RAPL's power plant and the deliberations with the proposed seller are taking place. The Company believes that the envisaged disposal negotiations are at an advanced stage. In view of the fact that RAPL has no operation other than related to its power plant, RAPL is not considered to be a going concern.

6.1.3 Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage investments in associated companies. MPL is yet to execute its business activities.

6.1.4 Greengo (Private) Limited (GPL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage the Company's legacy assets located in Attock. GPL is yet to execute its business activities.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousand)

- 6.1.5** Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 as a private limited company to manage the Company's legacy assets located in Burewala. APL is yet to execute its business activities.
- 6.1.6** Engro Holdings Limited (ENGROH) was incorporated in Pakistan on April 17, 1968 as a public limited company and has its shares quoted on the Pakistan Stock Exchange. The principal activity of ENGROH is to manage investments in its subsidiaries and associated companies.
- 6.1.7** DH Partners Limited (DHPL) was incorporated in Pakistan on May 8, 2024 as a public unlisted company under the Companies Act, 2017. DHPL has been listed on February 3, 2025 on Pakistan Stock Exchange (PSX). Details relating to Engro Scheme are stated in note 6.1.8.
- 6.1.8** ENGROH, along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) entered into a Scheme of Arrangement (the Engro / DH Scheme) which was sanctioned on June 26, 2024 by the Islamabad High Court.

Under the Engro / DH Scheme, effective as of January 1, 2025:

- (i) ENGROH demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of ECL as specified in the Engro / DH Scheme vested into DHPL against which DHPL issued its shares to the existing shareholders of ENGROH (which included the Company) in the same proportion in which they held shares in ENGROH.
- (ii) Shares held by the shareholders of ECL, other than ENGROH, ("the Transferred Shareholders") vested with and into ENGROH (i.e., ECL became a wholly owned subsidiary of ENGROH) in exchange whereof ENGROH issued shares in its share capital to the Transferred Shareholders in a proportion such that the Transferred Shareholders held their present proportionate shareholding in ECL indirectly through ENGROH.

In accordance with the Engro / DH Scheme:

- the Company's shareholding in DHPL has been retained at 16.19%. Accordingly, the Company is continuing with its assessment that it retains significant influence over DHPL, hence the investment is classified as associate.
- The Company's investment in ENGROH effective January 1, 2025, stands at 6.47%, post the implementation of the Engro / DH Scheme. Based on the applicable accounting standards, the investment has been measured at fair value as it ceased to be an associate. The difference between the fair value of the investment in shares of ENGROH and the related carrying amount at the date it ceased to be an associate has been recognized in profit or loss.

On January 1, 2025, the investment was valued at Rs. 16,856 million, resulting in an unrealized fair value gain of Rs. 16,810 million recorded in profit or loss (note 23).

In respect of this investment, the Company has made an irrevocable election to present subsequent changes in fair value in other comprehensive income. Accordingly, a remeasurement gain of Rs. 1,471.509 million (net of tax) has been recognized in the other comprehensive income.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

6.1.9 The Company has pledged ordinary shares of its associate and subsidiaries as security against financing facilities availed by itself and its subsidiaries from various commercial banks (note 19.2), the details of which are as follows:

Facilities / Banks	Shares pledged	As at December 31, 2025			As at December 31, 2024		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
Pledged against short-term financing and other facilities availed by the subsidiaries							
Bank Al Habib Limited (note 19.2.2)	ENGROH	6,200,000	62,000	1,471,074	6,200,000	62,000	1,610,822
United Bank Limited (note 19.2.2)	-do-	27,900,000	279,000	6,619,833	27,900,000	279,000	7,248,699
Bank Al Habib Limited (note 19.2.2)	DHPL	6,200,000	62,000	210,738	-	-	-
United Bank Limited (note 19.2.2)	-do-	27,900,000	279,000	948,321	-	-	-
Pledged under Musharka Agreement entered into between RAPL and Faysal Bank Limited							
Faysal Bank Limited (note 19.2.2)	Reon Alpha (Private) Limited	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	345,996	-*	34,599,995	345,996	-*

*Tenaga Generasi Limited is an unlisted company and Reon Alpha (Private) Limited is a private company.

6.1.10 The movement in provision for impairment of investment is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Balance at beginning of the year	168,001	148,001
Provision recognised during the year (note 22)	-	20,000
Balance at end of the year	<u>168,001</u>	<u>168,001</u>

6.2 Other investments

2025	2024	Name of Investee	2025	2024
Units / Number of Shares				
77,931,896	77,931,896	Engro Holdings Limited (ENGROH) (notes 6.1.6, 6.1.8 and 6.3)	18,490,901	-
1,500	1,500	Asian Co-operative Society Limited (note 6.3)	15	15
			<u>18,490,916</u>	<u>15</u>
200,000	200,000	National Investment (Unit) Trust (note 6.3)	33,550	28,060
			<u>18,524,466</u>	<u>28,075</u>

6.3 Reconciliation between fair value and cost of investments

Fair value of investments	18,524,466	28,075
Surplus on remeasurement of investments as at year end	(18,476,404)	(25,620)
	<u>48,062</u>	<u>2,455</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
7. DEFERRED TAXATION - net		
Deductible temporary differences		
Loss incurred on sale of REL (note 7.1)	493,761	493,761
Transaction costs (note 7.1)	63,223	63,223
	<u>556,984</u>	<u>556,984</u>
Taxable temporary differences		
On remeasurement of investments at fair value through profit or loss	(839,919)	(290,427)
On remeasurement of investment at fair value through OCI	(1,844,529)	-
	<u>(2,127,464)</u>	<u>266,557</u>
7.1	These represent deferred tax asset arising on loss incurred on the sale of REL and transaction cost incurred for the envisaged disposal of TGL. These will be claimed as deductions when computing capital gain tax liability on future capital gains upto next six years in accordance with section 37 of the Income Tax Ordinance, 2001.	
	2025	2024
	----- (Rupees in '000) -----	
8. STOCK-IN-TRADE		
Textile goods		
Finished goods	2,310	3,060
Provision for write down to net realisable value	(1,684)	(1,684)
	<u>626</u>	<u>1,376</u>
9. TRADE DEBTS - unsecured		
Considered doubtful		
Renewable energy	2,590	2,590
Others	1,052	1,052
	<u>3,642</u>	<u>3,642</u>
Allowance for expected credit losses	(3,642)	(3,642)
	<u>-</u>	<u>-</u>
	2025	2024
	----- (Rupees in '000) -----	
10. LOANS TO SUBSIDIARIES - unsecured		
Subordinated loans to subsidiary companies:		
- Tenaga Generasi Limited (notes 10.1 and 10.2)	-	437,000
- Abrax (Private) Limited (note 10.3)	1,168	1,023
- Mozart (Private) Limited (note 10.3)	1,142	997
- Greengo (Private) Limited (note 10.3)	1,164	1,019
	<u>3,474</u>	<u>440,039</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 10.1** In April 2017, the Company had entered into a subordinated loan agreement with Tenaga Generasi Limited (TGL, a subsidiary company) for arranging finance upto a limit of Rs 300 million. The original term of the facility was one year which was extended from time to time with all other terms unchanged. The facility carried mark-up at the rate of three-month KIBOR plus 1.775%. During the year, the outstanding balance under the facility was fully repaid by TGL.
- 10.2** In 2019, the Company had entered into another subordinated loan agreement with Tenaga Generasi Limited (TGL) for arranging finance up to Rs 1,000 million to meet its working capital requirements. The facility carried mark-up at the rate of three-month KIBOR plus 2%. The original tenure of the loan was one year and was extended from time to time with all other terms and conditions remaining unchanged. Up to December 31, 2024, an amount of Rs 137 million had been utilised under the facility. During the year, the outstanding balance under the facility was fully repaid by TGL.
- 10.3** These represent loan facilities provided to subsidiary companies, in the year 2018, with individual financing limits of upto Rs 4 million to fulfill working capital requirements. The loans are subject to mark-up at the rate of average borrowing rate of the Company plus 1% per annum. The loans are repayable by subsidiaries on demand.

2025 2024
----- (Rupees in '000) -----

- 10.4** The movement in loans to subsidiaries is as follows:

Balance at beginning of the year	440,039	439,422
Loan disbursed during the year	435	617
Loan repaid during the year	(437,000)	-
Balance at end of the year	3,474	440,039

- 10.5** The maximum aggregate amounts outstanding against loans to subsidiaries at the end of any month during the year were as follows:

2025 2024
----- (Rupees in '000) -----

Tenaga Generasi Limited	437,000	437,000
Reon Energy Limited	-	300,000
Abrax (Private) Limited	1,168	1,023
Mozart (Private) Limited	1,142	997
Greengo (Private) Limited	1,164	1,019

- 11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**
- considered good

Security deposits	7,413	7,413
Prepayments	3,135	2,387
Sales tax	41,114	29,647
Others - unsecured (note 11.1)	63,465	48,491
	115,127	87,938

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11.1 This includes amount due from related parties as follows:

	2025	2024
	----- (Rupees in '000) -----	
Sach International (Private) Limited	32,122	28,951
Tenaga Generasi Limited	11,020	2,563
Reon Alpha (Private) Limited	1,637	5,581
DH Partners Limited	671	-
Cyan Limited	667	-
	<u>46,117</u>	<u>37,095</u>

Maximum aggregate outstanding amounts at any time during the year based on month end balances were as follows:

	2025	2024
	----- (Rupees in '000) -----	
Sach International (Private) Limited	49,352	33,095
Tenaga Generasi Limited	11,020	43,733
Reon Alpha (Private) Limited	7,159	7,182
DH Partners Limited	671	-
Cyan Limited	667	-

11.2 As at December 31, 2025, receivables from related parties aggregating to Rs 17.674 million (2024: Rs 15.841 million) were past due but not impaired. The aging analysis of these receivables is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Upto 3 months	17,674	5,133
3 to 6 months	-	801
More than 6 months	-	9,907
	<u>17,674</u>	<u>15,841</u>

12. INTEREST ACCRUED

Markup on loan and other receivable (note 12.1)	<u>11,169</u>	<u>437,782</u>
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12.1 This includes mark-up on loans and other receivables from related parties as follows:

Tenaga Generasi Limited	-	427,792
Reon Alpha (Private) Limited	32	-
Mozart (Private) Limited	674	526
Abrax (Private) Limited	706	553
Greengo (Private) Limited	702	550
	<u>2,114</u>	<u>429,421</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 12.2** The maximum aggregate amounts outstanding against interest receivable from related parties at the end of any month during the year were as follows:

	2025	2024
	----- (Rupees in '000) -----	
Tenaga Generasi Limited	427,792	427,792
Reon Alpha (Private) Limited	32	2,399
Mozart (Private) Limited	674	526
Abrax (Private) Limited	706	553
Greengo (Private) Limited	702	550

- 12.3** As at December 31, 2025, interest receivable from related parties aggregating to Rs 2.076 million (2024: Rs 9.993 million) was past due but not impaired. The aging analysis of these receivables is as follows:

	2025	2024
	----- (Rupees in '000) -----	
21 days to 3 months	109	707
3 to 6 months	231	7,953
More than 6 months	1,736	1,333
	<u>2,076</u>	<u>9,993</u>

13. Short term investments

At fair value through profit or loss

Investment in units of mutual fund (note 13.1)	656,959	202,225
Investment in listed equity securities (note 13.2)	6,349,415	3,850,732
	<u>7,006,374</u>	<u>4,052,957</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

13.1 Particulars regarding investment in mutual funds are as follows:

	As at January 1, 2025	Purchased during the year	Redeemed during the year	As at December 31, 2025	Cost as at December 31, 2025	Fair value as at December 31, 2025	Unrealised gain as at December 31, 2025	Fair value as at December 31, 2024
	-----Number of Units-----				-----Rupees in 'ooo-----			
Shariah Compliant mutual funds:								
Al Hamra Islamic Stock Fund	-	484	-	484	-	15	15	-
Alhamra Cash Management Optimizer	-	9,576,893	(4,939,154)	4,637,739	484,804	489,001	4,197	-
ABL Cash Fund	-	1,741,173	(1,741,129)	44	-	-	-	-
ABL Islamic Money Market Plan - I	-	2,877,173	-	2,877,173	30,000	30,264	264	40,463
Meezan Sovereign Fund (MSF)	705,960	-	(705,960)	-	-	-	-	-
Al-Ameen Shariah Stock Fund - Class A	-	14	-	14	6	7	1	-
Conventional mutual funds:								
Atlas Money Market Fund	36,236	5	(36,236)	5	-	2	2	20,219
NBP Money Market Fund	3,701,305	4,547,858	(8,247,998)	1,165	-	12	12	40,415
MCB Cash Management Optimizer	453,940	439,166	(890,515)	2,591	-	278	278	50,536
UBL Stock Advantage Fund - Class A	-	16	-	16	-	5	5	-
UBL Money Market Fund - Class 'C'	-	3,665,727	(2,374,464)	1,291,263	131,745	137,203	5,458	-
UBL Cash Fund - Class A	463,730	1,633	(463,730)	1,633	141	172	31	50,540
Pakistan Cash Management Fund	1,024	-	(1,024)	-	-	-	-	52
					646,696	656,959	10,263	202,225

13.2 Particulars regarding investments in listed equity securities are as follows:

	As at January 1, 2025	Purchased during the year	Adjustment through share split	Sold during the year	As at December 31, 2025	Cost as at December 31, 2025	Fair value as at December 31, 2025	Unrealised gain as at December 31, 2025	Fair value as at December 31, 2024
	-----Number of Shares-----				-----Rupees in 'ooo-----				
Conventional securities:									
Banking, Insurance and Investment companies	3,625,000	-	1,550,000	-	5,175,000	1,176,154	2,103,443	927,289	1,176,155
Shariah compliant securities:									
Exploration and production	1,906,000	-	-	-	1,906,000	414,190	499,326	85,136	414,190
Technology and communication	847,457	-	3,389,828	-	4,237,285	526,652	724,067	197,415	526,652
Cement	283,000	170,000	1,132,000	-	1,585,000	386,956	752,812	365,856	311,439
Pharmaceuticals	973,716	591,923	-	(140,000)	1,425,639	600,090	640,959	40,869	549,882
Fertilizer	2,381,562	-	-	-	2,381,562	872,414	1,406,812	534,398	872,414
Synthetic and rayon	-	7,400,000	-	(7,400,000)	-	-	-	-	-
Chemical	-	75,000	-	-	75,000	41,654	63,512	21,858	-
Food and personal care products	-	400,000	-	-	400,000	149,086	158,484	9,398	-
					4,167,197	6,349,415	2,182,218	3,850,732	

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
14. CASH AND BANK BALANCES		
Cash in hand	401	112
Balances with banks in:		
- current accounts	12,360	34,428
- savings accounts (note 14.1)	508,154	116,913
	520,514	151,341
	520,915	151,453

14.1 The rate of profit on savings accounts ranges between 9.75% and 10.25% (2024: 10% and 13.50%) per annum.

15. SHARE CAPITAL

Authorized capital

2025	2024	2025	2024
----- (Number of shares) -----		----- (Rupees in '000) -----	
75,000,000	75,000,000	750,000	750,000

Issued, subscribed and paid up capital

2025	2024		2025	2024
--- (Number of shares) ---			----- (Rupees in '000) -----	
2,204,002	2,204,002	Ordinary shares of Rs. 10 each	22,040	22,040
		Fully paid in cash		
12,805,118	12,805,118	Issued for consideration other than cash (note 15.3)	128,051	128,051
44,048,739	44,048,739	Issued as bonus shares	440,487	440,487
130,520	130,520	Issued as right shares as per the Court Order (note 15.4)	1,305	1,305
111,430	111,430	Issued as bonus shares as per the Court Order (note 15.4)	1,115	1,115
59,299,809	59,299,809		592,998	592,998

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
15.1 Associates are incorporated in Pakistan. Shareholding details are as follows:	---(Number of shares)---	
Dawood Corporation (Private) Limited		
Percentage of holding 54.84% (2024: 54.84%)	32,521,794	32,521,794
The Dawood Foundation		
Percentage of holding 5.02% (2024: 5.02%)	2,979,324	2,979,324
Dawood Investments (Private) Limited		
Percentage of holding 7.49% (2024: 7.49%)	4,443,661	4,443,661
Cyan Limited		
Percentage of holding 5.00% (2024: 5.00%)	2,965,095	2,965,095
Sach International (Private) Limited		
Percentage of holding 0.01% (2024: 0.01%)	3,776	3,776
	42,913,650	42,913,650

15.2 The Company has a single class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

15.3 Shares issued for consideration other than cash represent shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation (note 1.3).

15.4 In compliance with the orders passed by the Honorable Sindh High Court (note 18), the Company had issued 241,950 shares (denoting 130,520 shares as right issue and 111,430 as bonus issue) to National Investment (Unit) Trust [managed by National Investment Trust Limited (NIT)] on May 12, 2020.

	2025	2024
16. STAFF RETIREMENT BENEFITS	----- (Rupees in '000) -----	
Staff retirement benefits - gratuity	(1,961)	13,223

The details of staff retirement benefit obligation based on actuarial valuation carried out by an external actuary as at December 31, 2025 using the Projected Unit Credit Method are as follows:

	2025	2024
16.1 Principal actuarial assumptions used in the actuarial valuation	----- % -----	
Financial assumptions:		
Discount rate used for year end obligation	11.00	12.25
Expected rate of salary increase	11.00	12.25
Expected return on plan assets	11.00	11.49
Demographic assumptions:		
Expected withdrawal rate	Age-Based	Age-Based
Expected retirement age	Age 60	Age 60
Expected mortality rates	SLIC 2001 -	SLIC 2001 -
	2005	2005
	(Set back	(Set back
	1 year)	1 year)

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
16.2 Statement of financial position reconciliation		
Present value of defined benefit obligation (note 16.3)	4,165	18,764
Fair value of plan asset (note 16.4)	<u>(6,126)</u>	<u>(5,541)</u>
Net (asset) / liability at end of the year	<u>(1,961)</u>	<u>13,223</u>
16.3 Movement in present value of defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	18,764	8,284
Current service cost	1,946	1,136
Interest cost	2,256	1,115
Liability transferred (to) / from other group company	(9,657)	8,185
Benefits paid	(8,754)	(1,441)
Remeasurement (gain) / loss on obligation (note 16.6)	(390)	1,485
Present value of defined benefit obligation at end of the year	<u>4,165</u>	<u>18,764</u>
16.4 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	5,541	4,778
Contributions made by the Company	8,754	1,441
Interest income	637	598
Benefits paid	(8,754)	(1,441)
Remeasurement (loss) / gain on plan assets excluding interest income	(52)	165
Fair value of plan asset at end of the year	<u>6,126</u>	<u>5,541</u>
16.5 Expense recognised in profit or loss		
Current service cost	1,946	1,136
Interest cost on defined benefit obligation	2,256	1,115
Interest income on plan assets	(637)	(598)
Expense for the year	<u>3,565</u>	<u>1,653</u>
16.6 Remeasurement gain / (loss) on defined benefit obligation recognised in other comprehensive income		
Remeasurement gain / (loss) on plan obligations		
- Changes in financial assumptions	12	(2,023)
- Experience adjustments	378	538
	<u>390</u>	<u>(1,485)</u>
(Loss) / return on plan assets, excluding interest income	(52)	165
	<u>338</u>	<u>(1,320)</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
16.7 Net recognised (asset) / liability		
Net liability at beginning of the year	13,223	3,506
Expense recognised in profit or loss (note 16.5)	3,565	1,653
Remeasurement (gain) / loss recognised in other comprehensive income (note 16.6)	(338)	1,320
Contributions made during the year	(8,754)	(1,441)
Net liability transferred (to) / from other group company	(9,657)	8,185
Net (asset) / liability at end of the year	<u>(1,961)</u>	<u>13,223</u>

16.8 Plan assets comprise of investment in units of a mutual fund.

16.9 The weighted average duration of the defined benefit obligation is 7 years.

16.10 Expected future cost for the year ending December 31, 2026 is Rs 0.33 million.

16.11 The scheme exposes the Company to the following risks:

- Final salary risk (linked to inflation risk) – 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 (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.
- Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.
- Investment risk - the risk of the investment underperforming and being not sufficient to meet the liabilities.

16.12 Historical information of staff retirement benefits:

	2025	2024	2023	2022	2021
	----- Rupees in '000 -----				
Present value of defined benefit obligation	(4,165)	(18,764)	(8,284)	(8,950)	(8,476)
Fair value of plan assets	6,126	5,541	4,778	4,191	3,779
Surplus / (deficit)	<u>1,961</u>	<u>(13,223)</u>	<u>(3,506)</u>	<u>(4,759)</u>	<u>(4,697)</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16.13 Sensitivity analysis

As of reporting date, the sensitivity of the defined benefit obligation to changes in the significant actuarial assumptions is as follows:

	Impact on present value of defined benefit obligation		
	Change in assumption (%)	Increase in assumption ----- (Rupees in '000) -----	Decrease in assumption
Valuation discount rate	1%	(270)	301
Expected rate of salary level	1%	308	(281)

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

2025 2024
----- (Rupees in '000) -----

17. TRADE AND OTHER PAYABLES

Creditors	17,289	2,306
Accrued liabilities	72,738	41,542
Due to Islamic Development Bank (note 17.1)	25,969	25,969
Levy	53,488	18,187
Deposits (note 17.2)	6,974	489
Withholding tax	2,076	608
Payable to TGL (note 17.3)	9,817	63,842
Payable to RAPL (note 17.4)	85,000	-
Other payables	32,364	34,273
	<u>305,715</u>	<u>187,216</u>

17.1 This represents amount payable against the preference shares issued before amalgamation in the year 2004 by one of the merged entities to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

17.2 All deposits are interest free and are payable on demand. These include Rs 6.327 million (2024: Rs 0.346 million) utilised as per the agreement with the respective parties. The balance is not kept in a separate bank account.

17.3 The balance as at December 31, 2024 represented transaction-related costs incurred by TGL, which was reimbursable by the Company.

17.4 This balance represents the amount payable to RAPL for the settlement of its long-term loan liability, consistent with the Company's non-going concern status (note 6.1.2).

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18. PROVISIONS

In 1975, LWTM offered 130,520 right shares to National Investment (Unit) Trust, managed by National Investment Trust Limited (NIT), where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. However, payment for the said shares was made by NIT after the expiry of the Consent Order based on which LWTM contended that it was no longer obliged to issue shares to NIT.

On October 3, 1998 a decree was passed by the High Court of Sindh (HCS) in favour of NIT wherein NIT was declared the owners of the right shares along with other consideration. The Company filed an appeal before the HCS which suspended the operation of the impugned order. In 2016, the HCS decided the case in favour of NIT whereby the Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the HCS. In 2018, NIT filed an Execution Application before the HCS for the Order passed by HCS, whereby NIT expressed a disagreement on the amount of dividend payable thereto as communicated to it by the Company.

On September 16, 2019, the Company received an Order from the HCS wherein it was directed to deposit Rs 8.235 million with the Nazir for onward payment to NIT as originally agreed between the two parties and to transfer the underlying 241,950 shares of DCM to NIT. The Company obtained a correction in this Order from the HCS wherein the name of DCM was changed to Dawood Lawrencepur Limited and the word "transfer" of shares was changed to "issue" thereof. Moreover, the Company obtained a concurrence of the Securities and Exchange Commission of Pakistan (SECP) upon the matter that the issue of aforesaid shares by the Company to NIT in terms of the Order of the HCS dated October 3, 1998 did not attract applicability of section 83 of the Companies Act, 2017 and was, hence, allowed to proceed with the share issue in terms of section 344 thereof. In the year 2021, in compliance with the order of HCS, Company has issued 241,950 shares as stated in note 15.4.

The Company has estimated the total provision in respect of mark-up and dividend payments due to NIT to be Rs 15.595 million out of which the Company has deposited Rs 8.235 million with the Nazir of High Court pursuant to the Court Order for onward payment to NIT. The Company anticipates that the remaining provision amounting to Rs 7.360 million maintained in these as aforesaid unconsolidated financial statements is sufficient to meet the remaining obligation of the Company in respect of this matter.

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in its order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs 62.5 million from the original allocation of Rs 136.105 million. The Company filed an appeal where disallowances of Rs 62.5 million were upheld by Commissioner Inland Revenue Appeals [CIR(A)]. On July 30, 2013, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Company on December 18, 2018. On March 1, 2019 the department has filed a reference application before the High Court of Sindh (HCS) for the allocation of common expenses which is pending adjudication. Total increase in incidence of tax was Rs 25.762 million. Based on the opinion of the tax expert, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

19.1.2 Dividend income offset against business losses (Tax years 2006, 2008 and 2009)

The ACIR in order dated May 6, 2014 had disallowed to set off dividend income against business losses for tax years 2008 and 2009 having a tax impact of Rs 13.926 million. On March 29, 2013, an appeal was filed with the ATIR who decided the matter in favour of the Company on December 18, 2018. On March 1, 2019, the ACIR has filed a reference application before the HCS for the allocation of common expenses and minimum tax which is pending adjudication. Based on the opinion of the tax expert, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

19.1.3 Assessment of annual tax return (Tax year 2014)

The income tax return of the Company was selected for tax audit by the department through computer ballot on October 27, 2015. The Company submitted the relevant information requested after which the department issued a show cause notice to the Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Company subsequently challenged the aforementioned proceedings in the HCS and obtained an interim stay.

During the year 2020, the HCS vacated the stay petition and decided the case in favour of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs 421.567 million on account of certain matters including disallowed expenses. The Company filed an appeal before the CIR(A) on November 9, 2020 who through an order dated January 14, 2021 had remanded back the matter to the Assessing Officer for re-examination. In order to conclude remand back proceedings notice was issued on May 12, 2023. In response the Company being aggrieved filed second round of appeal to CIR(A). The CIR(A) through order dated September 14, 2023, ruled in the Company's favor, extinguishing the tax demand of Rs 421.567 million and remanding the case for de novo proceedings due to the Company not being given an opportunity to be heard. Based on the opinion of the tax expert, the Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

19.1.4 Sales tax audit

On April 23, 2020, the Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs 87.492 million including default surcharge and penalty amounting to Rs 29.645 million and Rs 2.755 million respectively. The order was raised primarily on account of holding taxability of supplies made by the Company as exempt and related inadmissible input sales tax. The Company filed an appeal on June 3, 2020 against the aforementioned order before the CIR(A) who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 million on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration. During March 2022, department initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs 41.582 million by treating exempt supplies as taxable, claiming of inadmissible input of Rs 8.070 million and inadmissible adjustment of 0.057 million against which the Company has filed appeal before CIR(A). Based on the opinion of the tax expert, the Company is confident that the matter will be decided in its favour. Hence, no further provision has been recognised in these unconsolidated financial statements.

19.1.5 Tax on undistributed profits

The Company obtained a stay order from the High Court of Sindh dated August 2, 2017 with regards to the amendment inserted through the Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

[substituted through section 4(3) of the Finance Act, 2017]. The said interim order is still operating in favour of the Company. On April 30, 2021, HCS passed an order in favour of the companies appellant of this constitution petition and struck down this subject section of the ITO 2001. However, on July 1, 2021, Federal Board of Revenue (FBR) has filed a constitutional appeal against the aforementioned matter with the Honourable Supreme Court of Pakistan, which is pending for hearing. The Company is confident of the favourable outcome, hence no provision relating to internally computed amount of Rs 96 million has been recognised in these unconsolidated financial statements.

19.2 Commitments

19.2.1 The Company is committed, as a Sponsor, to purchase shares of Tenaga Generasi Limited (TGL) from International Finance Corporation (IFC) on the exercise of put option by IFC under the Shareholders' Agreement entered into among the Company, TGL and Dawood Corporation (Private) Limited as the shareholders of TGL under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until Liquidity date; or (ii) in the event that Tenaga Generasi Limited and the Company breach any of the obligations set out in the shareholders' agreement.

19.2.2 Guarantees issued in respect of subsidiaries

Tenaga Generasi Limited

The Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 6.662 million in favor of the lenders of TGL. The said facility is secured by way of pledge over the Company's investments in TGL.

Reon Alpha (Private) Limited

The Company has provided a corporate guarantee amounting to Rs 206 million in favour of Faysal Bank Limited to secure the musharika financing facility of RAPL amounting to Rs 309 million. Further, the Company has also pledged shares of RAPL as stated in note 6.1.9. In addition to this, the Company has recorded a liability of Rs 85 million in favor of RAPL (note 17.4).

19.2.3 The Company is contingently liable for bank guarantees amounting to Rs 31,305 million (December 31, 2024: Rs 31,305 million) favouring the Government and various other parties. These have been issued against mobilisation advances and performance in respect of sale of goods and rendering of services for a tenure varying from three months to three years.

20. REVENUE	2025	2024
Dividend income	----- (Rupees in '000) -----	
Engro Holdings Limited		
DH Partners Limited	-	818,285
Tenaga Generasi Limited	148,071	-
National Investment Trust	-	1,050,000
Short term investments	766	640
	344,728	181,231
	493,565	2,050,156
Profit on bank deposits		
Gain on remeasurement of investments at fair value through profit or loss	8,486	21,792
Gain on sale of investment in listed shares	2,197,971	1,161,707
Gain on sale of units of mutual funds	32,643	9,416
	9,480	82,309
	2,742,145	3,325,380

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

For better presentation and in accordance with the applicable financial reporting framework, profit on deposits and gain on investments have been reclassified from other income to revenue.

2025 2024
----- (Rupees in '000) -----

21. OPERATING EXPENSES

Salaries and allowances (note 21.1)	122,922	98,651
Legal and professional	12,217	17,583
Rent, rates and taxes	10,047	7,870
Electricity and gas	14,548	23,888
Depreciation (note 5.1)	1,880	2,511
Printing and stationery	4,296	1,606
Fees and subscription	43,691	157,971
Insurance	1,446	1,355
Conveyance and travelling	1,928	4,090
Repairs and maintenance	2,671	1,177
Postage and telephone	242	363
Entertainment	1,969	1,054
Auditor's remuneration (note 21.2)	36,444	12,294
Amortization	43	21
Others	402	731
	254,746	331,165
Related to discontinued operations (note 26)	(101,490)	(102,470)
	153,256	228,695

21.1 These include Rs 3.565 million (2024: Rs 1.652 million) in respect of staff retirement benefits.

2025 2024
----- (Rupees in '000) -----

21.2 Auditor's remuneration

Fee for:

- audit of unconsolidated financial statements	1,120	1,018
- review of half yearly condensed interim financial statements	537	488
- audit of consolidated financial statements	491	446
- certification and other services	20,000	1,522
- special audit fees	7,382	-
- taxation services	3,450	8,680
- review of compliance with the Code of Corporate Governance	154	140
	33,134	12,294
Reimbursement of expenses and taxes	3,310	-
	36,444	12,294

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
22. OTHER EXPENSES		
Provision for impairment of investment in subsidiary (note 6.1.10)	-	20,000
Provision for loan to subsidiary (note 17.4)	85,000	-
Interest on loan written off	-	51,536
Brokerage and commission expense	8,085	2,553
	93,085	74,089
23. OTHER INCOME - net		
Income from financial assets		
Unrealised gain on ENGROH investment (notes 6.1.6 and 6.1.8)	16,810,283	-
Mark-up charged to related parties	56,576	153,988
	16,866,859	153,988
Income from non-financial assets and others		
Gain on disposal of property, plant and equipment	11	7,818
Royalty income	58,286	43,471
Rental income	105,327	64,828
Farming income	5,104	2,777
Gain on sale of scrap / store items	187,778	16,314
Others	89	658
	356,595	135,866
	17,223,454	289,854
Related to discontinued operations (note 26)	(298,209)	(88,454)
	16,925,245	201,400
24. FINANCE COSTS		
Mark-up on late payment	33	410
Bank charges	543	712
	576	1,122
25. LEVY AND TAXATION		
Levy (note 25.2)	86,374	45,468
Income tax	209,818	389,785
- Current for the year	2,230,520	(266,557)
Deferred tax (note 7)	2,440,338	123,228

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024 (Restated)
	----- (Rupees in '000) -----	
25.1	Relationship between tax expense and accounting profit before taxation	
Profit before taxation	<u>19,530,809</u>	<u>3,163,196</u>
Tax rate	29%	29%
Tax on accounting profit	5,663,935	917,327
Tax effect of:		
- Income on which levy is charged	(75,145)	(52,743)
- Income taxed at reduced rate	(5,203,428)	(386,779)
- Super tax	1,989,227	186,838
- Loss incurred on sale of REL	-	(493,760)
- Others	65,749	(47,655)
	(3,223,597)	(794,099)
	<u>2,440,338</u>	<u>123,228</u>
25.2	This represents final taxes paid under section 150 of the income tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.	
	2025	2024
	----- (Rupees in '000) -----	
26. LOSS FROM DISCONTINUED OPERATIONS		
Revenue from contracts with customers	839	3,395
Sales tax	(91)	(518)
	<u>748</u>	<u>2,877</u>
Cost of revenue	(749)	(3,042)
Gross loss	(1)	(165)
Selling and distribution expenses	(8)	(29)
Operating expenses (note 21)	(101,490)	(102,470)
Other income (note 23)	298,209	88,454
	<u>196,710</u>	<u>(14,210)</u>
26.1 Cashflows generated / (utilised) by discontinued operations		
Net cash generated from / (utilised in) operating activities	10,493	(80,609)
Net cash generated from investing activities	182,485	-
	<u>192,978</u>	<u>(80,609)</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

27. EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company which is based on:

	2025	2024
	----- (Rupees in '000) -----	
Continuing operations		
Profit for the year	<u>16,893,761</u>	<u>3,054,178</u>
	-----Number of shares-----	
Weighted average number of ordinary shares	<u>59,299,809</u>	<u>59,299,809</u>
	----- (Rupees) -----	
Earning per share	<u>284.89</u>	<u>51.50</u>
	----- (Rupees in '000) -----	
Discontinued operations		
Profit / (loss) for the year	<u>196,710</u>	<u>(14,210)</u>
	-----Number of shares-----	
Weighted average number of ordinary shares	<u>59,299,809</u>	<u>59,299,809</u>
	----- (Rupees) -----	
Earning / (loss) per share	<u>3.31</u>	<u>(0.24)</u>
	Note	
	2025	2024
	----- (Rupees in '000) -----	

28. CASH GENERATED FROM OPERATIONS

Profit before taxation		19,530,809	3,163,196
Adjustments for:			
Depreciation	5.1	1,880	2,511
Amortization		43	21
Levy		86,374	45,468
Provision for gratuity - net	16.5 & 16.7	3,565	9,838
Impairment of interest accrued on loan to a subsidiary	22	-	51,536
Dividend income classified as investing cash flows	20	(493,565)	(2,050,156)
Gain on investments at fair value through profit or loss	20	(2,192,481)	(1,148,831)
Unrealised gain on initial recognition of ENGROH investment	23	(16,810,283)	-
Unrealised gain on NIT unit	20	(5,490)	(12,876)
Gain on disposal of short term investments	20	(42,124)	(91,725)
Gain on disposal of property, plant and equipment	23	(11)	(7,818)
Provision for impairment of long term investments		-	20,000
Mark-up charged to related parties	23	(56,576)	(153,988)
Profit on bank deposits	20	(8,486)	(21,792)
Finance costs	24	576	1,122
Working capital changes		<u>92,530</u>	<u>(5,924)</u>
		<u>106,761</u>	<u>(199,418)</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

28.1 Working capital changes

(Increase) / decrease in current assets		
Loans and advances	1,180	171
Stock-in-trade	750	3,042
Long term deposits	(710)	-
Deposits, prepayments and other receivables	<u>(27,189)</u>	<u>(2,882)</u>
	(25,969)	331
Increase / (decrease) in current liabilities	118,499	(6,255)
Trade and other payables	<u>92,530</u>	<u>(5,924)</u>

29. SHARIAH COMPLIANCE DISCLOSURE

Statement of Financial Position

- Long term Shariah compliant investments	20,805,410	2,360,116
- Short term Shariah compliant investments	4,765,259	1,842,626
- Total interest accrued on any conventional loan or advance	11,169	437,782

Statement of comprehensive income

- Dividend income on Shariah-compliant short term investments	334,398	1,892,489
- Unrealised gain on Shariah-complaint short term investments	1,259,405	426,305
- Gain on disposal of Shariah-complaint short term investments	37,176	35,779
- Total interest earned on any conventional loan or advance	56,576	153,988

- Break-up of other income excluding profits in bank deposits and TDRs

Shariah compliant income

Unrealised gain on ENGROH investment	16,810,283	-
Gain on disposal of property, plant and equipment	11	7,818
Royalty income	58,286	43,471
Rental income	105,327	64,828
Farming income	5,104	2,777
Gain on sale of scrap / store items	187,778	16,314
Others	89	658

- Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has provided a corporate guarantee amounting to Rs 206 million in favour of Faysal Bank Limited to secure the musharika financing facility of RAPL as stated in note 19.2.2.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2025			2024		
	Directors		Executives	Directors		Executives
	Chief Executive	Others Directors		Chief Executive	Others Directors	
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Managerial remuneration	4,345	-	27,771	4,053	-	17,904
Bonus	-	-	6,740	-	-	1,218
Medical allowance	-	-	1,524	-	-	955
Fuel allowance	-	-	1,780	-	-	1,631
Vehicle maintenance allowance	-	-	4,236	-	-	2,457
Other benefits	-	-	1,115	-	-	268
Meeting fee	-	1,150	-	-	600	-
	<u>4,345</u>	<u>1,150</u>	<u>43,166</u>	<u>4,053</u>	<u>600</u>	<u>24,433</u>
Number of persons	<u>2</u>	<u>7</u>	<u>9</u>	<u>1</u>	<u>7</u>	<u>7</u>

30.1 Remuneration of CEO and Executives represent amount charged by a group company as they are shared employees.

30.2 The Company considers its Chief Executive and Directors as Key Management Personnel.

	2025	2024
	----- (Rupees) -----	
31. FINANCIAL INSTRUMENTS BY CATEGORY		
31.1 FINANCIAL ASSETS		
<i>At fair value through profit or loss</i>		
Long term investments	33,550	28,060
Short term investments	7,006,374	4,052,957
<i>At fair value through other comprehensive income</i>		
Long term investments	18,490,916	15
<i>At amortised cost</i>		
Long term deposits	3,488	2,778
Loans to subsidiaries	3,474	440,039
Loans to employees	403	1,583
Deposits and other receivables	70,878	55,904
Interest accrued	11,169	437,782
Cash and bank balances	520,915	151,453
	610,327	1,089,539
	<u>26,141,167</u>	<u>5,170,571</u>
31.2 Financial liabilities as per statement of financial position		
FINANCIAL LIABILITIES		
<i>At amortised cost</i>		
Trade and other payables	1 250,151	168,421
Unclaimed dividend	86,002	77,585
Unpaid dividend	-	3,284
	<u>336,153</u>	<u>249,290</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

32. FAIR VALUE MEASUREMENT

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. Investments in subsidiaries and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

The table below analyses financial instruments carried at fair value using the valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company held the following assets measured at fair values:

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Non-current assets				
Financial assets at fair value through profit or loss				
- Long term investment in National Investment (unit) Trust	-	33,550	-	33,550
Financial assets at fair value through other comprehensive income				
- Long term investments (investment in equity shares)	18,490,901	-	15	18,490,916
Current assets				
Financial assets at fair value through profit or loss				
- Short term investments (investments in quoted equity shares)	6,349,415		-	6,349,415
- Short-term investments (investments in units of mutual funds)	-	656,959	-	656,959
	<u>24,840,316</u>	<u>690,509</u>	<u>15</u>	<u>25,530,840</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	As at December 31, 2024			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long term investment in National Investment (unit) Trust	-	28,060	-	28,060
<i>Financial assets at fair value through other comprehensive income</i>				
- Long term investment (investments in equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short term investments (investments in quoted equity shares)	3,850,732	-	-	3,850,732
- Short-term investments (investments in units of mutual funds)	-	202,225	-	202,225
	<u>3,850,732</u>	<u>230,285</u>	<u>15</u>	<u>4,081,032</u>

Level 2 fair values have been determined on the basis of closing Net Asset Values for Mutual Fund Units.

There were no transfers amongst the levels during the year. Further, there were no changes in valuation techniques during the year.

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets for having cost effective funding as well as to manage financial risk to minimize earnings volatility and to provide maximum return to the shareholders. Risk management is carried out by the Company's finance department under the policies approved by the Company's Board of Directors.

33.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. It comprises the following risks:

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's has no exposure to currency risk as its transactions are carried out primarily in Pakistan Rupees.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a regular basis by monitoring

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

existing facilities against prevailing market interest rates and by taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to applicable KIBOR.

Fair value risk - The Company is exposed to interest rate risk on loans given to subsidiary companies and cash with banks in deposit accounts. At December 31, 2025, had there been increase / decrease in the interest rates by 1% with all other variables held constant, profit before tax for the year would have been higher / lower by Rs 5.12 million (2024: Rs 5.57 million).

Future cash flow risk - Presently, the Company is not exposed to future cash flow risk.

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk mainly on investments held in units of mutual funds, quoted shares and NIT units.

As at reporting date, had there been increase / decrease of 1% in fair value with all other variables held constant, profit before taxation would have been higher / lower by Rs 70.399 million (2024: Rs 40.81 million). This analysis assumes that all other variables remain constant.

33.2 Credit risk and its concentration

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations.

The maximum exposure to credit risk is equal to the carrying amount of financial assets. The carrying value of financial assets, exposed to credit risk are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Long term deposits	3,488	2,778
Loans to subsidiaries	3,474	440,039
Loans to employees	403	1,583
Deposits and other receivables	70,878	55,904
Interest accrued	11,169	437,782
Bank balances	520,514	151,341
	<u>609,926</u>	<u>1,089,427</u>

The credit quality of the Company's balances with banks can be assessed with reference to the fact that the minimum credit rating of the banks with which the financial assets are placed is 'A-1+', which denotes obligations supported by a strong capacity for timely repayment.

A significant portion of the Company's financial assets (i.e. 85.34%) are held with banks with minimum credit rating of 'A-1+', hence risk of default is minimal.

The remaining financial assets of the Company are either not material to these financial statements or, being amounts due from related parties, were considered to have low credit risk.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions.

33.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with its financial liabilities. The Company's liquidity management involves projecting cash flows and considering the level of liquid funds necessary to meet these. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates.

	----- 2025 -----			----- 2024 -----		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	----- (Rupees in '000) -----					
Trade and other payables	250,151	-	250,151	168,421	-	168,421
Unclaimed dividend	86,002	-	86,002	77,585	-	77,585
Unpaid dividend	-	-	-	3,284	-	3,284
	<u>336,153</u>	<u>-</u>	<u>336,153</u>	<u>249,290</u>	<u>-</u>	<u>249,290</u>

34. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

The Company is ungeared as at the reporting date.

35. SEGMENT REPORTING

Management has determined the operating segments for allocation of resources and assessment of performance which are organized into the following two reportable operating segments:

- Textile - this was the legacy business of the Company and has been discontinued in prior years; and
- Other operations - It mainly includes management of all investments made by the Company including those made in subsidiaries and associate.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Textile - discontinued operations		Other operations		Total	
	(Rupees in '000)					
	2025	2024	2025	2024	2025	2024
Revenue from contract with customers - net	748	2,877	2,248,580	1,275,224	2,249,328	1,278,101
Dividend income	-	-	493,565	2,050,156	493,565	2,050,156
Cost of revenue	(749)	(3,042)	-	-	(749)	(3,042)
Segment gross (loss) / profit	(1)	(165)	2,742,145	3,325,380	2,742,144	3,325,215
Selling and distribution expenses	(8)	(29)	-	-	(8)	(29)
Operating expenses	(101,490)	(102,470)	(153,256)	(228,695)	(254,746)	(331,165)
Other expenses	-	-	(93,085)	(74,089)	(93,085)	(74,089)
Other income - net	298,209	88,454	16,925,245	201,400	17,223,454	289,854
Finance costs	-	-	(576)	(1,122)	(576)	(1,122)
Levy	-	-	(86,374)	(45,468)	(86,374)	(45,468)
Taxation	-	-	(2,440,338)	(123,228)	(2,440,338)	(123,228)
Segment (loss) / profit	196,710	(14,210)	16,893,761	3,054,178	17,090,471	3,039,968

	Textile - discontinued operations		Other operations		Total	
	(Rupees in '000)					
	2025	2024	2025	2024	2025	2024
Property, plant and equipment	17,714	14,752	785	885	18,499	15,637
Biological assets	2,155	1,604	-	-	2,155	1,604
Intangible assets	-	-	64	107	64	107
Investments	-	-	20,838,960	2,388,176	20,838,960	2,388,176
Long term deposits	2,778	2,778	710	-	3,488	2,778
Staff retirement benefits	-	-	1,961	-	1,961	-
Deferred taxation - net	-	-	-	266,557	-	266,557
Stores and spares	892	892	-	-	892	892
Stock-in-trade	626	1,376	-	-	626	1,376
Trade debts	-	-	-	-	-	-
Loans to subsidiaries	-	-	3,474	440,039	3,474	440,039
Loans and advances	168	821	485	1,012	653	1,833
Deposits, prepayments and other receivables	-	-	115,127	87,938	115,127	87,938
Interest accrued	-	-	11,169	437,782	11,169	437,782
Short term investments	-	-	7,006,374	4,052,957	7,006,374	4,052,957
Cash and bank balances	-	-	520,915	151,453	520,915	151,453
Total segment assets	24,333	22,223	28,500,024	7,826,906	28,524,357	7,849,129
Staff retirement benefits	-	-	-	13,223	-	13,223
Deferred Taxation	-	-	2,127,464	-	2,127,464	-
Trade and other payables	35,676	36,368	270,039	150,848	305,715	187,216
Unclaimed dividend	-	-	86,002	77,585	86,002	77,585
Unpaid dividend	-	-	-	3,284	-	3,284
Provision	-	-	7,360	7,360	7,360	7,360
Taxes payable	-	-	610,350	438,814	610,350	438,814
Total segment liabilities	35,676	36,368	3,101,215	691,114	3,136,891	727,482

36. RELATED PARTY TRANSACTIONS AND BALANCES

36.1 The Company in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associates, directors, key management personnel, retirement benefit funds and others. Transactions with related parties are carried out at agreed terms.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

36.2 Following are the name of associated companies, related parties or undertakings with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Percentage of shareholding into the Company	Basis of Relationship
Dawood Corporation (Private) Limited	54.84%	Parent Company
The Dawood Foundation	5.02%	Common directorship
Cyan Limited	5.00%	Common directorship
Dawood Investments (Private) Limited	7.49%	Common directorship
Sach International (Private) Limited	0.01%	Associated company
DH Partners Limited	-	Associate
Engro Holdings Limited	-	Associate
Tenaga Generasi Limited	-	Subsidiary
Reon Alpha (Private) Limited	-	Subsidiary
Mozart (Private) Limited	-	Subsidiary
Abrax (Private) Limited	-	Subsidiary
Greengo (Private) Limited	-	Subsidiary
Mr. Hussain Dawood	10.24%	Company's Sponsor
Ms. Kulsum Dawood	1.05%	Sponsor's Family member
Mr. Abdul Samad Dawood	0.00%	Sponsor's Family member / Director
Ms. Ayesha Dawood	0.05%	Sponsor's Family member
Ms. Azmeh Dawood	2.01%	Sponsor's Family member
Mr. Ruhail Muhammad	0.00%	Director
Mr. Mohammad Shamoon Chaudry	0.00%	Director/CEO - upto May 16, 2025
Mr. Mohammad Bilal Ahmed	0.00%	Director/CEO - from May 16, 2025
Mr. Mohammad Amin	0.00%	Director
Mr. Kamran Hanif	0.00%	Chief Financial Officer - from December 01, 2025
Ms. Nazia Hasan	0.00%	Chief Financial Officer - upto December 01, 2025
Mr. Khawaja Osama Musarraaf	0.00%	Company Secretary - from June 30, 2025
Mr. Imran Chagani	0.00%	Company Secretary - upto June 30, 2025
Mr. Sikandar Hazir	0.00%	Director
Mr. Shafiq Ahmed	0.00%	Director
Ms. Sabrina Dawood	1.96%	Director
Staff retirement benefit - gratuity scheme	N/A	Post Employment Benefits

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

36.3 Balances with related parties have been disclosed in the respective notes to these financial statements. Details of transactions with related parties, other than those disclosed elsewhere in these financial statements, are as follows:

Relationship	Nature of transaction	2025	2024
		----- (Rupees in '000) -----	
a. Subsidiary companies			
Tenaga Generasi Limited	Expenses reimbursable to the Company	25,932	25,547
	Expenses reimbursable by the Company	10,050	78,763
	Equity arrangement fee (SBLC) / SBLC cost reimbursement	36,138	39,281
	Interest on outstanding receivable balance	1	257
	Interest on outstanding payable balance	-	313
	Interest on subordinated loans	54,783	97,443
	Dividend income	-	1,050,000
	Deferred Liability transferred by the company	9,657	-
	Deferred Liability transferred to the company	-	8,185
	Reon Energy Limited (related party upto October 7, 2024)	Expenses reimbursable to the Company	-
Interest on expenses reimbursable to the Company		-	2,381
Interest on loans disbursed by the Company		-	51,536
Reimbursable expenses incurred on behalf of the Company		-	4,327
Mozart (Private) Limited	Unsecured loan disbursed by the Company	145	217
	Interest on loan	148	197
Abrax (Private) Limited	Unsecured loan disbursed by the Company	145	200
	Interest on loan	153	207
Greengo (Private) Limited	Unsecured loan disbursed by the Company	145	171
	Interest on loan	152	203
Reon Alpha (Private) Limited	Interest on reimbursement of expenses	645	1,197
	Expenses reimbursable to the Company	3,213	2,459
	Investment by the company	-	20,000
	Interest on loan	2,399	-
b. Associated companies			
Engro Holdings Limited	Dividend income	-	818,285
	Reimbursable expenses incurred on behalf of the Company	-	25,024
	Expenses reimbursable to the Company	-	5,187
DH Partners	Dividend income	148,071	-
	Reimbursable expenses incurred on behalf of the Company	40,938	-
	Expenses reimbursable to the Company	3,673	-
Sach International (Private) Limited	Expenses reimbursable to the Company	936	656
	Royalty charged	58,286	43,471
	Rental income	660	660
c. Other related parties			
Post Employment Benefits Remuneration to key management personnel	Contributions made	8,754	1,441
	Director fees	1,150	600
	Other key management personnel	11,532	10,669

36.4 Remuneration of key management personnel are as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 30. Key management personnel represents directors, chief executive officer, chief financial officer and company secretary.

	2025	2024
37. NUMBER OF EMPLOYEES		
Average number of employees during the year	<u>11</u>	<u>11</u>
Number of employees at December 31	<u>9</u>	<u>12</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

37.1 The total and average number of employees of the Company as at December 31, 2025 include shared staff as per the Sharing of Services Agreement with subsidiaries.

38. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors in its meeting held on March 09, 2026 has proposed a final cash dividend of Rs nil (2024: cash dividend of Rs 5) per share for the year ended December 31, 2025 amounting to Rs nil (2024: Rs 296.499 million), for approval of the members at the Annual General Meeting to be held on April 15, 2026. This is in addition to interim cash dividends aggregating Rs nil (2024: Rs 177.899 per share) per share for the year 2025.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on March 09, 2026 by the Board of Directors of the Company.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the members of Dawood Lawrencepur Limited

Opinion

We have audited the annexed consolidated financial statements of Dawood Lawrencepur Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

A.F.F.C.

Following are the Key Audit Matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Scheme of Arrangement</p> <p>(Refer note 7.1.1 to the annexed consolidated financial statements)</p> <p>Engro Holdings Limited (ENGROH) along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) entered into a Scheme of Arrangement (the Engro / DH Scheme), in accordance with which, effective January 1, 2025:</p> <ul style="list-style-type: none"> the Holding Company's shareholding in DHPL has been retained at 16.19%. Accordingly, the Holding Company is continuing with its assessment that it retains significant influence over DHPL, hence the investment is classified as associate. the Holding Company's investment in ENGROH stands at 6.47%. Based on the applicable accounting standards, the investment has been measured at fair value as it ceased to be an associate, resulting in a gain of Rs 6,502 million recognized in profit or loss for the year. <p>The matter, being a significant event for the year, has been determined as a 'key audit matter'.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> Read the Islamabad High Court's sanctioned order regarding the Engro / DH Scheme. Checked the mathematical accuracy of the carrying amount of investment allocated between the shares of ENGROH and DHPL. Recomputed the difference between the fair value of the investment in shares of ENGROH and the related allocated carrying amount as at the date it ceased to be an associate i.e. Rs 6,502 million which recognised as gain in profit or loss for the year. Recomputed the deferred tax liability recorded on the gain recognized in profit or loss on initial recognition. <p>Assessed whether the related disclosures made in the annexed consolidated financial statements are in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</p>

A.F.F.C.

S. No.	Key audit matter	How the matter was addressed in our audit
2	<p>Impairment Assessment of Plant and Equipment of Subsidiary</p> <p>(Refer note 28 to the annexed consolidated financial statements)</p> <p>In view of the developments stated in the note about the wind speed, transmission constraints and the curtailment exercised resulting in lower billable energy continuing in the consecutive years, TGL's management decided to assess the recoverable amount of the plant and equipment. The recoverable amount was calculated with reference to fair value less cost of disposal using management's internal model based on a discounted cash flow / income approach.</p> <p>As a result, the recoverable amount of the plant and equipment was determined to be Rs 11,440.051 million leading to an impairment charge of Rs 4,155.719 million.</p> <p>In view of the use of significant judgements in estimating recoverable amount, we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of the management's process of assessment, including methodology and key assumptions used to estimate recoverable amount. • Evaluated the reasonableness of key assumptions and estimates used by management to determine the recoverable amount. • Tested the mathematical accuracy of the calculations made. • Assessed whether the related disclosures made in the annexed consolidated financial statements are in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

A.F.F. Co.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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



A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: March 19, 2026
UDIN: AR2025100561Yt4gZBK6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

ASSETS	Note	2025	2024
		----- (Rupees in '000) -----	
Non-current assets			
Property, plant and equipment	5	7,474,918	12,755,969
Biological assets		2,155	1,604
Right-of-use asset	6	63,131	68,879
Intangible assets		64	107
Long-term investments	7	21,436,762	12,011,194
Long-term deposits		3,488	2,778
		28,980,518	24,840,531
Current assets			
Stores and spares		892	892
Stock-in-trade	8	626	1,376
Trade debts	9	705,495	1,714,110
Contract asset	10	7,094	7,144
Loans and advances	11	5,573	11,487
Deposits, prepayments and other receivables	12	2,746,567	2,638,275
Accrued interest		9,055	9,060
Short-term investments	13	9,341,146	4,064,652
Cash and bank balances	14	1,489,663	3,108,397
		14,306,111	11,555,393
Non current assets held for sale	15	180,000	-
		14,486,111	11,555,393
TOTAL ASSETS		43,466,629	36,395,924



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital	16	592,998	592,998
Capital reserves		(592,898)	(592,898)
Unappropriated profit		33,479,440	23,630,683
Non-controlling interest		2,571,344	3,101,172
TOTAL EQUITY		36,050,884	26,731,955
Non-current liabilities			
Staff retirement benefits		2,238	15,948
Deferred taxation - net	17	2,855,386	2,712,899
Long-term borrowings	18	-	2,892,259
Lease liability	19	119,211	114,085
		2,976,835	5,735,191
Current liabilities			
Current portion of:			
- Long-term borrowings	18	2,939,097	2,590,377
- Lease liability	19	9,762	9,762
Unclaimed dividend		86,002	77,585
Unpaid dividend		-	3,284
Taxes payable		599,841	452,700
Trade and other payables	20	740,366	656,217
Provision	21	7,360	7,360
Accrued mark-up	22	56,482	131,493
		4,438,910	3,928,778
TOTAL LIABILITIES		7,415,745	9,663,969
Contingencies and commitments	23		
TOTAL EQUITY AND LIABILITIES		43,466,629	36,395,924

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
CONTINUING OPERATIONS			
Revenue from contracts with customers - net	24	7,133,513	6,418,708
Cost of revenue	25	(1,899,284)	(1,221,456)
Gross profit		5,234,229	5,197,252
Administrative expenses	27	(357,898)	(432,857)
Other expenses	28	(4,203,252)	(7,058)
Other income	29	6,571,691	3,247,182
Operating profit		7,244,770	8,004,519
Finance costs - net	30	(323,901)	(428,142)
Share of profit from associate	7.1	1,431,284	2,273,438
Profit before taxation and Levy		8,352,153	9,849,815
Levy	31	(86,374)	(45,468)
Profit before taxation		8,265,779	9,804,347
Taxation	31	(232,392)	(596,808)
Profit from continuing operations		8,033,387	9,207,539
DISCONTINUED OPERATIONS			
Profit / (loss) from discontinued operations	32	110,481	(41,095)
Profit after taxation		8,143,868	9,166,444
Profit / (loss) attributable to:			
- Owners of the Holding Company		8,673,696	7,801,428
- Non-controlling interest		(529,828)	1,365,016
		8,143,868	9,166,444
Earnings / (loss) per share - basic and diluted			
- Total		146.27	131.56
- Continuing operations	33.3	144.41	132.25
- Discontinued operations	33.4	1.86	(0.69)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
Profit after taxation	8,143,868	9,166,444
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associate - net of tax	-	29,876
Items that will not be reclassified to profit or loss		
Remeasurement of investment	1,635,011	-
Impact of tax	(163,501)	-
	1,471,510	-
Remeasurement of post employment benefit obligation - actuarial loss	-	(1,320)
Other comprehensive income	1,471,510	28,556
Total comprehensive income	<u>9,615,378</u>	<u>9,195,000</u>
Total comprehensive income for the year:		
- Continuing operations	9,504,897	9,216,838
- Discontinued operations	110,481	(21,838)
	<u>9,615,378</u>	<u>9,195,000</u>
Total comprehensive income / (loss) attributable to:		
- Owners of the Holding Company	10,145,206	7,829,984
- Non-controlling Interest	(529,828)	1,365,016
	<u>9,615,378</u>	<u>9,195,000</u>

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2025

----- Attributable to owners of the Holding Company -----

----- Capital reserves ----- Revenue reserves

	Share capital	Merger reserve	Share premium reserve	Capital redemption reserve	Others	Total	Unappropriated profit	Non-Controlling Interest (NCI)	Total
Balance as at January 1, 2024	592,998	10,521	136,865	25,969	(651,671)	(478,316)	15,978,598	2,123,656	18,216,936
Comprehensive income									
Profit after taxation	-	-	-	-	-	-	7,801,428	1,365,016	9,166,444
Other comprehensive income	-	-	-	-	(114,582)	(114,582)	28,556	-	28,556
Other components of equity	-	-	-	-	(114,582)	(114,582)	-	-	(114,582)
Total comprehensive income	-	-	-	-	(114,582)	(114,582)	7,829,984	1,365,016	9,080,418
Transactions with owners									
Dividend by subsidiary allocable to non-controlling interest	-	-	-	-	-	-	-	(387,500)	(387,500)
Dividend for the year ended December 31, 2024: Interim @ Rs 3.00 per share	-	-	-	-	-	-	(177,899)	-	(177,899)
Balance as at December 31, 2024	592,998	10,521	136,865	25,969	(766,253)	(592,898)	23,630,683	3,101,172	26,731,955
Comprehensive income									
Profit after taxation	-	-	-	-	-	-	8,673,696	(529,828)	8,143,868
Other comprehensive income	-	-	-	-	-	-	1,471,510	-	1,471,510
Total comprehensive income	-	-	-	-	-	-	10,145,206	(529,828)	9,615,378
Transactions with owners									
Dividend for the year ended December 31, 2024: Final @ Rs 5.00 per share	-	-	-	-	-	-	(296,449)	-	(296,449)
Balance as at December 31, 2025	592,998	10,521	136,865	25,969	(766,253)	(592,898)	33,479,440	2,571,344	36,050,884

(Rupees in '000)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		8,376,486	9,845,059
Adjustments for non-cash charges and other items:			
Reversal of provision of impairment		-	(3,121,263)
Depreciation on operating assets		1,003,726	362,758
Depreciation on right of use asset	6.1	5,748	5,748
Impairment of operating assets	28	4,155,719	-
Gain on disposal of an associate	29	(6,501,853)	-
Amortisation	27	43	21
Levy	31	86,374	45,468
Unrealised gain on investment at fair value through profit or loss	24	(2,217,050)	(1,161,664)
Provision for gratuity-net		5,179	5,567
Finance costs	30	354,301	590,103
Impairment on non-current asset held for sale	15	71,300	-
Gain on disposal of operating assets	29	(3,035)	(8,774)
Interest income on short term investments	24	-	(38,058)
Share of profit from associate	7.1	(1,431,284)	(2,273,438)
Profit on sale of units of mutual funds	24	56,382	82,526
Dividend income	24	(346,393)	(183,599)
Profit on bank deposits	24	(135,036)	(391,247)
Operating profit before working capital changes		3,480,607	3,759,207
Working capital changes (Increase) / decrease in current assets			
Trade debts		1,008,615	1,957,136
Contract asset		50	(2,302)
Loans and advances		5,914	(916)
Stock in trade		750	3,042
Deposits, prepayments and other receivables		65,015	(528,449)
		1,080,344	1,428,511
Increase in current liabilities			
Trade and other payables		80,047	9,785
Net cash generated from operating activities		4,640,998	5,197,503
Gratuity paid		(18,889)	(2,145)
Income tax and levy paid		(192,866)	(389,106)
Long term deposits made		(710)	-
Mark-up received		135,041	420,289
Dividend received		494,464	1,001,883
Net cash generated from operating activities (carried forward)		5,058,038	6,228,424

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 -----
Net cash generated from operating activities (brought forward)		5,058,038	6,228,424
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(65,230)	(37,607)
Purchase of intangible asset		-	(128)
Investment in biological asset		(551)	(1,604)
Proceeds from sale of Reon Energy Limited		-	100,000
Proceeds from disposal of property plant and equipment		3,415	11,132
Purchase of short term investments		(3,121,315)	(1,693,644)
Net cash used in investing activities		(3,183,681)	(1,621,851)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	18.6	(2,637,534)	(2,451,041)
Repayment of lease liability	19.1	(9,762)	(9,762)
Finance costs paid		(554,479)	(662,739)
Dividend paid		(291,316)	(562,576)
Net cash used in financing activities		(3,493,091)	(3,686,118)
Net (decrease) / increase in cash and cash equivalents		(1,618,734)	920,455
Cash and cash equivalents at beginning of the year		3,108,397	2,187,942
Cash and cash equivalents at end of the year	14	1,489,663	3,108,397

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND OPERATIONS

1.1 Dawood Lawrencepur Limited (the Holding Company) was incorporated in Pakistan in the year 2004, as a public listed company. It was formed as a result of a Scheme of Arrangement for Amalgamation in terms of the provisions of the (now repealed) Companies Ordinance, 1984 among Dawood Cotton Mills Limited (DCM), Dilon Limited (DL), Burewala Textile Mills Limited (BTM) and Lawrencepur Woollen and Textile Mills Limited (LWTM). The shares of the Holding Company are listed on the Pakistan Stock Exchange. The principal activity of the Holding Company is to manage investments including in its subsidiaries and associated companies.

The business units of the Holding Company and its subsidiaries include the following:

Business Units	Geographical Location
Head Offices (registered offices)	
The Holding Company	Dawood Centre, M.T. Khan Road, Karachi.
Abrax (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
GreenGo (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Mozart (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Reon Alpha (Private) Limited	Dawood Centre, M.T. Khan Road, Karachi.
Tenaga Generasi Limited	Dawood Centre, M.T. Khan Road, Karachi.
Solar and Wind Power Plants of subsidiaries	
Solar Power Plant of Reon Alpha (Private) Limited	Block II, District Tharparkar, Sindh.
Wind Farm of Tenaga Generasi Limited	Khuti Kun Area, Gharo, District Thatta, Sindh.

1.2 During the years 2007 and 2008, the Holding Company suspended operations of LWTM, BTM, DL and DCM. In this respect, all immovable assets of DL, DCM, LWTM and BTM were disposed of, except for the land and building pertaining to LWTM and BTM as stated in note 5.1.5 to these consolidated financial statements. Consequently, the Holding Company does not have any industrial unit in production.

1.3 The Holding Company continues to operate the 'Lawrencepur' brand name under a license.

1.4 During the year, the Board of Directors of the Holding Company, in its meeting held on October 28, 2025, granted "in principle" approval for the amalgamation of the Holding Company with DH Partners Limited (DHPL) and Cyan Limited (Cyan) through a Scheme of Arrangement ('the Amalgamation Scheme'). Subsequently, on December 15, 2025 the Board approved the Amalgamation Scheme under sections 279 and 283 of the Companies Act, 2017. The Amalgamation Scheme relates to the amalgamation of entire undertakings, including all assets, liabilities and obligations, of DHPL and Cyan with and into the Holding Company as follows:

- amalgamation of DHPL and Cyan (defined as the "Amalgamating Companies" in the Amalgamation Scheme) into the Holding Company, the surviving entity, by

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

transferring to and vesting in the Holding Company the entire undertaking, including all assets, liabilities and obligations, of the Amalgamating Companies as a going concern, against the allotment and issue by the Holding Company of fully paid-up ordinary shares of Rs. 10 in the capital of the Holding Company to members of DHPL who are appearing in its register of members on DHPL's Record Date, except the Company (as specified in the Amalgamation Scheme) and the members of Cyan who are appearing in the register of members of Cyan on the Cyan Record Date (as specified in the Scheme) under the Amalgamation Scheme, in each case, based on swap ratios as set forth in the Amalgamation Scheme; and

- the dissolution of Cyan and DHPL (the Amalgamating Companies) without winding up, in accordance with the terms of the Amalgamation Scheme.

Subsequent to year-end, the shareholders of DHPL, in an Extraordinary General Meeting held on January 27, 2026, approved the Amalgamation Scheme. Thereafter, the Islamabad High Court approved and sanctioned the Amalgamation Scheme on February 12, 2026.

1.5 The "Group" consists of:

Holding Company: Dawood Lawrencepur Limited;

Associated Company: Associated company is an entity over which the Group has significant influence but not control; and

Subsidiary Companies: Companies in which the Holding Company owns over 50% of the voting rights or companies directly controlled by the Holding Company:

	Financial year end	%age of direct holding	
		2025	2024
Tenaga Generasi Limited (note 1.5.1)	December 31	75%	75%
Reon Alpha (Private) Limited (note 1.5.2)	December 31	100%	100%
Mozart (Private) Limited (note 1.5.3)	December 31	100%	100%
Abrax (Private) Limited (note 1.5.4)	December 31	100%	100%
Greengo (Private) Limited (note 1.5.5)	December 31	100%	100%
	December 31	100%	100%
Associated Company			
DH Partners Limited (note 1.5.6)	December 31		

1.5.1 Tenaga Generasi Limited

Tenaga Generasi Limited (TGL) was incorporated in Pakistan on December 1, 2005 as a public unlisted company to primarily carry out the business of power generation as an independent power producer using wind energy.

TGL has set up a 49.5 MW Wind Power Plant at Gharo, Sindh. The Project achieved 'Financial Close' in March 2015 and has received the Government of Pakistan Guarantee. The Plant commenced commercial operations on October 11, 2016. The electricity initially generated was being transmitted to the National Transmission and Despatch Company (NTDC) under the Energy Purchase Agreement (EPA) until June 18, 2019, subsequent to which the electricity generated was being transmitted to K-Electric Limited under a Short term Power Purchase Agency Agreement (STPPAA). The STPPAA expired on September 6, 2021 and now the electricity again is being transmitted to NTDC.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Government of Pakistan has initiated the renegotiation of EPAs with Independent Power Producers (IPPs) as part of broader power sector reforms aimed at reducing electricity costs, addressing circular debt, and enhancing financial sustainability.

TGL continues to monitor developments closely and will provide updates on any material impacts in subsequent financial statements. As part of this initiative, certain thermal power plants, particularly those operating under high capacity payment structures, have undergone premature contract terminations.

Set out below is summarised financial information for TGL that has non-controlling interest (NCI). The amounts disclosed for TGL are before inter-company eliminations:

	2025	2024
	----- (Rupees in '000) -----	
Non-current assets	7,540,780	12,556,752
Current assets	6,641,460	7,303,559
Total assets	<u>14,182,240</u>	<u>19,860,311</u>
Non-current liabilities	128,180	2,812,348
Current liabilities	3,256,246	4,076,053
Total liabilities	<u>3,384,426</u>	<u>6,888,401</u>
Revenue	<u>4,346,789</u>	<u>4,605,211</u>
Total comprehensive (loss) / income for the year	<u>(2,174,096)</u>	<u>2,338,801</u>
Total comprehensive (loss) / income allocated to NCI	<u>(529,828)</u>	<u>1,365,016</u>
Accumulated NCI	<u>2,571,344</u>	<u>3,101,172</u>
Cash and cash equivalents	<u>965,651</u>	<u>2,955,689</u>
	2025	2024
	----- (Rupees in '000) -----	
Net cash generated from / (utilised in) :		
- operating activities	4,260,457	5,254,177
- investing activities	(2,186,813)	351,336
- financing activities	(4,063,682)	(4,691,869)
	<u>(1,990,038)</u>	<u>913,644</u>
Proportion of ownership interest held by NCI	<u>25%</u>	<u>25%</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

1.5.2 Reon Alpha (Private) Limited

Reon Alpha (Private) Limited (RAPL) was incorporated in Pakistan on October 23, 2017 under the Companies Act, 2017 as a private limited company. The principal business of the Company is to own and operate electric power generation project and supply of electricity as an independent power producer. Originally, the Company had to set up a 4 MW solar power project at District Tharparkar, in the province of Sindh, to provide clean electricity to Sindh Engro Coal Mining Company (SECMC) under a 15-year Power Purchase Agreement (PPA) dated February 14, 2018 which was upgraded to 5 MW through an addendum dated March 11, 2019. The commercial operations date and final acceptance date of the project was April 22, 2020. The project has been constructed at SECMC facility.

During October 2025 the respective Board of Directors of RAPL and the Holding Company have discussed the management's proposal for disposal of RAPL's power plant and the deliberations with the proposed buyer which have taken place. The Group believes that the envisaged disposal negotiations are at an advance stage and hence in these consolidated financial statements the related plant and equipment have been classified as 'held for sale' and the related operations as 'discontinued operations' (note 15). Further, in view of the fact that RAPL has no operation other than related to its power plant, RAPL is a non-going concern.

1.5.3 Mozart (Private) Limited

Mozart (Private) Limited (MPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage investments in associate company.

MPL is yet to execute its business activities. The Directors have no intention to windup MPL.

1.5.4 Abrax (Private) Limited

Abrax (Private) Limited (APL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage the Holding Company's legacy assets located in Burewala.

APL is yet to execute its business activities. The Directors have no intention to windup APL.

1.5.5 GreenGo (Private) Limited

GreenGo (Private) Limited (GPL) was incorporated in Pakistan on October 4, 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company to manage the Holding Company's legacy assets located in Attock.

GPL is yet to execute its business activities. The Directors have no intention to windup GPL.

1.5.6 DH Partners Limited

DH Partners Limited (the Company) was incorporated in Pakistan on May 8, 2024 as a public unlisted company under the Companies Act, 2017. During the period on February 3, 2025, the Company has been listed on Pakistan Stock Exchange (PSX) and its principal activity is to manage investments. The registered office of the Company is situated at 55-B, 16th floor, ISE Towers, Blue Area, Islamabad and a liaison office is situated at Dawood Center, M. T. Khan Road, Karachi.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025)

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention except as specified in the relevant accounting policies.

The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The unconsolidated financial statements of the Holding Company have been presented separately.

The financial year end of the Holding Company, subsidiaries and associate is December 31.

2.1 Statement of compliance

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

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

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

2.2 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee which is the Group's functional and presentation currency.

2.3 New standards, amendments and interpretation to applicable financial reporting framework which became effective during the year ended December 31, 2025

There were certain amendments to applicable financial reporting framework which became effective for the Group during the current period. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

2.4 New standards and amendments to applicable financial reporting framework that are not yet effective and not early adopted by the Group:

There are certain new standards and amendments that will be applicable to the Group for its annual periods beginning on or after January 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures both with applicability date of January 1, 2027. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable effective January 1, 2026. The Group's management at present is in the process of assessing the full impacts of these new standards and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2.5 Basis of consolidation

i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Further, the Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- it is exposed to variable returns from the subsidiaries; and
- decision making power allows the Group to affect its variable returns from the subsidiaries.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognised from the date the control ceases. These consolidated financial statements include the Holding Company and all companies in which it directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the Subsidiaries).

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the NCI's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of NCI over the fair value of the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses (unrealised) are also eliminated.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

ii) Transaction with NCI

The Group treats transactions with NCI that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed off of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to NCI are also recorded in equity.

iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained. In addition, any amounts previously recognised in comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

Property, plant and equipment, except for freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Freehold land and capital work-in-progress are stated at cost less accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss in the year in which these are incurred.

Depreciation is charged using the straight-line method whereby the cost of an operating asset less its estimated residual value, if any, is charged over its estimated useful life. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed of. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting policies, changes in accounting estimates and errors' and is applied prospectively in the consolidated financial statements by adjusting the depreciation charge for the year in which the amendment or change has been made for future years.

Disposal of assets is recognised when significant risks and rewards incidental to ownership have been transferred to the buyer. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are included in the profit or loss.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of operating fixed assets since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the operating fixed assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the operating fixed assets in prior years. Such reversal is recognised in the profit or loss.

3.2 Lease liabilities and right-of-use assets

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

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective yield method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received except for the assets under the Power Purchase Agreement (PPA) which are exempted from the applicability of IFRS 16 'Leases'. The SECP through its S.R.O. 986 (I) / 2019 dated September 2, 2019 extended its exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3.3 Investments in associates

Investment in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

increased or decreased to recognise the investors' share of profit or loss of the investee after the date of acquisition. The Group's investment in associate includes goodwill identified on acquisition. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of associate and its carrying value and recognises it in profit or loss.

3.4 Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets, impairment losses and foreign exchange gain and losses are recognised in profit or loss.

b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / losses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

c) Fair value through profit and loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss within other gains / losses in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.5 Financial liabilities

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.6 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the special purpose consolidated financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously.

3.7 Impairment of financial assets

The Securities and Exchange Commission of Pakistan (SECP) through its various notifications has continued to notify that the requirements contained in IFRS 9 "Financial Instruments" in case of application of Expected Credit Losses (ECL) method will not be applicable to companies with respect to financial assets due from Government of Pakistan. However, such companies are required to follow the relevant requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of such financial assets during the exemption period. In view of the latest notification the exemption has been extended till December 31, 2025. Therefore, the Group does not recognise ECL on trade debts and delayed payment charges as they are solely receivable from the Government of Pakistan (GoP).

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments (other than trade debts) carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12 month ECL.

For trade debts, other than those due from GoP, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade debts other than those due from GoP are grouped based on shared credit risk characteristics and the days past due.

3.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised. Intangible assets with indefinite useful lives are tested for impairment annually at year end either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

3.9 Trade debts and other receivables

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

3.10 Contract assets

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable. A contract asset is assessed for impairment in accordance with note 3.7 to these consolidated financial statements. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, deposits held with banks and highly liquid investments with original maturity of three months or less from the date of acquisition. Running finance facilities availed by the Group, if any, which are repayable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.12 Non current assets held for sale

"The Group classifies non-current assets as held for sale if the carrying amounts are to be recovered principally through a sale transaction rather than through continuing use, the sale is considered highly probable within one year from the reporting date and the asset is available for immediate sale in the present condition. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Assets classified as held for sale are presented separately in the consolidated statement of financial position, a remeasurement loss is recognised for any write-down of the asset to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

When the criteria for the non-current asset to be classified as held for sale is not met the entity ceases to classify asset as held for sale and is recorded at the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, that would have been recognised had the asset not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

3.13 Employees' retirement benefits

The Holding Company operates a funded defined benefit gratuity plan for its permanent employees and TGL operates unfunded gratuity schemes for their permanent employees who have completed the minimum qualifying period of service of one year. The obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit method. All remeasurement gains / losses are recognised in other comprehensive income.

Provisions are made in the consolidated financial statements to cover obligations under the scheme. The provisions require assumptions to be made of future outcome which mainly include increase in remuneration, expected return on plan assets and the discount rate used to convert future cash flows to current values.

3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using effective yield method, any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of borrowing.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.15 Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. These are classified as current liabilities if payment is due within twelve months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Exchange gains and losses arising from translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.16 Provisions

Provisions are recognised when the Group has a 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 of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.17 Taxation

3.17.1 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the ICAP, these fall within the scope of IFRIC 21/IAS 37 and accordingly are classified as levy.

3.17.2 Current

Provision for current taxation is the amount computed on taxable income at the current rates of taxation, after taking into account tax credits and tax rebates available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalised during the year.

The Group's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO). The Group is also exempt from minimum tax on turnover relating to power generation units under clause 11 A of part IV of the Second Schedule to the ITO.

3.17.3 Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liability is recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits. A deferred tax asset is recognised only when it is probable that future taxable profits (which is sensitive to certain key assumptions such as sales volume, gross margin percentage, product pricing and inflation rates etc.) will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax charged is recognised in profit or loss, however deferred tax relating to items recognised in other comprehensive income / equity is recognised directly in other comprehensive income / equity.

3.18 Revenue and other income

3.18.1 Revenue

Supply of electricity

The Group recognises revenue when the performance obligation is satisfied i.e. delivery of monthly energy, which includes Net Delivered Energy and Non Project Missed Volume (NPMV), to Central Power Purchasing Agency Guarantee Limited (CPPA-G).

Energy revenue is recognised based on the rates determined under the mechanism laid down in the Energy Purchase Agreement (EPA). The Group recognises revenue for NPMV. NPMV is defined in the EPA as a volume of electricity not delivered by the Group due solely to a non-project event (NPE) i.e. events which are outside the control of the Group (e.g. constraints on the grid systems, variations in the grid system frequency or voltage outside technical limits, etc.)

In case of supply of electricity to SECMC, the Group recognises revenue when the

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

performance obligation is satisfied i.e. delivery of energy output at the Energy Delivery Point to SECMC. Revenue is recognised based on the rates determined under the mechanism laid down in the PPA. Normal payment terms of the group are 30 days.

Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established.

Investment income

- Income on investments is recognised on an accrual basis;
- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate on accrual basis;
- Capital gains / losses arising on sale of investments are included in the profit or loss on the date at which the transaction takes place;
- Unrealised gains / losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise;
- Revenue from sale of goods is recognised at a point in time when goods are transferred to the customer and when performance obligations are fulfilled. Goods are considered to be transferred when the control is transferred to the customer, i.e. at the time of dispatch of goods.

3.18.2 Other income

- Scrap sales are recognised on an accrual basis;
- Gains or losses arising from changes in fair value less costs to sell of biological assets are recognised in the profit and loss;
- Gain on disposal of property, plant and equipment is recognised as the difference between sales proceeds and carrying value when the relevant item is disposed of; and
- Rental income is recognised monthly on accrual basis.

3.19 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.20 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- a) represents a separate major line of business or geographical area of operations;

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- c) is a subsidiary acquired exclusively with a view to resale.

3.21 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. The SECP vide its SRO 24(I) / 2012 dated January 16, 2012 which was partially modified by its SRO 986(I) / 2019 dated September 2, 2019 granted exemption from the requirements of IAS 21 "The Effects of Changes in Foreign Exchange Rates" to the extent of capitalisation of exchange differences to all Independent Power Producers that have executed their Power Purchase Agreements before January 1, 2019. Monetary assets and liabilities denominated in foreign currencies, other than foreign currency borrowings, are translated at the period-end exchange rates. Accordingly, exchange gains / losses of Group's foreign exchange differences arising on foreign currency borrowings are capitalised as cost of the related property, plant and equipment in these consolidated financial statement. Foreign exchange differences resulting from the settlement of transactions and from the translations of monetary assets and liabilities denominated in foreign currencies, other than foreign currency borrowings, are recognised in the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

3.22 Earnings per share

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

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes the strategic decisions.

Management has disclosed information as required by IFRS 8 'Operating Segments' in note 40 to these unconsolidated financial statements.

3.24 Contingent liabilities

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

The Group, based on the availability of the latest information, estimates the value of contingent liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

3.25 Transactions with related parties

Sales, purchases and other transactions with related parties are carried out on terms and conditions agreed between the parties.

3.26 Dividends and appropriation to reserves

Dividends and appropriation to reserves are recognised in the consolidated financial statements in the year which these are approved.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with the applicable financial reporting framework requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

4.1 Property, plant and equipment

The Group reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation at each reporting date. Further where applicable, an estimate of recoverable amount of assets is made for possible impairment on an annual basis.

4.2 Taxation

In making the estimates for current income taxes payable by the Group, the management considers the applicable laws and the decisions / judgments of appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgments and the best estimates of future results of operations of the Group.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the asset is utilised or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the date of the consolidated statement of financial position.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

4.3 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Impairment of cash generating unit

The Group assesses at each reporting date whether there exists an indication that a cash generating unit (CGU) may be impaired. If any such indication exists, the Group estimates the recoverable amount, which is higher of assets' fair value less cost to sell and its value-in-use.

In making estimate of recoverable amount of the CGU, the management considers future cash flows / dividend stream and estimates discount rate and terminal value of these CGUs, which are subject to change.

Where the carrying amount of a CGU exceeds its recoverable amount, these are considered impaired and are written down to its recoverable amount. Impairment loss is recognised as an expense in profit or loss.

5. PROPERTY, PLANT AND EQUIPMENT

	2025	2024
	----- (Rupees in '000) -----	
Operating assets (note 5.1)	7,276,776	12,557,827
Capital work-in-progress	4,494	4,494
Capital spares (note 5.2)	193,648	193,648
	<u>7,474,918</u>	<u>12,755,969</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

5.1 Operating assets

	Freehold land	Lease hold land (notes 5.1.1 and 5.1.2)	Building on freehold land	Building on leasehold land	Plant and machinery	Wind measuring equipment	Furniture, fixtures and office equipment	Computers	Tools and equipment	Vehicles	Renewable energy units	Total
(Rupees in '000)												
As at January 1, 2024												
Cost	3,157	38,194	67,127	3,775,519	15,179,692	3,881	145,287	(58,972)	15,956	28,458	5,643	19,203,942
Accumulated depreciation	-	(28,976)	(63,378)	(1,045,993)	(4,173,904)	(3,048)	(134,378)	62,782	(8,838)	(22,034)	(3,491)	(5,421,258)
Accumulated impairment	-	-	-	-	(41,762)	-	-	-	(468)	-	-	(42,230)
Net book value	<u>3,157</u>	<u>9,218</u>	<u>3,749</u>	<u>2,729,526</u>	<u>10,964,026</u>	<u>833</u>	<u>10,909</u>	<u>3,810</u>	<u>6,650</u>	<u>6,424</u>	<u>2,152</u>	<u>13,740,454</u>
Year ended December 31, 2024												
Net book value at beginning of the year	3,157	9,218	3,749	2,729,526	10,964,026	833	10,909	3,810	6,650	6,424	2,152	13,740,454
Additions	-	-	1,100	-	9,300	-	8,434	1,354	-	-	-	20,188
Capitalization adjustment for exchange loss (note note 5.1.4)	-	-	-	(11,962)	(46,131)	-	-	-	-	-	-	(58,093)
Write offs												
Cost	-	-	-	-	-	-	-	(1,840)	(3,069)	(897)	-	(5,806)
Accumulated depreciation	-	-	-	-	-	-	-	1,840	3,069	897	-	5,806
Disposals												
Cost	-	-	(6,053)	-	-	-	(15,159)	(3,791)	(231)	(4,092)	-	(29,328)
Accumulated depreciation	-	-	5,892	-	-	-	13,487	3,742	165	3,684	-	26,970
	-	-	(163)	-	-	-	(1,672)	(49)	(66)	(408)	-	(2,358)
Disposal of subsidiary												
Cost	-	-	-	-	(166,213)	-	(77,351)	-	-	(6,558)	-	(250,122)
Accumulated depreciation	-	-	-	-	40,200	-	62,376	-	-	5,000	-	107,576
	-	-	-	-	(126,013)	-	(14,975)	-	-	(1,558)	-	(142,546)
Depreciation (note 5.1.3)	-	(648)	(237)	(202,582)	(791,327)	(119)	(2,125)	(1,085)	(799)	(896)	-	(999,818)
Net book value at the end of the year	<u>3,157</u>	<u>8,570</u>	<u>4,449</u>	<u>2,514,982</u>	<u>10,009,855</u>	<u>714</u>	<u>571</u>	<u>4,030</u>	<u>5,785</u>	<u>3,562</u>	<u>2,152</u>	<u>12,557,827</u>
As at December 31, 2024												
Cost	3,157	38,194	62,172	3,763,557	14,976,648	3,881	61,211	(63,249)	12,656	16,911	5,643	18,880,781
Accumulated depreciation	-	(29,624)	(57,723)	(1,248,575)	(4,925,031)	(3,167)	(60,640)	67,279	(6,403)	(13,349)	(3,491)	(6,280,724)
Accumulated impairment	-	-	-	-	(41,762)	-	-	-	(468)	-	-	(42,230)
Net book value	<u>3,157</u>	<u>8,570</u>	<u>4,449</u>	<u>2,514,982</u>	<u>10,009,855</u>	<u>714</u>	<u>571</u>	<u>4,030</u>	<u>5,785</u>	<u>3,562</u>	<u>2,152</u>	<u>12,557,827</u>
year ended December 31, 2025												
Net book value at beginning of the year	3,157	8,570	4,449	2,514,982	10,009,855	714	571	4,030	5,785	3,562	2,152	12,557,827
Additions	-	-	3,400	7,898	33,930	5,843	-	759	1,060	12,340	-	65,230
Capitalisation adjustment for exchange gain (note 5.1.4)	-	-	-	13,352	51,492	-	-	-	-	-	-	64,844
Disposals												
Cost	-	-	-	-	-	-	-	(111)	-	(3,475)	-	(3,586)
Accumulated depreciation	-	-	-	-	-	-	-	111	-	3,095	-	3,206
Transfer to non current assets held for sale (note 15)												
Cost	-	-	-	-	(441,568)	-	-	-	(6,824)	-	-	(448,392)
Accumulated depreciation	-	-	-	-	150,610	-	-	-	3,475	-	-	154,085
Accumulated impairment	-	-	-	-	42,539	-	-	-	468	-	-	43,007
	-	-	-	-	(248,419)	-	-	-	(2,881)	-	-	(251,300)
Impairment loss	-	-	-	(848,554)	(3,307,165)	-	-	-	-	-	-	(4,155,719)
Depreciation (note 5.1.3)	-	(648)	(304)	(203,289)	(792,697)	(1,578)	(396)	(1,178)	(814)	(2,822)	-	(1,003,726)
Net book value at end of the year	<u>3,157</u>	<u>7,922</u>	<u>7,545</u>	<u>1,484,389</u>	<u>5,746,996</u>	<u>4,979</u>	<u>175</u>	<u>3,611</u>	<u>3,150</u>	<u>12,700</u>	<u>2,152</u>	<u>7,276,776</u>
As at December 31, 2025												
Cost	3,157	38,194	65,572	3,784,807	14,620,502	9,724	61,211	(62,601)	6,892	25,776	5,643	18,558,877
Accumulated depreciation	-	(30,272)	(58,027)	(1,451,864)	(5,567,118)	(4,745)	(61,036)	66,212	(3,742)	(13,076)	(3,491)	(7,127,159)
Accumulated impairment	-	-	-	(848,554)	(3,306,388)	-	-	-	-	-	-	(4,154,942)
Net book value	<u>3,157</u>	<u>7,922</u>	<u>7,545</u>	<u>1,484,389</u>	<u>5,746,996</u>	<u>4,979</u>	<u>175</u>	<u>3,611</u>	<u>3,150</u>	<u>12,700</u>	<u>2,152</u>	<u>7,276,776</u>
Annual rate of depreciation (%)	-	4% to 33%	5%	5% - 6%	5 - 20%	10%	10 - 35%	33%	13.69% - 20%	20%	10%	

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

5.1.1 This represents initial cost on allocation of land by Alternate Energy Development Board (AEDB) for setting up of a wind power farm. Possession of the land and the site sub-lease

5.1.2 have been obtained by the Group.

5.1.3 The depreciation charge for the year has been allocated as follows:

	2025	2024
	----- (Rupees in '000) -----	
Cost of revenue (note 25)	1,000,785	351,231
Selling and distribution expenses	-	2,400
Administrative expenses (note 27)	2,941	9,127
Impairment reversal against other income (note 29)	-	652,229
Related to Disposal Group	-	(15,169)
	<u>1,003,726</u>	<u>999,818</u>

5.1.4 These represent exchange difference arising on foreign currency borrowings capitalised as cost of the related property, plant and equipment as per the exemption from the application of IAS 21 as referred to in note 3.21 to these consolidated financial statements.

The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total covered area of land (Acres)
BTM Factory	Dawoodabad, Railway Station Road and Iddan Road, Chak 439, E.B, Tehsil urewala, District Vehari	313.725
LWTM Factory	G.T. Road, Faqirabad District Attock	230.000
Leasehold land including wind measuring equipment and building thereon	Khuti Kun Area, Gharo, District Thatta, Sindh	4,881.000

5.2 Capital spares

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	193,648	191,399
Additions during the year	-	2,249
Closing balance	<u>193,648</u>	<u>193,648</u>

6. RIGHT-OF-USE ASSETS

Balance at beginning of the year	68,879	-
Transferred from Disposal Group	-	74,627
Depreciation (note 6.1)	(5,748)	(5,748)
Balance at end of the year	<u>63,131</u>	<u>68,879</u>
Cost	103,383	103,383
Accumulated depreciation	(40,252)	(34,504)
Net book value	<u>63,131</u>	<u>68,879</u>
Rate of depreciation (% per annum)	<u>5.56%</u>	<u>5.56%</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

6.1 Depreciation charge for the year has been allocated as follows:

Cost of revenue (note 25)	5,748	5,748
---------------------------	--------------	-------

7. LONG-TERM INVESTMENTS

Investment in associate (note 7.1)	2,912,296	11,983,119
Other investments (note 7.3)	18,524,466	28,075
	21,436,762	12,011,194

Investment in associate (quoted)

(a) Engro Holdings Limited (note 7.1.1)

Balance at beginning of the year	11,983,119	10,640,906
Add:		
- Share of profit after taxation	-	2,086,968
- Share of other comprehensive income	-	39,836
- Effect of restatement in ENGROH - PNL	-	186,470
- Share of other components of equity	-	(392,175)
- Effect of restatement in other components of equity (ENGROH)	-	239,399
	-	2,160,498
Less: Dividend received	-	818,285
Less: Transfer of net assets to DH Partners	1,629,083	-
Less: Disposal of associate	10,354,036	-
	-	11,983,119

(b) DH Partners Limited (note 7.1.2)

Balance at beginning of the year	-	-
Add:		
- Transfer of net assets from ENGROH (note 7.1.1)	1,629,083	-
- Share of profit after taxation for the year	1,431,284	-
	3,060,367	-
Less: Dividend received	148,071	-
	2,912,296	-

7.1.1 Engro Holdings Limited (ENGROH) was incorporated in Pakistan on April 17, 1968 as a public limited company and has its shares quoted on the Pakistan Stock Exchange. The principal activity of ENGROH is to manage investments in its subsidiaries and associated companies.

ENGROH, along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) entered into a Scheme of Arrangement (the Engro / DH Scheme) which was sanctioned on June 26, 2024 by the Islamabad High Court.

Under the Engro / DH Scheme, effective as of January 1, 2025:

- (i) ENGROH demerged into two legal entities whereby all its assets, liabilities and obligations other than its investment in shares of ECL as specified in the Engro / DH Scheme vested into DHPL against which DHPL issued its shares to the existing

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

shareholders of ENGROH (which included the Group) in the same proportion in which they held shares in ENGROH.

- (ii) Shares held by the shareholders of ECL, other than ENGROH, ("the Transferred Shareholders") vested with and into ENGROH (i.e., ECL became a wholly owned subsidiary of ENGROH) in exchange whereof ENGROH issued shares in its share capital to the Transferred Shareholders in a proportion such that the Transferred Shareholders held their present proportionate shareholding in ECL indirectly through ENGROH.

In accordance with the Engro / DH Scheme:

- the Holding Company's shareholding in DHPL has been retained at 16.19%. Accordingly, the Group is continuing with its assessment that it retains significant influence over DHPL, hence the investment is classified as associate.
- The Holding Company's investment in ENGROH effective January 1, 2025, stands at 6.47%, post the implementation of the Engro / DH Scheme. Based on the applicable accounting standards, the investment has been measured at fair value as it ceased to be an associate. The difference between the fair value of the investment in shares of ENGROH and the related carrying amount at the date it ceased to be an associate has been recognised in profit or loss. In respect of this investment the Holding Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

7.1.2 The Holding Company has invested in DH Partners Limited with ownership of 16.19% (note 7.1.1) comprising of 77,931,896 (December 31, 2024: nil) fully paid ordinary shares of Rs 10/- each, having a market value of Rs 2,648.905 million (December 31, 2024: nil) as at the reporting date.

7.1.3 The summarised financial information of the associated companies based on the latest available financial statements is as follows:

	DH Partners Limited		Engro Holding Limited	
	2025	2024	2025	2024
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Revenue including discontinued operations	12,458,953	-	-	540,176,774
Profit after tax	8,839,236	-	-	43,244,895
Other comprehensive income - net of tax	-	-	-	615,644
Total comprehensive income	8,839,236	-	-	43,860,539
Total comprehensive income attributable to:				
- Owners	8,839,236	-	-	13,136,529
- NCI	-	-	-	30,724,010
	8,839,236	-	-	43,860,539

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	DH Partners Limited		Engro Holding Limited	
	2025	2024	2025	2024
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Non-current assets	134,008	-	-	298,766,394
Current assets	28,001,810	-	-	207,711,490
Assets classified as held for sale	-	-	-	262,859,218
Total assets	28,135,818	-	-	769,337,102
Non-current liabilities	4,927,630	-	-	139,634,301
Current liabilities	5,224,350	-	-	190,584,295
Liabilities classified as held for sale	-	-	-	206,999,527
Total liabilities	10,151,980	-	-	537,218,123
Net assets	17,983,838	-	-	232,118,979
Net assets attributable to:				
- Owners	17,983,838	-	-	74,022,184
- NCI	-	-	-	158,096,795
	17,983,838	-	-	232,118,979
Group's share in %	16.19%	-	-	16.19%
Share of net assets	2,911,583	-	-	11,984,192
Others	713	-	-	(1,073)
Carrying amount	2,912,296	-	-	11,983,119

7.1.4 The financial information of DHPL for the year ended December 31, 2025 is based on the management accounts.

7.2 The Holding Company has pledged ordinary shares of its associate and subsidiaries as security against financing facilities availed by itself and its subsidiaries from various commercial banks the details of which are as follows:

Facilities / Banks	Shares pledged	As at December 31, 2025			As at December 31, 2024		
		Number of shares pledged	Face value of shares pledged	Market value of pledged shares	Number of shares pledged	Face value of shares pledged	Market value of pledged shares
----- (Rupees in '000) -----							
Pledged against short-term financing and other facilities availed by the subsidiaries							
Bank Al Habib Limited (note 23.1.2)	ENGROH	6,200,000	62,000	1,471,074	6,200,000	62,000	1,610,822
United Bank Limited (note 23.1.2)	-do-	27,900,000	279,000	6,619,833	27,900,000	279,000	7,248,699
Bank Al Habib Limited (note 23.1.2)	DHPL	6,200,000	62,000	210,738	-	-	-
United Bank Limited (note 23.1.2)	-do-	27,900,000	279,000	948,321	-	-	-
Pledged under Musharka Agreement entered into between RAFL and FBL							
Faysal Bank Limited (note 23.1.2)	Reon Alpha (Private) Limited	5,300,000	53,000	-*	5,300,000	53,000	-*
Pledged under Sponsor Share Agreement							
Citibank N.A.	Tenaga Generasi Limited	34,599,995	345,996	-*	34,599,995	345,996	-*

*Tenaga Generasi Limited is an unlisted company and Reon Alpha (Private) Limited is a private company.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

7.3 Other investments

2025	2024	Name of Investee	2025	2024
Units / Number of Shares			----- (Rupees in '000) -----	
		Listed securities		
77,931,896	-	Engro Holdings Limited (note 7.3.1)	18,490,901	-
1,500	1,500	Asian Co-operative Society Limited (note 7.3.1)	15	15
			<u>18,490,916</u>	<u>15</u>
200,000	200,000	National Investment (Unit) Trust (note 7.3.1)	33,550	28,060
			<u>18,524,466</u>	<u>28,075</u>
			2025	2024
			----- (Rupees in '000) -----	

7.3.1 Reconciliation between fair value and cost of investments

Fair value of investments	18,524,466	28,075
Surplus on remeasurement of investments as at year end	(18,476,404)	(25,620)
Cost of investments	48,062	2,455

8. STOCK-IN-TRADE

Textile	2025	2024
Finished goods	2,310	3,060
Provision for slow moving and obsolete items	(1,684)	(1,684)
	626	1,376

2025 2024
----- (Rupees in '000) -----

9. TRADE DEBTS

- Secured, considered good		
Alternate energy (notes 9.1 and 9.2)	705,495	1,706,833
- Unsecured, considered good		
Renewable energy	-	7,277
	705,495	1,714,110
- Considered doubtful		
Renewable energy	5,954	5,953
Others	1,051	1,052
	7,005	7,005
	712,500	1,721,115
Allowance for expected credit loss (note 9.3)	(7,005)	(7,005)
	705,495	1,714,110

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

9.1 Trade debts including delayed payment charges are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

9.2 Trade debts from alternate energy represents amounts aggregating to:

- Rs 185.077 million (December 31, 2024: Rs 331.531 million) which has not been billed.
- Rs 156.237 million (December 31, 2024: Rs 82.557 million) which are neither past due nor impaired.
- Rs 364.181 million (December 31, 2024: Rs 1,292.745 million) which are overdue by upto 61 days (December 31, 2024: upto 90 days) but not impaired. These carry markup at the rate of 3 months KIBOR plus 4.5% per annum as per EPA.

9.3 As at December 31, 2025, trade debts aggregating to Rs 7.005 million (December 31, 2024: Rs 7.005 million) were deemed to have been impaired and were provided for. These include balances that were outstanding for more than 6 months. The movement in allowance for expected credit loss is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	7,005	70,656
Charge during the year	-	-
Related to disposal of subsidiary	-	(63,651)
Closing balance	<u>7,005</u>	<u>7,005</u>

10. CONTRACT ASSET

Considered good	<u>7,094</u>	<u>7,144</u>
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10.1 It relates to the Company's rights to consideration for electricity supplied in accordance with terms of PPA but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional. This usually occurs when the Company invoices the customers.

11. LOANS AND ADVANCES

	2025	2024
	----- (Rupees in '000) -----	
- Secured, considered good		
Loans and advances to employees (note 11.1)	892	2,438
- Unsecured, considered good		
Advances to suppliers	<u>4,681</u>	<u>9,049</u>
	<u>5,573</u>	<u>11,487</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

11.1 This includes interest free loans to employees in accordance with their terms of employment and advances to employees provided for business travelling and various other expenses as per the Group's policy and are secured against staff retirement gratuity.

	2025	2024
	----- (Rupees in '000) -----	
12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Security deposits	9,188	9,190
Prepayments	127,816	149,997
Delayed payment charges (note 12.1)	2,145,184	1,971,877
Sales tax refundable	93,087	79,733
REL liquidated damages receivable	13,118	-
Sindh workers' profit participation fund	105,670	299,254
Sindh workers' welfare fund	114,509	-
Others (note 12.2 and 12.3)	137,995	128,224
	<u>2,746,567</u>	<u>2,638,275</u>

12.1 This represents:

- Rs 29.302 million (2024: Rs 88.847 million) related to delayed payment interest which is not yet billed by the Group.
- Rs 52.935 (2024: Rs 43.703 million) which are neither past due nor impaired.
- Rs 179.918 million (2024: Rs 595.306 million) which is overdue by upto 365 days but not impaired.
- Rs 1,883.030 million (2024: Rs 1,244.021 million) is overdue by 365 days or more.

12.2 This includes amount due from related parties as follows:

	2025	2024
	----- (Rupees in '000) -----	
Sach International (Private) Limited	32,122	28,951
DH Partners Limited	671	-
Cyan Limited	667	-
	<u>33,460</u>	<u>28,951</u>

Maximum aggregate outstanding amounts at any time during the year based on month end balances were as follows:

	2025	2024
	----- (Rupees in '000) -----	
Sach International (Private) Limited	49,352	33,095
DH Partners Limited	671	-
Cyan Limited	667	-

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 12.3** As at December 31, 2025, receivables from related parties aggregating to Rs 17.674 million (2024: Rs 15.841 million) were past due but not impaired. The aging analysis of these receivables is as follows:

	2025	2024
	----- (Rupees in '000) -----	
21 days to 3 months	17,674	5,133
3 to 6 months	-	801
More than 6 months	-	9,907
	<u>17,674</u>	<u>15,841</u>

13. SHORT-TERM INVESTMENTS

At fair value through profit or loss

Investment in units of mutual fund (note 13.1)	2,991,731	213,920
Investment in listed equity securities (note 13.2)	6,349,415	3,850,732
	<u>9,341,146</u>	<u>4,064,652</u>

- 13.1** Particulars regarding investment in mutual funds are as follows:

	As at January 1, 2025	Purchased during the year	Redeemed during the year	As at December 31, 2025	Cost as at December 31, 2025	Fair value as at December 31, 2025	Unrealised gain as at December 31, 2025	Fair value as at December 31, 2024
	-----Number of Units-----				----- (Rupees in '000) -----			
Shariah compliant mutual funds:								
Al Hamra Islamic Stock Fund	-	484	-	484	-	15	15	-
Alhamra Cash Management Optimizer	-	9,730,069	(4,939,154)	4,790,915	500,292	505,546	5,254	-
ABL Cash Fund	-	1,741,173	(1,741,129)	44	-	-	-	-
ABL Islamic Money Market Plan - I	-	2,877,173	-	2,877,173	30,000	30,264	264	-
Meezan Sovereign Fund (MSF)	705,960	-	(705,960)	-	-	-	-	40,463
Al-Ameen Shariah Stock Fund - Class A	-	14	-	14	6	7	1	-
Conventional mutual funds:								
Atlas Money Market Fund	36,236	5	(36,236)	5	-	2	2	20,219
NBP Money Market Fund	3,701,305	4,547,858	(8,247,998)	1,165	-	12	12	40,415
MCB Cash management optimizer	558,989	44,188,482	(23,168,753)	21,578,718	2,300,000	2,318,505	18,505	50,536
UBL Stock Advantage Fund- Class A	-	16	-	16	-	5	5	-
UBL Money Market Fund - Class 'C'	-	3,665,727	(2,374,464)	1,291,263	131,745	137,203	5,458	-
UBL Cash Fund - Class A	463,730	1,633	(463,730)	1,633	141	172	31	50,540
Pakistan Cash Management Fund	1,024	-	(1,024)	-	-	-	-	11,747
					<u>2,962,184</u>	<u>2,991,731</u>	<u>29,547</u>	<u>213,920</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

13.2 Particulars regarding quoted shares are as follows:

	As at January 1, 2025	Purchased during the year	Adjustment through share split	Sold during the year	As at December 31, 2025	Cost as at December 31, 2025	Fair value as at December 31, 2025	Unrealised gain as at December 31, 2025	Fair value as at December 31, 2024
	----- Number of Shares -----				----- (Rupees in '000) -----				
Conventional securities:									
Banking, Insurance and Investment companies	3,625,000	-	1,550,000	-	5,175,000	1,176,154	2,103,443	927,289	1,176,155
Shariah compliant securities:									
Exploration and production	1,906,000	-	-	-	1,906,000	414,190	499,326	85,136	414,190
Technology and communication	847,457	-	3,389,828	-	4,237,285	526,652	724,067	197,415	526,652
Cement	283,000	170,000	1,132,000	-	1,585,000	386,956	752,812	365,856	311,439
Pharmaceuticals	973,716	591,923	-	(140,000)	1,425,639	600,090	640,959	40,869	549,882
Fertilizer	2,381,562	-	-	-	2,381,562	872,414	1,406,812	534,398	872,414
Synthetic and rayon	-	7,400,000	-	(7,400,000)	-	-	-	-	-
Chemical	-	75,000	-	-	75,000	41,654	63,512	21,858	-
Food and personal care products	-	400,000	-	-	400,000	149,086	158,484	9,398	-
						4,167,196	6,349,415	2,182,219	3,850,732

2025 **2024**

----- (Rupees in '000) -----

14. CASH AND BANK BALANCES

Cash in hand	438	133
Cheques in hand	200,000	-
Cash at banks		

- In current accounts
- In deposit accounts - local currency (note 14.1)
- In deposit accounts - foreign currency (note 14.2)

12,370	34,438
1,234,064	3,033,220
42,791	40,606
1,289,225	3,108,264
1,489,663	3,108,397

14.1 These represent deposits with commercial banks and carry profit at the rate ranging from 6.5% to 10.25% (2024: 6.5% to 18.63%) per annum.

14.2 These carry return at the rate of 4% (2024: 5.38%) per annum.

2025 **2024**

----- (Rupees in '000) -----

15. NON-CURRENT ASSETS HELD FOR SALE

Cost	448,392	-
Accumulated depreciation	(154,085)	-
Accumulated impairment	(43,007)	-
	251,300	-
Impairment	(71,300)	-
	180,000	-

15.1 In view of the matters disclosed in note 1.5.2, RAPL's plant and equipment have been classified as 'held for sale'. These assets are carried at fair value less costs to sell assessed using an internal model based on the discounted cashflow approach. The key assumptions involved in the calculations relate to the estimate of future cashflows over the period of the plant's useful life and the discount rate of 15.99%. The carrying value has been further corroborated with the discussions that are being taken place with a potential buyer.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16. SHARE CAPITAL

16.1 Authorised share capital

2025	2024		2025	2024
----(Number of shares) ----			--- (Rupees in '000) ---	
<u>75,000,000</u>	<u>75,000,000</u>	Ordinary shares of Rs.10/- each	<u>750,000</u>	<u>750,000</u>

16.2 Issued, subscribed and paid up capital

2025	2024		2025	2024
---(Number of shares) ---			---- (Rupees in '000) ----	
2,204,002	2,204,002	Ordinary shares of Rs.10/- each fully paid in cash	22,040	22,040
12,805,118	12,805,118	Ordinary shares of Rs 10/- each issued for consideration other than cash (note 16.2.3)	128,051	128,051
44,048,739	44,048,739	Ordinary shares of Rs 10/- each issued as bonus shares	440,487	440,487
130,520	130,520	Ordinary shares of Rs 10/- each Issued as right shares as per the Court Order (note 16.2.4)	1,305	1,305
111,430	111,430	Ordinary shares of Rs 10/- each issued as right shares as per the Court Order (note 16.2.4)	1,115	1,115
<u>59,299,809</u>	<u>59,299,809</u>		<u>592,998</u>	<u>592,998</u>
			2025	2024
			----- (Number of shares) -----	

16.2.1 Associates are incorporated in Pakistan. Shareholding details are as follows:

Dawood Corporation (Private) Limited percentage of holding 54.84% (2024: 54.84%)	32,521,794	32,521,794
The Dawood Foundation percentage of holding 5.02% (2024: 5.02%)	2,979,324	2,979,324
Dawood Investments (Private) Limited Percentage of holding 7.49% (2024: 7.49%)	4,443,661	4,443,661
Cyan Limited percentage of holding 5.00% (2024: 5.00%)	2,965,095	2,965,095
Sach International (Private) Limited percentage of holding 0.01% (2024: 0.01%)	3,776	3,776
	<u>42,913,650</u>	<u>42,913,650</u>

16.2.2 The Holding Company has a single class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

16.2.3 Shares issued for consideration other than cash represent shares issued to the shareholders of the amalgamating companies in accordance with the share-swap ratio stipulated in the Scheme of Arrangement for Amalgamation (note 1.1).

16.2.4 In compliance with the orders passed by the Honorable Sindh High Court (note 21), the Holding Company had issued 241,950 shares (denoting 130,520 shares as right issue and 111,430 as bonus issue) to National Investment (Unit) Trust [managed by National Investment Trust Limited (NIT)] on May 12, 2020.

	2025	2024
	----- (Rupees in '000) -----	
17. DEFERRED TAXATION - NET		
Taxable temporary differences		
- arising on remeasurement of investments at fair value through profit or loss	844,689	290,427
- arising on remeasurement of investments at fair value through OCI (note 17.3)	1,844,529	-
- investment in associate accounted for using equity method	723,152	2,979,456
	3,412,370	3,269,883
Deductible temporary differences		
- loss incurred on sale of REL (notes 17.1 and 17.2)	(493,761)	(493,761)
- transaction costs (notes 17.1 and 17.2)	(63,223)	(63,223)
	(556,984)	(556,984)
	2,855,386	2,712,899

17.1 These represent deferred tax asset arising on loss incurred on the sale of REL and transaction cost incurred for the envisaged disposal of TGL. These will be claimed as deductions when computing capital gain tax liability on future capital gains upto next six years, in accordance with section 37 of the Income Tax Ordinance, 2001.

17.2 The deferred tax balances aggregating Rs 556.984 million as shown in the table above are available for deduction as and when these are realised, subject to having sufficient capital gains. The Holding Company has carried out an assessment of recoverability by estimating future capital gain of the Holding Company and the expected rate applicable to those gains and determined that the amounts shall be recoverable. However, the estimation of future capital gains is sensitive to certain key assumptions which can be changed.

17.3 This represents deferred tax liability arising on unrealised gain on recognition of investment in ENGROH (note 7.1.1).

	2025	2024
	----- (Rupees in '000) -----	
18. LONG-TERM BORROWINGS - secured		
Foreign currency borrowings (notes 18.1, 18.2 and 18.3)	2,366,049	4,566,057
Local currency borrowings (notes 18.1, 18.3, 18.4 and 18.5)	590,154	962,836
	2,956,203	5,528,893
Transaction costs		
Transaction cost to date	(314,506)	(314,506)
Accumulated amortisation	297,400	268,249
	(17,106)	(46,257)
	2,939,097	5,482,636
Current portion shown under current liabilities	(2,939,097)	(2,590,377)
	-	2,892,259

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

18.1 TGL entered into financing agreements with two international financial institutions for a total amount of US Dollars 66 million. The foreign finance attributable to IFC initially carried a markup at the rate of three months LIBOR plus 5% payable quarterly over a period of ten years. However, effective November 18, 2024, TGL is paying markup at the rate of Secured Overnight Financing Rate (SOFR) + 5% plus Credit Adjustment Spread (CAS) of 0.26161% upon approval at the time of payment. The agreement of the financing is yet to be transitioned to SOFR, whereas the foreign finance attributable to Development Finance Corporation (DFC), initially carried a markup at the rate of three months LIBOR plus 5% payable quarterly over a period of ten years. However, effective July 15, 2023, the base rate has been transitioned from LIBOR to SOFR due to the industry-wide discontinuation of LIBOR. The revised applicable interest rate is calculated as three months term SOFR + 4.70% plus CAS of 0.26161%. As at December 31, 2025, the outstanding balance of borrowings was US Dollars 8.421 million (2024: US Dollar 16.374 million) for foreign currency borrowings.

TGL also entered into a financing agreement with a consortium of two local financial institutions for total amount of Rs 2,400 million. The local finance carries markup at the rate of three months KIBOR plus 3% payable quarterly over the period of ten years. The principal is repayable in twenty semi-annual installments which commenced from July 2017.

18.2 This includes outstanding loan from IFC, a related party, amounting to Rs 787.420 million (2024: Rs 1,522.019 million).

18.3 These facilities are secured by way of a hypothecation charge on all present and future fixed assets (land, building, plant & machinery), bank balances, trade and other receivables, and other current assets in favor of the onshore and offshore security agent. In addition, out of the total paid-up share capital of the Company, 34,599,995 shares held by Dawood Lawrencepur Limited are pledged in favor of the onshore security trustee.

18.4 RAPL has obtained long-term loan from Faysal Bank Limited (FBL) under a Musharaka Agreement dated March 4, 2019 amounting to Rs. 309,000,000 to finance 75% of the project. The tenure of the loan is 10 years, carrying mark-up at the rate of three months KIBOR plus 2% payable on quarterly basis. The principal amount is repayable in forty (40) quarterly instalments which commenced from December 25, 2019. The loan is secured through hypothecation charge over the present and future fixed assets (excluding land and building) and assignment of receivables of RAPL in favor of FBL. Transaction cost on borrowings is amortized over the tenure of the loan.

18.5 In light of the relief granted by the State Bank of Pakistan (SBP) vide Banking Policy and Regulation Department (BPRD) Circular Letter No. 13 of 2020 dated March 26, 2020, RAPL sought relaxation in repayment terms in respect of its long term loan facilities. The principal repayments of this loan which were due from June 2020 to March 2021 were deferred for a period of one year thereby extending the overall maturity of this loan by the same period. However, interest continues to be paid on quarterly basis during the deferment time. The Holding Company has provided a corporate guarantee amounting to Rs 206,000 in favour of FBL to secure the musharaka financing facility of RAPL.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

- 18.6** Following are the changes in the long-term borrowings for which cash flows have been classified as financing activities in the special purpose consolidated statement of cash flows:

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	5,482,636	8,523,428
Amortisation of transaction costs (note 30)	29,150	29,439
Loan repaid	(2,637,534)	(2,451,041)
Exchange loss / (gain) (note 5.1.4)	64,844	(58,093)
Disposal of subsidiary	-	(561,097)
Closing balance	<u>2,939,096</u>	<u>5,482,636</u>

19. LEASE LIABILITY

Non-current portion	119,211	114,085
Current portion	9,762	9,762
Total lease liability at the end of the year	<u>128,973</u>	<u>123,847</u>

- 19.1** This relates to leasehold land acquired by TGL for the purpose of installation of the wind power plant. TGL's weighted average incremental borrowing rate was 13.05% per annum (2024: 13.05% per annum) at the time of entering into lease. The remaining term of the lease is 10.75 years.

	2025	2024
	----- (Rupees in '000) -----	
The movement in the balance of lease liability is as follows:		
Opening balance	123,847	136,636
Accretion of interest (note 30)	14,888	14,297
Lease rental paid	(9,762)	(9,762)
Disposal of subsidiary	-	(17,324)
Closing balance	<u>128,973</u>	<u>123,847</u>

19.2 Maturity analysis

within 1 year	9,762	9,762
between 1 and 2 years	9,762	9,762
between 2 and 3 years	24,405	9,762
between 3 and 4 years	24,405	24,405
between 4 and 5 years	24,405	24,405
later than 5 years	146,430	170,835
	239,169	248,931
Future finance charge	(110,196)	(125,084)
Present value of minimum lease payments	<u>128,973</u>	<u>123,847</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
20. TRADE AND OTHER PAYABLES		
Creditors	262,028	319,678
Payable to related parties (note 20.1)	9,888	-
Liquidated damages payable to SECMC (note 20.2)	71,294	-
Levy payable	53,488	18,187
Accrued liabilities	117,446	78,614
Due to Islamic Development Bank (note 20.3)	25,969	25,969
Deposits (note 20.4)	6,974	489
Sales tax payable	103	-
Sindh workers' welfare fund	114,509	-
Sindh workers' profit participation fund (note 20.5)	22,032	140,374
Withholding tax	11,687	1,088
Others	44,948	71,818
	<u>740,366</u>	<u>656,217</u>

20.1 This represents amounts due to Engro Holdings Limited, a related party amounting to Rs 0.231 million.

20.2 This represents Liquidated Damages under section 6.7 of Power Purchase Agreement (PPA) between RAPL and Sindh Engro Coal Mining Company (SECMC). As per the agreement, if energy output supplied by RAPL is less than the Minimum Energy Output (MEO), RAPL is liable to pay the Alternate Energy Cost (AEC) to SECMC which is a pass through item under section 6.2 of the O&M agreement between RAPL and Reon Energy Limited (REL). Hence a corresponding receivable has been recorded as other receivable (note 12).

20.3 This represents amount payable against the preference shares issued before amalgamation in the year 2004 by one of the merged entities to Islamic Development Bank with a right to redeem. The merged entity had served notice to the Bank for redemption before the scheme of amalgamation and redemption reserve had been created.

20.4 All deposits are interest free and are payable on demand. This includes Rs 6.327 million (2024: Rs 0.346 million) utilised as per the agreement with the respective parties. The balance is not kept in a separate bank account.

20.5 This represents workers' profits participation fund liability. The Group has also recognised corresponding asset being a pass-through item under EPA. The movement in workers' profits participation fund payable is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Opening balance	140,374	180,929
Allocation for the year	-	122,444
Interest on fund utilised in TGL's business	4,102	10,114
	<u>144,476</u>	<u>313,487</u>
Less: Payments	(122,444)	(173,113)
Closing balance	<u>22,032</u>	<u>140,374</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

21. PROVISION

In 1975, LWTM offered 130,520 right shares to National Investment (Unit) Trust, managed by National Investment Trust Limited (NIT), where the offer was accepted by NIT and acknowledged by LWTM. These events took place during the validity of the Consent Order dated January 2, 1976 issued by the Controller of Capital Issues. However, payment for the said shares was made by NIT after the expiry of the Consent Order based on which LWTM contended that it was no longer obliged to issue shares to NIT.

On October 3, 1998 a decree was passed by the SHC in favour of NIT wherein NIT was declared the owners of the right shares along with other consideration. The Holding Company filed an appeal before the SHC which suspended the operation of the impugned order. In 2016, the SHC decided the case in favour of NIT whereby the Holding Company was ordered to release the unissued shares, bonus shares, dividend accrued and interest till the date of the Decree of the SHC. In 2018, NIT filed an Execution Application before the SHC for the Order passed by SHC, whereby NIT expressed a disagreement on the amount of dividend payable thereto as communicated to it by the Holding Company.

On September 16, 2019, the Holding Company received an Order from the SHC wherein it was directed to deposit Rs 8.235 million with the Nazir for onward payment to NIT as originally agreed between the two parties and to transfer the underlying 241,950 shares of DCM to NIT. The Holding Company obtained a correction in this Order from the SHC wherein the name of DCM was changed to Dawood Lawrencepur Limited and the word "transfer" of shares was changed to "issue" thereof. Moreover, the Holding Company obtained a concurrence of the Securities and Exchange Commission of Pakistan (SECP) upon the matter that the issue of aforesaid shares by the Holding Company to NIT in terms of the Order of the SHC dated October 3, 1998 did not attract applicability of section 83 of the Companies Act, 2017 and was, hence, allowed to proceed with the share issue in terms of section 344 thereof. In the year 2021, in compliance with the order of SHC, the Holding Company issued 241,950 shares as stated in note 16.2.4 to these consolidated financial statements.

The Holding Company has estimated the total provision in respect of mark-up and dividend payments due to NIT to be Rs 15.595 million out of which the Holding Company has deposited Rs 8.235 million with the Nazir of SHC pursuant to the Court Order for onward payment to NIT. The Holding Company anticipates that the remaining provision amounting to Rs 7.360 million maintained in these consolidated financial statements is sufficient to meet the remaining obligation of the Holding Company in respect of this matter.

22. ACCRUED MARK-UP

	2025	2024
	----- (Rupees in '000) -----	
Mark-up on long-term borrowings	<u>56,482</u>	<u>131,493</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

23. CONTINGENCIES AND COMMITMENTS

23.1 The Holding Company

23.1.1 Contingencies

a) Expenses not allocated to dividend income (Tax years 2004, 2005 and transition year 2005)

The Additional Commissioner Inland Revenue (ACIR) in its order dated January 1, 2011, amended the amount of allocation of expenses from business income to capital gain and dividend income to Rs 62.5 million from the original allocation of Rs 136.105 million. The Holding Company filed an appeal where disallowances of Rs 62.5 million were upheld by Commissioner Inland Revenue Appeals [CIR(A)]. On July 30, 2013, the Holding Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which decided the matter in favour of the Holding Company on December 18, 2018. On March 1, 2019 the department has filed a reference application before the High Court of Sindh (HCS) for the allocation of common expenses which is pending adjudication. Total increase in incidence of tax was Rs 25.762 million. Based on the opinion of the tax advisor, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these unconsolidated financial statements.

b) Dividend income offset against business losses (Tax years 2006, 2008 and 2009)

The ACIR in order dated May 6, 2014 had disallowed to set off dividend income against business losses for tax years 2008 and 2009 having a tax impact of Rs 13.926 million. On March 29, 2013, an appeal was filed with the ATIR who decided the matter in favour of the Holding Company on December 18, 2018. On March 1, 2019, the ACIR has filed a reference application before the SHC for the allocation of common expenses and minimum tax which is pending adjudication. Based on the opinion of the tax expert, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these consolidated financial statements.

c) Assessment of annual tax return (Tax year 2014)

The income tax return of the Holding company was selected for tax audit by the department through computer ballot on October 27, 2015. The Holding Company submitted the relevant information requested after which the department issued a show cause notice to Holding Company on May 16, 2016 citing several factual and legal issues in the assessment for tax year 2014. The Holding Company subsequently challenged the aforementioned proceedings in the SHC and obtained an interim stay.

During the year 2020, the SHC vacated the stay petition and decided the case in favour of the department upon which the DCIR through an order dated October 28, 2020 raised a demand of Rs 421.567 million on account of certain matters including disallowed expenses. The Holding Company filed an appeal before the CIR(A) on November 9, 2020 who through an order dated January 14, 2021 had remanded back the matter to the Assessing Officer for re-examination. In order to conclude remand back proceedings notice was issued on May 12, 2023. In response the Holding Company being aggrieved filed second round of appeal to CIR(A). The CIR(A) through order dated September 14, 2023, ruled in the Holding Company's favor, extinguishing the tax demand of Rs 421.567 million and remanding the case for de novo proceedings due to the Holding Company not being given an opportunity to be heard. Based on the opinion of the tax expert, the Holding Company is confident that the matter will be decided in its favour. Hence, no provision has been recognised in these consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

d) Sales tax audit

On April 23, 2020, the Holding Company received an order for tax year 2017 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs 87.492 million including default surcharge and penalty amounting to Rs 29.645 million and Rs 2.755 million respectively. The order was raised primarily on account of holding taxability of supplies made by the Holding Company as exempt and related inadmissible input sales tax. The Holding Company filed an appeal on June 3, 2020 against the aforementioned order before the CIR(A) who, vide an order dated July 22, 2020, upheld the demand of the ACIR to the extent of Rs 112 million on account of inadmissible input tax deduction and remanded back the remaining matters contained in the order to the ACIR for fresh consideration. During March 2022, department initiated remand back proceedings on the remaining issues and vide order dated June 30, 2022 raised a tax demand of Rs 41.582 million by treating exempt supplies as taxable, claiming of inadmissible input of Rs 8.070 million and inadmissible adjustment of 0.057 million against which the Holding Company has filed appeal before CIR(A). Based on the opinion of the tax expert, the Holding Company is confident that the matter will be decided in its favour. Hence, no further provision has been recognised in these consolidated financial statements.

e) Tax on undistributed profits

The Holding Company obtained a stay order from the High Court of Sindh dated August 2, 2017 with regard to the amendment inserted through the Finance Act, 2017 relating to the taxation of undistributed profits as stated in section 5A of Income Tax Ordinance, 2001 [substituted through section 4(3) of the Finance Act, 2017]. The said interim order is still operating in favour of the Holding Company. On April 30, 2021, SHC passed an order in favour of the companies appellant of this constitutional petition and struck down this subject section of the ITO 2001. However, on July 1, 2021, Federal Board of Revenue (FBR) has filed a constitutional appeal against the aforementioned matter with the Honourable Supreme Court of Pakistan, which is pending for hearing. The Holding Company is confident of the favourable outcome, hence no provision relating to internally computed amount of Rs 96 million has been recognised in these consolidated financial statements.

23.1.2 Commitments

- a) The Holding Company is committed, as a Sponsor, to purchase shares of TGL from International Finance Corporation (IFC) on the exercise of put option by IFC under the Shareholders' Agreement entered into among the Holding Company, TGL and Dawood Corporation (Private) Limited as the shareholders of TGL under conditions (i) at any time during the period beginning on the seventh anniversary of the first subscription until liquidity date; or (ii) in the event that TGL and the Holding Company breach any of the obligations set out in the shareholders' agreement.

b) Guarantees issued in respect of subsidiaries

In respect of TGL

The Holding Company has arranged a Stand-by Letter of Credit (SBLC) amounting to USD 6.662 million in favor of the lenders of TGL. The said facility is secured by pledge over the Holding Company's investments in TGL.

In respect of RAPL

The Holding Company has provided a corporate guarantee amounting to Rs 206 million

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

in favour of Faysal Bank Limited to secure the musharika financing facility of RAPL amounting Rs 309 million. Further, the Holding Company has also pledged shares of RAPL as stated in note 7.2 to these consolidated financial statements. In addition to this, the Holding Company has recorded a liability of Rs 85 million in favour of RAPL.

- c) The Holding Company is contingently liable for bank guarantees amounting to Rs 31.305 million (December 31, 2024: Rs 37.897 million) favouring the Government and various other parties. These have been issued against mobilisation advances and performance in respect of sale of goods and rendering of services for a tenure varying from three months to three years.

23.2 Tenaga Generasi Limited

23.2.1 Contingencies

- a) On December 28, 2017, the Deputy Commissioner Inland Revenue (DCIR) issued an order for tax year 2016 in relation to monitoring under sections 161/205 amounting to Rs 282.281 million with the default surcharge and penalty amounting to Rs 33.874 million and Rs 28.228 million respectively. TGL filed appeal before Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) annulled the tax demand and remanded back the case to DCIR for reverification vide order dated January 24, 2018 and required TGL to provide necessary documentation to support the case. The details in connection with the CIR(A) order were duly submitted by TGL which were not considered and the order was finalised by the DCIR, maintaining the tax assessment and penalties on April 17, 2018. Being aggrieved by the order, TGL appealed before CIR(A) on May 4, 2018 which was remanded back for fresh proceedings on June 15, 2020. Since the case has been again remanded back, the management of TGL, based on the advice of the tax expert, has not recorded any provision in these consolidated financial statements.
- b) On April 27, 2018, the Officer Inland Revenue (OCIR) through an order raised sales tax demand amounting to Rs 97.282 million along with default surcharge arising due to inadmissibility of input sales tax credit related to civil works carried out on account of building and foundation of wind turbines. TGL filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 14, 2018 on the grounds that sales tax at 14% was paid on services for installation of wind project which is related to the core taxable activity for the business and is, therefore, admissible as per law. The CIR(A) passed the order and confirmed the demand raised by the OCIR. Subsequent to which TGL has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A). The ATIR has passed the order whereby case has been remanded back for reconsideration. However, no remand back proceeding has been initiated yet. Since the case has been remanded back, the management of TGL, based on the advice of the tax expert has not recorded any provision in these consolidated financial statements.
- c) On August 31, 2022, the Deputy Commissioner Inland Revenue (DCIR) issued an order for tax year 2019 in relation to monitoring under section 161(1) amounting to Rs 18.837 million with the default surcharge and penalty amounting to Rs 9.388 million and Rs 1.884 million respectively. The details in connection with payment of withholding taxes were duly submitted which were not considered by the department while passing the impugned order. Therefore, the rectification request and the appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] were filed. The CIR(A) annulled the tax demand and remanded back the case for reverification vide order dated September 14, 2023. DCIR has issued a notice for initiating appeal effect proceedings on July 25, 2024 raising a tax demand amounting to Rs 71.331 million without considering the

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

previous submissions made. The notice was responded on September 5, 2024. The management of TGL, based on the advice of the tax expert, has not recorded any provision in these consolidated financial statements.

23.3 Reon Alpha (Private) Limited

23.3.1 Contingencies

On October 25, 2024, RAPL received an order for tax year 2022 from the Assistant Commissioner Inland Revenue (ACIR) raising a demand of Rs. 18,193,290. The order was raised primarily by adding back certain expenses of the Company under certain provisions of the Income Tax Ordinance, 2001. RAPL filed an appeal on January 2, 2025 against the aforementioned order before the Commissioner Inland Revenue (Appeals) [CIR(A)] on the ground that the business income of the Company is being taxed erroneously without considering the fact that the income of an Independent Power Producer (IPP) is exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Subsequently, on November 17, 2025, the appeal has been disposed off by CIR(A) in favour of tax authorities and amount of Rs. 13,982,239 has been recovered directly from RAPL's bank account. RAPL has filed a constitutional petition before the Honourable High Court and obtained a stay against further recovery of the said demand and restraining the authority from encashing the pay order. Based on the opinion of the tax expert, RAPL is confident that the matter will be decided in its favour. Hence, a receivable has been recognised by RAPL.

23.3.2 Commitments

RAPL has committed to generate and transmit 68,545,339 kWh (December 31, 2024: 76,233,492 kWh) of energy and pay its operation and maintenance contractor, Reon Energy Limited Rs 112,822,882 (December 31, 2024: Rs 122,371,905) over the span of next ten years. However in view of the matter stated in note 1.5.2, formal termination of O&M agreement is also expected to take place, the discussion for which are in process.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
24. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Renewable and alternate energy		
Timing of revenue recognition:		
Gross sales		
- Over time	5,111,451	8,976,357
- At a point in time	-	3,696,978
	<u>5,111,451</u>	<u>12,673,335</u>
Less: Sales tax		
- sales tax	(706,442)	(1,236,199)
- advance income tax	-	(1,293)
- electricity duty	(576)	(1,706)
	<u>4,404,433</u>	<u>11,434,137</u>
Textile		
- At a point in time	839	3,395
Less: Sales tax	(91)	(518)
	<u>748</u>	<u>2,877</u>
Dividend income on investments	346,393	183,599
Investment income		
Profit on bank deposits	135,036	391,247
Gain on sale on investment in quoted shares	32,643	9,416
Gain on sale of units of mutual funds	56,382	82,526
Unrealised gain on ENGROH investment	-	-
Gain on remeasurement of investments at fair value through profit or loss	2,217,050	1,161,664
Interest income on short-term investments	-	38,058
	<u>2,441,111</u>	<u>1,682,911</u>
Related to discontinued operations (note 32)	(59,172)	(6,884,816)
	<u>7,133,513</u>	<u>6,418,708</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
25. COST OF REVENUE		
Renewable energy		
Operation and maintenance expense	9,421	5,193,911
Salaries and allowances	-	265,831
Contracted services	-	95,826
Depreciation on operating assets (note 5.1.3)	22,389	31,784
Travelling expenses	-	40,942
Transportation and handling charges	-	37,516
Fees and subscription	-	9,782
Miscellaneous expenses	648	264,993
	32,458	5,940,585
Alternate energy		
Depreciation on property, plant and equipment (note 5.1.3)	978,396	319,447
Depreciation on right-of-use assets (note 6.1)	5,748	5,748
Insurance	106,914	122,111
Travelling expenses	1,456	1,652
Fuel	1,392	1,993
Repair and maintenance	18,213	40,912
Operations and maintenance cost	725,137	655,811
Energy import charges	14,536	22,239
Others(note 25.1)	47,492	53,697
	1,899,284	1,223,610
Textile - Finished goods		
Stock-in-trade - at beginning of the year	1,375	6,102
Stock-in-trade at end of the year	(626)	(3,060)
	749	3,042
	1,932,491	7,167,237
Related to discontinued operations (note 32)	(33,207)	(5,945,781)
	1,899,284	1,221,456

For better presentation and in accordance with the applicable financial reporting framework, profit on deposits and gain on investments have been reclassified from other income to revenue.

25.1 This includes Rs 28.668 million (December 31, 2024: Rs 34.906 million) for security services at the plant site.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

26. SELLING AND DISTRIBUTION EXPENSES

Salaries and allowances	-	186,754
Depreciation on operating assets (note 5.1.3)	-	2,400
Conveyance and travelling	-	13,072
Fees and subscription	-	3,039
Postage and telephone	-	1,521
Electricity, gas and water	-	918
Rent, rates and taxes	-	14,410
Printing and stationery	-	409
Repairs and maintenance	-	3,877
Freight and insurance	-	603
Amortisation	-	13,600
Advertisement	-	2,975
Legal and professional charges	-	9,124
Warranty obligation - net	-	10,000
Entertainment	-	591
Miscellaneous	8	18,964
	8	282,257
Related to discontinued operations (note 32)	(8)	(282,257)
	-	-

27. ADMINISTRATIVE EXPENSES

Salaries and allowances (note 27.1)	198,594	259,080
Legal and professional	60,308	119,778
Auditor's Remuneration (note 27.2)	41,295	25,812
Rent, rates and taxes	18,496	36,159
Electricity and gas	14,548	29,743
Depreciation on operating assets (note 5.1.3)	2,941	9,127
Amortisation	43	21
Printing and stationery	4,341	2,306
Fees and subscription	99,238	231,120
Insurance	1,796	20,536
Conveyance and travelling	3,216	36,481
Repairs and maintenance	2,671	10,022
Postage and telephone	2,573	4,936
Entertainment	3,848	21,974
Miscellaneous	15,748	36,938
	469,656	844,033
Related to discontinued operations (note 32)	(111,758)	(411,176)
	357,898	432,857

27.1 This includes Rs 5.179 million (December 31, 2024: Rs 5.366 million) in respect of staff retirement benefits.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

27.2 Auditor's remuneration

The aggregate amount charged in respect of auditors' remuneration is as follows:

- annual audit	3,204	5,473
- half yearly review	537	488
- consolidated financial statements	491	1,307
- special purpose audit	7,956	-
- certification and other advisory services	21,550	6,652
- taxation services	3,450	10,030
- other assurance services	154	540
Reimbursement of expenses	3,953	1,322
	41,295	25,812

27.3 Details of donations paid where donation to a single party exceeded the higher of 10% of the Group's total amount of donation or Rs 1 million are as follows:

	2025	2024
	----- (Rupees in '000) -----	
- Friends of Education	2,138	2,213
- Business and Conservation Group	3,068	-
- H.R.H Electrical and Engineering Electronics	-	3,433
	5,206	5,646

None of the directors or their spouses had any interest in any of the donee.

28. OTHER EXPENSES

	2025	2024
	----- (Rupees in '000) -----	
Demurrage and detention of imports	-	2,038
Exchange loss	6,776	4,508
Allowance for expected credit loss	-	62,731
Provision for loan to subsidiary	-	-
Duties on local purchases	-	1,840
Other receivable written off (note 28.1)	32,672	-
Impairment of operating assets (note 28.2)	4,155,719	-
Impairment on asset classified as held for sale (note 15)	71,300	-
Others	8,085	2,550
	4,274,552	73,667
Related to discontinued operations (note 32)	(71,300)	(66,609)
	4,203,252	7,058

28.1 This represents write off of receivable from CPPA in respect of certain portion of expense relating to Sindh workers' profit participation fund previously recognised as a pass-through item under EPA.

28.2 In 2022, after identifying deviations between the actual wind conditions and the initial feasibility assumptions, the TGL engaged an external expert to update the long-term energy projections. The expert estimated an energy yield of 120.7 GWh per annum at a 90% exceedance probability. However, in 2024, wind speed remained below the anticipated long-term envisaged average. Moreover, the curtailment option was exercised by the TGL's customer exceeding the management's estimates. Consequently, the billable energy was considerably lower than the initial projections, which was considered as a one-off event. The trend, however, continued into the current year.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Given these developments in the consecutive years and also the trend prevalent in the other peer entities, the TGL's management decided to reassess the long-term projections and, accordingly, the recoverable amount of the plant and equipment, after taking into account the recent phenomenon of transmission constraints and the wind pattern. The recoverable amount was calculated with reference to fair value less cost of disposal using management's internal model based on a discounted cash flow / income approach (i.e. level 3). In preparing the revised projections, all dispatches, outages and curtailment records from 2023 to 2025 were thoroughly reviewed. Key assumptions in the calculations included anticipated future energy offtake throughout the project duration which was estimated at 105.69 GWh per annum, the exchange rate devaluation of 7.6% and a discount rate of 16.52%.

As a result, the recoverable amount of the plant and equipment (i.e. the TGL's Cash Generating Unit) was determined to be Rs 11,440.051 million as of October 31, 2025, leading to an impairment charge of Rs 4,155.719 million. As of December 31, 2025, upon reassessment, management's estimates and the circumstances surrounding the impairment remain unchanged. Consequently, no adjustment to the impairment charge has been made in these financial statements. In view of above, other factors being constant, the depreciation expense for the future years shall be reduced by the same amount.

	2025	2024
	----- (Rupees in '000) -----	
29. OTHER INCOME		
Income from financial assets		
Exchange gain - net	-	16,630
Income from non-financial assets and others		
Royalty income	58,286	43,471
Reversal of provision for impairment (note 28.1)	-	3,121,263
Insurance claim	1,304	1,469
Withholding tax on dividend	-	78,750
Rental income	105,327	64,828
Gain on disposal of operating assets	3,035	8,774
Gain on derecognition of associate (ENGROH) (note 7.1.1)	6,501,853	-
Others	200,095	20,771
	6,869,900	3,339,326
Related to discontinued operations (note 32)	(298,209)	(108,774)
	6,571,691	3,247,182
30. FINANCE COSTS - NET		
Mark-up on long-term borrowings	388,237	799,568
Amortisation of transaction costs (note 18.6)	29,150	29,439
Interest on Workers' Profits Participation Fund liability	4,102	10,114
Interest expense on lease liability	14,888	14,297
Mark-up on short-term borrowings	-	67,286
Other financial and bank charges	91,233	113,335
	527,610	1,034,039
Less: Delayed payment charges of overdue trade debts	(173,308)	(443,936)
	354,302	590,103
Related to discontinued operations (note 32)	(30,401)	(161,961)
	323,901	428,142

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	----- (Rupees in '000) -----	
31. LEVY AND TAXATION		
Levy	86,374	136,666
- Levy related to disposal group (note 31.1)	-	(91,198)
	86,374	45,468
Current		
- for the year (note 31.1)	253,632	532,038
- for prior year	-	(19,137)
	253,632	512,901
Deferred tax (reversal) / charge	(21,014)	97,216
	232,618	610,117
Related to discontinued operations (note 32)	(226)	(13,309)
	232,392	596,808

31.1 The income of TGL and RAPL being derived from Electric Power Generation Project is exempt from the levy of tax under clause 132 of the Second Schedule to the Income Tax Ordinance, 2001. The income is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001.

31.2 Relationship between tax expense and accounting profit:

	2025	2024
	----- (Rupees in '000) -----	
Relationship between tax expense and accounting profit		
Profit before taxation	8,376,486	9,845,059
Tax at the applicable tax rates of 29% (2024: 29%)	2,429,181	2,855,067
Tax effect of:		
- Levy	25,048	13,186
- Income on which levy is charged	(100,454)	(65,929)
- Unclaimable loss / exempt income	691,824	(610,230)
- Income taxed at reduced rate	(339,066)	(386,779)
- Share of profit from associate	(94,903)	86,456
- Super tax	342,748	209,021
- Gain on sale of associate	(2,771,925)	-
- Separate block of income	27,322	(905,166)
- Adjustment in respect of the prior year charge	-	(19,137)
- Claimable loss on sale of REL	-	(493,760)
- Discontinued operations	(226)	(13,309)
- Others	22,843	(72,612)
	232,392	596,808

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
----- (Rupees in '000) -----

32. DISCONTINUED OPERATIONS

Reon Energy Limited - renewable energy (note 32.1)	-	(7,628)
Reon Alpha (Private) Limited - renewable energy (note 32.2)	(86,229)	(19,257)
Textile (note 32.3)	196,710	(14,210)
	110,481	(41,095)

32.1 Reon Energy Limited - renewable energy

The financial performance of the discontinued business for the period from January 1, 2024 to October 7, 2024 is as follows:

	(Rupees in '000)
Revenue from contracts with customers - net	6,773,858
Cost of revenue	<u>(5,912,879)</u>
Gross profit	860,979
Selling and distribution expenses	(282,228)
Administrative expenses	(304,241)
Other expenses	(66,609)
Other income	<u>58,377</u>
Profit from operations	266,278
Finance cost	(107,433)
Profit before taxation and levy	<u>158,845</u>
Levy	<u>(85,093)</u>
Profit before taxation	73,752
Taxation	<u>(12,882)</u>
Profit after taxation	60,870
Impairment loss	<u>(68,498)</u>
Loss for the period	<u>(7,628)</u>

The carrying amounts of assets and liabilities on the date of disposal are as follows:

Non-current assets	
Property, plant and equipment	127,376
Intangible assets	39,607
Deferred taxation - net	423,325
Long-term loans	<u>369</u>
	590,677
Current assets	
Stock-in-trade	514,635
Trade debts	1,430,030
Contract assets	822,209
Loans and advances	302,461
Deposits, prepayments and other receivables	887,511
Taxation - net	115,662
Short-term investments	17,859
Accrued return	304
Sales tax receivable	3,288
Cash and bank balances	<u>581,176</u>
	<u>4,675,135</u>
TOTAL ASSETS	<u>5,265,812</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Liabilities directly associated with assets

(Rupees in '000)

Non-current liabilities

Staff retirement benefits	79,320
Long-term finances	399,541
	<u>478,861</u>

Current liabilities

Current portion of long-term finances	90,426
Trade and other payables	1,239,698
Contract liabilities	2,579,271
Accrued mark-up	5,866
	<u>3,915,261</u>
TOTAL LIABILITIES	<u>4,394,122</u>

NET ASSETS

871,690

Cashflows

Net cash generated from operating activities	1,265,726
Net cash generated from investing activities	23,242
Net cash used in financing activities	(76,971)
Net increase in cash and cash equivalents	<u>1,211,997</u>

32.2 Reon Alpha (Private) Limited - renewable energy

The financial performance of the discontinued business is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Revenue - net	58,424	70,023
Cost of revenue	(32,458)	(29,860)
Gross profit	<u>25,966</u>	<u>40,163</u>
Administrative expenses	(10,268)	(4,465)
Other expenses	(71,300)	-
Operating (loss) / profit	<u>(55,602)</u>	<u>35,698</u>
Finance cost	(30,401)	(54,528)
Loss before taxation	<u>(86,003)</u>	<u>(18,830)</u>
Taxation	(226)	(427)
Loss after taxation	<u>(86,229)</u>	<u>(19,257)</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

	December 31, 2025	December 31, 2024
	----- (Rupees in '000) -----	
Asset held for sale - property and equipment	<u>180,000</u>	<u>-</u>
Cashflows		
Net cash generated from operating activities	58,646	57,456
Net cash generated from investing activities	780	1,473
Net cash used in financing activities	(57,739)	(59,790)
Net increase / (decrease) in cash and cash equivalents	<u>1,687</u>	<u>(861)</u>
32.3 Textile		
Revenue - net	748	2,877
Cost of revenue	(749)	(3,042)
Gross loss	(1)	(165)
Selling and distribution expenses	(8)	(29)
Administrative expenses	(101,490)	(102,470)
Other income	298,209	88,454
Profit / (loss) before taxation	196,710	(14,210)
Taxation	-	-
Profit / (loss) after taxation	<u>196,710</u>	<u>(14,210)</u>
Cashflows		
Net cash generated from / (utilised in) operating activities	10,493	(24,388)
Net cash generated from investing activities	182,485	-
Net increase / (decrease) in cash and cash equivalents	<u>192,978</u>	<u>(24,388)</u>
33. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED		
33.1	Basic EPS has been calculated by dividing the profit attributable to equity holders of the Holding Company by weighted average number of ordinary shares in issue during the year.	
33.2	As at December 31, 2025, there is no dilutive effect on the basic earnings per share of the Holding Company.	
	2025	2024
	----- (Rupees in '000) -----	
33.3 Continuing operations		
Profit for the year attributable to the ordinary equity holders of the Holding Company	<u>8,563,215</u>	<u>7,842,523</u>
Weighted average number of ordinary shares	<u>59,299,809</u>	<u>59,299,809</u>
Earnings per share (Rupees)	<u>144.41</u>	<u>132.25</u>
33.4 Discontinued operations		
Profit / (loss) for the year attributable to the ordinary equity holders of the Holding Company	<u>110,481</u>	<u>(41,095)</u>
Weighted average number of ordinary shares	<u>59,299,809</u>	<u>59,299,809</u>
Earnings / (loss) per share (Rupees)	<u>1.86</u>	<u>(0.69)</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

34. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

34.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, to the chief executive, directors of the Holding Company and executives of the Group are as follows:

	2025			2024		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
----- (Rupees in '000) -----						
Managerial remuneration	4,825	-	59,031	4,458	-	41,648
Bonus	-	-	11,082	-	-	2,091
Medical allowance	-	-	2,123	-	-	2,066
Fuel allowance	-	-	3,948	-	-	2,255
Vehicle maintenance allowance	-	-	5,676	-	-	4,181
Fees	-	1,500	-	-	600	-
Other benefits	-	-	1,212	-	-	268
Total	4,825	1,500	83,072	4,458	600	52,509
Number of persons, including those who worked part of the year	<u>3</u>	<u>8</u>	<u>9</u>	<u>2</u>	<u>7</u>	<u>9</u>

35. SHARIAH COMPLIANCE DISCLOSURE

	2025	2024
----- (Rupees in '000) -----		
Consolidated statement of financial position		
- Long term shariah compliant investments	21,369,662	11,955,074
- Short term shariah compliant investments	4,781,804	1,842,626
- Mark-up accrued on conventional loan	56,482	131,493
- Shariah compliant bank deposit and bank balance	12,370	34,438
Consolidated statement of profit or loss		
- Turnover earned from a shariah-compliant business segment	5,999,087	6,566,250
- Delayed payment charges on overdue trade debts	173,308	443,936
- Gain on disposal of shariah compliant investments	37,176	35,779
- Dividend income on shariah compliant investments	334,398	-
- Exchange loss - net	6,776	4,508
Other Income		
<i>Shariah compliant income</i>		
Gain on disposal of property, plant and equipment	3,035	8,774
Royalty income	58,286	43,471
Rental income	105,327	64,828
Withholding tax on dividend	-	78,750
Reversal of provision for impairment	-	3,121,263
Gain on derecognition of associate (ENGROH)	6,501,853	-
Others	200,095	20,771
<i>Non shariah compliant income</i>		
Insurance claim / settlement received	1,304	1,469
- Relationship with Shariah-compliant financial institutions		

Islamic banks

The Group has provided a corporate guarantee amounting to Rs 206 million in favour of Faysal Bank Limited to secure the musharika financing facility of RAPL as stated in note 23.1.2.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

36. FINANCIAL INSTRUMENTS BY CATEGORY	2025	2024
	----- (Rupees in '000) -----	
36.1 Financial assets		
- Financial assets at fair value through profit or loss		
Long-term investments (note 7.3)	33,550	28,060
Short-term investments (note 13)	<u>9,341,146</u>	<u>4,064,652</u>
	9,374,696	4,092,712
- Financial assets at fair value through other comprehensive income		
Long-term investments (note 7.3)	<u>18,490,916</u>	<u>15</u>
- Financial assets at amortized cost		
Long-term deposits	3,488	2,778
Trade debts (note 9)	705,495	1,714,110
Contract asset (note 10)	7,094	7,144
Loans to employees (note 11)	892	2,438
Deposits and other receivables (note 12)	2,525,664	2,408,545
Accrued Interest	9,055	9,060
Cash and bank balances (note 14)	<u>1,489,663</u>	<u>3,108,397</u>
	4,741,351	7,252,472
36.2 Financial liabilities		
- At amortized cost		
Long-term borrowings (note 18)	2,939,097	5,482,636
Lease liabilities (note 19)	128,973	123,847
Trade and other payables (note 20)	592,035	514,755
Unclaimed and unpaid dividend	86,002	80,869
Accrued mark-up (note 22)	<u>56,482</u>	<u>131,493</u>
	3,802,589	6,333,600

37. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's risk management program focuses on unpredictability of the financial markets for having cost effective funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to the shareholders. Risk management is carried out by the Holding Company's finance department under the policies approved by the Holding Company's Board of Directors.

37.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk. It comprises the following risks:

i) Currency risk

Currency risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

exists due to the Group's exposure resulting from foreign currency bank balances, outstanding borrowings and the related interest payments. At the reporting date, the Group is exposed to currency risk as follows:

	2025	2024
	----- (Rupees in '000) -----	
Foreign currency borrowings (note 18)	(2,366,049)	(4,566,057)
Foreign currency accrued markup	(43,431)	(101,294)
Bank balance in foreign currency deposit accounts (note 14)	42,791	40,606
Net liability	<u>(2,366,689)</u>	<u>(4,626,745)</u>

As at reporting date, had there been increase / decrease of 10% in exchange rates with all other variables held constant, net cash outflow would have been higher / lower by Rs 236.669 million (2024: Rs 462.675 million), however, cash outflow related to foreign currency borrowings of Rs 2409.48 million (2024: Rs 466.735 million) have impact on profit before taxation through depreciation expense over the useful life of plant and machinery, as the exchange differences on foreign currency borrowings are capitalised in the cost of plant and machinery, on the basis of waiver granted by SECP vide its SRO 24(I) / 2012 dated January 16, 2012 which was partially modified by its SRO 986(I) / 2019 dated September 2, 2019. Therefore, the Group is not materially exposed to the currency risks as at reporting date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

ii) Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company analyses its interest rate exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and by taking into account various other financing options available. For borrowing at variable rates, the rates are determined in advance for stipulated periods with reference to applicable KIBOR and SOFR.

The Group's interest rate risk arises from interest bearing financial assets namely overdue but not impaired receivables, cash at bank in deposit accounts and interest bearing financial liabilities namely long-term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. The Group's exposure to interest rate risk on long-term borrowings for the alternate energy business is limited as the unfavorable fluctuation in interest rates of long-term borrowings from financial institutions is recovered through adjustment in tariff as per the EPA. At December 31, 2025, if interest rates on the Group's long-term borrowings, receivables and balances in deposit accounts had been 1% higher / lower with all other variables held constant, post-tax profit for the year would have been higher / lower by Rs 14.27 million (2024: lower / higher by Rs 12.399 million).

The Group has foreign borrowing with IFC as disclosed in note 18.1 to these consolidated financial statements which are subject to interest rate benchmark reforms, which have yet to transition. The consultation between the Group and IFC will commence in due course and transition will be completed in 2026 as per agreed plan.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

iii) Other price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to price risk mainly on account of investments held in units of mutual funds the rates of which are based on the rates announced by the issuer on the Mutual Funds Association of Pakistan and investments held in quoted shares of listed securities. As at reporting date, had there been increase / decrease of 1% in fair value with all other variables held constant, profit before taxation would have been higher / lower by Rs 93.747 million (2024: Rs 40.927 million). This analysis assumes that all other variables remain constant.

37.2 Credit risk and its concentration

Credit risk represents the accounting loss that would be recognised at the reporting date if counter party fail to perform as contracted. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The maximum exposure to credit risk is equal to the carrying amount of financial assets. The carrying value of financial assets, exposed to credit risk are as follows:

	2025	2024
	----- (Rupees in '000) -----	
Long-term deposits	3,488	2,778
Trade debts (note 9)	705,495	1,714,110
Contract asset (note 10)	7,094	7,144
Loans to employees (note 11)	892	2,438
Deposits and other receivables (note 12)	2,525,664	2,408,545
Accrued interest	9,055	9,060
Bank balances (note 14)	<u>1,489,225</u>	<u>3,108,264</u>
	<u>4,740,913</u>	<u>7,252,339</u>

The credit quality of the Group's balances with banks can be assessed with reference to the fact that the minimum credit rating of the banks with which such financial assets are placed is 'A-1+', which denotes obligations supported by a strong capacity for timely repayment.

A significant portion of the Company's financial assets (i.e. 81.3%) are either held with banks having minimum credit rating of 'A-1+' or are held with Government of Pakistan which is secured by sovereign guarantee hence risk of default is minimal.

The Group considers a financial asset to be in default when contractual payments are 90 days past due and internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full and it is subsequently written off, if required.

The remaining financial assets of the Company are either not material to these financial statements or, being amounts due from related parties, were considered to have low credit risk.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by the changes in economic, political or other conditions.

37.3 Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. The Group's liquidity management involves projecting cash flows and considering the level of liquid funds necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans. These objectives are achieved by maintaining sufficient cash and readily marketable securities and availability of funding through committed credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the undiscounted contractual cash flows.

	2025			2024		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	(Rupees `000)					
Financial liabilities						
Long-term borrowings	3,087,061	-	3,087,061	3,611,194	3,157,299	6,768,493
Lease liabilities (note 19)	9,762	229,407	239,169	9,762	239,169	248,931
Trade and other payables (note 20)	592,035	-	592,035	514,755	-	514,755
Accrued mark-up (note 22)	56,482	-	56,482	131,493	-	131,493
Unclaimed and unpaid dividend	86,002	-	86,002	80,869	-	80,869
	<u>3,831,342</u>	<u>229,407</u>	<u>4,060,749</u>	<u>4,348,073</u>	<u>3,396,468</u>	<u>7,744,541</u>

38. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e. its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares.

The management of the Group at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase overall profitability. The Group also assesses compliance with debt covenants based on requirements of related agreements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Group manages its capital by maintaining gearing ratio at certain level. The ratio is calculated as net debt divided by total capital. Total capital is calculated as 'equity' in the consolidated statement of financial position plus net debt. The gearing ratio as at December 31 is as follows:

	2025	2024
	----- (Rupees in '000) -----	
Total debt	2,939,097	5,482,636
Total equity	36,050,884	26,731,955
Total capital	<u>38,989,981</u>	<u>32,214,591</u>
Gearing ratio	<u>7.54%</u>	<u>17.02%</u>

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

39. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Group to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** Inputs for the asset or liability that are not based on observable market data.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

The Group held the following financial assets measured at fair values:

	As at December 31, 2025			
	Level 1	Level 2	Level 3	Total
	(Rupees `000)			
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	33,550	-	33,550
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in equity shares)	18,490,901	-	15	18,490,916
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short-term investments (investments in quoted equity shares)	6,349,415	-	-	6,349,415
- Short-term investments (investments in units of mutual funds)	-	2,991,731	-	2,991,731
	<u>24,840,316</u>	<u>3,025,281</u>	<u>15</u>	<u>27,865,612</u>
	As at December 31, 2024			
	(Rupees in `000)			
Non-current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Long-term investments (investments in units of mutual funds)	-	28,060	-	28,060
<i>Financial assets at fair value through other comprehensive income</i>				
- Long-term investments (investments in equity shares)	-	-	15	15
Current assets				
<i>Financial assets at fair value through profit or loss</i>				
- Short term investments (investments in quoted equity shares)	3,850,732	-	-	3,850,732
- Short-term investments (investments in units of mutual funds)	-	213,920	-	213,920
	<u>3,850,732</u>	<u>241,980</u>	<u>15</u>	<u>4,092,727</u>

As at December 31, 2025 and 2024, the carrying values of the remaining financial assets and liabilities of the Group reflected in these consolidated financial statements approximate their fair values.

Level 2 fair values have been determined on the basis of closing Net Asset Values for Mutual Fund Units.

There were no transfers amongst the levels during the year. Further, there were no changes in valuation techniques during the year.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

40. SEGMENT REPORTING

40.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. The management has determined the operating segments based on the information that is presented to the Board of Directors of the Group for the allocation of resources and the assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organised into the following operating segments:

Type of segments	Nature of business
Renewable energy solutions	This part of the business represents power generation and sale of electricity in Pakistan using solar energy.
Textile	This was legacy business of the Group and has been discontinued in prior years.
Alternate Energy	This part of the business represents power generation and sale of electricity in Pakistan using wind energy.
Other operations	It mainly includes management of investment in associate by the Holding Company.

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in table below, is measured differently from profit or loss in the consolidated financial statements. Segment results and assets include items directly attributable to a segment.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

40.2 The following information presents operating results regarding operating segments for the year ended December 31, and financial position regarding operating segments as at December 31:

	Renewable energy discontinued operations		Textile - discontinued operations		Alternate Energy		Other operations		Total	
	(Rupees '000)									
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from contract with customers - net	57,644	6,828,926	748	2,877	4,346,789	4,605,211	-	-	4,405,181	11,437,014
Return on investments	780	39,536	-	-	192,650	369,884	2,594,074	1,457,095	2,787,504	1,866,515
Cost of revenue	(32,458)	(5,288,355)	(749)	(3,042)	(1,899,284)	(1,875,840)	-	-	(1,932,491)	(7,167,237)
Segment gross profit	25,966	1,580,107	(1)	(165)	2,640,155	3,099,255	2,594,074	1,457,095	5,260,194	6,136,292
Selling and distribution expenses	-	(282,228)	(8)	(29)	-	-	-	-	(8)	(282,257)
Administrative expenses	(10,268)	(309,347)	(101,490)	(102,470)	(204,037)	(203,521)	(153,861)	(228,695)	(469,656)	(844,033)
Other expenses	(71,300)	(66,606)	-	-	(4,195,167)	(4,508)	(8,085)	(2,553)	(4,274,552)	(73,667)
Other income	-	15,972	298,209	88,454	11,452	3,203,714	6,560,239	47,811	6,869,900	3,355,951
Finance cost	(30,401)	(161,552)	-	-	(323,358)	(427,430)	(543)	(1,122)	(354,302)	(590,104)
Share of profit from associate	-	-	-	-	-	-	1,452,987	2,273,438	1,452,987	2,273,438
Levy	-	(85,093)	-	-	-	-	(86,374)	(45,468)	(86,374)	(130,561)
Taxation	(226)	(376,794)	-	-	(48,358)	(110,095)	(189,460)	(123,228)	(238,044)	(610,117)
Impairment loss	-	(68,498)	-	-	-	-	-	-	-	(68,498)
Segment net profit	(86,229)	245,961	196,710	(14,210)	(2,119,313)	5,557,415	10,168,977	3,377,278	8,160,145	9,166,444
Segment assets										
Property, plant and equipment	-	252,459	17,714	14,752	7,456,419	12,487,873	785	885	7,474,918	12,755,969
Biological assets	-	-	2,155	1,604	-	-	-	-	2,155	1,604
Right-of-use assets	-	-	-	-	63,131	68,879	-	-	63,131	68,879
Intangible assets	-	-	-	-	-	-	64	107	64	107
Long-term investments	-	-	-	-	-	-	21,436,762	12,011,194	21,436,762	12,011,194
Long-term deposits	-	-	2,778	2,778	-	-	710	-	3,488	2,778
Stores and spares	-	-	892	892	-	-	-	-	892	892
Stock-in-trade	-	-	626	1,376	-	-	-	-	626	1,376
Trade debts	-	7,277	-	-	705,495	1,706,833	-	-	705,495	1,714,110
Contract assets	7,094	7,144	-	-	-	-	-	-	7,094	7,144
Loans and advances	-	-	168	821	4,920	9,654	485	1,012	5,573	11,487
Deposits, prepayments and other receivables	13,438	721	-	-	2,630,622	2,557,760	102,507	79,794	2,746,567	2,638,275
Accrued interest	-	-	-	-	-	699	9,055	8,361	9,055	9,060
Short-term investments	-	-	-	-	2,334,772	11,695	7,006,374	4,052,957	9,341,146	4,064,652
Cash and bank balances	3,087	1,255	-	-	965,651	2,955,689	520,924	151,453	1,489,663	3,108,397
Non-Current Assets Held For Sale	180,000	-	-	-	-	-	-	-	180,000	-
Total segment assets	203,619	268,856	24,333	22,223	14,161,010	19,799,082	29,077,666	16,305,763	43,466,629	36,395,924
Segment liabilities										
Long-term borrowings	197,578	224,207	-	-	2,741,519	5,258,429	-	-	2,939,097	5,482,636
Staff retirement benefits	-	-	-	-	4,199	2,725	(1,961)	13,223	2,238	15,948
Lease liabilities	-	-	-	-	128,973	123,847	-	-	128,973	123,847
Deferred taxation	-	-	-	-	4,770	-	2,850,616	2,712,899	2,855,386	2,712,899
Tax payable / (refundable)	(13,041)	877	-	-	2,532	13,009	610,350	438,814	599,841	452,700
Unclaimed dividend	-	-	-	-	-	-	86,002	77,585	86,002	77,585
Unpaid dividend	-	-	-	-	-	-	-	3,284	-	3,284
Provision	-	-	-	-	-	-	7,360	7,360	7,360	7,360
Trade and other payables	83,051	56,483	35,676	36,368	446,298	494,548	175,341	68,818	740,366	656,217
Accrued mark-up	381	442	-	-	56,101	131,051	-	-	56,482	131,493
Total segment liabilities	267,969	282,009	35,676	36,368	3,384,392	6,023,609	3,727,708	3,321,983	7,415,745	9,663,969

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

41.1 The Group in the normal course of business carries out transactions with various related parties. Related parties comprise of subsidiary companies, associated companies and undertakings, directors, key management personnel, retirement benefit funds and others. Amounts due from and to other related parties, directors, retirement benefit funds and key management personnel are shown under respective notes. Transactions with related parties are carried out at agreed terms.

41.2 Following are the names of associated companies, related parties or undertakings with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Percentage of shareholding into the Holding Company	Relationship
Dawood Corporation (Private) Limited	54.84%	Parent Company of the Holding Company
The Dawood Foundation	5.02%	Common directorship in the Holding Company
Cyan Limited	5.00%	Common directorship in the Holding Company
Dawood Investments (Private) Limited	7.49%	Common directorship in the Holding Company
Sach International (Private) Limited	0.01%	Associated company of the Holding Company
International Finance Corporation	N/A	Associated Company / lender of TGL
Engro Energy Limited	N/A	Associated Company of TGL
Engro Holdings Limited	N/A	Associated company of the Holding Company
DH Partners Limited	N/A	Associated company of the Holding Company
Mr. Shahid Hamid Pracha	N/A	Director of TGL
Mr. Hussain Dawood	10.24%	Holding Company's Sponsor
Ms. Kulsum Dawood	1.05%	Sponsor's family member
Mr. Abdul Samad Dawood	0.00%	Sponsor's family member / Director of the Holding Company
Ms. Ayesha Dawood	0.05%	Sponsor's family member
Ms. Azmeh Dawood	2.00%	Sponsor's family member
Mr. Ruhail Muhammad	N/A	Director of the Holding Company
Mr. Mohammad Shamoan Chaudry	N/A	Director/CEO - upto May 16, 2025
Mr. Mohammad Bilal Ahmed	N/A	Director/CEO - from May 16, 2025
Mr. Kamran Hanif	N/A	Chief Financial Officer - from December 01, 2025
Ms. Nazia Hasan	N/A	Chief Financial Officer - upto December 01, 2025
Mr. Khawaja Osama Musarraf	N/A	Company Secretary - from June 30, 2025
Mr. Imran Chagani	N/A	Company Secretary - upto June 30, 2025
Mr. Mohammad Amin	N/A	Director of the Holding Company
Ms. Sabrina Dawood	1.96%	Director of the Holding Company
Mr. Shafiq Ahmed	N/A	Director of the Holding Company
Mr. Sikandar Hazir	N/A	Director of the Holding Company
Mr. Ather Abrar Khwaja	N/A	CEO of TGL
Staff retirement benefit - gratuity scheme	N/A	Post Employment Benefits of the Holding Company

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

41.3 Balances with related parties have been disclosed in the respective notes to these consolidated financial statements. Details of transactions with related parties, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

Relationship	Nature of transaction	2025	2024
		----- (Rupees in '000) -----	
Associated companies			
DH Partners Limited	Dividend income	148,071	-
	Reimbursable expenses incurred on behalf of the Company	58,373	-
	Expenses reimbursable to the Company	3,673	-
	Interest payable on reimbursable expenses	22	-
	Payments made during the year	19,808	-
Engro Holdings Limited	Expenses reimbursable by the Group	-	53,250
	Expenses reimbursable to the Group	-	5,187
	Dividend income	-	818,285
Sach International (Private) Limited	Expenses reimbursable to the Group	936	656
	Royalty charged	58,286	43,471
	Rental income	660	660
Engro Energy Limited	Operations and maintenance expenses	-	364,060
	Reimbursable expenses by the Group	-	2,720
	Payments made during the year	-	496,301
Other related parties			
Reon Energy Limited (related party upto October 7, 2024)	Expenses reimbursable to the Group	-	1,262
	Interest on expenses reimbursable to the Company	-	2,381
	Interest on loans disbursed by the Company	-	51,536
	Interest on outstanding payable balance	-	55
	Reimbursable expenses incurred on behalf of the Company	-	6,153
	Service charges	-	8,894
Post employment benefits	Contributions made	8,754	22,150
International Finance Corporation	Borrowing cost charged to the Company	95,626	180,657
	Supervision fees	7,120	6,961
	Accrued mark-up	20	37,943
	Repayment of loan	744,493	702,385
	Payments made against interest	116,620	206,148
	Payment made against supervision fee	7,021	6,975
Key management personnel	Salaries and benefits	53,067	25,362
Director	Fee	1,500	600

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

41.4 Remuneration of key management personnel is as per terms of employment. Remuneration of directors and key management personnel is disclosed in note 34.

41.5 Following is the name of an associated company incorporated outside Pakistan with whom the Group had entered into transaction or had agreements and arrangements in place during the year:

Name of party	Country of incorporation	Relationship	Holding in the subsidiary
International Finance Corporation	United States of America	Associated company / Lender	25%

41.6 Transactions with related parties are carried out on commercial terms and conditions.

	2025	2024
	----- (MWh) -----	
42. CAPACITY AND PRODUCTION		
Renewable energy (Discontinued operations)		
Maximum generation possible (note 42.3)	<u>8,053</u>	<u>8,110</u>
Net electrical output	<u>5,345</u>	<u>7,794</u>
Alternate energy		
Maximum generation possible (note 42.1)	<u>154,910</u>	<u>154,910</u>
Net electrical output (note 42.2)	<u>99,895</u>	<u>129,561</u>

42.1 Maximum generation possible is based on electrical output at P-50 level. Output produced by the plant is dependent on the load demanded by NTDC, wind speed and the plant availability.

42.2 The energy generation of the Group is subject to seasonal fluctuations because of weather conditions in the region. Energy generation is at its peak during the high wind season, which primarily occurs between April and August. In the remaining period, the Group generally gets lower wind potential. Decline in the output is attributable to the lower-than-expected winds in May and June, which are typically high-energy yielding months, as well as increased curtailment throughout the year.

42.3 Maximum forecasted generation possible is based on electrical output at CUF 19%. Output produced by the plant is dependent on the plant's efficiency and higher solar irradiation fall.

	2025	2024
43. NUMBER OF EMPLOYEES		
Total number of management employees as at December 31	<u>16</u>	<u>18</u>
Average number of management employees during the year	<u>18</u>	<u>19</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

44. NON-ADJUSTING EVENT AFTER REPORTING DATE

44.1 The Board of Directors in its meeting held on March 09, 2026 has proposed a final cash dividend of Rs nil (2024: cash dividend of Rs 5) per share for the year ended December 31, 2025 amounting to Rs nil (2024: Rs 296.499 million), for approval of the members at the Annual General Meeting to be held on April 15, 2026. This is in addition to interim cash dividends aggregating Rs nil (2024: Rs 177.899 per share) per share for the year 2025.

45. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorised for issue on March 09, 2026 by the Board of Directors of the Holding Company.

46. GENERAL

46.1 In addition to disclosed in note 1.5.2 to these consolidated financial statements, corresponding figures have been re-arranged and reclassified, wherever necessary. However, there were no material rearrangements to report.

46.2 Figures have been rounded off to the nearest Pakistan Rupees.



Muhammad Bilal Ahmed
Chief Executive Officer



Ruhail Muhammad
Director



Kamran Hanif Jangda
Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2025

Number of Shareholders	Shareholdings' Slab			Total Shares Held
2966	1	to	100	116,893
1705	101	to	500	429,652
452	501	to	1000	336,107
514	1001	to	5000	1,158,124
67	5001	to	10000	465,551
21	10001	to	15000	246,930
16	15001	to	20000	272,986
9	20001	to	25000	205,283
3	25001	to	30000	87,940
1	30001	to	35000	32,367
3	35001	to	40000	115,092
2	40001	to	45000	83,615
1	45001	to	50000	48,710
1	80001	to	85000	84,630
1	95001	to	100000	99,579
1	345001	to	350000	350,000
1	515001	to	520000	517,545
1	570001	to	575000	573,000
1	615001	to	620000	620,000
1	1045001	to	1050000	1,046,843
1	1075001	to	1080000	1,075,136
1	1160001	to	1165000	1,160,396
1	1185001	to	1190000	1,189,597
1	2965001	to	2970000	2,965,095
1	2975001	to	2980000	2,979,324
1	4440001	to	4445000	4,443,661
1	6070001	to	6075000	6,073,959
1	32520001	to	32525000	32,521,794
5775				59,299,809

PATTERN OF SHAREHOLDING

AS AT DECEMBER 31, 2025

Category of Shareholders	Number of Shareholders	Number of Shares Held	Percentage
Directors, CEO and their spouse and minor children			
Mr. Muhammad Bilal Ahmed	2	6,150	0.01
Mr. Shafiq Ahmed	1	1,154	0.00
Mr. Ruhail Muhammad	1	1,079	0.00
Mr. Muhammed Amin	1	1,000	0.00
Mr. Sikander Hazir	1	1,000	0.00
Ms. Ayesha Dawood	1	30,000	0.05
Ms. Sabrina Dawood	1	1,160,396	1.96
Mr. Abdul Samad Dawood	1	1,000	0.00
Associated companies, undertakings and related parties			
Sach International (Private) Limited	1	3,776	0.01
Dawood Foundation	1	2,979,324	5.02
Dawood Investments (Private) Limited	1	4,443,661	7.49
Dawood Corporation (Private) Limited	1	32,521,794	54.84
Cyan Limited	1	2,965,095	5.00
Executives	-	-	-
Public Sector Companies and Corporations	13	40,985	0.07
Banks, Development Financial Institutions, Non-Banking Financial Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	12	58,932	0.10
Insurance Companies	3	776	0.00
Mutual Funds and Modarabas	3	560,845	0.95
General Public			
a. Local	5,183	12,603,179	21.25
b. Foreign	31	28,215	0.05
Foreign Companies	1	1,075,136	1.81
Others	515	816,312	1.38
Total	5,775	59,299,809	100.00
Share holders holding 10% or more			
Dawood Corporation (Private) Limited		32,521,794	54.84
Hussain Dawood		6,073,959	10.24

گی، کاروبار اس سے کہیں زیادہ مستحکم ہوگا جتنا مستحکم آج ہے۔

ہوا سے توانائی کے منصوبے

حکومت کی جانب سے بجلی کی قیمتوں پر جاری مذاکرات نے اس سیکٹر میں غیر یقینی پیدا کر رکھی ہے جس نے سرمایہ کار کے اعتماد کو متزلزل کیا ہے۔ جہاں بلند تر کپیسٹی ہیمنٹس نے بجلی کی لاگت میں بیش بہا اضافہ کیا ہے لیکن صرف آئی پی پیز پر توجہ مرکوز رکھنے سے بجلی کی چوری اور تقسیم کے نقصانات جیسے اہم ایٹوز پر توجہ نہیں دی جا رہی ہے۔ مسابقتی پیشکش، کم سے کم لاگت والی منصوبہ بندی، اور گرڈ کو جدید بنانے سمیت ساختی اصلاحات کے بغیر گردش قرضے اور ٹیرفوں میں عدم استحکام کی کیفیت جاری رہے گی۔ پائیدار استحکام کے لئے ضروری ہے کہ مذاکرات شفاف ہوں، بوجھ مساوی برداشت کیا جائے اور اہلیت میں جامع بہتری لائی جائے۔

اظہار تشکر

بورڈ اپنے حصص یافتگان سے ان کے اعتماد اور حمایت کے لیے اظہار تشکر کرتا ہے۔ ہم اپنے تمام اسٹیک ہولڈرز، بشمول تمام مالیاتی اداروں اور دیگر کے بھی مشکور ہیں جو مسلسل ہماری مدد اور حمایت کے لیے ہمارے ساتھ شریک رہے ہیں۔ ہم انہیں یقین دلاتے ہیں کہ ان کے مفادات کا خیال رکھا جائے گا۔

ہم کمپنی کی ترقی و خوشحالی کے لیے مخلصانہ کوششوں پر کمپنی کی انتظامیہ اور ملازمین کا بھی شکریہ ادا کرتے ہیں۔



روہیل محمد

چیرمین



محمد بلال احمد

چیف ایگزیکٹو آفیسر

کراچی:

مورخہ: 09 مارچ 2026ء

کسی کمیٹی میں شرکت سمیت ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادائے کئے گئے معاوضوں کی تفصیلات کمپنی کے منظم اور غیر منظم مالیتی گوشواروں میں ظاہر کر دیئے گئے ہیں۔

ڈائریکٹرز کی ذمہ داری کا بیان

- کمپنی کے ڈائریکٹرز، درج ذیل کے مطابق، پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں:
- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی گوشوارے کمپنی کے معاملات، اس کے آپریشنز، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کی صورت حال درست طور سے پیش کرتے ہیں۔
 - کمپنی کے کھاتے موزوں انداز میں مرتب کئے گئے ہیں۔
 - مالی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیوں کا اطلاق تسلسل کے ساتھ کیا گیا ہے اور حسابی تخمینے مناسب اور محتاط تخمینوں پر مبنی ہیں۔
 - مالی گوشواروں کی تیاری میں پاکستان پر قابل اطلاق بین الاقوامی مالی رپورٹنگ کے معیارات کا خیال رکھا گیا ہے اور ان سے کسی قسم کے انحراف کا مناسب انداز میں انکشاف کیا گیا ہے۔
 - کمپنی کے اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مضبوط ہے اور اس پر مؤثر انداز میں عمل درآمد کے ساتھ اسے مانیٹر بھی کیا جاتا ہے۔
 - کمپنی کے معاملات کے معمول کے مطابق جاری رہنے کے بارے میں کسی قسم کے شکوک و شبہات نہیں پائے جاتے ہیں۔
 - گزشتہ چھ (06) برسوں کے دوران کا اہم آپریٹنگ اور مالی ڈیٹا، خلاصے کی شکل میں، اس رپورٹ کے ساتھ منسلک ہے۔

مستقبل کا منظر نامہ

معیشت اور سرمایہ مارکیٹیں

مالی سال 2026 کا وفاقی بجٹ پیش کئے جانے کے بعد اصلاحات کی راہ میں پاکستان کی رفتار میں تیزی آئی ہے اور پاکستان انٹرنیشنل ایزرائل (PIA) میں سے سرمایہ نکالنے اور بجلی کی تقسیم کار کمپنیوں (DISCOs) کی مرحلہ وار پرائیویٹائزیشن سمیت نچ کاری کے بڑے فیصلے شامل ہیں۔ توقع ہے کہ ان اقدامات سے مالی بوجھ میں کمی آئے گی، کاروباری اہلیت بہتر ہوگی، اور غیر ملکی سرمایہ کاروں کو ترغیب ملے گی۔ ساختی اصلاحات کرتے ہوئے حکومت نے پاور گریڈ کو بھی معقول بنانے کے اقدامات اٹھائے ہیں جن میں ٹیرفوں میں ہم آہنگی لانا، سبسڈیوں کا واپس لیا جانا، اور صنعتی صارفین کو رعایتیں دینا شامل ہیں۔ اسی وقت قابل تجدید توانائی کو شامل کرنے اور نیٹ میٹرنگ کی قیمتوں کو مارکیٹ کے حقائق کے مطابق بنانے کی کوششیں جاری ہیں جن کا مقصد توانائی سیکٹر میں طویل مدتی استحکام لانا اور مسابقت کی صلاحیت پیدا کرنا ہے۔

اگرچہ مالیتی منظم اندرون ملک تو بہتر کام کر رہے ہیں لیکن خطے میں سیاسی جغرافیائی حالات میں مشرق وسطیٰ میں جنگ کے سبب بگاڑ پیدا ہو گیا ہے۔ توانائی کی قیمتوں میں اضافے سے پاکستان منفی طور سے متاثر ہوگا کیونکہ سب سے زیادہ زرمبادلہ تیل کی درآمد پر کیا جاتا ہے۔ اس کے علاوہ مصنوعات کی درآمد میں بھی مشکلات کا سامنا رہے گا۔ اگر جنگ جاری رہتی ہے اور تیل کی سپلائی چین میں خلل جاری رہتا ہے تو یہ صورتحال نہ صرف پاکستان کے بیرونی کھاتوں بلکہ شرح سود اور شرح مبادلہ پر بھی کافی دباؤ پیدا کرے گی۔ امکان ہے کہ اس صورتحال سے مالیتی مارکیٹیں بھی متاثر ہوئے بغیر نہیں رہ سکیں گی۔

بیرونی جانب سے مخالف سمت میں ہوا چلنے کے باوجود ہمیں یقین ہے کہ مشترکہ پورٹ فولیو بہتری لانے کے لئے اچھی طرح تیار ہے۔ اگرچہ ظاہری قیمتیں متاثر ہو سکتی ہیں تاہم امید ہے کہ بنیادی کاروبار بدستور منافع دیتے رہیں گے اور اس سے بھی اہم بات یہ کہ ترقی کریں گے۔ یہ یقینی بنائے گا کہ صورت حال جیسے جیسے معمول پر آتی جائے

بورڈ آڈٹ کمیٹی کے اجلاس

بورڈ آف ڈائریکٹرز نے، کوڈ آف کارپوریٹ گورننس کی تعمیل میں، ایک آڈٹ کمیٹی قائم کی ہے جو اندرونی انضباط اور اس پر عمل درآمد کی نگرانی کرتی ہے۔ یہ کمیٹی اپنے قیام کے وقت سے ہی نہایت عمدگی سے کام کرتی رہی ہے۔ بورڈ کے سامنے پیش کرنے اور اشاعت سے قبل، آڈٹ کمیٹی نے مالی گوشواروں کا، سہ ماہی، ششماہی اور سالانہ بنیادوں پر جائزہ لیا۔ آڈٹ کمیٹی نے، انتظامیہ کے نام ان کے مراسلے سمیت، مختلف مسائل پر بھی ایکسٹرنل آڈیٹرز کے ساتھ تفصیلی بات چیت کی۔ آڈٹ کمیٹی نے انٹرنل آڈیٹرز کی دریافتوں کا جائزہ بھی لیا اور، کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق، انٹرنل اور ایکسٹرنل آڈیٹرز کے ساتھ الگ الگ ملاقاتیں بھی کی ہیں۔

مؤرخہ 31 دسمبر 2025ء کو ختم ہونے والے سال کے دوران، بورڈ کی آڈٹ کمیٹی کے کل پانچ (05) اجلاس منعقد ہوئے۔ اپنی متعلقہ مدت کے حساب سے حاضری کی صورت حال ذیل کے مطابق رہی:

کمیٹی کے موجودہ اراکین

ڈائریکٹر کا نام	اجلاس	
	منعقد ہوئے	شریک ہوئے
جناب محمد امین	5	5
جناب شفیق احمد	5	5
جناب روہیل محمد	5	5

ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی

مؤرخہ 31 دسمبر، 2025ء کو ختم ہونے والے سال کے دوران، ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کا ایک (01) اجلاس منعقد ہوا۔ اس اجلاس میں حاضری کی صورت حال ذیل کے مطابق رہی:

کمیٹی کے موجودہ اراکین

ڈائریکٹر کا نام	اجلاس	
	منعقد ہوئے	شریک ہوئے
جناب روہیل محمد	1	1
جناب عبدالصمد داؤد	1	1
جناب محمد امین	1	1

ڈائریکٹرز کے معاوضے

کمپنی کے پاس کمپنی کے آرٹیکلز آف ایسوسی ایشن اور کمپنیز ایکٹ 2017 کی مطابقت میں ڈائریکٹرز کے معاوضوں کے لئے ایک رسمی اور شفاف پالیسی ہے۔ بورڈ یا بورڈ کی

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کی کل تعداد میں درج ذیل شامل ہیں:

6	مرد ڈائریکٹرز
1	خاتون ڈائریکٹر
بورڈ کے ارکان کی ترکیب درج ذیل ہے:	
2	خود مختار ڈائریکٹرز
3	نان-ایگزیکٹو مرد ڈائریکٹرز
1	نان ایگزیکٹو خاتون ڈائریکٹر
1	ایگزیکٹو ڈائریکٹر

بورڈ آف ڈائریکٹرز کے اجلاس

مؤرخہ 31 دسمبر 2025ء کو ختم ہونے والے سال کے دوران، بورڈ آف ڈائریکٹرز کے کل چھ (6) اجلاس منعقد ہوئے۔ ہر ڈائریکٹر کی، اپنی متعلق مدت کے دوران حاضری ذیل کے مطابق رہی:

موجودہ بورڈ

ڈائریکٹر کا نام	اجلاس	
	منعقد ہوئے	شریک ہوئے
جناب روہیل محمد	6	5
جناب عبدالصمد داؤد	6	6
محترمہ سہرینہ داؤد	6	4
جناب شفیق احمد	6	6
جناب محمد امین	6	6
جناب سکندر حاضر	6	6
جناب محمد بلال احمد*	6	4

* جناب محمد شمعون چوہدری نے بحیثیت چیف ایگزیکٹو آفیسر اور ڈائریکٹر مورنہ 16 مئی 2025ء کو استعفیٰ دیا اور جناب محمد بلال احمد اسی تاریخ کو بحیثیت چیف ایگزیکٹو آفیسر اور ڈائریکٹر مقرر ہوئے۔

ضابطہ اخلاق

بورڈ نے کاروباری ضابطہ اخلاق اختیار کیا ہے جس سے تمام ملازمین آگاہ ہیں اور انہوں نے اس بیان پر دستخط بھی کیے ہیں۔ اس ضابطہ اخلاق پر، پورے ادارے میں سختی سے عمل کیا جاتا ہے اور تمام ملازمین اس میں بیان کردہ کاروباری اصولوں پر عمل کرتے ہیں۔

نظریہ اور مقصد

بورڈ آف ڈائریکٹرز تصدیق کرتا ہے کہ کمپنی اس کے وضع کردہ نظریے اور مقصد کے عین مطابق چلائی جا رہی ہے اور اسکی توجہ پائیدار ترقی، پورٹ فولیو کے تزویراتی تنوع، اور اپنے شیئرز ہولڈروں کے لئے طویل مدت میں قدر تخلیق کرنے پر مرکوز ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی، اپنی ذیلی کمپنیوں کی معیت میں اپنی سماجی ذمہ داریوں کی تکمیل کے عہد پر کاربند ہے اور گھارو، سندھ میں ایک کمیونٹی پرائیویٹ اسکول کے قیام پر توجہ مرکوز کئے ہوئے ہے۔ اس اقدام کی بدولت اسکول کے انفراسٹرکچر میں بہتری آئی ہے جس کے سبب طلباء کی تعداد میں قابل ذکر اضافہ ہوا ہے اور ارد گرد کے زیادہ سے زیادہ بچے معیاری تعلیم حاصل کر رہے ہیں۔ ایک مقامی این جی اور وزانہ بنیادوں پر اسکول کا انتظام سنبھالتی ہے جس میں اساتذہ کا تقرر اور عمومی مرمت و دیکھ بھال، تعلیمی خدمات کی موثر فراہمی شامل ہیں۔ کمپنی اور اسکی ذیلی کمپنیوں نے اپنی توجہ اصل کاروباری سرگرمیوں پر مرکوز رکھی ہے اور ساتھ ساتھ کارپوریٹ سماجی ذمہ داری کے مقاصد کے حصول کی غرض سے متعدد اقدامات کر رہی ہے۔

پائیداری سے منسلک خطرات

کمپنی کو ادارہ ہے کہ پائیداری سے منسلک خطرات بشمول آب و ہوا کی تبدیلی، ناقابل تجدید توانائی کے وسائل میں کمی اور ماحول میں بگاڑ اس کے کاروبار اور طویل مدت میں خطرات کا سامنا کرنے کی اس کی صلاحیت پر اثر ڈال سکتے ہیں۔ اس بارے میں سوچ بچار کمپنی کے خطرات کے انتظام کے فریم ورک کا حصہ ہے اور بورڈ اور متعلقہ کمیٹیوں کی نگرانی کے تابع ہے۔ انتظامیہ پیش آنے والی ماحولیاتی تبدیلیوں کی نگرانی کرتی ہے اور ممکنہ اثرات کے ساتھ ساتھ اہم کاروباری ترجیحات کا اندازہ لگاتی ہے اور کاروبار کے طریقوں اور ماحولیاتی اثرات کم کرنے والے اقدامات اٹھائے جاتے ہیں۔ کمپنی پائیداری سے متعلق خطرات کا انتظام کرنے اور جن سماجوں میں کام کرتی ہے، ان کے لئے مثبت اور طویل مدتی نتائج کے حصول کے لئے تحفظ، سماج اور سرکلر معیشت کے اصولوں سے رہنمائی لیتی ہے۔

تنوع، مساوات اور شمولیت

کمپنی ایسی افرادی قوت تشکیل دینے پر یقین رکھتی ہے جو صنف، ثقافت، نسل اور پیشہ ورانہ تجربے کے ضمن میں تنوع کی مظہر ہو۔ یہ جانتے ہوئے کہ مختلف نقطہ نگاہ فیصلہ سازی اور جدت میں اضافہ کرتے ہیں، کمپنی ایشیائی بھرتیوں کے معمولات، ترقی کے مساوی مواقع کی فراہمی، اور باہمی احترام، انصاف، اور تعاون پر مبنی کام کے ماحول کو فروغ دیتی ہے۔ ان اقدامات کے ذریعے کمپنی ایسا ایشیائی ماحول تخلیق کرنے کی کوشش کرتی ہے جہاں اخلاقی اور ذمہ دارانہ کاروباری معمولات کے عہد پر کاربند رہتے ہوئے تمام ملازمین کو اپنا بھرپور کردار ادا کرنے اور پھلنے پھولنے کی آزادی ہو۔

آڈیٹرز

موجودہ آڈیٹرز، Messers AF Furguson & Co. (Chartered Accountants) آئندہ سالانہ اجلاس عام کے اختتام پر سبکدوش ہو رہے ہیں اور دوبارہ تقرری کے لیے اپنی خدمات پیش کرتے ہیں۔ آڈٹ کمیٹی نے Messers AF Furguson & Co. (Chartered Accountants) کی، کمپنی کے آڈیٹرز کی حیثیت سے، برائے سال اختتام 31 دسمبر 2026ء کے لیے دوبارہ تقرری کی سفارش کی ہے اور بورڈ نے بھی اس سفارش کی توثیق کی ہے۔

حصص کا کاروبار، اوسط قیمتیں اور پاکستان اسٹاک ایکسچینج

سال کے دوران پاکستان اسٹاک ایکسچینج میں کمپنی کے 2,224,330 حصص کا کاروبار ہوا۔ روزانہ کاروباری دن کے اختتام کی شرح کی بنیاد پر کمپنی کے حصص کی اوسط قیمت 332 روپے رہی جبکہ 2025ء کے دوران، 52 ہفتوں کے دوران بلندی و پستی کی بنیاد پر، یہ قیمت بالترتیب 718 روپے سے 206 روپے فی حصص رہی۔

حصص یافتگی کا رجحان

مؤرخہ 31 دسمبر 2025ء کو کمپنی کی حصص یافتگی کے رجحان کے ساتھ دیگر ضروری معلومات، اس رپورٹ کے آخر میں، نمائندگی کے فارم کے ہمراہ مہیا کر دی جائیں گی۔

مارکیٹ میں سرمایہ کاری اور کتابی قدر

سال کے اختتام پر، مارکیٹ میں کمپنی کی سرمایہ کاری 40,119 ملین روپے (2024: 15,581 ملین روپے) تھی اور مارکیٹ میں اس کی قدر 676.55 روپے فی حصص (2024: 262.75 روپے فی حصص) رہی جبکہ بریک اپ ویلیو 428.13 روپے فی حصص (2024: 120.09 روپے فی حصص) رہی۔

خطرات کا انتظام

کمپنی کی رسک مینجمنٹ پالیسیاں کمپنی کو درپیش مالی خطرات کی نشاندہی اور تجزیے کے لیے اور خطرات کی مناسب حدود طے کرنے اور انہیں کنٹرول کرنے نیز حدود کی پابندی پر نگاہ رکھنے کے لیے تشکیل دی گئی ہیں۔ مارکیٹ کے حالات اور کمپنی کی سرگرمیوں پر عمل ظاہر کرنے کے لیے رسک مینجمنٹ پالیسیوں اور نظاموں کا باقاعدگی سے جائزہ لیا جاتا ہے۔

کارپوریٹ گورننس

کمپنی کی انتظامیہ عمدہ کارپوریٹ گورننس اور بہترین طریقہ کار پر عمل درآمد کی پابند ہے۔ پاکستان اسٹاک ایکسچینج کی جانب سے اس کی رول بک میں وضع کردہ کوڈ آف کارپوریٹ گورننس کی شرائط کی تکمیل اور لسٹنگ ریگولیشنز میں طے کیے گئے قواعد و ضوابط پر عمل درآمد یقینی بنایا جاتا ہے۔ مزید تفصیلات کے لئے ازراہ کرم Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019 - ملاحظہ فرمائیں جو سالانہ رپورٹ کے ساتھ مہیا کر دیا جائے گا۔

توقع ہے کہ اس انضمام کے نتیجے میں زیادہ اہل اور یکجہتی سرمایہ کاری پلیٹ فارم وجود میں آئے گا جو سرمائے کو بہتر طور سے تخصیص کرنے، بیلنس شیٹ مضبوط بنانے اور طویل مدت میں شیئر ہولڈروں کی قدر بڑھانے کے قابل ہوگا۔

آپ کی کمپنی DH Partners Limited پارٹنرز اور Cyan Limited کے اثاثہ جات اور قرضہ جات وراثت میں حاصل کرے گی۔ یہ دونوں کمپنیاں بہت مضبوط کاروباروں میں وسیع حصے کی مالک ہیں جو ہمیں یقین ہے، تمام شیئر ہولڈروں کے لئے اجتماعی خوشحالی لے کر آئے گی۔

مالیاتی رپورٹ

مالی کارکردگی

گروپ (DLL اور اسکی ذیلی کمپنیاں) کے جاری کاروباروں سے مجموعی طور سے 7,134 ملین روپے کی آمدنی حاصل ہوئی جو گزشتہ برس 6,419 ملین روپے رہی تھی۔

2025ء میں گروپ کے جاری کاروباروں سے 5,234 ملین روپے کا خام منافع حاصل ہوا جو اس سے گزشتہ برس 5,197 ملین روپے رہا تھا۔

ایسوسی ایٹڈ کمپنی سے حاصل شدہ منافع میں حصہ 1,431 ملین روپے رہا جس میں گزشتہ برس کی اسی مدت کے دوران حاصل ہونے والے منافع میں سے 842 ملین روپے کی کمی واقع ہوئی۔

232 ملین روپے کے ٹیکس کی کٹوتی کے بعد جاری آپریشنوں سے حاصل ہونے والے بعد از ٹیکس منافع کا حجم 8,033 ملین روپے رہا سال 2024ء میں حاصل شدہ 9,208 ملین روپے کے بعد از ٹیکس منافع سے کم ہے۔

منقطع کردہ کاروباروں سے 110 ملین روپے کا منافع حاصل ہوا جبکہ اس سے پہلے کے سال میں اس ضمن میں 41 ملین روپے کا خسارہ ریکارڈ ہوا تھا۔ اس مد میں حاصل ہونے والے منافع میں اضافے کی بڑی وجہ اسکرپ آسٹری کی فروخت تھی جس سے 180 ملین روپے حاصل ہوئے۔

انفرادی طور پر کمپنی کو اپنی متعلقہ کمپنی کی جانب سے 148 ملین روپے کا منافع منقسمہ موصول ہوا جبکہ گزشتہ برس 818 ملین روپے حاصل ہوا تھا۔

فی حصص کمائی

سال 2025ء کے لیے غیر انضمام شدہ کمائی فی حصص 288.2 روپے رہی جبکہ سال 2024ء میں 51.26 روپے فی حصص رہی تھی جس کی بنیادی وجہ اینگرو ہولڈنگز لمیٹڈ (ENGROH) کا Fair Value پر تسلیم کیا جانا تھا جس کے نتیجے میں 16,810 ملین روپے کا منافع حاصل ہوا۔ اس دوران برائے سال 2025ء ہولڈنگ کمپنی کے مالکان کو قابل نسبت منظم فی شیئر کمائی 144.41 روپے رہی جو اس سے پہلے کے سال میں 132.25 روپے تھی۔

ماڈل کی بدولت سسٹم لمیٹڈ ڈالروں میں نقدی مہیا کر رہی ہے۔ سسٹم کی توجہ نہ صرف اندرون ملک ترقی پر ہے بلکہ اس نے قدر پیدا کرنے والی M&A پر بھی اپنی توجہ مرکوز کر رکھی ہے۔ ہم اس کاروبار کے بارے میں پرامید ہیں اور کسی بھی ماڈی تبدیلی پر کڑی نظر رکھے ہوئے ہیں۔

فوجی فریڈائزر کمپنی میں ہماری پوزیشن پورٹ فولیو کی کارکردگی پر بدستور مثبت اثرات ڈال رہی ہے۔ یہ کمپنی مصنوعی کھاد کی پیداوار کی پاکستان میں سب سے بڑی کمپنی ہے اور مارکیٹ میں اپنی مضبوط موجودگی اور ماری نیٹ ورک کے ذریعے کم ترین قیمت پر گیس کے حصول سے فائدہ اٹھا رہی ہے جو ایک اہم مسابقتی برتری ہے جو مشکل حالات میں بھی اچھی خاصی بچتیں مہیا کرتی ہے۔

عمومی طور پر ہم مارکیٹ میں ملنے والے مواقع پر کڑی نظر رکھتے ہیں اور سرمایہ کاری کے ایسے مواقع کی کھوج میں رہتے ہیں جو اس سرمایہ کاری کے قابل ہوں جس کے لئے آپ نے ہم پر بھروسہ کیا ہے۔

ہو اسے توانائی کے منصوبے

Tenaga Generasi Limited (TGL) کا 4.9MW پلانٹ تسلی بخش انداز میں کام کر رہا ہے اور دستیابی اور BOP کے نقصانات کے متوقع اہداف پورے کر رہا ہے۔ زیر جائزہ مدت کے دوران BOP نقصانات %1.6 رہے جبکہ ہدف %4.6 تھا اور پلانٹ کی دستیابی %97.7 رہی۔ صحت، تحفظ اور ماحول (HSE) کو ترجیح حاصل رہی اور COD کے بعد 3,369 دن محفوظ انداز سے کام ہوا جو 786,373 محفوظ انسانی گھنٹے کے مساوی ہے۔ جبکہ LTI کی شرح صفر رہی۔

2025ء کی پہلی سہ ماہی کے دوران ایک جی ای ٹیکنیشن کے ساتھ طبی مسئلہ پیش آیا۔ تحقیقات کے نتیجے میں اس کی وجہ OEM طریقہ کار سے انحراف اور پُر نقص اوزار کا استعمال معلوم ہوئی۔ مرمت و دیکھ بھال کے لئے فوری طور پر پلانٹ کی معطلی، GE کی کارکردگی کے جائزے، اور کمپنی کی جانب سے آڈٹ کئے جانے سمیت درستگی کے اقدامات کئے گئے جس کے نتیجے میں ذمہ دار اہلکاروں کو تبدیل کر کے ان کی جگہ ماہر افراد کو متعین کیا گیا۔ آئندہ خطرات کو کم کرنے کی غرض سے کمپنی نے GE Vernova's آپریشن کے لئے مینجمنٹ سیفٹی آڈٹ (MSA) کا نفاذ کیا۔

زیر جائزہ مدت کے دوران ہوا کی اوسط رفتار 6.11 m/sec رہی جو گزشتہ برس کی اسی مدت کے دوران ہوا کی رفتار (6.14 m/sec) سے کم تھی (6.49 m/s) اور P90 کی سطح سے کم تھی۔ مجموعی NPMV گزشتہ برس کے 21.5 GWh کے مقابلے میں زیر جائزہ مدت کے دوران 11.03 GWh رہی۔ ریز جائزہ مدت کے دوران فروخت کی جانے والی بجلی کی مقدار 99.5 GWh تھی جو گزشتہ برس فروخت کی گئی 103.2 GWh، اور P90 سطح، اور 111.7 GWh کے تخمینے سے کم تھی۔ گزشتہ برس اور زیر جائزہ سال کے دوران فرق یہ رہا کہ کم تر تخفیف کے سبب فراہم کی گئی بجلی کی مقدار زیادہ جبکہ NPMV کم تھے۔

انضمام

گزشتہ سہ ماہی میں اور سال کے اختتام کے بعد DH Partners Limited اور Cyan Limited کی داؤد لارنس پور لمیٹڈ کے ساتھ اور اس کے اندر انضمام کی خاطر متعلقہ بورڈ ز اور مذکورہ کمپنیوں کے حصص یافتگان کی جانب سے اسکیم آف آرٹینجمنٹ کی منظوری دی گئی۔ عدالت عالیہ اسلام آباد نے بھی 12 فروری 2026 کو مذکورہ اسکیم آف آرٹینجمنٹ کی منظوری دی۔ اس کی شرائط کی مطابقت میں اسکیم کے نفاذ پر زیر انضمام کمپنیوں کی پوری انڈر ٹیکنگ، اثاثہ جات، قرضہ جات اور ذمہ داریاں موجود رہنے والی کمپنی یعنی داؤد لارنس پور لمیٹڈ کے ذمے منتقل ہو جائیں گی۔

پاکستانی روپے کی شرح مستحکم رہنے کے سبب بیرونی کھاتہ کثرتوں میں رہا جس کی بڑی وجہ بیرون ملک سے ترسیلات میں مضبوطی (سال بہ سال بنیادوں پر 2025 میں 16% رہا) تاہم 2025 میں 220 بلین امریکی ڈالر کا جاری کھاتے کا خسارہ درآمدات میں مرحلہ وار اضافے کو ظاہر کرتا ہے جو اقتصادی سرگرمی میں بہتری کا مظہر ہے۔

مجموعی طور سے مالی سال 2025ء استحکام اور مرحلہ وار بہتری کا سال رہا۔ مالیاتی انضباط کے تسلسل، اصلاحات کے نفاذ، اور پرامن ماحول آئندہ مدت میں یہ رفتار قائم رکھنے میں اہم کردار ادا کریں گے۔

کاروباری جائزہ

ایکویٹی پورٹ فولیو

آپ کے پورٹ فولیو کی مضبوط کارکردگی کے ایک اور سال کی خبر دیتے ہوئے ہمیں دلی مسرت محسوس ہو رہی ہے جس دوران 63% کی آمدنی حاصل ہوئی اور جو KSE-100 انڈیکس کی 51.2% کی کارکردگی سے بلند تر تھی۔ ہم نے جن موضوعات پر اپنے پورٹ فولیو تشکیل دیا ہے وہ بدستور منافع فراہم کر رہا ہے جس سے اپنی حکمت عملی پر ہمارا یقین پختہ ہوا ہے۔

بینکاری سیکٹر میں ہماری سرفہرست ملکیت ہماری قدر میں اضافے کا اہم ذریعہ رہی اور سٹڈ کمپنیوں میں یونائیٹڈ بینک لمیٹڈ (یو بی ایل) شاندار کارکردگی کا مظاہرہ کرنے والے اسٹاکس میں شامل رہا۔ یو بی ایل کا ترویجیاتی مقام، yield curve سے فائدہ اٹھانا اور موقع کی مناسبت سے تیزی سے سرمائے کی منتقلی کی صلاحیت نے کم شرح سود والے ماحول میں موثر طور سے کاروبار کرنے کے قابل بنایا ہے۔ خصوصاً کم لاگت والے کرنٹ اکاؤنٹس کے ڈپازٹس کو موثر طریقے سے استعمال کرنے کا کام یو بی ایل کی انتظامیہ نے شاندار طریقے سے کیا ہے جو بینک کے منافع میں اہم کردار ادا کرتا رہے گا۔ اس دوران مسلم کمرشل بینک تسلسل کے ساتھ منافع دے رہا ہے، ہیلن شیٹ کا انتظام متوازن طریقے سے کر رہا ہے جو اسے بینکاری سیکٹر میں کم سے کم رسک کے ساتھ کاروبار کرنے کے قابل بنا رہے ہیں۔

اینڈھن و توانائی کے شعبہ میں مجموعی انڈیکس میں کارکردگی کم رہنے کے باوجود ہماری ملکیت (OGDC اور PPL) محفوظ رہی ہے۔ ہم یقین رکھتے ہیں کہ یہ کمپنیاں توانائی کے سیکٹر میں جاری اصلاحات سے گیس سیکٹر سے ہونے والی بہتر آمدنی اور ایل این جی کارگو کی آمد میں تاخیر کی صورت میں فائدہ اٹھائیں گی۔ ان کمپنیوں کا اگلا سنگ میل ریکو ڈیک پروجیکٹ کے تمام معاہدوں پر دستخط ہونا اور اس پروجیکٹ کا کمرشل آپریشن شروع ہونا ہے۔ ہمیں یقین ہے کہ سونے اور تانبے کی کان کنی میں سرمایہ کاری نہ صرف ان دونوں کمپنیوں بلکہ ملک کی بھی قسمت بدل دے گی۔ زر کی قدر میں کمی اور عالمی FIAT منیٹری سسٹم پر اعتماد کم ہونے کے سبب ہم دیکھ رہے ہیں کہ زیادہ سے زیادہ ریاستی بینک اپنے ذخائر سونے کی صورت میں رکھ رہے ہیں اور اس رجحان کے مستقبل میں جاری رہنے بلکہ تیز تر ہونے کا امکان ہے۔ اس سے سونے کی قیمتوں کے تعین میں بھی مدد ملنے کا امکان ہے۔ اسی طرح چونکہ دنیا صاف توانائی، نئی توانائی کی چھت کرنے والی گاڑیوں اور زیادہ بجلی استعمال کرنے والی اے آئی پبلیکیشنز اپنا رہی ہے تو اس صورت میں تانبے کی ضرورت اور اس کی قیمت میں اضافے کے قوی امکانات موجود ہیں۔ یہ ساری صورت حال سرکاری ملکیت میں چلنے والی ان دونوں اینڈھن و توانائی کی کمپنیوں کو نقدی کا مضبوط بہاؤ مہیا کرے گی۔

پاکستان کی ایک بڑی آئی ٹی کمپنی، سسٹمز لمیٹڈ میں ہم نے اپنی حیثیت بدستور قائم رکھی ہے۔ جو ایک نمایاں قدر بڑھانے والی کمپنی بھی ہے۔ ڈالروں میں آمدنی کے اس کے

داؤد لارنس پورلیٹیڈ

ڈائریکٹرز رپورٹ

برائے اختتام سال 31 دسمبر 2025ء

داؤد لارنس پورلیٹیڈ ("کمپنی") کے ڈائریکٹرز مسرت کے ساتھ 31 دسمبر 2025ء کو ختم ہونے والے سال کے لئے سالانہ رپورٹ اور آڈٹ شدہ مالی گوشوارے پیش کرتے ہیں۔

مرکزی سرگرمی

کمپنی کی مرکزی سرگرمی تجارتی اور صنعتی صارفین کے ساتھ قابل تجدید توانائی بالخصوص ہوا کی توانائی اور شمسی توانائی کے حل کی تجارت اور مارکیٹنگ کے کاروبار میں مشغول اپنی ذیلی اور شریک کار کمپنیوں میں سرمایہ کاری کو منظم کرنا ہے۔ اس کے علاوہ یہ سرمائے کی مقامی مارکیٹ میں ایک سرمایہ کاری پورٹ فولیو بھی سرگرمی سے چلاتی ہے۔

ماحول جس میں ہم نے کاروبار کیا

تقویمی سال 2025ء کا اختتام اقتصادی استحکام میں بہتری اور مرحلہ وار بحالی پر ہوا۔ سخت اقدامات کی ایک مدت کے بعد خصوصاً سال 2025ء کی دوسری ششماہی میں استحکام سے زیادہ توازن ترقی کا مظاہرہ کیا۔ علاقائی اور عالمی غیر یقینیوں کے باوجود پاکستان کی معیشت نے مستحکم بہتری کے آثار ظاہر کئے۔

2025ء کے دوران عالمی سیاسی واقعات نے اقتصادی حالات پر نمایاں اثر مرتب کیا۔ بھارت کے ساتھ مختصر لڑائی، علاقے میں سیکورٹی آپریشنوں اور ایران اسرائیل جنگ سمیت مشرق وسطیٰ میں لڑائیوں کے بعد جنگ بندی نے اجناس کی عالمی قیمتوں اور مالیاتی مارکیٹوں نے قلیل مدتی غیر یقینی پیدا کی۔ عین اسی وقت پاکستان پر ٹیرف عائد کئے جانے اور بعد ازاں اس کی شرح میں نرمی کئے جانے سمیت امریکا کی تجارتی پالیسی میں تبدیلی نے برآمدات کو متاثر کیا۔ اگرچہ ان واقعات نے عارضی عدم استحکام پیدا کیا لیکن بہتر سفارتی سرگرمیوں اور علاقائی تنازعات میں کمی آنے کی بدولت سال کے اختتام کے دوران متعلقہ استحکام لانے میں مدد دی۔

اقتصادی پہلو پر آئیں تو آئی ایم ایف کی توسیعی اعانت بدستور اہمیت کی حامل رہی۔ پہلے اور دوسرے پروگرام کے جائزے کی تکمیل نے سرمایہ کار کا اعتماد مضبوط کیا اور اشارہ دیا کہ ملک میں اصلاحات کا نفاذ جاری رہے گا۔ پاکستان نے اپنی کریڈٹ ریٹنگز میں بھی بہتری دیکھی جو بہتر میکرو اکنامک اشاریوں اور پالیسی کے جاری رہنے کی عکاسی کرتے ہیں۔

سال کے دوران صنعتی سرگرمیوں میں مرحلہ وار بہتری دیکھی گئی۔ بڑے پیمانے کی مینوفیکچرنگ میں مالی سال 2025ء کے دوران 2.5% کا اضافہ ہوا جس کی رفتار دوسری ششماہی میں مضبوط ہوئی (سال بہ سال بنیادوں پر 4.8%+) جس کی بڑی وجہ آٹوموبائل سیکٹر کی بحالی تھی۔ صنعتوں میں بڑھتی اگرچہ غیر ہموار تھی تاہم گزشتہ برس کی بہ نسبت اس نے بہتری کا مظاہرہ کیا۔

افراط زر میں قابل ذکر حد تک کمی واقع ہوئی اور دسمبر 2025ء میں کنزیومر پرائس انڈیکس (CPI) 5.6% ریکارڈ ہوئی۔ قیمتوں کے دباؤ میں کمی آنے اور بیرونی صورت حال قابو میں رہنے کے نتیجے میں اسٹیٹ بینک آف پاکستان نے چھ ماہ تک برقرار رکھنے کے بعد دسمبر 2025ء میں شرح سود 10.5% مقرر کیا۔ اس اقدام نے خدشات کے بارے میں چوکنارہنے کے ساتھ ساتھ افراط زر میں استحکام کو ظاہر کیا۔

Proxy Form

AFFIX
REVENUE
STAMP

I/We _____ of _____
being a member of DAWOOD LAWRENCEPUR LIMITED and holder of _____
Ordinary shares as per share (Number of Shares)

Share Register Folio No. _____ and/or
CDC Participant ID No. _____ Sub A/c No. _____

hereby appoint _____ of _____
as my/our proxy to attend, speak, and vote for me/us and on my/our behalf, at the Annual General Meeting of the Company to be held on Wednesday, April 15, 2026 at 3:00 PM at the Karachi School for Business Leadership, situated at National Stadium Road, opposite Liaquat National Hospital, Karachi - 74800, Karachi and via video link facility, and at any adjournment thereof.

Signed this _____ day of _____ 2026

Signature of the Member

WITNESSES:

1. Signature: _____
Name: _____
Address: _____

CNIC No. or _____
Passport No. _____

2. Signature: _____
Name: _____
Address: _____

CNIC No. or _____
Passport No. _____

IMPORTANT:

1. The signature of the member must agree with the specimen signature registered with the Company.
2. This proxy form, to be effective, must be deposited at the Company's Registered Office, not less than forty-eight (48) hours before the AGM.
3. CDC shareholders and their proxies are required to attach an attested photocopy of their valid Computerized National Identity Card (CNIC) or Passport with the proxy form before submission to the Company. In the case of corporate entities, a certified copy of the Board resolution/power of attorney, together with the specimen signature, must be submitted (unless already provided earlier) along with the proxy forms.

پراسی فارم

میں/ہم _____ بابت _____ بحیثیت ممبر داؤد لارنس پورلمیٹڈ اور مالک
_____ معمولی حصص (تعداد حصص) برطابق شیئر رجسٹر فویو نمبر _____ اور/یا سی ڈی سی پارٹنرسپنٹ آئی ڈی نمبر
_____ اور ذیلی اکاؤنٹ نمبر _____ ذریعہ ہذا جناب/محترمہ
_____ بابت _____ کو بروز بدھ مورخہ ۱۵ اپریل ۲۰۲۶ بوقت ۳:۰۰ بجے
دوپہر، بمقام کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) نیشنل اسٹیڈیم روڈ، بالمقابل لیاقت نیشنل ہسپتال، کراچی - 74800 میں ویڈیولنک کی سہولت کے ساتھ منعقد یا ملتوی
ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا/کرتی ہوں۔

آج بروز _____ مورخہ _____ ۲۰۲۶ء کو دستخط کئے گئے۔

دستخط

دستخط کمپنی میں جمع کرائے گئے دستخط کے عین مطابق ہونا چاہیے۔

گواہان:

(1) دستخط _____

نام _____

پتہ _____

سی این آئی سی نمبر _____

یا پاسپورٹ نمبر _____

(2) دستخط _____

نام _____

پتہ _____

سی این آئی سی نمبر _____

یا پاسپورٹ نمبر _____

نوٹ:

- ۱- ممبر کے ارسال کردہ دستخط عین وہی ہونا چاہئیں جو کمپنی کے ریکارڈ میں موجود ہیں۔
- ۲- تمام نامزد گیاں اسی صورت میں موثر ہوں گی جب پراسی فارم بنام کمپنی کے رجسٹرڈ آفس میں اجلاس کے مقررہ وقت سے ۴۸ گھنٹے قبل موصول ہوں۔
- ۳- سی ڈی سی شیئر ہولڈرز اور ان کے پراسیز کو چاہئے کہ پراسی فارم کے ساتھ اپنے مؤثر کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ کی مصدقہ فوٹو کاپی منسلک کریں۔
کارپوریٹ ادارہ ہونے کی صورت میں بورڈ کی قرارداد کی مصدقہ نقل/مختار نامہ مع نمونہ دستخط (اگر قبل ازیں فراہم نہیں کیا ہو تو)، پراسی فارم کے ساتھ جمع کرائے جائیں۔

ELECTRONIC DIVIDEND MANDATE FORM



Pursuant to Section 242 of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan vide Circular No. 18 of 2017, dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders/members.

Members of Dawood Lawrencepur Limited (the "Company") are therefore requested to provide their valid International Bank Account Number ("IBAN") by submitting this duly completed Form, along with a copy of their valid Computerized National Identity Card ("CNIC"), to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, Main Shakra-e-Faisal, Karachi – 74400, Pakistan. This form is also available on the Company's website: <https://dawoodlawrencepur.com>

In case of shares held in CDC accounts, members are requested to submit their Dividend Mandate Form along with a copy of their valid CNIC directly to their respective Participant / CDC Investor Account Services for updation of their record.

I / We _____, being a member(s) of the Company, hereby authorize the Company to directly credit the cash dividends declared by the Company into my/our bank account as detailed below:

Details of Shareholder:

Folio / CDS Account No.	
CNIC No. / NICOP / Passport No. (in case of foreign shareholder)	
NTN (in case of corporate shareholder)	
Email address	
Cell number	

Details of Bank Account:

Title of the Bank Account	
IBAN	
Bank's Name	
Branch Name and Address	

I / We hereby declare that the above-mentioned information is true and correct and undertake to immediately inform the Share Registrar / Participant / CDC Investor Account Services in case of any change therein.

Signature of the Member(s)
(Please affix company stamp in case of a corporate entity)

Note:

1. Please provide a complete and accurate IBAN after consultation with your respective bank branch. In case of any error or omission in the IBAN provided, the Company shall not be held responsible for any loss, damage, liability, or delay in the payment of cash dividend.
2. Please attach an attested photocopy of the CNIC (both sides)/NICOP/Passport (in case of Foreign Shareholder).
3. The signature of the member(s) should match the specimen signature(s) registered with the Company / Share Registrar.

REQUEST FORM FOR HARD COPY OF ANNUAL AUDITED ACCOUNTS



Pursuant to the notification issued by the Securities and Exchange Commission of Pakistan vide S.R.O. 389(I)/2023 dated March 21, 2023, and pursuant to the approval of the shareholders of Dawood Lawrencepur Limited (the "Company") at their Extraordinary General Meeting held on July 13, 2023, the Company circulates its Annual Report, including the Annual Financial Statements, Directors' Report, and other related documents, through a Notice of the Annual General Meeting containing a QR code and a weblink, as well as via email to members who have provided their valid email addresses.

However, members who desire to receive a hard copy of the Annual Report may submit this duly completed Request Form to the Company Secretary at the address given below. This form is also available on the Company's website: <https://dawoodlawrencepur.com>

I / We, _____, being a registered shareholder/member of the Company, with the particulars given below, hereby request the Company to provide me/us with a hard copy of the Annual Report for the financial year _____, at the address stated herein or as recorded in the Register of Members:

Registered Shareholder/Members Information:

Folio No./CDC ID No.	
CNIC/NICOP/Passport No.	
NTN	
Postal Address (if different from Register of Members):	
Email Address	
Cell No.	

Dated

Signature of Member(s)
(Please affix Company stamp in case of a corporate entity)

Company's Contact Details:

Dawood Lawrencepur Limited,
Dawood Centre, M.T. Khan Road,
Karachi-75530,
Pakistan
+92 (21) 35686001-16
company.secretary@dawoodhercules.com



Dawood
Lawrencepur
Limited

Head Office/Registered Office:
Dawood Centre, M.T. Khan Road,
Karachi - 75530, Pakistan
Tel: +92-21-35686001-16
company.secretary@dawoodhercules.com
www.dawoodlawrencepur.com