



Century Paper & Board Mills Limited

Rooted, Resilient and Renewed



Half Yearly Report
December 2025

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Corporate Information

Board of Directors

Iqbal Ali Lakhani - Chairman
Amin Mohammed Lakhani
Babar Ali Lakhani
Anushka Lakhani
Asif Qadir
Ali Aamir
Aftab Ahmad - Chief Executive Officer

Advisor

Sultan Ali Lakhani

Audit Committee

Ali Aamir - Chairman
Amin Mohammed Lakhani
Babar Ali Lakhani

Human Resource & Remuneration Committee

Asif Qadir - Chairman
Amin Mohammed Lakhani
Anushka Lakhani
Aftab Ahmad

Sustainability Committee

Asif Qadir - Chairman
Anushka Lakhani
Aftab Ahmad

Chief Financial Officer

Muhammad Rashid Dastagir
Email: rashid-dastagir@centurypaper.com.pk

Company Secretary

Mansoor Ahmed
Email: mansoor-ahmed@centurypaper.com.pk

External Auditors

BDO Ebrahim & Co.
Chartered Accountants
Email: info@bdoebrahim.com.pk

Shares Registrar

FAMCO Share Registration Services (Private) Limited
8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S. Shakra-e-Faisal, Karachi.
Phone: (021) 34380101-5, 34384621-3 Fax: (021) 34380106
Email: info.shares@famcosrs.com
Website: www.famcosrs.com

Head Office and Registered Office

Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi-74200, Pakistan.
Phone: (021) 38400000
Fax: (021) 35684336, 35683410
Email: info@centurypaper.com.pk
Website: www.centurypaper.com.pk

Lahore Office

14-Ali Block, New Garden Town, Lahore-54600, Pakistan.
Phone: (042) 35886801-4 Fax: (042) 35830338

Mills

62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan.
Phone: (049) 4511464-5, 4510061-2 Fax: (049) 4510063



Directors' Review

On behalf of the Board of Directors, we are pleased to present the performance review of your Company together with the unaudited financial statements for the period under review (July to December 2025) that ended on December 31, 2025.

OPERATIONS AND SALES REVIEW

During the period under review, the Company produced 91,177 metric tons (L.Y. 85,593 metric tons) including 42,410 metric tons for the 2nd quarter (L.Y. 43,015 metric tons). The sales volumes for the period under review stood at 95,246 metric tons (L.Y. 88,031 metric tons) including 44,056 metric tons for the 2nd quarter (L.Y. 43,969 metric tons). In terms of value, the net sales were recorded at Rs. 19,659 million (L.Y. Rs. 19,803 million).

The bullish market activity observed in 1st quarter did not sustain into the second period, as overall market demand remained somewhat subdued and the influx of lower-priced imports continued unabated. In addition, supply chain disruption due to transporter strikes in December 2025 adversely affected production and sales volumes for approximately two weeks. As a result, sales volume for the second period remained largely in line with the corresponding period of last year, with the overall volume growth for the period primarily attributable to stronger performance in the first quarter.

Capacity utilization of the packaging board machines, particularly PM-7, has shown improvement in response to better demand for its products. Utilization of PM-4 has also improved following the introduction of low-cost product variants. Management remained focused on developing cost-efficient products on energy-efficient machines to maintain competitiveness in a challenging market environment.

FINANCIAL PERFORMANCE

The Company posted a gross profit of Rs. 980 million (L.Y. Rs. 1,803 million) for the period under review. Notwithstanding the increase in sales volumes, gross profit declined during the period due to margin compression arising from reduced selling prices. These price adjustments, undertaken in the previous year, were necessary to maintain competitiveness against lower-priced imports of the circumvented product. The impact of lower margins was partially mitigated by favorable movements in raw material and fuel costs; however, this relief was insufficient to fully offset the pressure on profitability. Accordingly, the operating profit for the period under review was recorded at Rs. 440 million (L.Y. Rs. 1,328 million).

The finance cost for the period ended December 31, 2025, decreased significantly to Rs. 558 million (L.Y. Rs. 955 million), reflecting the impact of lower interest rates and efficient management of working capital utilization.

The Company reported a loss before tax of Rs. 117 million for the period, compared to a profit before tax of Rs. 372 million in the corresponding period last year. After tax, the Company recorded a loss of Rs. 271 million, as against a profit after tax of Rs. 201 million in the corresponding period last year.

Directors' Review

EARNINGS PER SHARE

The basic earnings per share (EPS) for the period under review was reported at Rs. (0.68), compared to Rs. 0.50 in the corresponding period of last year. There is no dilution effect on the earnings per share for the Period under review.

NEAR TERM OUTLOOK

During the period, Pakistan's economy exhibited relative macroeconomic stabilization, with easing inflation and exchange rate stability supported by the prudent monetary stance of the State Bank of Pakistan and continued engagement with the International Monetary Fund. However, Large-Scale Manufacturing (LSM) performance remained subdued and uneven, reflecting weak domestic demand and persistent import competition. This muted industrial environment constrained demand growth for paper and board products and continued to exert pressure on margins despite some relief in input and energy costs.

On January 7, 2026, the National Tariff Commission (NTC) issued its final determination extending the existing 29.02% anti-dumping duty on imports of Two-Side Coated Bleached Paperboard from China (PCT codes 4810.9290 and 4810.9900) until February 27, 2027. Management believes this measure will help curb the influx of low-priced imports and provide level playing field to domestic industry.

On the cost side, local input prices are expected to remain relatively stable. Although imported raw material and fuel prices have begun to trend upward, the Company has secured sufficient inventories at favorable rates for the next few months. While working capital requirements may increase due to inventory build-up, the impact on finance costs is expected to remain contained in view of lower prevailing interest rates.

In light of these developments, management is cautiously optimistic that product margins will gradually improve in the ensuing quarters, with a corresponding positive impact on profitability.

ACKNOWLEDGMENTS

The Directors wish to acknowledge the devotion of the employees of all cadres and are appreciative of their dedication and commitment. They also extend heartfelt appreciation to the Company's suppliers, customers and bankers for their continued confidence and support.

On behalf of the Board of Directors



IQBAL ALI LAKHANI
Chairman



AFTAB AHMAD
Chief Executive Officer

Karachi: February 19, 2026



ڈائریکٹرز کا جائزہ

بورڈ آف ڈائریکٹرز کی طرف سے 31 دسمبر 2025ء کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کی کارکردگی کا جائزہ مع غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنا ہمارے لیے باعث مسرت ہے۔

پیداوار اور فروخت کا جائزہ

زیر جائزہ مدت کے دوران کمپنی نے مجموعی طور پر 91,177 میٹرک ٹن پیداوار حاصل کی (گزشتہ سال: 85,593 میٹرک ٹن) جس میں سے 42,410 میٹرک ٹن دوسری سہ ماہی میں حاصل کی گئی (گزشتہ سال: 43,015 میٹرک ٹن)۔ اسی مدت کے دوران فروخت کا حجم 95,246 میٹرک ٹن رہا (گزشتہ سال: 88,031 میٹرک ٹن)۔ جس میں سے 44,056 میٹرک ٹن دوسری سہ ماہی میں فروخت ہوا (گزشتہ سال: 43,969 میٹرک ٹن)۔ سیلز ویلیو 19,659 ملین روپے رہی (گزشتہ سال: 19,803 ملین روپے)۔

پہلی سہ ماہی میں مارکیٹ میں آنے والی مثبت سرگرمیاں دوسری سہ ماہی میں برقرار نہ رہ سکی، کیونکہ مجموعی پیداوار نسبتاً کمزور رہی اور کم قیمت درآمدات کا سلسلہ بدستور جاری رہا۔ مزید برآں، دسمبر 2025 میں ٹرانسپورٹرز کی ہرتال کے باعث سپلائی چین میں خلل پیدا ہوا جس میں تقریباً دو ہفتوں تک پیداوار اور فروخت کے حجم پر منفی اثرات مرتب ہوئے۔ نتیجتاً دوسری سہ ماہی میں فروخت کا حجم گزشتہ سال کی اسی سہ ماہی کے تقریباً مساوی رہا، جبکہ مجموعی اضافہ بنیادی طور پہلی سہ ماہی کی بہتر کارکردگی کا نتیجہ تھا۔

چیکنگ بورڈ مشینوں PM-7 کی مصنوعات کی بہتر طلب کے باعث پیداواری شرح میں اضافہ ہوا۔ جبکہ PM4 پر کم قیمت مصنوعات کی پیداوار سے اس کے حجم میں بہتری ہوئی۔ انتظامیہ مسابقتی ماحول میں برتری برقرار رکھنے کے لیے توانائی موثر مشینوں پر لاگت موثر مصنوعات کی تیاری پر مسلسل توجہ رکھے ہوئے ہے۔

مالی کارکردگی

زیر جائزہ مدت میں کمپنی نے 980 ملین روپے کا مجموعی منافع حاصل کیا (گزشتہ سال: 1,803 ملین روپے)۔ اگرچہ فروخت کے حجم میں اضافہ ہوا، تاہم کم فروختی قیمتوں کے باعث منافع کے مارجن میں کمی واقع ہوئی جس کے نتیجے میں مجموعی منافع کم رہا۔ یہ قیمتوں میں ایڈجسٹمنٹ گزشتہ سال کم قیمت درآمدات کے مقابل مسابقت برقرار رکھنے کے لئے گزشتہ سال کی گئی۔

خام مال اور ایندھن کی قیمتوں میں سازگار رجحانات نے جزوی ریلیف فراہم کیا، تاہم یہ بہتری منافع پر پڑنے والے دباؤ کو مکمل طور پر کم نہ کر سکی۔ نتیجتاً آپریٹنگ منافع 440 ملین روپے رہا (گزشتہ سال: 1,328 روپے)۔ زیر جائزہ مدت کے لئے مالی اخراجات نمایاں طور پر کم ہو کر 558 ملین روپے رہے (گزشتہ سال: 995 ملین روپے)، جو کم شرح سود اور ورکنگ کپٹل کے موثر انتظام کا نتیجہ ہے۔

کمپنی زیر جائزہ مدت میں قبل از ٹیکس 117 ملین روپے کا خسارہ رپورٹ کیا، گزشتہ سال اسی مدت میں 372 ملین روپے کا قبل از ٹیکس منافع حاصل ہوا تھا۔ بعد از ٹیکس کمپنی نے 271 ملین روپے کا خسارہ ریکارڈ کیا، جبکہ گزشتہ سال اسی مدت میں 201 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا تھا۔

فی حصص آمدنی

زیر جائزہ مدت میں فی شیئر آمدنی منفی 0.68 روپے رپورٹ کی گئی جو کہ گزشتہ سال اسی مدت میں 0.50 روپے تھی۔ زیرہ جائزہ مدت میں فی شیئر آمدنی کمزور پڑنے کے آثار نہیں ہیں۔

ڈائریکٹرز کا جائزہ

قریبی مدتی منظر نامہ

زیر جائزہ مدت کے دوران پاکستان کی معیشت میں نسبتاً استحکام دیکھنے میں آیا، جس میں افراط زر میں کمی و شرح مبادلہ میں استحکام شامل ہے۔ یہ پیش رفت اسٹیٹ بینک آف پاکستان کی محتاط پالیسی اور بین الاقوامی مالیاتی فنڈ (IMF) کے ساتھ جاری تعاون کا نتیجہ ہے۔ تاہم (LSM) بڑے پیمانے کی صنعت کی کارکردگی کمزور اور غیر مستحکم رہی۔ جو محدود مقامی طلب اور درآمدی مسابقت کے تسلسل کی عکاسی کرتی ہے اس صنعتی ماحول نے کاغذ اور بورڈ کی مصنوعات کی طلب میں اضافہ محدود رکھا اور مارجنز پر دباؤ برقرار رہا، اگرچہ خام مال اور توانائی لاگت میں جزوی بہتری آئی۔

7 جنوری 2026 کو نیشنل ٹیرف کمیشن (NTC) کی طرف سے شرح منافع نے چین سے دو طرفہ کوئٹڈ ٹیچڈ پیپر بورڈ (PCT) کوڈز 4810.9290 اور 4810.9900 کی درآمدات پر بھی 29.02 فیصد اینٹی ڈمپنگ ڈیوٹی نافذ کی گئی جو 27 فروری تک ہے۔ انتظامیہ کے نزدیک یہ اقدام کم قیمت درآمدات کی روک تھام اور مقامی صنعت کے لئے مساوی مسابقتی ماحول فراہم کرنے میں معاون ثابت ہوگا۔

لاگت کے حوالے سے مقامی ان پٹس خام مال کی قیمتیں نسبتاً مستحکم رہنے کی توقع ہے۔ اگرچہ درآمدی خام مال اور ایندھن کی قیمتوں میں اضافے کا رجحان ظاہر ہونا شروع ہو گیا ہے، تاہم کمپنی نے آئندہ چند ماہ کے لئے مناسب زرخوں پر وافر ذخیرہ یقینی بنا لیا ہے۔ انوینٹری میں اضافے کے باعث ورکنگ کپٹیل کی ضروریات میں اضافہ ممکن ہے، تاہم کم شرح سود کے پیش نظر مالی اخراجات پر اس کا اثر محدود رہنے کی توقع ہے۔

مذکورہ پیش رفت کے تناظر میں انتظامیہ محتاط طور پر پرامید ہے کہ آئندہ سہ ماہیوں میں مصنوعات کے شرح منافع میں تدریجی بہتری آئے گی، جس کے نتیجے میں منافع بخش کارکردگی پر مثبت اثرات ہوں گے۔

اظہار تشکر

آپ کے ڈائریکٹرز کمپنی کے عملے اور ملازمین کی محنت اور پر خلوص کارکردگی کا اعتراف کرتے ہیں۔ وہ مسلسل سرپرستی اور واہستگی پر اپنے سپلائرز، کسٹمرز اور بینکوں کو خراج تحسین پیش کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے



آفتاب احمد

چیف ایگزیکٹو آفیسر



اقبال علی لاکھانی

چیرمین

کراچی: فروری 19، 2026



Independent Auditor's Report on Review of

Condensed Interim Financial Statements to the Members

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **CENTURY PAPER & BOARD MILLS LIMITED** ("the Company") as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the half year ended December 31, 2025 (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial statements. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: February 19, 2026
UDIN: RR202510166Yf4vPoNsl

BDO EBRAHIM & CO.

Chartered Accountants

Engagement Partner: Tariq Feroz Khan



Condensed Interim Statement of Financial Position

as at December 31, 2025

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|--|------|---|-------------------------------|
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 10,807,537 | 10,932,307 |
| Intangible assets | | 11,359 | 15,390 |
| Long-term advances | | 10,139 | 11,176 |
| Long-term deposits | | 14,751 | 14,753 |
| | | <u>10,843,786</u> | <u>10,973,626</u> |
| CURRENT ASSETS | | | |
| Stores and spares | 9 | 3,852,047 | 3,757,040 |
| Stock-in-trade | 10 | 6,878,743 | 6,523,944 |
| Trade debts | | 5,431,977 | 5,378,407 |
| Advances | | 133,004 | 49,513 |
| Trade deposits and short term prepayments | 11 | 531,573 | 639,504 |
| Other receivables | | 83,086 | 137,459 |
| Tax refunds due from Government | 12 | 842,404 | 563,589 |
| Taxation - net | | 805,387 | 691,893 |
| Short-term investment | | - | 321,044 |
| Cash and bank balances | 13 | 1,219,312 | 865,791 |
| | | <u>19,777,533</u> | <u>18,928,184</u> |
| TOTAL ASSETS | | <u>30,621,319</u> | <u>29,901,810</u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 1,000,000,000 (June 30, 2025: 1,000,000,000) ordinary shares of Rs. 10 each | | <u>10,000,000</u> | <u>10,000,000</u> |
| Issued, subscribed and paid-up capital 401,712,926 (June 30, 2025: 401,712,926) ordinary shares of Rs. 10 each | | 4,017,129 | 4,017,129 |
| Reserves | | <u>9,126,973</u> | <u>9,398,268</u> |
| | | <u>13,144,102</u> | <u>13,415,397</u> |
| NON - CURRENT LIABILITIES | | | |
| Long-term financing | 14 | 1,602,348 | 2,298,013 |
| Lease liabilities against right of use assets | | 92,749 | 98,159 |
| Deferred taxation | | 432,857 | 525,845 |
| Deferred capital grant | 15 | 63,808 | 89,200 |
| | | <u>2,191,762</u> | <u>3,011,217</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | 6,285,075 | 4,587,226 |
| Short-term borrowings | 17 | 7,227,020 | 7,094,892 |
| Interest and mark-up accrued | 18 | 190,326 | 187,612 |
| Unclaimed dividend | | 1,510 | 1,546 |
| Current portion of : | | | |
| Long-term lease liabilities against right of use assets | | 13,841 | 15,507 |
| Deferred capital grant | 15 | 56,701 | 69,409 |
| Long-term financing | 14 | 1,510,982 | 1,519,004 |
| | | <u>15,285,455</u> | <u>13,475,196</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>30,621,319</u> | <u>29,901,810</u> |
| CONTINGENCIES AND COMMITMENTS | 19 | | |

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



Condensed Interim Statement of Profit or Loss

for the period ended December 31, 2025 (Un-audited)

| | Note | Half year ended | | Quarter ended | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| (Rupees in thousands) | | | | | |
| Turnover - net | 20 | 19,659,524 | 19,803,166 | 9,022,218 | 9,670,930 |
| Cost of sales | 21 | (18,678,984) | (18,000,566) | (8,621,142) | (8,899,291) |
| Gross profit | | 980,540 | 1,802,600 | 401,076 | 771,639 |
| General and administrative expenses | | (555,073) | (517,424) | (267,916) | (245,167) |
| Selling expenses | | (56,195) | (55,413) | (29,040) | (28,217) |
| Distribution expenses | | (76,211) | (98,087) | (42,169) | (50,470) |
| Other operating charges | | | | | |
| Workers' Profit Participation Fund | | - | (20,002) | 1,312 | (6,736) |
| Workers' Welfare Fund | | - | (7,601) | 499 | (2,560) |
| Others | | (25,414) | (20,748) | (16,921) | (12,167) |
| | | (25,414) | (48,351) | (15,110) | (21,463) |
| Other income | | 172,816 | 244,313 | 86,189 | 144,113 |
| Operating profit | | 440,463 | 1,327,638 | 133,030 | 570,435 |
| Finance cost | 22 | (557,816) | (955,392) | (274,819) | (445,204) |
| (Loss) / Profit before income tax and levy | | (117,353) | 372,246 | (141,789) | 125,231 |
| Levy-Minimum tax differential | 23 | (246,929) | (110,390) | (120,434) | (110,390) |
| (Loss) / Profit before income tax | | (364,282) | 261,856 | (262,223) | 14,841 |
| Taxation | | | | | |
| Current | | - | (205,168) | 10,488 | (148,354) |
| Prior | | - | (7,900) | - | (7,900) |
| Deferred | | 92,987 | 151,769 | (32,855) | 194,701 |
| | | 92,987 | (61,299) | (22,367) | 38,447 |
| (Loss) / Profit for the period | | (271,295) | 200,557 | (284,590) | 53,288 |
| (Loss) / Earnings per share - basic and diluted (Rupee) | 24 | (0.68) | 0.50 | (0.71) | 0.13 |

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

for the period ended December 31, 2025 (Un-audited)

| | Half year ended | | Quarter ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| (Loss) / Profit for the period | (271,295) | 200,557 | (284,590) | 53,288 |
| Other comprehensive income / (loss) | - | - | - | - |
| Total comprehensive (loss) / income for the period | (271,295) | 200,557 | (284,590) | 53,288 |

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Cash Flows

for the period ended December 31, 2025 (Un-audited)

| | Note | Half year ended | |
|---|------|---|----------------------|
| | | December 31, 2025 (Rupees in thousands) | December 31, 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated / (used in) from operations | 25 | 1,845,220 | (327,289) |
| Finance cost paid | | (517,002) | (929,159) |
| Taxes paid | | (360,423) | (675,542) |
| Gratuity paid | | (6,415) | (38,991) |
| Workers' Profit Participation Fund paid | | (1,691) | (62,774) |
| Long-term advances | | 1,037 | (10,638) |
| Net cash generated from / (used in) operating activities | | 960,726 | (2,044,393) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment | | (321,014) | (67,659) |
| Proceeds from sale of property, plant and equipment | | 9,500 | 26,851 |
| Net cash (used in) investing activities | | (311,514) | (40,808) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of long-term financing from banking companies | | (741,787) | (776,467) |
| Principle paid on lease liability | | (7,076) | (7,966) |
| Net cash (used in) financing activities | | (748,863) | (784,433) |
| Net (decrease) in cash and cash equivalents | | (99,651) | (2,869,635) |
| Cash and cash equivalents at the beginning of the period | | (5,908,057) | (3,515,668) |
| Cash and cash equivalents at the end of the period | | (6,007,708) | (6,385,303) |
| CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 13 | 1,219,312 | 779,418 |
| Short term highly liquid investment | | - | 303,411 |
| Short-term borrowings | 17 | (7,227,020) | (7,468,132) |
| | | (6,007,708) | (6,385,303) |

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.


IQBAL ALI LAKHANI
Chairman / Director


AFTAB AHMAD
Chief Executive Officer


MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

for the period ended December 31, 2025 (Un-audited)

| | Issued, subscribed and paid-up capital | Capital | | | | Reserves | | | Total | |
|--|--|---------------|----------------|--------------------|-----------|-----------------|-----------------------|-------------|-----------|------------|
| | | Share premium | Merger reserve | Redemption reserve | Total | Revenue | | Sub - total | | |
| | | | | | | General reserve | Unappropriated profit | | | Total |
| | 4,017,129 | 1,822,122 | 7,925 | 1,070,913 | 2,900,960 | 5,800,000 | 963,797 | 6,763,797 | 9,664,757 | 13,681,886 |
| (Rupees in thousands) | | | | | | | | | | |
| Balance as at July 1, 2024 (Audited) | | | | | | | | | | |
| Total comprehensive income for the period ended December 31, 2024 | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | 200,557 | 200,557 | 200,557 | 200,557 |
| Other comprehensive income / (loss) | - | - | - | - | - | - | - | - | - | - |
| Balance as at December 31, 2024 (Un-audited) | 4,017,129 | 1,822,122 | 7,925 | 1,070,913 | 2,900,960 | 5,800,000 | 1,164,354 | 6,964,354 | 9,865,314 | 13,882,443 |
| Balance as at July 1, 2025 (Audited) | 4,017,129 | 1,822,122 | 7,925 | 1,070,913 | 2,900,960 | 5,800,000 | 697,308 | 6,497,308 | 9,398,268 | 13,415,397 |
| Total comprehensive income for the period ended December 31, 2025 | | | | | | | | | | |
| Loss for the period | - | - | - | - | - | - | (271,295) | (271,295) | (271,295) | (271,295) |
| Other comprehensive income / (loss) | - | - | - | - | - | - | - | - | - | - |
| Balance as at December 31, 2025 (Un-audited) | 4,017,129 | 1,822,122 | 7,925 | 1,070,913 | 2,900,960 | 5,800,000 | 426,013 | 6,226,013 | 9,126,973 | 13,144,102 |

The annexed notes from 1 to 34 form an integral part of these condensed interim financial statements.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

Century Paper & Board Mills Limited ("the Company") was incorporated in Pakistan as a public limited company on August 2, 1984 under the repealed Companies Ordinance, 1984 (now Companies Act 2017) and its ordinary shares are listed on Pakistan Stock Exchange (PSX). The Company is engaged in manufacturing and marketing of paper, board and related products.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical Location and addresses of the Company's business units / immovable assets including Mills / Plant are as under:

| Business Unit | Address |
|---------------------|---|
| - Registered office | Lakson Square Building No. 2, Sarwar Shaheed Road, Karachi, Pakistan. |
| - Mills (Plant) | 62 KM, Lahore-Multan Highway, N-5, District Kasur, Pakistan. |
| - Regional office | 14-Ali Block, New Garden Town, Lahore, Pakistan. |

3. BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the half year ended December 31, 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017 and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required for the complete set of annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended December 31, 2024.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2025 and December 31, 2024 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half-years ended December 31, 2025 and December 31, 2024.

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention unless stated otherwise.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4. MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

The accounting policies applied and methods of computation followed in the preparation of these condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2025:

4.1 Changes in accounting standards, interpretations and evaluation of accounting and reporting standards

- a) Standards, amendments and interpretations to approved accounting standards that are effective during the period ended December 31, 2025

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2025, but are considered not to be relevant or did not have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

- b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2026, but are considered not to be relevant or expected to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements except for:

-The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

5. ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2025 except as stated in note 7 to financial statements.

6. TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2025, have been made using the best estimated effective tax rate applicable to expected total annual earnings. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Any tax charged under Income Tax Ordinance, 2001 which is not based on taxable income is classified as levy in the condensed interim statement of profit or loss as these levies fall under the scope of IFRIC 21/IAS 37.

7. CHANGE IN ACCOUNTING ESTIMATE

During the period, the management has reassessed its accounting estimate for depreciation



Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

and estimated useful lives of its certain assets, namely the Coated Duplex Board Machine (PM-7), Gas-Fired Co-power Generation Plant (COGEN-II) and Coal-Fired Co-power Generation Plant (COGEN-III) and accordingly made revision. Management has determined, based on the confirmation of technical department, that this change is necessary to better reflect the pattern in which future economic benefits of the assets are expected to be consumed.

The revision constitutes a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The change has been accounted for prospectively from the date of reassessment. Accordingly, depreciation expense for the current and future periods has been adjusted.

As a result, the Company's depreciation expense for the period has decreased by Rs. 110.59 million, and the carrying amount of plant and machinery has correspondingly increased by Rs. 110.59 million. Further, deferred tax liabilities have increased by Rs. 36.5 million. Consequently, the net after-tax effect is a decrease in the loss for the period by Rs. 74.09 million.

| | Note | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|-------|--------------------------------------|-------------------------------|
| (Rupees in thousands) | | | |
| 8. PROPERT, PLANT AND EQUIPMENT | | | |
| Operating Fixed Assets | 8.1 | 10,014,969 | 10,412,750 |
| Capital work-in-progress | 8.2 | 427,604 | 357,038 |
| Capital spares | 8.3 | 364,964 | 162,519 |
| | | 10,807,537 | 10,932,307 |
| 8.1 Operating Fixed assets | | | |
| Fixed assets | 8.1.1 | 9,919,878 | 10,307,353 |
| Right-of-use assets | 8.1.4 | 95,091 | 105,397 |
| | | 10,014,969 | 10,412,750 |
| 8.1.1 Fixed assets | | | |
| Opening net book value (NBV) | | 10,307,353 | 10,632,126 |
| Additions during the period / year at cost | 8.1.2 | 75,204 | 837,102 |
| | | 10,382,557 | 11,469,228 |
| Disposals during the period / year at NBV | | (6,278) | (18,822) |
| Depreciation charge for the period / year | | (456,401) | (1,143,053) |
| | | (462,679) | (1,161,875) |
| Closing net book value (NBV) | | 9,919,878 | 10,307,353 |
| 8.1.2 Detail of additions (at cost) during the period / year are as follows: | | | |
| Freehold land | | 30,280 | 71,251 |
| Buildings on freehold land | | - | 7,176 |
| Plant and machinery | | 3,244 | 673,044 |
| Vehicles | | 30,730 | 66,500 |
| IT equipments | | 10,601 | 8,866 |
| Electrical and other equipments | | 350 | 10,265 |
| | | 75,204 | 837,102 |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|---|--|
| Note | (Rupees in thousands) | |
| 8.1.3 Right-of-use assets | | |
| Opening net book value (NBV) | 105,397 | 16,696 |
| Additions during the period / year | - | 104,640 |
| Depreciation charge for the period / year | (10,306) | (15,939) |
| | 95,091 | 105,397 |
| 8.2 Capital Work in Progress | | |
| This comprises of: | | |
| Building | 6,515 | 8,350 |
| Plant and machinery | 421,089 | 348,688 |
| 8.2.1 | 427,604 | 357,038 |
| 8.2.1 Movement of carrying amount is as follows: | | |
| Opening balance | 357,038 | 856,358 |
| Additions (at cost) during the period / year | 70,566 | 101,999 |
| | 427,604 | 958,357 |
| Transfer to operating fixed assets during the period / year | - | (601,319) |
| Closing balance | 427,604 | 357,038 |
| 8.3 Capital spares | | |
| Opening | 162,519 | 110,731 |
| Addition | 205,689 | 119,168 |
| Transfer to PPE | (3,244) | (67,380) |
| Closing | 364,964 | 162,519 |
| 9. STORES AND SPARES | | |
| In hand | | |
| Stores | 1,532,142 | 1,609,229 |
| Spares | 884,413 | 908,631 |
| Fuel | 1,257,718 | 845,862 |
| | 3,674,273 | 3,363,722 |
| In transit | 236,584 | 452,128 |
| | 3,910,857 | 3,815,850 |
| Provision for slow moving stores and spares | (58,810) | (58,810) |
| | 3,852,047 | 3,757,040 |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|---------------------------|------|---|-------------------------------|
| 10. STOCK-IN-TRADE | | | |
| Raw materials | | | |
| in hand | | 3,153,174 | 4,051,733 |
| in transit | | 2,193,630 | 1,144,532 |
| | | <u>5,346,804</u> | <u>5,196,265</u> |
| Work-in-process | | 41,830 | 37,526 |
| Finished goods | | 1,490,109 | 1,290,153 |
| | | <u>6,878,743</u> | <u>6,523,944</u> |

11. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

| | | | |
|--------------------|------|----------------|----------------|
| Deposits | 11.1 | 185,910 | 184,810 |
| Prepayments | | 98,734 | 15,050 |
| Minimum tax - levy | | 246,929 | 439,644 |
| | | <u>531,573</u> | <u>639,504</u> |

11.1 This includes an amount of Rs. 182.36 million (June 30, 2025: Rs 182.36 million) to Universal Gas Distribution Company (Private) Limited (UGDCL) as security deposit against contract for supply of gas at concessional rate. This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

12. TAX REFUNDS DUE FROM GOVERNMENT

| | | | |
|------------|------|----------------|----------------|
| Income tax | 12.1 | 438,464 | 438,464 |
| Sales tax | | 403,940 | 125,125 |
| | | <u>842,404</u> | <u>563,589</u> |

12.1 There has been no significant change in the status as set out in note 16 to the annual financial statements of the Company for the year ended June 30, 2025.

13. CASH AND BANK BALANCES

| | | | |
|-----------------|------|------------------|----------------|
| Cash at bank | | | |
| Current account | | 201,566 | 317,991 |
| Term deposits | 13.1 | 826,769 | 440,000 |
| | | <u>1,028,335</u> | <u>757,991</u> |
| Cheques in hand | | 188,737 | 104,800 |
| Cash in hand | | 2,240 | 3,000 |
| | | <u>1,219,312</u> | <u>865,791</u> |

13.1 This represents term deposit carries profit at the rate of 8% to 9.75% (June 30, 2025: 7% to 10.50%) per annum held under lien with the bank as security for bank guarantee (opened) as referred in note 19.1.1.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|--|------|---|-------------------------------|
| 14. LONG TERM FINANCING | | | |
| From banking companies - secured Utilized under mark-up arrangements financed by: | | | |
| Islamic mode | | | |
| Faysal Bank Limited - Musharaka | 14.1 | 229,647 | 255,685 |
| Bank Islami Pakistan Limited | 14.1 | 165,388 | 176,112 |
| | | 395,035 | 431,797 |
| Conventional mode | | | |
| Syndicated - Consortium of Banks | 14.3 | 569,317 | 700,989 |
| Habib Metropolitan Bank Limited | 14.3 | 104,192 | 109,145 |
| JS Bank Limited | 14.3 | 280,886 | 299,186 |
| Allied Bank Limited - Term Loan | 14.4 | 13,900 | 25,900 |
| | | 968,295 | 1,135,220 |
| Other Term Loan | | | |
| Islamic mode - Meezan Bank Limited | 14.2 | 1,750,000 | 2,250,000 |
| | | 3,113,330 | 3,817,017 |
| Current portion: | | | |
| Islamic mode | | (1,130,805) | (1,130,805) |
| Conventional mode | | (380,177) | (388,199) |
| | | (1,510,982) | (1,519,004) |
| | | 1,602,348 | 2,298,013 |

| Borrowed Rs. in Million | Banks | Purpose | Rate of Mark-up | Tenor | Repayment Installments | Principal Outstanding Rs. in million |
|-------------------------------|-------|---------|--------------------|-------|---------------------------|--|
|-------------------------------|-------|---------|--------------------|-------|---------------------------|--|

14.1 Islamic Temporary Economic Refinance Facility (ITERF) Schemes of the State Bank of Pakistan

| | | | | | | |
|-----|----------------------|---|-------|----------|--------------|---------|
| 500 | Faysal Bank Ltd. | Balancing, Modernization and Replacement (BMR) | 2.20% | 7 Years | 20 Quarterly | 239,046 |
| 250 | Bank Islami Pak Ltd. | of plant and machinery | 3.05% | 10 Years | 32 Quarterly | 192,011 |

The finance facility is secured by way of mortgage of immovable properties and / or First Pari Passu Hypothecation Charge over the Fixed Assets of the Company along with 25% Margin.

14.2 Diminishing Musharaka Financing

| | | | | | | |
|-------|------------------|--|------------------------------|---------|--------------|---------|
| 4,000 | Meezan Bank Ltd. | To rationalize use of short term working capital limits. | 3 months KIBOR + 0.15% | 5 Years | 16 Quarterly | 175,000 |
|-------|------------------|--|------------------------------|---------|--------------|---------|

The finance facility is secured by way of First Pari Passu Hypothecation Charge over all present and future movable fixed assets (including Plant & Machinery) of the Company with 25% margin. The effective markup rate was 11.25% (2025: 16.46%).

14.3 Temporary Economic Refinance Facility (TERF) Scheme of the State Bank of Pakistan

| | | | | | | |
|-------|-------------------------------------|---|-------|----------|--------------|---------|
| 1,500 | Syndicated - Consortium of Banks | Balancing, Modernization and Replacement (BMR) | 2.20% | 7 Years | 20 Quarterly | 600,254 |
| 200 | Habib Metropolitan Bank Ltd. | of plant and machinery | 4.50% | 10 Years | 32 Quarterly | 120,337 |
| 400 | JS Bank Ltd. | | 5% | 10 Years | 32 Quarterly | 319,082 |

The finance facility is secured by way of mortgage of immovable properties and / or First Pari Passu Hypothecation Charge over the Fixed Assets of the Company along with 25% Margin.



Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| Borrowed Rs. in Million | Banks | Purpose | Rate of Mark-up | Tenor | Repayment Installments | Principal Outstanding Rs. in million |
|-------------------------|-------|---------|-----------------|-------|------------------------|--------------------------------------|
|-------------------------|-------|---------|-----------------|-------|------------------------|--------------------------------------|

14.4 Renewable energy finance facility scheme of the State Bank of Pakistan

| | | | | | | |
|-----|------------------|-------------------|----------------------|---------|--------------|--------|
| 400 | Allied Bank Ltd. | Solar Grid Panels | 2.75% to 4.50% | 7 Years | 28 Quarterly | 13,900 |
|-----|------------------|-------------------|----------------------|---------|--------------|--------|

This term loan is secured by way of first hypothecation charge over all assets belonging to the Company with 25% margin.

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|---|------|---|-------------------------------|
| 15. DEFERRED CAPITAL GRANT | | | |
| Capital grant | 15.1 | 120,509 | 158,609 |
| Current portion shown under current liability | | (56,701) | (69,409) |
| | | 63,808 | 89,200 |

15.1 Following is the movement in government grant during the period / year:

| | | | |
|------------------------------------|--------|-----------------|----------|
| Opening balance | | 158,609 | 251,820 |
| Amortized during the period / year | 15.1.1 | (38,100) | (93,211) |
| Closing balance | | 120,509 | 158,609 |

15.1.1 This represents government grant recognized on long term financing facilities obtained under SBP Refinance Scheme from certain banks under "Islamic / Temporary Economic Refinance Facility (I/TERF)" (Refer note 15) and amortized on a systematic basis over the respective tenor of loans.

16. TRADE AND OTHER PAYABLES

| | | | |
|------------------------------------|------|------------------|-----------|
| Creditors | 16.1 | 2,900,958 | 1,743,833 |
| Foreign bills payable | | 782,708 | 542,984 |
| Accrued liabilities | | 1,637,828 | 1,311,654 |
| Contract liabilities | | 145,744 | 71,260 |
| Employee leave encashments | | 123,729 | 125,139 |
| Workers' Profit Participation Fund | | - | 1,691 |
| Workers' Welfare Fund | | 69,283 | 71,276 |
| Minimum tax - levy | | 246,929 | 439,644 |
| Provident fund payable | | 13,804 | 13,016 |
| Other liabilities | | 364,092 | 266,729 |
| | | 6,285,075 | 4,587,226 |

16.1 The aggregate amount of the outstanding balance of associated companies / undertakings is Rs. 81.12 million (June 30, 2025: Rs. 28.58 million).

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|----------------------------------|------|---|-------------------------------|
| 17. SHORT TERM BORROWINGS | | | |
| From banking companies - secured | | | |
| Running finances | | | |
| Conventional mode | | 2,991,211 | 3,621,373 |
| Islamic mode | | 2,881,004 | 2,323,519 |
| | 17.1 | 5,872,215 | 5,944,892 |
| Money market | | | |
| Conventional mode | | 1,000,000 | 700,000 |
| Islamic mode | | - | 450,000 |
| | 17.2 | 1,000,000 | 1,150,000 |
| Import credit facilities | 17.3 | 354,805 | - |
| | | <u>7,227,020</u> | <u>7,094,892</u> |

17.1 The Company has available aggregate short term running finance facilities from various banking companies under mark-up arrangements amounting to Rs. 15,000 million (June 30, 2025: Rs. 15,000 million). Markup rates are linked with KIBOR from one to three months plus spread ranging from 0.05% to 1.50% (June 30, 2025: from 0.05% to 1.50%) per annum.

17.2 Short-term money market loans have been arranged as a sub-limit of the running finance facility.

17.3 The Company has available aggregate sub-limits for FE loans under facilities for running finance and letters of credit amounting to Rs.10,430 million (June 30, 2025: Rs. 10,430 million).

These arrangements are secured by way of pari-passu hypothecation charges created on stock-in-trade, stores and spares and trade debts of the Company.

| | Note | December 31, 2025 (Un-audited) (Rupees in thousands) | June 30, 2025 (Audited) |
|---|------|---|-------------------------------|
| 18. INTEREST AND MARK-UP ACCRUED | | | |
| Long-term financing from Banks | | | |
| Islamic mode | | 3,923 | 5,292 |
| Conventional mode | | 8,964 | 8,750 |
| | | 12,887 | 14,042 |
| Short-term borrowings from Banks | | | |
| Islamic mode | | 86,684 | 74,710 |
| Conventional mode | | 90,755 | 98,860 |
| | | 177,439 | 173,570 |
| | | <u>190,326</u> | <u>187,612</u> |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

Except for the matter described below, there were no material change in the status of contingencies as reported in the annual financial statements as at and for the year ended June 30, 2025.

19.1.1 During the period, Sui Northern Gas Pipelines Limited (SNGPL) has raised a demand amounting to Rs. 153.593 million for the period December 2015 to June 2022, representing arrears arising from the final determination of RLNG prices by the Oil and Gas Regulatory Authority (OGRA). The Company has challenged the said demand before the Lahore High Court, which has granted a stay order restraining the recovery of the amount. In compliance with the directions of the Court, the Company has submitted post-dated cheques aggregating Rs. 153.593 million. Based on legal advice obtained and management's assessment of the merits of the case, no provision has been recognized in these condensed interim financial statements.

19.2 Guarantees

Guarantees have been issued by banks on behalf of the Company in the normal course of business aggregating to Rs. 1,667.00 million (June 30, 2025: Rs. 1,566.96 million) including guarantee relating to Sindh Infrastructure Cess amounting to Rs. 950 million (June 30, 2025: Rs. 850 million) furnished to Excise and Taxation Department.

19.3 Commitments

Letters of credit other than for capital expenditure at the end of the period amounted to Rs. 2,541.99 million (June 30, 2025: Rs. 900.06 million).

| Half year ended | | Quarter ended | |
|--------------------------------------|----------------------|--------------------------------------|----------------------|
| December 31, 2025 (Un-audited) | December 31, 2024 | December 31, 2025 (Un-audited) | December 31, 2024 |
| (Rupees in thousands) | | | |

20. TURNOVER

| | | | | |
|----------------|--------------------|-------------|--------------------|-------------|
| Local turnover | 23,169,805 | 23,324,691 | 10,621,145 | 11,379,258 |
| Sales tax | (3,510,281) | (3,521,525) | (1,598,927) | (1,708,328) |
| Net turnover | 19,659,524 | 19,803,166 | 9,022,218 | 9,670,930 |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | Half year ended | | Quarter ended | |
|--|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | December 31, 2025 (Un-audited) | December 31, 2024 | December 31, 2025 (Un-audited) | December 31, 2024 |
| (Rupees in thousands) | | | | |
| 21. COST OF SALES | | | | |
| Materials consumed | 12,856,246 | 12,111,887 | 5,792,607 | 5,982,258 |
| Fuel and power | 3,550,512 | 3,604,659 | 1,691,157 | 1,832,202 |
| Depreciation on property, plant and equipment | 413,452 | 521,543 | 150,981 | 258,724 |
| Salaries, wages and other benefits | 802,035 | 766,875 | 403,546 | 380,974 |
| Stores and spares consumption | 540,473 | 567,200 | 271,686 | 259,233 |
| Repairs and maintenance | 77,866 | 106,602 | 38,835 | 65,429 |
| Packing expenses | 562,150 | 498,359 | 260,024 | 235,439 |
| Insurance | 74,906 | 60,014 | 38,119 | 30,752 |
| Rent, rates and taxes | 5,604 | 5,126 | 2,809 | 2,516 |
| Manufacturing cost | <u>18,883,244</u> | <u>18,242,265</u> | <u>8,649,764</u> | <u>9,047,527</u> |
| Work-in-process | | | | |
| Opening stock | 37,526 | 139,428 | 32,619 | 127,947 |
| Closing stock | (41,830) | (138,828) | (41,830) | (138,828) |
| | <u>(4,304)</u> | <u>600</u> | <u>(9,211)</u> | <u>(10,881)</u> |
| Cost of goods manufactured | <u>18,878,940</u> | <u>18,242,865</u> | <u>8,640,553</u> | <u>9,036,646</u> |
| Finished goods | | | | |
| Opening stock | 1,290,153 | 1,289,163 | 1,470,698 | 1,394,107 |
| Closing stock | (1,490,109) | (1,531,462) | (1,490,109) | (1,531,462) |
| | <u>(199,956)</u> | <u>(242,299)</u> | <u>(19,411)</u> | <u>(137,355)</u> |
| | <u>18,678,984</u> | <u>18,000,566</u> | <u>8,621,142</u> | <u>8,899,291</u> |
| 22. FINANCE COST | | | | |
| Long-term financing | | | | |
| Islamic mode | 136,129 | 308,363 | 64,041 | 132,431 |
| Conventional mode | 45,448 | 59,219 | 22,601 | 28,730 |
| | <u>181,577</u> | <u>367,582</u> | <u>86,642</u> | <u>161,161</u> |
| Short term borrowings | | | | |
| Islamic mode | 168,308 | 164,206 | 86,609 | 83,884 |
| Conventional mode | 187,536 | 415,425 | 90,383 | 197,202 |
| | <u>355,844</u> | <u>579,631</u> | <u>176,992</u> | <u>281,086</u> |
| Workers' Profit Participation Fund | 73 | 2,492 | 73 | 16 |
| Bank charges and commission | 13,816 | 4,561 | 7,903 | 2,435 |
| Finance cost on Leases | 6,506 | 1,126 | 3,209 | 506 |
| | <u>557,816</u> | <u>955,392</u> | <u>274,819</u> | <u>445,204</u> |
| 23. MINIMUM TAX DIFFERENTIAL | | | | |
| This represents portion of minimum tax under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. | | | | |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | Half year ended | | Quarter ended | |
|---|--------------------------------------|----------------------|--------------------------------------|----------------------|
| | December 31, 2025 (Un-audited) | December 31, 2024 | December 31, 2025 (Un-audited) | December 31, 2024 |
| (Rupees in thousands) | | | | |
| 24. EARNINGS PER SHARE - BASIC AND DILUTED | | | | |
| The basic earnings per share as required under "IAS 33 Earnings per share" is given below:- | | | | |
| (Loss) / profit for the period | <u>(271,295)</u> | <u>200,557</u> | <u>(284,590)</u> | <u>53,288</u> |
| Weighted average number of ordinary shares (in thousands) | <u>401,713</u> | <u>401,713</u> | <u>401,713</u> | <u>401,713</u> |
| Basic (loss) / earnings per share (Rupee) | 24.1 <u>(0.68)</u> | <u>0.50</u> | <u>(0.71)</u> | <u>0.13</u> |

24.1 There is no dilutive effect on the basic earnings per share of the Company.

| | Half year ended | |
|---|---|----------------------|
| | December 31, 2025 (Rupees in thousands) | December 31, 2024 |
| 25. CASH GENERATED FROM OPERATIONS | | |
| Profit before income taxation | (364,282) | 261,856 |
| Adjustment for non cash charges and other items: | | |
| Depreciation on property, plant and equipment | 466,710 | 574,312 |
| Amortization of intangible assets | 4,033 | 5,122 |
| Gain on disposal of operating fixed assets | (3,223) | (19,726) |
| Provision for gratuity | 25,899 | 32,490 |
| Workers' Profit Participation Fund | - | 20,002 |
| Minimum tax differential | 246,929 | 110,390 |
| Finance cost | 557,816 | 955,391 |
| Amortization of deferred income - government grants | (38,100) | (49,838) |
| Working capital changes | 25.1 949,438 | (2,217,288) |
| | 2,209,502 | (589,145) |
| | 1,845,220 | (327,289) |

25.1 Changes in working capital

| | | |
|--|------------------|-------------|
| (Increase) in current assets | | |
| Stores and spares | (95,007) | 225,206 |
| Stock-in-trade | (354,799) | (1,755,012) |
| Trade debts | (53,570) | (387,365) |
| Advances | (83,491) | 23,917 |
| Trade deposits and short-term prepayments | 107,931 | 29,443 |
| Other receivables | 34,890 | (31,150) |
| Tax refunds due from Government | (278,815) | (150,725) |
| | (722,861) | (2,045,686) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 1,672,299 | (171,602) |
| | 949,438 | (2,217,288) |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

26. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties and associated company / undertakings comprise of group company, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and other associated company / undertakings other than those disclosed elsewhere in these condensed interim financial statements are as follows:

| Nature of transaction | Nature of Relation | Basis of Relation | Half year ended | | Quarter ended | |
|--|------------------------|--|-----------------------|-------------------|-------------------|-------------------|
| | | | December 31, 2025 | December 31, 2024 | December 31, 2025 | December 31, 2024 |
| | | | (Un-audited) | (Un-audited) | (Un-audited) | (Un-audited) |
| | | | (Rupees in thousands) | | | |
| Sale of goods, Services and Reimbursement of expenses | | | | | | |
| Merit Packaging Limited | Associated company | Common Director | 1,229,520 | 1,473,309 | 472,866 | 687,565 |
| Colgate Palmolive (Pakistan) Limited | Associated company | Common Director | 684,342 | 606,430 | 343,335 | 290,078 |
| Century Insurance Company Limited | Associated company | Common Director and 0.43% shares held | 1,825 | 18,610 | 1,294 | 1,517 |
| Cyber Internet Services (Private) Limited | Associated company | Common Director | 3,585 | 2,598 | 2,014 | 2,220 |
| SIZA Foods (Private) Limited | Associated company | Common Director | 285 | 285 | 278 | 190 |
| SIZA Services (Private) Limited | Associated company | Common Director and 22.18% shares held | 145 | 208 | 145 | 151 |
| Sybrid (Private) Limited | Associated company | Common Director | 424 | 246 | 424 | 246 |
| SIZA (Private) Limited | Associated company | Common Director and 27.31% shares held | - | 79 | - | 39 |
| Purchase of goods, services and reimbursement of expenses | | | | | | |
| Century Insurance Company Limited | Associated company | Common Director and 0.43% shares held | 230,716 | 203,677 | 22,231 | 15,885 |
| Merit Packaging Limited | Associated company | Common Director | 52,418 | 68,058 | 32,146 | 34,990 |
| Lakson Business Solutions Limited | Associated company | Common Director | - | 4,050 | - | 348 |
| Hassanali and Gulbanoo Lakhani Foundation | Associated undertaking | Trustee | 3,727 | 4,758 | 1,754 | 2,237 |
| Princeton Travels (Private) Limited | Associated company | Common Director | 5,227 | 4,451 | 3,346 | 3,567 |
| SIZA Services (Private) Limited | Associated company | Common Director and 22.18% shares held | 3,208 | 3,105 | 1,604 | 1,553 |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| Nature of transaction | Nature of Relation | Basis of Relation | Half year ended | | Quarter ended | |
|--|--------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | | December 31, 2025 (Un-audited) | December 31, 2024 (Un-audited) | December 31, 2025 (Un-audited) | December 31, 2024 (Un-audited) |
| (Rupees in thousands) | | | | | | |
| Cyber Internet Services (Private) Limited | Associated company | Common Director | 39,349 | 16,726 | 17,609 | 10,579 |
| SIZA (Private) Limited | Associated company | Common Director and 27.31% shares held | 345 | 96 | 64 | - |
| Colgate Palmolive (Pakistan) Limited | Associated company | Common Director | 45 | 55 | 18 | 27 |
| Express Publications (Private) Limited | Associated company | Common Management | 1,865 | 1,465 | 1,865 | 459 |
| Sybrid (Private) Limited | Associated company | Common Director | 1,245 | 1,280 | 548 | 276 |
| SIZA Foods (Private) Limited | Associated company | Common Director | 337 | - | - | - |
| Rent and other allied charges | | | | | | |
| Hassanali and Gulbanoo Lakhani Foundation | Associated undertaking | Trustee | 4,985 | 4,721 | 2,471 | 3,149 |
| SIZA (Private) Limited | Associated company | Common Director and 27.31% shares held | 3,515 | 2,970 | 1,993 | 1,184 |
| SIZA Services (Private) Limited | Associated company | Common Director and 22.18% shares held | 467 | 503 | 232 | 248 |
| SIZA Commodities (Private) Limited | Associated company | Common Director and 9.76% shares held | 120 | 111 | 60 | 56 |
| Purchase of short term investments | | | | | | |
| Lakson Investment Company Limited | Associated company | Common Director | - | 3,500,000 | - | 2,000,000 |
| Sale proceeds on redemption of short term investments | | | | | | |
| Lakson Investment Company Limited | Associated company | Common Director | - | 3,578,556 | - | 2,560,031 |
| Others | | | | | | |
| Contribution to Staff Retirement Benefit Plans | Employees Fund | | 66,545 | 72,021 | 33,418 | 35,824 |
| Remuneration and other benefits | Key Management Personnel | | 287,968 | 255,894 | 142,631 | 123,614 |

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

| | December 31, 2025 | June 30, 2025 (Audited) |
|--|-----------------------|-------------------------------|
| 26.1 Period / year end balances | (Rupees in thousands) | |
| Receivable from related parties | 995,995 | 1,026,486 |
| Payable to related parties | 81,093 | 28,578 |
| Prepayment to related parties | - | 15,050 |
| Payable from retirement benefit plan | 38,251 | 58,525 |

27. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2025.

28. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024.

| | Note | December 31, 2025 | June 30, 2025 (Audited) |
|--|--|-------------------------------------|-------------------------------------|
| (Rupees in thousands) | | | |
| Statement of Financials Position | | | |
| Assets | | | |
| Cash and Bank Balances | Non - Shariah 13 | 1,219,312 | 865,791 |
| Liabilities | | | |
| Long-term Financing | | | |
| From banking companies - secured | Shariah compliant Non - Shariah 14 | 2,145,035 968,295 3,113,330 | 2,681,797 1,135,220 3,817,017 |
| Deferred Capital Grant | Shariah compliant Non - Shariah 15 | 20,315 43,493 63,808 | 27,448 61,752 89,200 |
| Short-Term Borrowings | Shariah compliant Non - Shariah 17 | 2,881,004 4,346,016 7,227,020 | 2,773,519 4,321,373 7,094,892 |
| Interest and Mark-up Accrued | Shariah compliant Non - Shariah 18 | 90,607 99,719 190,326 | 80,002 107,610 187,612 |
| Statement of Profit or Loss | | | |
| Turnover - net | Sharia compliant 20 | 19,659,524 | 19,803,166 |
| Finance cost | Shariah compliant Non - Shariah 22 | 304,437 253,379 557,816 | 472,569 482,823 955,392 |
| Scrap sales | Shariah compliant | 94,806 | 64,488 |
| Profit on deposit, investment and other income | Non - Shariah | 78,010 | 179,825 |
| | | 172,816 | 244,313 |

The Company has relationships with banks, having Islamic window operations, in respect of availing borrowing facilities amounting to Rs. 5.136 million (June 30, 2025: Rs 5.562 million).

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: those involving inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 | Level 2 | Level 3 | Level 4 |
|--------------------------|------------------|----------------|----------|----------------|
| | (Rupees in '000) | | | |
| December 31, 2025 | | | | |
| Investments | | | | |
| Market Treasury Bills | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| June 30, 2025 | | | | |
| Investments | | | | |
| Market Treasury Bills | - | 321,044 | - | 321,044 |
| | <u>-</u> | <u>321,044</u> | <u>-</u> | <u>321,044</u> |
| | <u>-</u> | <u>321,044</u> | <u>-</u> | <u>321,044</u> |

Transfers during the period

There were no transfers amongst levels during the period.

30. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of single reportable segment.

31. NUMBER OF EMPLOYEES

The number of employees as at period ended December 31, 2025 was 1,565 (June 30, 2025: 1,550) and average number of employees during the period was 1,527 (June 30, 2025: 1,569).

32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on February 19, 2026 by the Board of Directors of the Company.

Notes to the Condensed Interim Financial Statements

for the period ended December 31, 2025 (Un-audited)

33. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison and better presentation.

34. GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



IQBAL ALI LAKHANI
Chairman / Director



AFTAB AHMAD
Chief Executive Officer



MUHAMMAD RASHID DASTAGIR
Chief Financial Officer



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