Cherat Packaging Limited
A Ghulam Faruque Group Company

Infinite Opportunities
Sustainable Tomorrow



Unaudited Accounts 30 September 2026

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Company Information

Board of Directors

Mr. Akbarali Pesnani	Chairman
Mr. Amer Faruque	Chief Executive
Mr. Aslam Faruque	Director
Mr. Shehryar Faruque	Director
Mr. Arif Faruque	Director
Mr. Abid Vazir	Director
Mr. Sher Afzal Khan Mazari	Director
Ms. Maleeha Humayun Bangash	Director
Mr. Muhammad Abdul Samie Cashmiri	Director

Audit Committee

Ms. Maleeha Humayun Bangash	Chairperson
Mr. Arif Faruque	Member
Mr. Shehryar Faruque	Member

Human Resource and Remuneration Committee

Mr. Sher Afzal Khan Mazari	Chairman
Mr. Amer Faruque	Member
Mr. Aslam Faruque	Member

Director and Chief Operating Officer
Mr. Abid Vazir

Chief Financial Officer
Syed Waqar Haider Kazmi

Company Secretary
Mr. Asim H. Akhund

Head of Internal Audit
Mr. Aamir Saleem

Auditors
M/s. Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor
K.M.S. Law Associates

Bankers
Allied Bank Ltd
Bank Al Habib Ltd
Habib Bank Ltd
Habib Metropolitan Bank Ltd
Industrial and Commercial Bank of China Ltd
MCB Bank Ltd
National Bank of Pakistan
Samba Bank Ltd
Soneri Bank Ltd
The Bank of Punjab

Bankers (Islamic)
Askari Bank Ltd
Bank Alfalah Ltd
Bank Al Habib Ltd
Bankislami Pakistan Ltd
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Ltd
MCB Islamic Bank Ltd
Meezan Bank Ltd
The Bank of Khyber
United Bank Ltd.

Share Registrar
CDC Share Registrar Services Limited.
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Directors' Review

The Board of Directors is pleased to present the financial results of the Company for the three-month period ended September 30, 2026.

Overview
During the first quarter of FY 2026–27, Pakistan's economy continued to exhibit signs of gradual recovery, although the overall business environment remained challenging due to elevated energy costs, subdued domestic demand and persistent geopolitical uncertainties. Ongoing regional conflicts, particularly in the Middle East, continued to disrupt international supply chains, affecting the availability, pricing and timely import of key raw materials. The packaging industry remained particularly vulnerable to these developments due to its heavy reliance on imported polymer resins, resulting in increased procurement costs and pressure on operating margins. Amid a challenging operating environment, the Company demonstrated remarkable resilience through prudent financial management, disciplined cost control, and operational excellence.

Operating performance
The Company continues to maintain its focus on optimizing production efficiency, enhancing product portfolio, and strengthening its customer engagement. During the period under review, there was a 29% increase in sales revenues of the Company from the corresponding period last year. In a period of acute shortage of raw materials and increase in its prices because of the ongoing regional conflicts, the Company has ensured that it continues to meet the packaging needs of its valuable customers. During the period, there has been an increase in finance cost due to higher working capital requirement and acquisition of new long term loan. For the period ended September 30, 2026 the Company made an after tax profit of Rs. 154 million.

Future Prospects
Going forward, effective cost management, diversification of raw material sourcing and operational efficiencies will remain essential for sustaining profitability and growth. Despite the prevailing economic challenges and geopolitical uncertainties, the Company is well-positioned to navigate the evolving business environment. Strategic investments like Barrier Film Extrusion line and product diversification, particularly in the Flexible Packaging and SOS & Carrier Bags Divisions, are expected to strengthen its competitive position, expand its customer base and create new avenues for growth. The Company has taken measures to diversify raw material sourcing, strengthen supply chain resilience, optimize its product mix and improve working capital management to mitigate external shocks and protect operating margins. These initiatives, together with a disciplined approach towards capital allocation and sustained emphasis on higher-value products, are aimed at enhancing profitability, strengthening financial stability and delivering consistent returns to shareholders.

Acknowledgment
The management would like to express its gratitude to all customers, financial institutions, staff members, suppliers and shareholders who have been associated with the Company for their continued support and cooperation.

On behalf of the Board of Directors

Akbarali Pesnani
Chairman

Amer Faruque
Chief Executive

October 29, 2026

Condensed Interim Statement of Financial Position

As at 30 September 2026

	Note	30 September 2026 (Unaudited)	30 June 2026 (Audited)
		-------- (Rupees in '000) --------	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	4	**8,670,979**	8,702,572
Intangible assets		**6,490**	6,867
		8,677,469	8,709,439
Long-term investments	5	**1,486,402**	1,860,572
Long-term security deposits		**271**	271
		10,164,142	10,570,282
CURRENT ASSETS			
Stores, spare parts and loose tools		**861,597**	863,591
Stock-in-trade		**4,033,634**	4,572,743
Trade debts		**3,056,107**	2,170,484
Advances		**10,150**	8,154
Trade deposits and short-term prepayments		**37,859**	22,924
Other receivables		**63,844**	174,912
Taxation – net		**528,280**	682,385
Cash and bank balances		**57,218**	116,910
		8,648,689	8,612,103
TOTAL ASSETS		**18,812,831**	19,182,385
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 100,000,000 (30 June 2025: 100,000,000) ordinary shares of Rs. 10/- each		**1,000,000**	1,000,000
Share capital		**490,954**	490,954
Reserves		**9,071,936**	9,291,672
		9,562,890	9,782,626
NON-CURRENT LIABILITIES			
Long-term financing	6	**3,193,168**	3,324,877
Deferred taxation		**1,169,301**	1,146,931
Sindh Infrastructure Development Cess		**150,558**	225,195
Government grant		**119,770**	127,071
		4,632,797	4,824,074
CURRENT LIABILITIES			
Trade and other payables		**1,839,123**	2,125,870
Accrued mark-up		**130,995**	130,031
Short-term borrowings - secured		**1,989,883**	1,746,014
Current maturity of Sindh Infrastructure Development Cess		**168,808**	85,435
Current maturity of long-term financing	6	**447,764**	447,764
Current maturity of government grant		**28,966**	28,966
Unpaid dividend		**1,190**	1,923
Unclaimed dividend		**10,415**	9,682
		4,617,144	4,575,685
TOTAL EQUITY AND LIABILITIES		**18,812,831**	19,182,385
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Unaudited)

For the period ended 30 September 2026

	Note	30 September 2026	30 September 2025
		-------- (Rupees in '000) --------	
Turnover - net	8	**4,357,191**	3,368,463
Cost of sales		**(3,750,534)**	(3,133,517)
Gross profit		**606,657**	234,946
Distribution costs		**(102,686)**	(82,145)
Administrative expenses		**(64,990)**	(49,844)
Other expenses		**(17,016)**	(6,159)
		(184,692)	(138,148)
Other income		**10,016**	8,827
Operating profit		**431,981**	105,625
Finance costs		**(186,848)**	(80,843)
Profit before levies and income tax		**245,133**	24,782
Minimum tax		**(5,562)**	(40,445)
Profit / (loss) before income tax		**239,571**	(15,663)
Income tax			
Current		**(62,767)**	(1,976)
Deferred		**(22,370)**	33,798
	9	**(85,137)**	31,822
Net profit for the period		**154,434**	16,159
Earnings per share - basic and diluted		**Rs. 3.15**	Re. 0.33

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Unaudited)

For the period ended 30 September 2026

	30 September 2026	30 September 2025
	-------- (Rupees in '000) --------	
Net profit for the period	**154,434**	16,159
Other comprehensive income Items that will not be reclassified subsequently to the statement of profit or loss:		
Unrealized (loss) / gain on remeasurement of investment at fair value through other comprehensive income	**(374,170)**	417,105
Total comprehensive (loss) / income for the period	**(219,736)**	433,264

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the period ended 30 September 2026

	Note	30 September 2026	30 September 2025
		--------- (Rupees in '000) --------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levies and income tax		**245,133**	24,782
Adjustments for:			
Depreciation	4	**103,515**	94,653
Amortization		**377**	377
(Gain) / loss on disposal of operating property, plant and equipment		**(1,929)**	406
Amortization of government grant		**(7,301)**	(7,301)
Finance costs		**186,848**	80,843
		281,510	168,978
		526,643	193,760
Working capital changes:			
Stores, spare parts and loose tools		**1,994**	313
Stock-in-trade		**539,109**	(275,955)
Trade debts		**(885,623)**	(188,038)
Advances		**(1,996)**	(22,204)
Trade deposits and short-term prepayments		**(14,935)**	(34,890)
Other receivables		**111,068**	(21,997)
Trade and other payables		**(286,747)**	478,873
		(537,130)	(63,898)
Cash (used in) / generated from operations		**(10,487)**	129,862
Income tax, minimum tax and final tax		**85,776**	(42,312)
Net cash generated from operating activities		**75,289**	87,550
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment - net of borrowing cost		**(72,204)**	(148,833)
Proceeds from disposal of operating property, plant and equipment		**2,211**	386
Net cash used in investing activities		**(69,993)**	(148,447)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		**(131,709)**	(167,587)
Finance costs paid		**(177,148)**	(126,822)
Net cash used in financing activities		**(308,857)**	(294,409)
Net decrease in cash and cash equivalents		**(303,561)**	(355,306)
Cash and cash equivalents at the beginning of the period		**(1,629,104)**	(537,455)
Cash and cash equivalents at the end of the period	11	**(1,932,665)**	(892,761)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the period ended 30 September 2026

	Issued, Subscribed And Paid-Up Capital	Reserves						Total
		Capital Reserve	Revenue Reserves				Total reserves	
		Share premium	General reserve	Unappro-priated profit	Actuarial (loss) / gain on defined benefit plan	Unrealized gain on investments at fair value through other comprehensive income		
	(Rupees in '000)							
Balance as at 01 July 2025	490,954	998,628	180,000	5,955,610	(15,247)	1,346,082	8,465,073	8,956,027
Net Profit for the period	-	-	-	16,159	-	-	16,159	16,159
Other comprehensive income for the period	-	-	-	-	-	417,105	417,105	417,105
Total comprehensive income for the period	-	-	-	16,159	-	417,105	433,264	433,264
Balance as at 30 September 2025	490,954	998,628	180,000	5,971,769	(15,247)	1,763,187	8,898,337	9,389,291
Balance as at 01 July 2026	**490,954**	**998,628**	**180,000**	**6,459,329**	**8,907**	**1,644,808**	**9,291,672**	**9,782,626**
Net profit for the period	**-**	**-**	**-**	**154,434**	**-**	**-**	**154,434**	**154,434**
Other comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(374,170)**	**(374,170)**	**(374,170)**
Total comprehensive income for the period	**-**	**-**	**-**	**154,434**	**-**	**(374,170)**	**(219,736)**	**(219,736)**
Balance as at 30 September 2026	**490,954**	**998,628**	**180,000**	**6,613,763**	**8,907**	**1,270,638**	**9,071,936**	**9,562,890**

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited)

For the period ended 30 September 2026

1. CORPORATE INFORMATION

1.1 Cherat Packaging Limited (the Company) was incorporated in Pakistan as a public company limited by shares in the year 1989. The principal business activities are manufacturing, marketing and sale of packing material. The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 1st Floor, Betani Arcade, Jamrud Road, Peshawar, Pakistan.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements 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 Standards 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2026.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2026.

	Note	30 September 2026 (Unaudited)	30 June 2026 (Audited)
		--------- (Rupees in '000) --------	
4. PROPERTY, PLANT AND EQUIPMENT			
Opening net book value (NBV)		**8,648,288**	6,461,537
Additions during the period / year (cost)	4.1	**39,364**	2,560,779
		8,687,652	9,022,316
Depreciation charged during the period / year		**(103,515)**	(356,386)
Disposals during the period / year (NBV)		**(282)**	(17,642)
Closing (NBV)		**8,583,855**	8,648,288
Capital work-in-progress	4.2	**87,124**	54,284
		8,670,979	8,702,572
4.1 Additions during the period / year			
Leasehold land		**31,366**	-
Building on leasehold land		**-**	172,408
Plant and machinery		**-**	1,621,411
Power and other installations		**-**	402,253
Furniture and fittings		**3,755**	15,470
Vehicles		**-**	91,481
Equipment		**3,823**	246,636
Computers		**420**	11,120
		39,364	2,560,779

	Note	30 September 2026 (Unaudited)	30 June 2026 (Audited)
		--------- (Rupees in '000) --------	
4.2 Capital work-in-progress			
Opening balance		**54,284**	758,361
Capital expenditure incurred / advances made during the year		**72,204**	1,856,702
Transferred to operating property,plant and equipment		**(39,364)**	(2,560,779)
Closing balance		**87,124**	54,284
5. LONG-TERM INVESTMENTS - related parties			
At FVTOCI - Cherat Cement Company Limited		**1,484,202**	1,858,372
Joint venture - UniEnergy Limited		**2,200**	2,200
		1,486,402	1,860,572
6. LONG-TERM FINANCING – secured			
Islamic banks		**1,981,049**	2,042,269
Conventional banks		**1,659,883**	1,730,372
		3,640,932	3,772,641
Current maturities		**(447,764)**	(447,764)
	6.1	**3,193,168**	3,324,877

6.1 The terms and conditions associated with all other financing arrangements remain the same as disclosed in annual financial statements for the year ended 30 June 2026.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2026.

7.2 Commitments	30 September 2026 (Unaudited)	30 June 2026 (Audited)
	--------- (Rupees in '000) --------	
Outstanding letters of guarantee - conventional banks	**77,018**	77,018
Outstanding letters of credit - conventional and Islamic banks	**457,241**	926,148
Capital commitments	**-**	9,876

8. TURNOVER - net

Includes export sales amounting to Rs. 1.03 million (30 September 2025: Rs. 7.94 million).

9. INCOME TAX

Provision for tax in these financial statements is calculated on the basis of Minimum Tax Regime under the Income Tax Ordinance, 2001.

10. FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2026. There have been no changes in any risk management policies since the year end.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of financial assets and liabilities reflected in these condensed interim financial statements approximate their fair

values. As of the reporting date, all financial instruments are carried at amortized cost except for long term investments as disclosed in note 5 which are carried at fair value. During the period, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
	--------- (Rupees in '000) --------	

11. CASH AND CASH EQUIVALENTS

Cash and bank balances	**57,218**	57,664
Short-term borrowings	**(1,989,883)**	(950,425)
	(1,932,665)	(892,761)

12. SEGMENT REPORTING

For management purposes, the activities of the Company are organized into two operating segments as shown below. The Company operates in the said reportable operating segments based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems.

Type of segments	Nature of business
Bags manufacturing division	Polypropylene and SOS / Carrier bags manufacturing
Flexible packaging division	Extrusion, Flexo Graphic and Rotogravure printing

12.1 Segment analysis and reconciliation

	Bags Manufacturing Division		Flexible Packaging Division		Total	
	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)	**30 September 2026 (Unaudited)**	30 September 2025 (Unaudited)
	---------- (Rupees in '000) ----------					
Turnover - net	**1,545,893**	1,179,628	**2,811,298**	2,188,835	**4,357,191**	3,368,463
Depreciation and amortization	**44,749**	43,081	**59,143**	51,949	**103,892**	95,030
Finance costs	**25,617**	18,279	**84,382**	43,681	**109,999**	61,960
Profit before minimum tax, income tax, and expenses	**59,833**	(28,733)	**276,450**	77,031	**336,283**	48,298
Unallocated corporate expenses						
Finance costs	**-**	-	**-**	-	**(76,849)**	(18,883)
Other expenses	**-**	-	**-**	-	**(17,016)**	(6,159)
Other income	**-**	-	**-**	-	**2,715**	1,526
Income tax, minimum tax and final tax	**-**	-	**-**	-	**(90,699)**	(8,623)
Net profit for the period	**-**	-	**-**	-	**154,434**	16,159

12.2 Reportable Segment assets and liabilities

	Bags Manufacturing Division		Flexible Packaging Division		Total	
	30 September 2026 (Unaudited)	30 June 2026 (Audited)	**30 September 2026 (Unaudited)**	30 June 2026 (Audited)	**30 September 2026 (Unaudited)**	30 June 2026 (Audited)
	---------- (Rupees in '000) ----------					
Segment assets	**5,540,123**	5,058,295	**11,032,188**	11,198,356	**16,572,311**	16,256,651
Unallocated assets	**-**	-	**-**	-	**2,240,520**	2,925,734
Total assets	**5,540,123**	5,058,295	**11,032,188**	11,198,356	**18,812,831**	19,182,385
Segment liabilities	**1,014,113**	1,004,257	**2,851,289**	3,023,892	**3,865,402**	4,028,149
Unallocated liabilities	**-**	-	**-**	-	**5,384,539**	5,371,610
Total liabilities	**1,014,113**	1,004,257	**2,851,289**	3,023,892	**9,249,941**	9,399,759

12.2.1 Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Certain assets and liabilities of the Company cannot be allocated to a specific segment. Accordingly, these amounts have been classified as unallocated.

13. TRANSACTIONS WITH RELATED PARTIES

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

		30 September 2026 (Unaudited)	30 September 2025 (Unaudited)
		--------- (Rupees in '000) --------	
Relationship	**Nature of transactions**		
Associates / related parties	Sales	**789,985**	742,230
	Purchases	**1,399**	7,165
	Purchase of fixed assets	**250**	155
	Services received	**5,492**	4,308
	IT support charges	**7,895**	7,895
	Insurance premium	**22,263**	17,329
Key management personnel	Remuneration	**169,938**	144,539
Director and their spouse(s)	Meeting fee	**1,100**	-
Retirement benefit fund	Contribution to staff provident and gratuity funds	**9,964**	8,578

13.1 In addition, certain actual administrative expenses are being shared amongst the group companies.

14. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on 29 October 2026 by the Board of Directors of the Company.

15. NON ADJUSTING EVENTS AFTER REPORTING DATE

15.1 Subsequent to year ended 30 June 2026, the Board of Directors in its meeting held on 18 August 2026 proposed final cash dividend @ Rs. 3.00 per share amounting to Rs. 147.29 million (2025: Rs. 2.00 per share amounting to Rs. 98.19 million). The same was approved by the members at the Annual General Meeting held on October 8, 2026. Being a non-adjusting subsequent event, it has not been accounted for in these condensed interim financial statements.

16. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

Amer Faruque
Chief Executive Officer

Abid Vazir
Director

Syed Waqar Haider Kazmi
Chief Financial Officer

GHULAM FARUQUE GROUP

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