

Annual Report 2025



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COMPANY INFORMATION

AKD Hospitality Limited (AKDHL), was incorporated as a Public Limited Company in 1936. The principal line of business of the company is to carry on the tourism business including hospitality business, motels, destination management services, developing & building tourism attractions and to undertake all ancillary business activities to provide end to end service solutions.

Board of Directors	Audit Committee	Share Registrar
Nadeem Saulat Siddiqui Chairperson	M. Siddiq Khokhar Chairperson (ID)	C & K management Associates (Pvt) Ltd. M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, near PIDC Karachi - 75530, Pakistan.
Huma Khurram Rashid Paracha Director / CEO	Aamir Nazir Dhedhi Member (NE)	Tel: +92 21-35685930 +92 21-35687839 Fax: +92 21 35687839
Kanwar Adeel Zaman Director	Uzma Piracha (ID) Member	Registered Office
M. Siddiq Khokhar Director	Muhammad Gulraiz Secretary & Head of Internal Audit	511, 5th Floor, Continental Trade Centre, Main Clifton Road, Block 8, Clifton Karachi, Pakistan.
Muhammad Sohail Director	Human Resource and Remuneration Committee	Telephone: (92-21)35302963 Email: info@akdhospitality.com
Aamir Nazir Dhedhi Director	Uzma Piracha Chairperson (ID)	Bankers
Uzma Piracha Director	Aamir Nazir Dhedhi Member (NE)	MCB Bank Limited Bank Al Habib Limited
Syed Haris Ahmed Company Secretary	M. Siddiq Khokhar Member (ID)	
Faisal Kasbati Chief Financial Officer	Risk Management and Sustainability Committee	
Muhammad Gulraiz Head of Internal Audit	M. Siddiq Khokhar Chairperson (ID)	
Management Committee	Kanwar Adeel Zaman Member (NE)	
Huma Khurram Rashid Paracha Director / Chief Executive	Muhammad Sohail Member (NE)	
Faisal Kasbati Chief Financial Officer	Auditors	
	M/s Riaz Ahmad Co., Chartered Accountants	

VISION STATEMENT:

To be the most competitive, focused, quality driven and growth oriented Company in Pakistan.

MISSION STATEMENT:

Quality and Profitability with an emphasis on minimizing risk in order to optimize return to Shareholder.

STRATEGIC OBJECTIVES:

- **Enhance Customers' Experience**
- **Expand Market Presence**
- **Sustainability Initiatives**
- **Leverage Technology**

NOTICE OF ANNUAL GENERAL MEETING ("AGM")

Notice is hereby given that the Annual General Meeting ("AGM") of the shareholders of AKD Hospitality Limited ("the Company") will be held at 11:00 a.m. on Tuesday, October 28, 2025 at 5th Floor, Continental Trade Centre (CTC), Block 8, Clifton, Karachi and / or online through Zoom to transact the following business:

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on October 28th, 2024.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2025 together with the Chairperson's Review, Directors' and Auditors' Reports, thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements have been uploaded on the website of the Company which can be downloaded from the following weblink and QR enabled code:

<http://akdhospitality.com/Investors.aspx>



3. To appoint auditors and fix their remuneration for the year ending June 30, 2026. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s Riaz Ahmad & Co., Chartered Accountants, as external auditors, for the year ending June 30, 2026.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Syed Haris Ahmed
Company Secretary

Karachi, October 4th, 2025

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. C & K management Associate (Pvt) Ltd. M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi before the close of business on October 21, 2025 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.

2. Participation in General Meeting

A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote on his / her behalf. A corporate entity, being a member, may appoint as its proxy any of its officials or any other person, through Board Resolution / Power of Attorney.

The instrument appointing proxy must be received at the Registered Office of the Company or at the office of our Share Registrar or through email at investor.relations@akdhospitality.com not less than 48 hours before the time of the meeting. A proxy form is attached in the last portion of the Annual Report.

Members and their proxies / attorneys are required to produce their original CNICs or Passport at the time of attending the meeting.

3. Guidelines to the General Meeting for CDC Account Holders

CDC Account Holders will have to follow the guidelines below as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP").

For Appointing Proxies

- a) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall submit the proxy form as per above requirement.
- b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- e) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and an attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

For Attending the Meeting

- a) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the general meeting.
- b) In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

4. Change of Address and Contact Information

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address, Cell phone number, email address and other contact information.

5. Submission of Mandatory Information

Computerized National Identity Card

The shareholders are informed that as per Sub Clause 9 (i) of Regulation 4 of Companies (Distribution of Dividends) Regulations, 2017 the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their valid CNIC (in case of individual) or NTN (in case of other than individual) or Passport (in case of foreign individual) along with their folio number by mail or email to the Company Secretary or Share Registrar, unless it has been provided earlier.

Submission of other information for E-Dividend

As per Section 242 of the Act it is mandatory for the public listed companies to pay cash dividend to its shareholders only through electronic mode, directly into bank account designated by the entitled shareholders. Shareholders are requested to submit the dividend mandate form provided at <http://akdhospitality.com/Investors.aspx>.

Members are also requested to submit a declaration (CZ-50) under Zakat & Ushr Ordinance 1980 for zakat exemption.

6. Unclaimed Dividend

The members who have not yet claimed their cash dividends for any reason are requested to make a claim for such unpaid/unclaimed dividends with the Company by contacting our Share Registrar.

As per Section 244 of the Act any dividend and / or share certificate which are remained unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed / unpaid amounts with the Federal Government as per the directives issued by SECP from time to time.

7. Distribution of Financial Statement through Email or Hard Copy

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statements, along with auditors' report, directors' report etc. ("Annual Report") and the notice of Annual General Meeting ("Notice"), to its shareholders by email.

Shareholders who wish to receive the Company's Annual Report and Notice of Annual General Meeting by email or as hard copy are requested to provide the completed "Circulation of Annual Report Request Form" available on the Company's web site.

<http://akdhospitality.com/Investors.aspx>

8. Transmission of Annual Audited Financial Statements, Annual Report and Notice of AGM

The Annual Audited Financial Statements, Annual Report and the Notice of AGM for the year ended June 30, 2025, have been placed on the Company's website, which can be accessed / downloaded from the link or QR Code: <http://akdhospitality.com/Investors.aspx>



9. Participation through video conferencing facility

The shareholders, can now participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of CNIC at investor.relations@akdhospitality.com with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

- Name of Shareholder,
- CNIC No.,
- Folio No. / CDC Account No.
- Cell Phone No. (registered against the CNIC of member), and
- Email Address

Upon receipt of the above information from the interested members, the Company will send the login credentials at their e-mail address. On the date of AGM, members will be able to login and participate in the AGM proceedings through their smartphone/computer devices. The login facility shall be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification/ verification process.

10. Deposit of Physical Shares in CDC Accounts

As per Section 72(2) of the Act, every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, SECP has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

11. Distribution of Gifts

As required by SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meeting.

For any query / information, the investors may contact the Company / Share Registrar at the following:

Company's Registered Office	Share Registrar
511, 5th Floor, Continental Trade Centre, Main Clifton Road, Block 8, Clifton Karachi, Pakistan. Telephone: (92-21)35302963 Email: investor.relations@akdhospitality.com	C & K management Associates (Pvt) Ltd. M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, near PIDC, Karachi - 75530, Tel: +92 21-35685930 +92 21-35687839 Fax: +92 21 35687839

INFORMATION FOR SHAREHOLDERS:

Company's Registered Office

511, 5th Floor, Continental Trade Centre,
Main Clifton Road, Block 8, Clifton
Karachi, Pakistan.

Telephone: (92-21)35302963

Email:

investor.relations@akdhospitality.com

Share Registrar

C & K management Associates (Pvt) Limited.
M-13, Progressive Plaza,
Plot No. 5 - CL - 10, Civil Lines Quarter,
Beaumont Road, near PIDC, Karachi - 75530,
Tel: +92 21-35685930 | +92 21-35687839
Fax: +92 21 35687839

Listing on Stock Exchange

AKD Hospitality Limited is listed on Pakistan
Stock Exchange Limited (PSX).

Stock Symbol

The stock symbol for dealing in equity shares
of AKD Hospitality Limited on PSX is 'AKDHL'

Statutory Compliance

During the year, the Company has complied
with all applicable provisions, filed all returns /
forms and furnished all the relevant particulars
as required under
the Companies Act, 2017 ("the Act") and allied
rules, the Securities and Exchange
Commission of Pakistan (SECP) regulations
and the listing requirements.

Share Transfer System

Physical share transfers received by the
Company's Share Registrar are registered
within 15 days from the date of receipt,
provided the documents are completed in all
respects.

Annual General Meetings

Pursuant to Section 132 of the Act, the
Company holds a General Meeting of
shareholders at least once a year. Every
shareholder has a right to attend the General
Meeting. The notice of such meeting is sent
to all shareholders at least 21 days before the
meeting and also advertised in at least one
English and one Urdu newspaper having
nationwide circulation.

Proxies

Pursuant to Section 137 of the Act and
according to the Memorandum and Articles of
Association of the Company, every shareholder
of the Company who is entitled to attend and
vote at a general meeting of the Company can
appoint another member as his / her proxy to
attend and vote on his / her behalf. Every notice
calling a general meeting of the Company
contains a statement that a shareholder entitled
to attend and vote is entitled to appoint a proxy,
who ought to be a member of the Company.

The instrument appointing a proxy (duly signed
by the shareholder appointing that proxy)
should be submitted at the registered office of
the Company not less than 48 hours before the
meeting.

Financial Calendar

The Company's financial year starts on July 01
and ends on June 30 of subsequent year.

Financial results will be announced as per the
following tentative schedule:

Annual General Meeting	Last Week of October
1st quarter ending September 30, 2025	Last week of October, 2025
Half year ending December 31, 2025	Last week of February, 2026
3rd quarter ending March 31, 2026	Last week of April, 2026
Year ending June 30, 2026	First week of October, 2026

Book Closure Dates The Register of Members and Share Transfer Books of the Company will remain closed from October 22, 2025 to October 28, 2025 (both days inclusive) Website Updated information about the Company can be accessed at www.akdhospitality.com. The website contains latest financial results of the Company together with Company's profile etc.	Adequacy of the Capital Structure The capital structure is adequate for the foreseeable future. In case of any inadequacy identified, the Company has sufficient venues, such as issuance of right shares and / or obtaining term financing. Shares held by Directors / Sponsors / Executives Details of shares held by Directors/Sponsors/ Executives are given in Pattern of Shareholding
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PATTERN OF SHAREHOLDING

As at June 30, 2025

NO. OF SHAREHOLDERS	HAVING SHARES			
	FROM	TO	SHARES HELD	PERCENTAGE
464	1	100	8,645	0.34%
127	101	500	39,055	1.56%
44	501	2,000	37,072	1.48%
52	1,001	5,000	110,418	4.40%
9	5,001	10,000	73,902	2.95%
4	10,001	15,000	46,682	1.86%
1	15,001	20,000	19,155	0.76%
1	20,001	25,000	21,125	0.84%
1	25,001	30,000	27,808	1.11%
2	30,001	40,000	71,068	2.83%
1	40,001	60,000	44,100	1.76%
2	60,001	80,000	125,920	5.02%
1	80,001	110,000	81,500	3.25%
1	110,001	140,000	130,680	5.21%
1	140,001	170,000	166,340	6.64%
1	170,001	200,000	200,000	7.98%
1	200,001	300,000	249,000	9.93%
1	300,001	500,000	306,290	12.22%
1	500,001	800,000	748,232	29.85%
715			2,506,992	100.00%

CATEGORIES OF SHAREHOLDERS	Number of Share Holders	Number of Shares Held	Percentage
Directors, CEO, their spouse and minor children	7	18,101	0.72%
Associated Companies, Undertakings and Related Parties	5	1,435,452	57.26%
Non-Banking Financial Companies	1	495	0.02%
Insurance Companies	1	300	0.01%
General Public - Local	693	777,107	31.00%
Other Joint Stock Companies	7	275,249	10.98%
Others	1	288	0.01%
	715	2,506,992	100.00%

PATTERN OF SHAREHOLDING (CCG):

As at June 30, 2025

Information required under Code of Corporate Governance

Categories of Shareholders	No. of Shareholders	No. of Shares held	% of Shares held
Directors, Chief Executive, their spouses and minor children			
Nadeem Saulat Siddiqui	1	2,500	0.10
Kanwar Adeel Zaman	1	2,500	0.10
M. Siddiq Khokhar	1	2,601	0.10
Muhammad Sohail	1	2,500	0.10
Huma 'Khurram Rashid	1	2,500	0.10
Aamir Nazir Dhedhi	1	2,500	0.10
Uzma Piracha	1	2,500	0.10
	7	17,601	0.70
Associated Companies, Undertakings and Related Parties			
Aqeel Karim Dhedhi	1	748,232	29.85
Yasmeen Dhedhi	1	130,680	5.21
Hina Junaid	1	1,250	0.05
AKD Securities Limited	1	306,290	12.22
Aqeel Karim Dhedhi Securities – Staff Provident Fund	1	249,000	9.93
	5	1,435,452	57.26
Non-Banking Finance Companies	1	500	0.02
Public Sector Companies and Corporation			
State Life Insurance Corporation	1	300	0.01
General Public	693	777,107	31.00
Others – Joint Stock Companies	7	275,249	10.98
Others	1	288	0.01
	715	2,506,992	100
Shareholders holding 10% or more voting interest			
Aqeel Karim Dhedhi	1	748,232	29.85
AKD Securities Limited	1	306,290	12.22

BOARD OF DIRECTORS

Nadeem Saulat Siddiqui (Chairperson)

Mr. Nadeem Saulat is a certified director and has served as Chairperson, Board of Directors at AKD Hospitality Limited (AKDHL). An Experienced Executive with a demonstrated history of working in the investment management industry. Skilled in Negotiation, Public Relations, Business Planning, Analytical Skills, and Banking. Strong business development professional with a Master of Business Administration (MBA) focused in Marketing and Sales from College of Business Administration.

Huma Paracha (Chief Executive Officer)

Ms. Huma hold Master of Business Administration from renowned business institution, Institute of Business Administration (IBA). She also has attended various conferences outside of Pakistan. Ms. Huma has local and international work experience. She has worked in various roles including Head Coordinator at Imam University in Riyadh Saudi Arabia. Her skills include marketing, business management, business planning, people management, training and motivational coaching. She is passionate about social welfare especially in education sector and has also volunteered with The Citizen Foundation.

Kanwar Adeel Zaman (Director)

Mr. Kanwar Adeel Zaman is Director with over Seventeen (17) years of experience in Administration, Finance and Business Management. Mr. Kanwar has served in various national and international organizations in Pakistan and UAE and has been working as Independent Freelance Consultant and offering services in Legal, Account & Audit, System Stress Testing & User Acceptance Testing (UAT) etc. Mr. Kanwar has participated in different training course from Center for Executive Education (IBA), Institute of Security Management & Research & other re-known training institutes. He is a certified director and has served as Director at the Board of AKD Hospitality Limited. He also served as member of Audit Committee & Risk Management Committee of AKD Hospitality Limited.

Muhammad Siddiq Khokhar (Director)

Mr. Muhammad Siddiq Khokhar holds Master Degrees in Economics and Islamic studies. Also acquired L.L.M. Degree from Karachi University. He is the Member of Karachi Bar Association and enrolled with Sindh Bar Council. He is an Advocate High Court and practicing in the field of Civil, Criminal, Corporate and Labour matters.

He has gained extensive experience in the area of Finance, Economics, Management and legal matters and attained the position of SENIOR ECONOMIST in PCSIR Ministry of Science and Technology; Government of Pakistan. He is well known critic on finance, accounts and various appraisals in the corporate world. Mr. Muhammad Siddiq Khokhar is the certified director by Securities and Exchange Commission of Pakistan and Institute of Chartered Accountant of Pakistan as required under corporate governance. He has served as director at the Board of AKD Hospitality Limited. He also served as Chairperson of Audit Committee & Risk Management Committee and Member of Human Resources Committee of AKD Hospitality Limited.

Uzma Piracha (Director)

Ms. Uzma Piracha is an Independent Director with over fifteen (15) years of experience in Administration, Finance and Management. Ms. Uzma has passed Central Superior Services (CSS) Exams and served as Assistant Commissioner in Jamshed Town & SITE Town in Karachi, as Deputy Director in Government Organizations and have also worked with Asian Development Bank as Section Officer. Attended different training courses from International Finance Corporation, Habib University etc. She is certified director and has served as director at the Board of AKD Hospitality Limited. She also served as Chairperson of Human Resource & Remuneration Committee of AKD Hospitality Limited.

Aamir Nazir Dhedhi (Director)

Mr. Aamir by profession is a successful businessman currently focusing on copper gold and lithium mining and processing utilizing locally available work force and technology. He started his career in dealing stocks at Karachi Stock exchange at the age of 14 and become the youngest agent at KSE. He has served as director at the board of Friendly Securities and AKD Hospitality Limited. He also served as member of audit Committee and Human Resource & Remuneration Committee of AKD Hospitality Limited. He also had been running import export business mainly consumer goods.

Muhammad Sohail (Director)

Mr. Sohail a business man having more than 30 years of experience in real estate from land development to construction and renovation of buildings, and sale or lease of the finished product to end users. He is expert in real estate valuation and identifying undervalued properties. He evaluates a property using its economic value and cash flows or physical nature which includes, improvements, location, investment perpetuity and immobility. He has successfully completed numerous real estate projects in country as well as overseas by good cash flow management, property appreciation, amortization and leverage. He holds LLB Degree which also contributed in legal aspect of real estate business. He has served as director at the Board of AKD Hospitality Limited. He also served as member of Risk Management Committee of AKD Hospitality Limited.

OPERATING AND FINANCIAL DATA

Six years Statement of Financial Position

Particulars	2025	2024	2023	2022	2021	2020
	----- Rupees in '000 -----					
Issued, Subscribed and Paid Up Capital	25,072	25,072	25,072	25,072	25,072	25,072
Share Premium	20,891	20,891	20,891	20,891	20,891	20,891
Capital Contribution	12,950	12,950	9,750			
Fair Value Reserve	(8,854)	(21,318)	(25,156)	(15,656)	9,485	(7,321)
General Reserves	752	752	752	752	752	752
Accumulated (Loss) / Profit	(13,793)	(15,060)	(23,420)	(18,459)	(24,158)	(14,304)
Long Term Liabilities	143	156	169	185	1,955	-
Current Liabilities	8,021	8,684	8,859	14,352	10,618	4,900
Total Equity & Liability	45,039	32,127	16,917	27,137	44,615	29,990
Operating Fixed Assets	768	863	969	1,092	1,231	1,392
Long term Assets	27,317	14,773	10,910	20,647	39,496	20,860
Current Assets	16,954	16,492	5,038	5,399	3,887	7,739
Total Assets	45,039	32,128	16,917	27,138	44,614	29,991
Operating Income	6,000	6,000	3,600	2,500	3,684	2,729
Operating Expenses	(4,577)	(4,220)	(8,385)	(5,359)	(12,919)	(5,656)
Operating Profit / (Loss)	1,423	9,481	(4,785)	(2,859)	(9,235)	(2,927)
Taxation / Levy	(157)	(1,120)	(176)	42	(620)	59
Net Profit / (Loss)	1,266	8,360	(4,961)	(2,817)	(9,855)	(2,868)
Other Comprehensive (Loss) / Profit	12,464	3,838	(9,500)	(16,624)	16,806	(6,084)
Total Comprehensive (Loss) / Profit	13,730	12,198	(14,461)	(19,441)	6,951	(8,952)
(Loss) / Earning per Share	0.51	3.33	(1.98)	(1.12)	(3.93)	(1.14)

CHAIRPERSON'S REVIEW

It gives me pleasure to present this review report to the stakeholders of AKD Hospitality Limited (AKDHL) on behalf of the Board of Directors and to present Annual Report of the Company together with Auditors' Report.

Board Performance

It gives me immense pleasure to present this review report to the stakeholders of AKDHL on the overall performance of the Board and effectiveness of the role played by the Board of Directors in achieving the company's objectives.

The Board of Directors ("the Board") of the Company has performed their duties meticulously in safeguarding the best interest of the shareholders of the Company and has managed the affairs of the Company in an effective and efficient manner, towards achieving its objective, in accordance with applicable laws and regulations.

The composition of the Board of Directors reflects mix of varied backgrounds and highly experienced individuals in the fields of Finance, Audit, Business and Banking and law. As required under the Code of Corporate Governance, the Board evaluates its own performance through a mechanism developed by it. The Board is fully involved in company's progress and provides strategic direction to the management and will continue to play its role in ensuring high standards of governance.

The Board has ensured that the meetings of the Board and that of its Committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings including its committees are appropriately recorded and maintained.

The Board has actively participated in strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval.

All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.

The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and/or internal audit activities has been made.

The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings.

The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

The Board appreciate Directors and management of AKD Hospitality Limited for their hard work, dedication and commitment towards achieving organization-al goals.

The Board has conducted its self-evaluation. The evaluation identified areas for further improvement in line with best business practices. The focus remained on strategic growth, business opportunities, risk management and providing oversight to the management. The Board meets at least once every quarter to review operational results.

Changes to the Board and Committees:

During the year ending June 30, 2025, a casual vacancy raised due to resignation of Mr. Samiullah Khan, from directorship, which was filled with the appointment of Ms. Huma Khurram Rashid Paracha. Mr. Khan could not continue to perform his responsibility due to his other engagements. We acknowledge and appreciate the valuable contribution and support of retiring board member. During the year Chief Executive Officer Mr. Kanwar Adeel Zaman was unable to work as executive director due to his other engagements and Ms. Huma Khurram Rashid Paracha was appointed as Chief Executive Officer of the Company.

Acknowledgements

I take this opportunity to acknowledge and appreciate the devoted and sincere services of all associates, management and staff of the Company.

I also thank Huma Khurram Rashid Paracha, Chief Executive of your Company and the management team for their dedication and commitment to achieve growth and profitability.



Karachi: October 4, 2025

Nadeem Saulat Siddiqui
Chairperson

چیسر پرسن کا جائزہ

مجھے بورڈ آف ڈائریکٹرز کی طرف سے اے کے ڈی ہاسٹیلٹی لمیٹڈ (اے کے ڈی ایچ ایل) کے حصص یافتگان کو جائزہ رپورٹ کے ہمراہ سالانہ رپورٹ اور آڈیٹرز رپورٹ پیش کرنے میں مسرت ہو رہی ہے۔

بورڈ کی کارکردگی

مجھے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کی کامیابیوں کے حصول میں بورڈ آف ڈائریکٹرز کے کردار سے متعلق کمپنی کے حصص یافتگان کو جائزہ رپورٹ پیش کرنے میں انتہائی خوشی ہو رہی ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کے بہترین مفاد کے تحفظ کیلئے بہت توجہ اور احتیاط سے اپنے فرائض سرانجام دیئے اور موجود قوانین اور ضابطوں کے مطابق کمپنی کے مقاصد کے حصول کیلئے کمپنی کے امور کو موثر اور بہتر انداز میں چلایا۔

بورڈ آف ڈائریکٹرز میں فنانس، آڈٹ، بزنس اور بیکاری کے شعبوں کے انتہائی تجربہ کار اور متنوع پس منظر سے تعلق رکھنے والے افراد شامل ہیں۔ کارپوریٹ گورننس کے ضابطہ کے تحت بورڈ اپنی کارکردگی کا خود ترمیم دیئے گئے میکانزم کے ذریعے جائزہ لیتا ہے۔ بورڈ کمپنی کی ترقی میں مکمل کردار ادا کرتے ہوئے مینجمنٹ کو تیز و پراقتی رہنمائی فراہم کرتا ہے۔ بورڈ گورننس کے اعلیٰ معیارات کو یقینی بنانے کیلئے اپنا کردار جاری رکھے گا۔

بورڈ آف ڈائریکٹرز نے بورڈ اور اس کی کمیٹیوں کے اجلاس کو اراکین کی مطلوبہ تعداد کے ساتھ انعقاد کو یقینی بنایا ہے۔ تمام فیصلے بورڈ کی قرارداد کے ذریعے انجام پائے اور بورڈ بشمول کمیٹیوں کے اجلاسوں کی کارروائی کو مناسب انداز میں ریکارڈ کا حصہ بنایا گیا۔

بورڈ نے انٹرپرائز رسک مینجمنٹ سسٹم، پالیسی سازی، مالیاتی ڈھانچہ، نگرانی اور منظوری کے اسٹرٹجک منصوبہ سازی کے عمل میں بھرپور حصہ لیا۔

کارپوریٹ فیصلہ سازی کے عمل کو مضبوط بنانے اور اسے حتمی شکل دینے کیلئے بورڈ اور اس کی کمیٹیوں کے سامنے پورے سال کے دوران پیش آنے والے اہم مسائل رکھے گئے۔

بورڈ نے انٹرنل کنٹرول کے موزوں نظام کو قائم کیا ہے اور ساتھ ہی خود احتسابی میکانزم اور انٹرنل آڈٹ کے ذریعے اس کی ہمہ وقت جانچ کو یقینی بنایا ہے۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ کے ممبران کے درمیان بروقت فیصلہ کیلئے ضروری معلومات کا تبادلہ ہو اور بورڈ کے ممبران کمپنی کی پیش رفت سے مکمل آگاہ رہیں۔

بورڈ نے اپنے اختیارات کمپنی پر عائد قوانین اور ضابطوں کے تحت استعمال کئے ہیں اور اپنے فیصلہ سازی کے اختیارات کو استعمال کرتے ہوئے ان کی تعمیل کو مقدم رکھا ہے۔

بورڈ، اے کے ڈی ہاسٹیلٹی لمیٹڈ کے ڈائریکٹرز اور انتظامیہ کی ادارہ کے مقاصد کے حصول کیلئے انتھک محنت، جانفشانی اور عزم کو سراہتا ہے۔

بورڈ نے اپنی کارکردگی کا خود جائزہ لیا ہے جس کے ذریعے بہترین کاروباری طریقوں کے مطابق مزید بہتری کیلئے شعبوں کی نشاندہی کی گئی۔ تیز و پراقتی ترقی، کاروباری مواقع،

رسک مینجمنٹ اور انتظامیہ کی نگرانی پر توجہ مرکوز رہی۔ بورڈ ہر سہ ماہی میں کم از کم ایک بار آپریشنل نتائج کا جائزہ لینے کے لیے اجلاس منعقد کرتا ہے۔

بورڈ اور کمیٹیوں میں تبدیلیاں

30 جون، 2025 کو مکمل ہونے والے سال کے دوران سمیع اللہ خان کے ڈائریکٹر شپ سے استعفیٰ سے خالی ہونے والی نشست پر ہما خرم راشد پراچہ کو تعینات کیا گیا۔ سمیع اللہ خان دیگر مصروفیات کی بنا پر اپنی ذمہ داری ادا نہیں کر سکے۔ ہم سبکدوش ہونے والے بورڈ ممبر کی کمپنی کی ترقی میں گرانفدر کردار اور تعاون کو سراہتے ہیں۔ سال کے دوران چیف ایگزیکٹو آفیسر کنور عدیل زمان بھی اپنی دیگر مصروفیات کی بنا پر چیف ایگزیکٹو آفیسر کے طور پر کام کرنے سے قاصر رہے۔ جس کے بعد ہما خرم راشد پراچہ کو کمپنی کا چیف ایگزیکٹو آفیسر تعینات کیا گیا۔

اظہار تشکر

میں اس موقع پر کمپنی کے تمام معاونین، انتظامیہ اور عملے کی مخلصانہ اور پر خلوص خدمات کا اعتراف کرتے ہوئے ان کے کردار کو سراہتا ہوں۔ میں آپ کی کمپنی کی چیف ایگزیکٹو آفیسر ہما خرم راشد پراچہ اور انتظامی ٹیم کا بھی کمپنی کی ترقی اور منافع کیلئے لگن اور عزم کیلئے شکریہ ادا کرنا چاہوں گا۔

کراچی: 14 اکتوبر، 2025

ندیم صولت صدیقی

چیئر پرسن

DIRECTORS' REPORT

The Directors of the Company take pleasure in presenting the Directors' Report together with the Company's audited annual financial statements for the year ended June 30, 2025. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 ("the Act") will be put forward to the members at the Annual General Meeting of the Company to be held on October 28, 2025.

Hospitality is a service industry that includes hotels, motels, tourism agencies, restaurants, lodging, food and drink service, event planning, theme parks, travel and tourism. Our vision is to be the most competitive, focused, quality driven and growth oriented Company in Pakistan and our mission in terms of quality and profitability with an emphasis on minimizing risk in order to optimize the return to shareholders.

Principal Activities of the Company

The principal line of business of the company is to carry on the tourism business including hospitality business, motels, destination management services, developing & building tourism attractions and to undertake all ancillary business activities to provide end to end services solutions. Despite ongoing political uncertainty coupled with weak consumer demand due to reduced purchasing power, Pakistan's economy is showing signs of macro-economic stability. The government's policy management and administrative measures have restored confidence, leading to an uptick in economic activity.

During the year the Company achieved success by entering into service agreement with other companies aligned with its core business activities on a retainer basis, resulting in earned revenue through its principle line of business.

Operating Results

The comparison of the audited results for the year ended June 30, 2025 with the corresponding period of last year is as under:

	30 JUNE 2025	30 JUNE 2024
	----- In Rupees -----	
NET PROFIT / (LOSS) BEFORE LEVY & TAX	1,422,953	9,481,006
NET PROFIT / (LOSS) AFTER LEVY & TAX	1,266,304	8,346,644
TOTAL COMPREHENSIVE INCOME	13,616,832	12,198,910
EARNING PER SHARE – BASIC & DILUTED	0.51	3.43

The revenues remain stable from last year and expenses including provision for expected credit loss have slightly decreased, moreover last year recovery of written off receivable significantly increased profit before levy & tax. Considering above there is no significant change in net profit from regular operations from previous year. Due to market share price changes of investment current year's other comprehensive income has increased significantly resulting slightly increase in total comprehensive income over preceding year.

Dividend

Due to accumulated losses, the Board has decided not to pay dividend for the year ended June 30, 2025.

Reserve Funds

Considering the accumulated losses Board has decided to defer the creation of any sort of reserve funds.

Default in Payments

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding except in the ordinary course of business and described in the financial statements.

Board of Directors and its Committees

Board of Directors

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

The total number of directors are seven (07) comprising of

Male	5	Female	2
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The Board comprises of one executive, four non-executive directors and two independent directors (including two female director).

Best Practices of corporate governance entail having an optimal number of board members with adequate skills and experience.

The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

Audit Committee

Audit Committee assists the Board of Directors in discharging their responsibilities in accordance with the Corporate Governance and Financial Reporting framework.

The Committee consists of three members, all of whom are non-executive directors. Two members (including the Chairperson) of the Committee are independent directors.

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Code 2019”), Audit Committee also met with external auditors and Head of Internal Audit in the absence of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the four meetings held during the year, by invitation.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee also assists the Board of Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel.

The Committee consists of three members who are non-executive directors. Two members of the Committee are independent directors. The Chairperson of the Committee is an independent female director.

Risk Management and Sustainability Committee

The Board is assisted by risk management committee by overseeing the implementation of risk management policies and controls, identifying the risks faced by organization, and developing risk mitigating strategies. The committee has directors from diverse representation from different area of expertise including economics, financial analysis and financial and operational risk management. In the Board meeting of the last quarter, the Committee has been assigned additional responsibilities of

sustainability related matters. The Committee will actively review ESG performance, assess compliance with emerging regulations and ensure alignment with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the holistic adoption of new sustainability related IFRS (S1 and S2) in upcoming years. This governance enhancement reinforces our commitment to transparency, accountability and long-term value creation.

Responsibilities of the nomination committee are taken care of at the Board of Directors' level on the need basis, hence separate committee was not formed.

Meeting of the Board and its Committees

During the year, four meetings of Board of Directors (BOD), four meetings of Audit Committee (AC), two meeting of Human Resource and Remuneration Committee (HRRC), and one meeting of Risk Management Committee (RMC) were held. The attendance of the Directors and the number of their directorship in listed companies, including AKD Hospitality Limited, is as follows:

Sr. No	Name of Directors	DLS*	Status	ED*	ID*	Committee Members			Attendance			
						AC	HRRC	RMC	BOD	AC	HRRC	RMC
1	Nadeem Saulat Siddiqui	1	Elected 25/10/23	No	No	-	-		4/4	-	-	-
2	Muhammad Siddique Khokhar	4	Elected 25/10/23	No	Yes	√	√	√	4/4	4/4	2/2	1/1
3	Uzma Piracha	1	Elected 25/10/23	No	Yes	√	√		4/4	4/4	2/2	-
4	Muhammad Sohail	1	Elected 25/10/23	No	No	-	-	√	3/4	-	-	1/1
5	Kanwar Adeel Zaman	1	Elected 25/10/23	No	No	-	-	√	4/4	-	-	1/1
6	Aamir Nazir Dhedhi	1	Elected 25/10/23	No	No	√	√		4/4	4/4	2/2	-
7	Huma Khurram Rashid Paracha	1	Appointed by Board 15/08/24	Yes	No	-	-		4/4	-	-	-

* DLS (Directorship in Listed Companies); ED (Executive Directors); ID (Independent Directors)

Directors' Training Program

The Board has arranged Directors' training program for the following directors

Sr. No.	Name of Directors
1.	Mr. Nadeem Saulat Siddiqui
2.	Mr. Kanwar Adeel Zaman
3.	Ms. Uzma Piracha
4.	Mr. Muhammad Siddique Khokhar

Following directors have not taken directors' training program and will ensure the compliance in the ensuing financial year in accordance with the regulations

Sr. No.	Name of Directors
1.	Ms. Huma Khurram Rashid Paracha
2.	Mr. Aamir Nazir Dhedhi
3.	Mr. Muhammad Sohail

Board's Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon. The key areas of evaluation are as under:

- (a) Composition of the Board and its effectiveness;
- (b) Structuring of Board's committees and their role;
- (c) Vision / Mission planning and establishing a corporate environment;
- (d) Access to the information and risk monitoring;
- (e) Performance of duties and responsibilities;
- (f) Relationship with the management;
- (g) Role of the Chairperson and assessment of own performance.

Annual evaluation questionnaire developed in conformity with the Code 2019 and and global best practices is circulated to the Directors for performance evaluation.

Strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. These are then evaluated to identify areas that require improvement and highlight differences of opinion, if any.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting framework of the Securities and Exchange Commission of Pakistan (SECP) and the Code 2019 for the following matters:

- (a) The financial statements, prepared by the management of the Company, present its state of affairs including the results of its operations, cash flows and changes in equity, fairly.
- (b) Proper books of accounts have been maintained by the Company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Act have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls continues as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- (f) There are no significant doubts upon the Company's ability to continue as going concern.
- (g) We have Audit, Human Resource and Remuneration, and Risk Management and Sustainability Committees comprising of members of the Board of Directors. The members of these committees are selected by the Board ensuring compliance with the applicable rules & regulations.

- (h) The Board of Directors has adopted a vision and mission statement and statement of corporate strategy
- (i) There has been no material departure from the best practices of Corporate Governance, as detailed in the Code 2019 and listing regulations of the Pakistan Stock Exchange.

The Corporate Governance Practices

The Board of Directors of the Company is committed to the principles of good Corporate Governance. This is promoted across the Company through senior management. The stakeholders expect that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards.

Adequacy of Internal Financial Controls

The Board of Directors has established an effective and efficient internal financial control system to ensure effective conduct of company's operation, safeguarding of all assets and compliance with applicable laws and regulations and reliable and timely financial reporting. The Company's internal control system is sound in design and is continually evaluated for effectiveness and adequacy. The Audit Committee through Internal Audit Department ensure the achievement of operational, compliance, risk management and financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth at all levels within the Company. Annually the Internal Audit performance is reviewed and the annual Audit Charter and Annual Audit Plan are approved by the Audit Committee. The Audit Committee review material Internal Audit findings, take appropriate action and bring the matter to the attention of the Board where required. Coordination between internal auditors and external auditors facilitates the efficiency and contribute to the Company's objectives of reliable financial reporting system and compliance with laws and regulations.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. It contains guidelines for interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

The Code is reviewed annually and any changes therein are approved by the Board. It is communicated to all associates and is available on the Company's website as part of this annual report. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management. Breach or violation of the Code of Conduct are reported to Audit Committee through Internal Auditor.

Management Committee

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), which ensures that a proper system is developed and implemented across the Company that enable swift and appropriate decision making. It acts in an advisory capacity to the Board, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee meets

monthly to review the performance against set targets. CEO also ensures that all decisions and directions given by the Board are properly communicated and implemented.

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Remuneration of executive and non-executive directors is approved by the Board, as recommended by the Human Resource and Remuneration Committee. The Company does not pay any remuneration to non-executive and independent directors except fees for attending the meetings of the Board and its committees. For information on remuneration of directors and CEO, please refer notes to the Financial Statements.

Operating & Financial Data of Last Six Years

Operational and financial data for the last six years is annexed.

Material Changes

There have been no material changes since June 30, 2025 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Chairperson's Review

The Chairperson's review included in the Annual Report deals inter alia with the performance and effectiveness of the Board, performance of the Company for the year ended June 30, 2025, government policies, its impact on Company's business and future prospects. The Directors endorse the contents of the Chairperson's review. For changes in the Board of Directors and the Committee kindly see the relevant section in Chairperson's Review.

Safeguarding of Records

The Company places due emphasis for storage and safe custody of its financial records. Access to electronic financial records and documentation has been ensured through implementation of a comprehensive password protected authorization matrix. A record retention policy is also in place for proper documentation and their tracking.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2025 is annexed.

The Directors, executives and their spouse and minor children have made no transactions of the Company's shares during the year, and their shareholding is reported in pattern of shareholding.

Executives mean Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other executives (as defined by the Board).

Corporate Social Responsibility

The Company consider social, environmental and ethical matters in the context of overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. A detailed discussion on corporate social responsibility can be found in the sustainability section of this annual report.

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the wellbeing of the people who work with us as well as of the communities where we operate. The impact of the Company's business on the environment are presented in the sustainability section of this annual report.

Strategic Objectives on ESG

The Board is actively involved and strongly backs the Company's ESG initiatives. The Company's dedication lies in integrating ESG considerations seamlessly into its strategy. This supports long-term growth, mitigates risks, and cultivates a foundation of trust with stakeholders. The Company's strategic goals encompass eco-friendliness, societal obligations and proficient governance. We are resolute for negative carbon foot prints, safeguarding natural resources, promoting green energy and handling waste in an environmental friendly manner. The Company's focal points include promoting diversity, ensuring employee welfare and actively participating in the community. The Company's decision-making is steered by ethical behavior, openness, transparency and prudent risk management. A detailed discussion on ESG can be found in the sustainability section of this annual report.

Business Continuity Plan

As part of Business Continuity Plan, remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

Statutory Auditor of the Company

The present Auditors, Riaz Ahmed & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee reviewed performance, cost and independence of the external auditors, M/s. Riaz Ahmad & Co., Chartered Accountants and has recommended to the Board their reappointment for the year ending June 30, 2026. Subsequently, Board of Directors has recommended re-appointment as Auditors of the Company and their remuneration for the year ending June 30, 2026.

Contents of modification in auditors' report

There is no qualification in the external auditors' report for the year ended June 2025 which is annexed in this Annual Report. However, due to accumulated losses the auditor has expressed that the Company possibly might not continue as going concern and unable to realize assets and pay liabilities in normal course of business. The management is of the opinion that due to profitability of the company in its principal line of business for foreseeable future the Company is going concern company.

Changes in nature of business of the Company

During the year there has been no change in the nature of the business of the Company.

Principle Risks and Uncertainty and Risk Management System

The Company is exposed to certain inherent risks and uncertainties related to the environments in which it works and its operations may be affected due to such risks and uncertainties. The continued political polarization, law and order situation, poor infrastructure, increase in fuel and energy prices, high inflation has discouraged local and international tourists.

Political stability, restoration of infrastructure and improved law & order are necessary to attract tourists especially international tourists. The other factors affecting tourism industry are:

- Increase in cost of consumables, particularly fuel cost due to high inflation
- Macro-economic uncertainties which might affect consumer demand
- Increase in existing income tax rates reducing purchasing power
- Increase in / levies of new sales taxes and duties
- Data security and privacy.

The Company take necessary steps with external and internal stakeholders to manage and mitigate these risks to an appropriate level. Formal risk management framework is in place to assess the risks faced in the context of the broader political, operational and macroeconomic environment. The risk management system identifies risks related to each aspect of business operations. The purpose of risk management is to make informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of the Company's objectives by maximizing opportunities and minimizing adverse effects.

Business Environment Affecting the Results of the Company

Pakistan is facing climate change resulting in severe weather conditions, like drought, river and flash floods, landslides, storms and cyclones. The impact of climate change result in increased costs of operations and reducing the number of turnout of tourists visiting certain destinations. The main elements which are likely to affect the future of the development, performance and position of the company business are:

- Lack of professional tour operators

- Economic uncertainties
- Political Stability
- Poor Infrastructure
- Rising costs of daily consumables and travel cost

Future Outlook

The stability in the policy rate by the State Bank of Pakistan, alongside easing inflationary pressures and IMF program will provide a reasonable economic environment for FY-26. However, high energy and fuel tariffs will erode household incomes, impacting their purchasing power and will affect tourism business from local customers.

Despite these challenges, your Company is well aligned to take advantage of the situation and is hopeful of future outlook with ensuring reasonable revenue and profit. Due to above constraints the Company is looking for developing new tourism destinations close to populated cities in Pakistan resulting in affordable travelling costs to local customers.

Looking ahead, AKD Hospitality Limited is committed to contribute to Pakistan's economic prosperity and delivering strong shareholders' value by investing in the long-term reliable assets, promoting diversity equality and inclusiveness, improving sustainability to reduce its carbon footprint and water conservation. Health and safety of the employee will remain the top priority of the management in addition to protect and safeguard the interests of its shareholders through capitalization on growth opportunities.

Throughout the year, the Company conducted various assessments to explore the possibilities of creating hotels or resorts in Northern Areas and Coastal Belt. These preliminary studies have indicated a favorable net present value (NPV) for the Company. Presently, the Company is in the process of evaluating various business models to pursue these projects. The Company has identified a promising location for large project near Karachi.

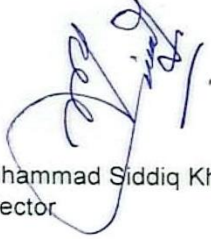
Communication

Annual, half yearly and quarterly reports are distributed amongst shareholders within the time specified in the Act. The Company also has a web site, www.akdhospitality.com containing up to date information on Company's activities, financial reports and notices / announcements.

Acknowledgement

The Board of Directors wishes to express its pleasure and gratefulness to the shareholders for their support and to all the employees of their ongoing dedication and commitment to the Company.

For and on behalf of Board of Directors:



Muhammad Siddiq Khokhar
Director



Huma Khurram Rashid Paracha
Chief Executive Officer

Karachi: October 4, 2025

ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹرز 30 جون، 2025 کو ختم ہونے والے سال کے لئے کمپنی کے پڑتال شدہ مالی گوشوارے بشمول آڈیٹر رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔ ڈائریکٹر رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت تیار کی گئی ہے اور 28 اکتوبر، 2025 کو ہونے والے کمپنی کے سالانہ اجلاس عام میں اراکین کو پیش کی جائے گی۔

ہاسٹیلٹی خدمات کی فراہمی سے وابستہ انڈسٹری ہے جس میں ہوٹلز، موٹلز، ٹورازم ایجنسیاں، ریسٹورانٹ، لاؤنج، فوڈ، مشروبات، ایونٹ پلاننگ، تھیم پارک، ٹریپول اور ٹورازم شامل ہے۔ ہمارا نصب العین پاکستان میں سب سے زیادہ مسابقتی، بہتر معیار اور تیزی سے ترقی کرنے والی کمپنی بننا ہے۔ معیار اور منافع کے لحاظ سے ہمارا مشن حصص یافتگان کو بہتر منافع دینے کی غرض سے کم سے کم نقصان کے احتمال پر زور دینا ہے۔

کمپنی کی بنیادی کاروباری سرگرمی

کمپنی کی بنیادی کاروباری سرگرمی سیاحت کے کاروبار سے منسلک ہے جس میں ہاسٹیلٹی برنس، موٹلز، ڈسٹری بیوٹن مینجمنٹ سروسز، سیاحتی کشش کے حامل مقامات کی تعمیر اور مکمل سہولیات فراہم کرنے کیلئے متعلقہ کاروباری سرگرمیاں شامل ہیں۔ جاری سیاسی غیر یقینی صورتحال اور قوت خرید میں کمی کے باعث صارفین کی طلب میں کمی کے باوجود پاکستانی معیشت میکر واکنا ملک استحکام ظاہر کر رہی ہے۔ حکومتی پالیسی مینجمنٹ اور انتظامی اقدامات کی وجہ سے اعتماد بحال ہوا ہے جس سے اقتصادی سرگرمی بھی نظر آئی۔

سال کے دوران کمپنی نے اپنی بنیادی کاروباری سرگرمیوں سے متعلق دیگر کمپنیوں کے ساتھ ریٹینر بنیاد پر سروس کے کامیاب معاہدے کر کے آمدنی حاصل کی۔

آپریٹنگ نتائج

30 جون، 2025 کو اختتام پذیر مالی سال کے پڑتال شدہ نتائج ہموار نہ گزشتہ سال درج ذیل ہیں۔

30 جون، 2024	30 جون، 2025	
روپے '000 میں		
9,481,006	1,422,953	قبل از لیوی اور ٹیکس خالص منافع
8,346,644	1,266,304	بعد از لیوی اور ٹیکس خالص منافع
12,198,910	13,616,832	مجموعی آمدن (خسارہ)
3.43	0.51	بنیادی اور سست فی حصص آمدن (خسارہ)

گزشتہ سال کے مقابلے میں رواں سال آمدنی مستحکم رہی ہے۔ اخراجات، بشمول قرض سے متعلق متوقع نقصان کے لیے مختص کی گئی رقم میں معمولی کمی آتی ہے۔ مزید یہ کہ گزشتہ سال ناقابل وصول رقم کی وصولی سے قبل از لیوی اور ٹیکس خالص منافع میں نمایاں اضافہ ہوا۔ مذکورہ عوامل کو مد نظر رکھتے ہوئے گزشتہ سال کے مقابلے میں باقاعدہ آپریشنز سے حاصل خالص منافع میں کوئی خاص تبدیلی نہیں ہوئی۔ تاہم رواں سال کی دیگر جامع آمدن میں نمایاں اضافہ ہوا جس کی وجہ سرمایہ کاری کی مارکیٹ میں شیئر قیمتوں میں تبدیلی ہے۔ نتیجتاً گزشتہ سال کے مقابلے میں مجموعی جامع آمدنی میں معمولی اضافہ دیکھنے کو ملا۔

ڈیوڈنڈ

جمع شدہ خسارہ کی وجہ سے بورڈ نے 30 جون، 2025 کو ختم ہونے والے سال کیلئے ڈیوڈنڈ ادا نہ کرنے کا فیصلہ کیا ہے۔

محفوظ فنڈز کے ذخائر

جمع شدہ خسارے کو مد نظر رکھتے ہوئے بورڈ نے کسی قسم کے فنڈز کے ذخائر کی تشکیل موخر کرنے کا فیصلہ کیا ہے۔

ادائیگیوں میں ڈیفالٹ

ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز کے حوالے سے کوئی قانونی ادائیگیاں قابل ادائیگی ہیں سوائے معمول کے کاروبار میں اور ان کے جنہیں مالی گوشواروں میں بیان کیا گیا۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ آف ڈائریکٹرز

کمپنی نے سیکینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (ریگولیشنز) کے تقاضوں کی مندرجہ انداز میں تعمیل میں کی ہے۔
ڈائریکٹرز کی کل تعداد سات (7) ہے جو مندرجہ ذیل پر مشتمل ہیں۔

5	مرد
2	خواتین

بورڈ ایک ایگزیکٹو، چارٹن ایگزیکٹو ڈائریکٹرز اور دو آزاد ڈائریکٹرز (بشمول ایک خاتون ڈائریکٹر) پر مشتمل ہے۔

کارپوریٹ گورننس کے بہترین طریقوں کے مطابق بورڈ میں مہارت اور تجربہ رکھنے والوں اراکین کی تعداد مناسب ہے۔

دو منتخب آزاد ڈائریکٹرز مزید قوانین اور ضوابط کے مطابق اپنے فرائض اور ذمہ داریوں کی ادائیگی کے لئے مطلوبہ قابلیت، مہارت، علم اور تجربہ رکھتے ہیں۔ چونکہ یہ ڈائریکٹرز مزید قوانین اور ضوابط کے مطابق ضروری تقاضوں پر پورا اترتے ہیں اس لئے تیسرے آزاد ڈائریکٹر کی تعیناتی کی ضرورت نہیں۔

آڈٹ کمیٹی

آڈٹ کمیٹی کارپوریٹ گورننس اور فنانشل رپورٹنگ فریم ورک کے مطابق بورڈ آف ڈائریکٹرز کو ان کی ذمہ داریوں کی ادائیگی میں معاونت فراہم کرتی ہے۔
کمیٹی تین اراکین پر مشتمل ہے جو نان ایگزیکٹو ڈائریکٹرز ہیں۔ دو اراکین (بشمول چیئر پرسن) آزاد ڈائریکٹرز ہیں۔

سکینیئر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 (دی کوڈ 2019) کے مطابق آڈٹ کمیٹی نے مینجمنٹ کی غیر حاضری میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ سے بھی ملاقات کی۔ چیف ایگزیکٹو آفسر (سی ای او) اور چیف فنانشل آفسر (سی ایف او) نے سال کے دوران دعوت پر چار اجلاسوں میں شرکت کی۔

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی انسانی وسائل سے متعلق پالیسیوں کی تشکیل اور وقفہ وقفہ سے ان کا جائزہ اور کمیٹی کے اندر طرز عمل کے حوالے سے ذمہ داریوں کی انجام دہی میں بورڈ آف ڈائریکٹرز کو معاونت فراہم کرتی ہے۔ کمیٹی بورڈ کو اہم انتظامی عہدیداروں کے انتخاب، جائزہ، معاوضہ کی ادائیگی اور پیش رو کی منصوبہ بندی میں بھی مدد کرتی ہے۔

کمیٹی تین اراکین پر مشتمل ہے جو نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے دو اراکین آزاد ڈائریکٹرز ہیں۔ کمیٹی کی چیئر پرسن آزاد خاتون ڈائریکٹر ہے۔

رسک مینجمنٹ اور پائیداری کمیٹی

رسک مینجمنٹ کمیٹی رسک مینجمنٹ پالیسیوں اور کنٹرولز کے نفاذ کی نگرانی، ادارے کو درپیش اندیشوں کی نشاندہی اور نقصان کے احتمال کو کم کرنے کی حکمت عملیاں تشکیل دے کر بورڈ کی معاونت کرتی ہے۔ کمیٹی میں مختلف شعبوں سے تعلق رکھنے والے ڈائریکٹرز شامل ہیں جن میں معاشیات، مالیاتی تجزیہ اور مالیاتی و آپریشنل رسک مینجمنٹ کے ماہرین شامل ہیں۔ گزشتہ سہ ماہی کے بورڈ اجلاس میں کمیٹی کو پائیداری سے متعلق معاملات کی انسانی ذمہ داریاں سونپی گئیں۔ کمیٹی ای ایس جی کارکردگی کا فعال انداز سے جائزہ، ممکنہ ریکولیشن کے ساتھ تعمیل کا تجزیہ، سسٹمک پیئر (کوڈ آف کارپوریٹ گورننس) ریکولیشنز، 2019 اور آنے والے برسوں میں نئی پائیداری سے متعلق آئی ایف آر ایس (ایس 1 اور ایس 2) کے بڑے پیمانے پر نفاذ کا جائزہ لے گی۔ یہ گورننس شفافیت، جوابدہی اور طویل مدتی اقدار کی تخلیق کیلئے ہمارے عزم کو مضبوط بناتی ہے۔

نامزدگی کمیٹی کی ذمہ داریاں ضرورت کی بنیاد پر بورڈ آف ڈائریکٹرز ادا کرتے ہیں اس لئے ایک علیحدہ کمیٹی تشکیل نہیں دی گئی۔

بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس، آڈٹ کمیٹی کے چار اجلاس، انسانی وسائل اور معاوضہ کمیٹی کے دو اجلاس اور رسک مینجمنٹ کمیٹی کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی اجلاسوں میں شرکت، سسٹمک کمیٹیوں میں ان کی ڈائریکٹرشپ بشمول اسے کے ڈی ہاسٹبلٹی درج ذیل ہے۔

* ڈی ایل ایس (سسٹمک کمیٹیوں میں ڈائریکٹرشپ)، ای ڈی (ایگزیکٹو ڈائریکٹر)، آئی ڈی (آزاد ڈائریکٹر)

Sr. No	Name of Directors	DLS *	Status	ED *	ID *	Committee Members			Attendance			
						AC	HR RC	RM C	BO D	AC	HRR C	RM C
1	Nadeem Saulat Siddiqui	1	Elected 25/10/23	No	No	-	-		4/4	-	-	
2.	Muhamma d Siddique Khokhar	4	Elected 25/10/23	No	Yes	✓	✓	✓	4/4	4/4	2/2	1/1
3.	Uzma Piracha	1	Elected 25/10/23	No	Yes	✓	✓		4/4	4/4	2/2	-
4.	Muhamma d Sohail	1	Elected 25/10/23	No	No	-	-	✓	3/4	-	-	1/1
5.	Kanwar Adeel Zaman	1	Elected 25/10/23	No	No	-	-	✓	4/4	-	-	1/1
6.	Aamir Nazir Dhedhi	1	Elected 25/10/23	No	No	✓	✓		4/4	4/4	2/2	-
7.	Huma Khuram Rashid Paracha	1	Appointed by Board 15/08/24	Yes	No	-	-		4/4	-	-	-

ڈائریکٹرز ٹینگ پروگرام

بورڈ نے مندرجہ ذیل ڈائریکٹرز کیلئے ڈائریکٹرز ٹینگ پروگرام کا انتظام کیا ہے۔

نمبر شمار	ڈائریکٹرز کا نام
1	ندیم صوابت صدیقی
2	کنور عدیل زمان
3	عظمتی پراچہ
4	محمد صدیق کھوکھر

مندرجہ ذیل ڈائریکٹرز نے ڈائریکٹرز ٹینگ پروگرام میں حصہ نہیں لیا اور ریگولیشنز کے مطابق آئندہ مالی سال میں تعین کو یقینی بنائیں گے۔

نمبر شمار	ڈائریکٹرز کا نام
1	ہما خرم راشد پراچہ
2	عامر نذیر ڈھیدی
3	محمد سہیل

بورڈ کی کارکردگی کا جائزہ

بورڈ کی طرف سے کمپنی کی پالیسیوں کے نفاذ کی نگرانی اور انتظامات چلانے میں اس کی کارکردگی ایک مسلسل عمل ہے جس کی بورڈ خود جانچ کرتا ہے۔ بورڈ کی کارکردگی کی جانچ کیلئے ایک سوالنامہ تشکیل دیا گیا ہے جو ہر سال رائے اور تجاویز کیلئے ڈائریکٹرز کو ارسال کیا جاتا ہے۔ بعد ازاں اکٹھے کئے گئے نتائج مزید جائزہ اور اس پر کارروائی کیلئے بورڈ میں پیش کئے جاتے ہیں۔ جائزہ کے اہم نکات مندرجہ ذیل ہیں:

- (اے) بورڈ کی تشکیل اور کارکردگی
- (بی) بورڈ کی کمیٹیوں کا قیام اور ان کے فرائض
- (سی) نصب العین / مشن کی منصوبہ بندی اور کارپوریٹ ماحول کی تشکیل
- (ڈی) معلومات تک رسائی اور رسک مانیٹرنگ
- (ای) فرائض اور ذمہ داریوں کی کارکردگی
- (ایف) انتظامیہ کے ساتھ تعلقات
- (جی) چیئرمین کا کردار اور اپنی خود کی کارکردگی کی جانچ

کارکردگی کے سالانہ جائزہ کا سوالنامہ کوڈ 2019 اور عالمی بہترین طریقوں کے مطابق تیار کیا گیا ہے جسے کارکردگی کے جائزہ اور جانچ کیلئے ڈائریکٹرز کو ارسال کیا جاتا ہے۔

مکمل شدہ سوالنامہ کی وصولی پر کمپنی سیکرٹری کی طرف سے انتہائی رازداری کا مظاہرہ کیا جاتا ہے۔ اس کے بعد ان کا جائزہ لیا جاتا ہے تاکہ ان شعبوں کی نشاندہی کی جاسکے جن میں

بہتری کی ضرورت ہے اور اگر کوئی اختلاف رائے ہو تو اسے بھی اجاگر کیا جاسکے۔

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک اور کوڈ 2019 کی تعمیل کی تصدیق مندرجہ ذیل معاملات میں کرتے ہیں۔

(اے) کمپنی کی انتظامیہ طرف سے تیار کردہ مالی نتائج کمپنی کے معاملات، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔
(بی) کمپنی کے کھاتوں کی مناسب کتابیں مرتب رکھی گئی ہیں۔

(سی) مالی گوشواروں کی تیاری میں اکاؤنٹنگ کے حوالے سے مناسب پالیسیاں تو اس سے لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینہ معقول اور دانشمندانہ اندازوں کی بنیاد پر لگائے گئے ہیں۔

(ڈی) مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق منظور شدہ اکاؤنٹنگ معیارات اور ایکٹ کے تقاضوں کے مطابق عمل درآمد کیا گیا۔ کسی بھی قسم کے انحراف کو مناسب انداز میں بیان اور واضح کیا گیا ہے۔

(ای) انٹرل کنٹرول کے نظام کو بہترین انداز میں تیار اور موثر انداز میں نافذ کیا گیا اور اس کا مسلسل جائزہ اور نگرانی کی جارہی ہے جس کا مقصد کنٹرول کے عمل کو مزید مضبوط بنانا اور نظام میں بہتری لانا ہے۔

(ایف) کمپنی کی مالی حالت مضبوط ہے اور کمپنی کے قائم رہنے کی صلاحیت پر کسی قسم کے کوئی شک و شبہات نہیں ہیں۔

(جی) کمپنی میں آڈٹ، انسانی وسائل اور معاوضے اور رسک مینجمنٹ اور پائیداری کمیٹیاں موجود ہیں جو بورڈ آف ڈائریکٹرز کے ارکان پر مشتمل ہیں۔ ان کمیٹیوں کے ارکان کا انتخاب تمام متعلقہ قوانین اور ضوابط کی تعمیل میں بورڈ کے ذریعے کیا جاتا ہے۔

(ایچ) بورڈ آف ڈائریکٹرز نے نصب العین اور مشن کا بیان اور کارپوریٹ اسٹرٹیجی کا بیان اختیار کیا ہوا ہے۔

(آئی) کوڈ 2019 اور پاکستان اسٹاک ایکس چینج کے لسٹنگ ریگولیشنز میں درج ہے کارپوریٹ گورننس کے بہترین طریقہ عمل سے انحراف نہیں کیا گیا۔

کارپوریٹ گورننس طریقہ ہائے کار

بورڈ آف ڈائریکٹرز بہتر کارپوریٹ گورننس کے اصولوں کیلئے پرعزم ہیں۔ ان کو سینئر مینجمنٹ کے ذریعے پوری کمپنی میں فروغ دیا جاتا ہے۔ اسٹیک ہولڈرز کو مطلع کرتے ہیں کہ کمپنی کو ذمہ داری کے ساتھ چلایا اور اس کے معاملات کی نگرانی کی جاتی اور کمپنی کے موثر آپریشنز، اثاثوں کی حفاظت، قوانین اور قواعد کی تعمیل اور انٹر نیٹل فنانشل رپورٹنگ اسٹینڈرڈ کے مطابق مناسب فنانشل رپورٹنگ کیلئے انٹرل کنٹرول اور رسک مینجمنٹ پالیسی موجود ہو۔

موزوں انٹرل فنانشل کنٹرول

بورڈ آف ڈائریکٹرز نے کمپنی کے آپریشنز، تمام اثاثوں کی حفاظت، مروجہ قوانین اور ریگولیشنز کی تعمیل اور قابل بھروسہ اور بروقت فنانشل رپورٹنگ کی تدوین کیلئے موثر اور مضبوط انٹرل فنانشل کنٹرول سسٹم قائم کیا ہے۔ کمپنی کا اندرونی کنٹرول سسٹم ڈیڑھ لاکھ کے لحاظ سے مضبوط ہے اور اس کی موثریت اور کارکردگی کا مسلسل جائزہ لیا جاتا ہے۔ آڈٹ کمیٹی، انٹرل آڈٹ ڈیپارٹمنٹ کے ذریعے آپریشنل قوانین کی پاسداری، رسک مینجمنٹ، مالیاتی رپورٹنگ اور کنٹرول کے مقاصد کے حصول کو یقینی بناتی ہے اور کمپنی کے اثاثوں اور حصص یافتگان کی دولت کا ہر سطح پر تحفظ کرتی ہے۔ انٹرل آڈٹ ڈیپارٹمنٹ، آڈٹ کمیٹی سے آڈٹ چارٹر اور سالانہ آڈٹ پلان کی سالانہ منظوری حاصل کرتا ہے۔ آڈٹ کمیٹی انٹرل آڈٹ کے اہم نتائج کا جائزہ لے کر مناسب کارروائی کرتی ہے اور جہاں ضروری ہو، معاملے کو بورڈ کی توجہ میں لاتی ہے۔ انٹرل آڈٹرز اور بیرونی آڈٹرز کے درمیان ہم آہنگی اور کارکردگی کو بہتر بناتی ہے اور کمپنی کے قابل اعتماد فنانشل رپورٹنگ سسٹم اور قوانین و ضوابط کی تعمیل میں کردار ادا کرتی ہے۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق مختلف اخلاقی معیارات جیسا کہ مفادات کا ٹکراؤ، ملازمین کے حقوق اور دھوکہ دہی پر رہنمائی فراہم کرتا ہے۔ ضابطہ اخلاق کے ذریعے کمپنی کے آپریشنز میں ایمانداری، دیانت داری اور شفافیت کی حوصلہ افزائی کی جاتی ہے۔ ضابطہ اخلاق تمام اسٹیک ہولڈرز بشمول صارفین، سپلائرز، حصص یافتگان اور شراکت داروں کے ساتھ روابط پر رہنمائی فراہم کرتے ہیں۔

ضابطہ اخلاق کا سالانہ جائزہ لیا جاتا ہے اور بورڈ کی طرف سے ان میں تبدیلیوں کی منظوری دی جاتی ہے۔ ضابطہ اخلاق تمام منسلک ایسوسی ایشن کو ارسال کیا جاتا ہے اور کمپنی کی ویب سائٹ پر دستیاب ہیں۔ ضابطہ اخلاق پر روزانہ کی بنیاد پر عمل درآمد اور نگرانی کی ذمہ داری سینئر مینجمنٹ کی ہے۔ ضابطہ اخلاق کی خلاف ورزی کے بارے میں انٹرنل آڈیٹرز کے توسط سے آڈٹ کمیٹی کو بتایا جاتا ہے۔

مینجمنٹ کمیٹی

مینجمنٹ کمیٹی سینئر مینجمنٹ پر مشتمل ہے جس کی سربراہی چیف ایگزیکٹو آفیسر (سی ای او) کرتا ہے، کمیٹی اس بات کو یقینی بناتی ہے کہ تیز اور مناسب فیصلہ سازی کیلئے کمپنی میں ایک مضبوط نظام تشکیل اور نافذ کیا جائے۔ یہ کمیٹی آپریٹنگ سطح پر بورڈ کیلئے ایڈوائزری حیثیت میں کام کرتی ہے اور کاروبار اور دیگر کارپوریٹ امور سے متعلق سفارشات پیش کرتی ہے۔ کمیٹی طویل مدتی منصوبوں، سرمایہ، اخراجات، بجٹ کی تیاری اور کاروباری پلانز کی اسٹورڈ شپ کا جائزہ اور آگے بھیجنے کی ذمہ دار ہے۔ کمیٹی کا طے کردہ اہداف کے حوالے سے کارکردگی کا جائزہ لینے کے لئے ماہانہ اجلاس منعقد ہوتا ہے۔ سی ای او بھی اس بات کو یقینی بناتا ہے کہ بورڈ کی طرف سے کئے گئے تمام فیصلوں اور دی گئی ہدایات کو مناسب انداز سے بنایا جائے اور اس پر عمل درآمد کیا جائے۔

ڈائریکٹرز کے معاوضہ کی نمایاں خصوصیات

بورڈ نے کمپنی کے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کی کمپنی کے معاملات میں ان کی ذمہ داری کے لحاظ سے معاوضہ کیلئے ایک باضابطہ پالیسی کی منظوری دی ہے۔ معاوضہ ان کی ذمہ داری اور کمپنی کو کامیابی سے چلانے کے لیے درکار مہارت کے مطابق ہے اور ان کو مزید کوشش کرنے کی ترغیب دینے کے لیے دیا جاتا ہے۔

ایگزیکٹو اور نان ایگزیکٹو کے معاوضہ کی منظوری انسانی وسائل اور معاوضہ کمیٹی کی طرف سے سفارش کے بعد بورڈ دیتا ہے۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز اور آڈائریکٹرز کو معاوضہ ادا نہیں کرتی۔ بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت کیلئے فیس کے حقدار ہیں۔ ڈائریکٹرز اور سی ای او کے معاوضہ کے حوالے سے معلومات کیلئے مالی گوشواروں کے نوٹس ملاحظہ فرمائیں۔

گزشتہ چھ سال کے آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ سال کے آپریٹنگ اور مالی اعداد و شمار منسلک ہیں۔

اہم تبدیلیاں

30 جون، 2025 سے رپورٹ کی تاریخ تک کمپنی کی مالی حیثیت کو متاثر کرنے والی کسی قسم کی اہم تبدیلیاں نہیں ہوئیں اور وعدے نہیں کئے گئے۔

چیئر پرسن کا جائزہ

سالانہ رپورٹ میں شامل چیئر پرسن کا جائزہ دیگر اہم امور کے علاوہ بورڈ کی کارکردگی اور موثریت، 30 جون، 2025 کو ختم ہونے والے سال کیلئے کمپنی کی کارکردگی، حکومتی پالیسیوں اور کمپنی پر اس کے اثرات اور مستقبل کے امکانات پر مبنی ہے۔ ڈائریکٹرز چیئر پرسن کے جائزے کے مندرجات کی توثیق کرتے ہیں۔ بورڈ آف ڈائریکٹرز اور کمیٹی میں ہونے والی تبدیلیوں کے بارے میں تفصیلات کے لیے براہ کرم چیئر پرسن کے جائزے میں متعلقہ سیکشن ملاحظہ کریں۔

ریکارڈ کا تحفظ

کمپنی اپنے مالی ریکارڈز کو مرتب رکھنے اور ان کے تحفظ پر بہت زیادہ زور دیتی ہے۔ الیکٹرانک مالی ریکارڈز اور دستاویزات تک رسائی پاسورڈ کے ایک جامع اور محفوظ نظام کے ذریعے ہی کی جاتی ہے۔ دستاویزات کو مناسب انداز میں رکھنا اور ان کی نگرانی کیلئے ریکارڈز مرتب رکھنے کی پالیسی نافذ ہے۔

شیئر ہولڈنگ کا پیٹرن

30 جون، 2025 تک شیئر ہولڈنگ کا پیٹرن منسلک ہے

سال کے دوران کمپنی کے ڈائریکٹرز، ایگزیکٹو اور ان کی شریک حیات اور کم سن بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا اور ان کی حصص یا فیکلٹی شیئر ہولڈنگ کے پیٹرن میں بیان کی گئی ہے۔

ایگزیکٹو سے مراد چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری اور دیگر ایگزیکٹوز ہیں (جیسا کہ بورڈ کی طرف سے متعین کیا گیا ہے)

کارپورٹ سماجی ذمہ داری

کمپنی کو مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات کا ادراک ہے۔ کمپنی تمام اسٹیک ہولڈرز بشمول کمیونٹی جہاں وہ آپریٹ کرتی ہے اور ہمارے صارفین کے بہترین مفاد میں کام کرنے کیلئے پرعزم ہے۔ کارپورٹ سماجی ذمہ داری پر تفصیلات سالانہ رپورٹ کے پائیداری حصہ میں پڑھی جاسکتی ہے۔

صحت، سیفٹی اور ماحول

ہم کمپنی کے ملازمین اور کمیونٹی جہاں ہم آپریٹ کرتے ہیں، کی فلاح و بہبود کو یقینی بنانے کیلئے صحت، سیفٹی اور ماحول (ایچ ایس ای) میں اعلیٰ ترین معیارات کو برقرار رکھنے پر یقین رکھتے ہیں۔ ماحول پر کمپنی کے کاروبار کے اثرات کو سالانہ رپورٹ کے پائیداری حصہ میں پیش کیا گیا۔

ای ایس جی پراسٹریٹجک مقاصد

بورڈ کمپنی کے ای ایس جی اقدامات میں نہ صرف فعال انداز میں کردار ادا کرتا ہے بلکہ اس کی بھرپور حمایت بھی کرتا ہے۔ کمپنی کا عزم ای ایس جی کی سفارشات کو اپنی اسٹریٹجی میں ہموار طریقے سے شامل کرنا ہے۔ اس سے کمپنی کو طویل مدتی ترقی، خطرات کے خاتمے اور اسٹیک ہولڈرز کے ساتھ اعتماد کی بنیاد رکھنے میں معاونت ملتی ہے۔ کمپنی کے اسٹریٹجک مقاصد میں ماحول دوست اقدامات، سماجی ذمہ داریاں اور موثر گورننس شامل ہے۔ ہم کاربن کے اخراج میں کمی، قدرتی وسائل کے تحفظ، گرین انرجی کے فروغ اور ماحول دوست انداز میں کچرے کے انتظام کیلئے پرعزم ہیں۔ کمپنی کے توجہ کے اہم پہلوؤں میں تنوع کا فروغ، ملازمین کی فلاح و بہبود اور کمیونٹی کی ترقی میں فعال شرکت شامل ہے۔ کمپنی فیصلہ سازی کیلئے اخلاقی طرز عمل، کھلے پن، شفافیت اور بھرپور رسک منجمنٹ سے رہنمائی حاصل کرتی ہے۔ ای ایس جی پر تفصیلات سالانہ رپورٹ کے پائیداری حصہ

میں پڑھی جاسکتی ہیں۔

کاروبار کے تسلسل کا منصوبہ

کاروبار کے تسلسل کے منصوبہ کے حصہ کے طور پر برسرور میں خرابی کی صورت میں بیک اپ سرور اور ڈیٹا کو برقرار رکھنے کیلئے ریہوٹ ڈیزاسٹر ریکوری سائٹ قائم کی گئی ہیں۔

کمپنی کے قانونی آڈیٹرز

کمپنی کے موجودہ آڈیٹرز ریاض احمد اینڈ کو چارٹرڈ اکاؤنٹنٹس نے سبکدوش ہونے کے بعد اہلیت کی بنا پر خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ آڈٹ کمیٹی نے بیرونی آڈیٹرز میسرز ریاض احمد اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی کارکردگی، لاگت اور خود مختاری کا جائزہ لیا اور بورڈ کو 30 جون، 2026 کو ختم ہونے والے سال کے لئے ان کی دوبارہ تقرری کی سفارش کی ہے۔ چنانچہ بورڈ آف ڈائریکٹرز نے 30 جون، 2026 کو ختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری اور ان کے مشاہرہ کے تعین کی سفارش کی ہے۔

آڈیٹرز کی رپورٹ میں تبدیلی کے مندرجات

جون، 2025 کو ختم ہونے والے سال کیلئے بیرونی آڈیٹرز کی رپورٹ میں کسی قسم کے تحفظات کا ذکر نہیں ہے جو سالانہ رپورٹ میں منسلک ہے۔ تاہم جمع شدہ نقصانات کی وجہ سے آڈیٹرز کی طرف سے کمپنی کے کاروبار جاری رکھنے کی صلاحیت پر شک و شبہات کا اظہار کیا گیا کہ ہو سکتا ہے کمپنی کا کاروبار جاری نہ رکھ سکے اور معمول کے کاروباری حالات میں اپنے اثاثوں کو وصول کرنے اور واجبات کی ادائیگی کے قابل نہ ہو۔ تاہم مینجمنٹ کی رائے ہے کہ کمپنی اپنے بنیادی کاروبار میں مستقبل قریب میں منافع بخش رہے گی اس لیے کمپنی کی مالی پوزیشن مضبوط ہے اور وہ کاروبار جاری رکھ سکتی ہے۔

کمپنی کی کاروباری نوعیت میں تبدیلی

سال کے دوران کمپنی کی کاروباری نوعیت میں کوئی تبدیلی نہیں کی گئی

بنیادی خطرات، غیر یقینی صورتحال اور رسک مینجمنٹ سسٹم

کمپنی جس ماحول میں کام کرتی ہے، اس ماحول سے منسلک خطرات اور غیر یقینی صورتحال کا شکار ہو سکتی ہے اور اس طرح کے خطرات اور غیر یقینی صورتحال کی وجہ سے اس کے آپریشنز متاثر ہو سکتے ہیں۔ جاری سیاسی اختلافات، امن و امان کی صورتحال، ناقص انفراسٹرکچر، فیول اور توانائی کی قیمتوں میں اضافہ اور افراط زر کی بلند شرح کی وجہ سے فیول کی قیمت بہت زیادہ رہی جس نے مقامی اور عالمی سیاحوں کی سیاحت کے لئے جانے کی حوصلہ شکنی کی ہے۔ سیاحت کے شعبے کو متاثر کرنے والے عوامل درج ذیل ہیں:

☆ افراط زر کی بلند شرح کی وجہ سے بالخصوص فیول لاگت میں اضافہ

☆ میکرو اکنامک کی غیر یقینی صورتحال جس سے صارفین کی طلب متاثر ہو سکتی ہے

☆ انکم ٹیکس کی موجود شرحوں میں اضافہ جس سے قوت خرید میں کمی ہو رہی ہے

☆ نئے سیلز ٹیکس اور ڈیوٹیز کی لیویز میں اضافہ

☆ ڈیٹا سیکورٹی اور رازداری

کمپنی داخلی اور بیرونی اسٹیک ہولڈرز کے ساتھ مل کر ضروری اقدامات کرتی ہے تاکہ ان خطرات کو مناسب سطح تک منظم اور کم کیا جاسکے۔ ایک مکمل رسک مینجمنٹ فریم ورک موجود

ہے جو وسیع تر سیاسی، آپریشنل اور معاشی ماحول کے تناظر میں درپیش خطرات کا جائزہ لیتا ہے۔ رسک مینجمنٹ سسٹم کاروباری آپریشنز کے ہر پہلو سے متعلق خطرات کی نشاندہی کرتا ہے۔ رسک مینجمنٹ کا مقصد خطرات کے بارے میں بہتر فیصلے کرنا اور کمپنی کے مقاصد کے حصول میں مواقع کو زیادہ سے زیادہ اور منفی اثرات کو کم سے کم کرتے ہوئے خطرات کو موثر طریقے سے منظم کرنے اور ان کا جواب دینے کے لیے عمل ترتیب دینا ہے۔

کمپنی کے نتائج کو متاثر کرنے والا کاروباری ماحول

پاکستان کو موسمیاتی تبدیلی کی وجہ سے خشک سالی، سیلاب، لینڈ سلائیڈنگ، سمندری طوفانوں جیسے انتہائی موسمی حالات کا سامنا ہے۔ موسمیاتی تبدیلی کے اثرات کا نتیجہ آپریشنز کی لاگت میں اضافہ اور مخصوص مقامات پر آنے والے سیاحوں کی تعداد میں کمی کی صورت میں نکلتا ہے۔ بنیادی عوامل جس سے مستقبل میں کمپنی کی ترقی، کارکردگی اور کاروباری حیثیت متاثر ہو سکتی ہے درج ذیل ہیں۔

☆ پیشہ ورانہ آپریٹرز کا فقدان

☆ معاشی غیر یقینی صورتحال

☆ سیاسی عدم استحکام

☆ ناقص انفراسٹرکچر

☆ گرانے اور سفر کے اخراجات میں اضافہ

مستقبل کی پیش بینی

اسٹیٹ بینک آف پاکستان کی طرف سے پالیسی ریٹ میں استحکام اور افراط زر کے دباؤ میں نرمی اور آئی ایم ایف کے پروگرام سے مالی سال 2026 کیلئے سازگار معاشی ماحول میسر آئے گا۔ تاہم توانائی اور فیول کے زیادہ ٹیئرف سے گھرانے کی آمدن پر منفی اثرات مرتب ہوں گے جس سے ان کی قوت خرید کم ہوگی اور سیاحتی کاروبار پر منفی اثرات مرتب ہوں گے۔

ان چیلنجز کے باوجود آپ کی کمپنی صورتحال سے بھرپور استفادہ کرنے کی پوزیشن میں ہے اور مناسب آمدن اور منافع کے ساتھ مستقبل کیلئے پرامید ہے۔ مذکورہ بالا مشکلات کے باعث کمپنی پاکستان کے آباد شہروں کے قریب نئے سیاحتی مقامات تیار کرنے پر غور کر رہی ہے جس کے نتیجے میں مقامی صارفین کے لیے سفری اخراجات کم ہوں گے۔

مستقبل میں اے کے ڈی ہاسٹیلٹی لمیٹڈ پاکستان کی معاشی خوشحالی کیلئے کردار ادا کرنے کیلئے پرعزم ہے۔ کمپنی طویل مدتی قابل بھروسہ اثاثوں میں سرمایہ کاری، صنعتی مساوات کے فروغ، کاربن کے اخراج میں کمی کیلئے پائیدار منصوبوں کو بہتر بنانے اور پانی کے تحفظ کیلئے اقدامات اٹھا کر حصص یافتہ کو شائد ارقدر فراہم کرنے کیلئے کوشاں ہے۔ ملازمین کی صحت اور سیفٹی مینجمنٹ کمپنی کی اولین ترجیح رہے گی جبکہ کمپنی ترقی کے مواقع پر سرمایہ لگا کر اپنے حصص یافتگان کے مفادات کا تحفظ بھی یقینی بنائے گی۔

پورے سال کے دوران کمپنی نے شمالی علاقوں اور ساحلی پٹی میں ہوٹل بار بزارٹ بنانے کے امکانات دریافت کرنے کیلئے مختلف جائزے لئے۔ ابتدائی تحقیق نے کمپنی کیلئے موزوں منافع بخش منصوبوں کی طرف اشارہ کیا ہے۔ کمپنی اس وقت ان منصوبوں کے آغاز کیلئے مختلف کاروباری ماڈلز کا جائزہ لے رہی ہے۔ کمپنی نے بڑے منصوبے کیلئے کراچی کے قریب پرکشش مقام کی نشاندہی کی ہے۔

مواصلات

سالانہ، ششماہی اور سہ ماہی رپورٹس ایکٹ میں درج وقت کے اندر حصہ یافتگان کو ارسال کی جاتی ہیں۔ کمپنی کی ویب سائٹ www.akdhospitality.com موجود ہے جہاں کمپنی کی سرگرمیوں، مالیاتی رپورٹس اور نوٹس / اعلانات کے بارے میں تازہ ترین معلومات دستیاب ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز حصہ یافتگان سے ان کی معاونت اور تمام ملازمین سے کمپنی کی ترقی کیلئے ان کی محنت اور عزم کیلئے دل سے اظہار تشکر کرتے ہیں۔

ازدخواب بورڈ آف ڈائریکٹرز

ہما خرم راشد پراچہ
چیف ایگزیکٹو آفیسر

محمد صدیق کھوکھر
ڈائریکٹر

موریہ: 4 اکتوبر، 2025

CODE OF CONDUCT

Introduction

a) *Purpose*

The Code of Conduct serves as a guiding framework for all employees, management, suppliers and stakeholders at AKD Hospitality Limited. It reflects our commitment to ethical behavior, professionalism, and respect within the hospitality industry.

b) *Commitment to ethical behavior*

At AKD Hospitality Limited, we are dedicated to fostering a culture of ethical behavior and integrity in all aspects of our operations. This commitment is central to our mission and reflects our core values.

c) *Applicability*

This Code is applicable to all employees, management and the members of the Board of Directors.

Core Principles

a) *Customers First*

- Always prioritize the comfort, safety, and satisfaction of our customers.
- Respond promptly and effectively to customer inquiries and concerns.

b) *Integrity and Honesty*

- Conduct all business dealings with honesty and transparency.
- Avoid conflicts of interest and disclose any potential conflicts immediately.

c) *Respect and Fairness*

- Treat all customers, colleagues, and partners (suppliers) with dignity and respect, regardless of their background.
- Promote a diverse and inclusive environment.

d) *Accountability*

- Taking responsibility for actions and decisions

e) *Excellence*

- Striving for Highest Quality in our work

Compliance with Laws and Regulations

- Adhere to all local, state, and federal laws governing the hospitality industry.
- Stay informed about regulations related to health, safety, and labor standards.
- Reporting violations or suspected violation to the law
- Seek guidance from guidelines prepared by legal and compliance department

Conflict of Interest

- A conflict of interest occurs when an individual's personal interests —whether financial, familial, or otherwise— which could potentially interfere with their professional responsibilities and obligations to the organization. It can lead to biased decision-making and undermine trust within the workplace.
- Employees and Directors should disclose the conflict of interest and seek review and approval ensuring transparency, and refrain from being the part of decision making or influencing the professional judgement of others.

Confidentiality

- Protecting confidential information is crucial for maintaining the integrity, trust, and success of any organization.
- Do not share personal information of customers, employees and all stakeholders without their consent.
- Do not share company's secret information and documents

Sustainability and Environmental Responsibility

- Commit to sustainable practices that minimize environmental impact.
- Encourage customers and employees and suppliers to participate in eco-friendly initiatives.

Fair Dealing

- Commitment to fair competition and ethical practices.
- Prohibition against bribery, corruption, and unethical conduct in business dealings.

Respect in the Workplace

- Commitment to a diverse and inclusive workplace.
- Prohibition against harassment, discrimination, and retaliation especially compliance with Protection against harassment of women at workplace Act.
- Encouragement of open communication and collaboration.

Professionalism

- Maintain a professional demeanor at all times, including appropriate attire and behavior.
- Foster a positive work environment through teamwork and collaboration.

Health and Safety

- Prioritize the health and safety of customers and employees by following established safety protocols.
- Report any hazards or unsafe conditions immediately.

Responsiveness to Feedback

- Encourage and welcome feedback from customers and employees to improve our services.
- Address complaints and suggestions promptly and constructively.

Alcohol and Substance Use

- Follow company policies regarding the prohibition of alcohol service and consumption.
- Maintain a drug-free workplace and report any violations.

Corporate Social Responsibility

- The Company is Committed to ethical business practices that consider social, environmental, and economic impacts.

- By providing employment and education encourage local community involvement with the company to achieve its sustainability efforts.

Whistleblowing

- Employees are encouraged to report any suspected violations of this Code of Conduct to their supervisor and Head of Internal Audit Department by email Complain@akdhospitality.com or WhatsApp 03322244396.
- All the stakeholders are encouraged to report violation of the Code of Conduct to the Head of Internal Audit.
- Whistleblower protections will be provided to ensure confidentiality and prevent retaliation.

Harassment of Women at Workplace

- Employees and associates (including suppliers) are encouraged to report any suspected of Harassment of Women to:
 1. Immediate supervisors,
 2. HR department (0333-8867074), or
 3. HR & Remuneration Committee of the Board (hrcommittee@akdhospitality.com)
- Whistleblower protections will be provided to ensure confidentiality and prevent retaliation.

Commitment to Continuous Improvement

We strive for excellence in all aspects of our operations and will regularly review our Code of Conduct to ensure it aligns with best practices in the hospitality industry.

Conclusion and Acknowledgement

Each Employee should acknowledge their understanding and commitment to the Code of Conduct. By adhering to this Code of Conduct, every member of AKD Hospitality Limited contributes to a culture of integrity, respect, and excellence, ensuring a positive experience for our customers and a fulfilling workplace for our employees.

SUSTAINABILITY

The Company has adopted almost all relevant Sustainable Development Goals in its strategic planning and have prioritized our actions and goals where our business activities will have biggest impact.

Goal	What it means to us	Examples of our contribution
 End Poverty and Hunger in our localities	We work to alleviate all kinds of poverty in our area of operations by employment, partnership and education	We plan to work in partnership with communities to create business opportunities. Helping and educating communities to work to improve environment while generate livelihood and food for themselves.
 		
 Ensure healthy lives and promote wellbeing	We aspire to provide a safe working environment to all our employees and guests and to provide them access to facilities and activities to improve their well being	Our dedicated HSE function ensures that our operations comply with the best practices of Occupational Health, Safety and Environment. Promote healthy activities at our facilities to enhance wellbeing of our guests and employees
 Gender equality and empower Women and Reduce Cast and Class inequality	We desire to provide fair opportunities to both women and men from all casts and background, create equal opportunities and provide equal compensation to all.	We take pride in being an equal opportunity employer and we promote gender diversity at all the levels. We provide same opportunities with equal compensation and benefits to our employees regardless of gender, class and cast background. We have women representation at all levels including Senior Management and the Board of Directors. We have policies in place that promote harassment-free work place for our female employees.
		

6 CLEAN WATER AND SANITATION 	Ensure availability and Sustainable management of water and sanitation for all	To embed the ideology of water conservation in our business strategies in order to conserve the natural capital for a sustainable future	We believe water is a valuable resource in our industry and will ensure optimum use of water through recycling for gardening, foresting, and other purposes. We plan to ensure that water resources are not contaminated by our activities.
7 AFFORDABLE AND CLEAN ENERGY 	Renewable, sustainable clean energy	Maximum use of clean energy at the Company's facilities.	We plan to generate maximum energy using solar and wind power sources at our facilities
8 DECENT WORK AND ECONOMIC GROWTH 	Decent Work Environment and Growth for Staff	The Company intends to provide Decent Work Environment for all Class of employees and ensure their growth	Plant to provide ethical and vocational training to all staff Regular assessment of performance for the growth of employees
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Innovation with Ecofriendly and healthy activities	Identification of potential business opportunities using innovative business ideas and plans	We strive to provide innovative ecofriendly and healthy recreational activities at our facilities
11 SUSTAINABLE CITIES AND COMMUNITIES 	Promote inclusive and sustainable communities	We aim at ensuring sustainable growth for all stake holders including local communities	Work with local communities and staff and guests for the improvement of natural beauty and carrying out ecofriendly activities
13 CLIMATE ACTION 	Aiming to be Carbon negative company	We aim at taking action to positively affect climate through our activities	By applying principals of clean energy, recycling and plantation in our facilities and surrounding area we aim to positively influence climate through our activities.
14 LIFE BELOW WATER 	Conserve and Sustainably use water resources	Zero marine and river pollution	The company plan to eliminate the disposal of waste water through recycle and reuse.
15 LIFE ON LAND 	Conserve all forms of life on land	Protecting and restoring ecosystems & biodiversity, sustainably managing forests	The Company plans to restore the ecosystems and bio diversity at or around facilities by building lakes, forest, plantations suitable for inhabitation of animals and birds.

Environment Social and Governance (ESG)

ESG is a system for measuring the sustainability of a company in three specific categories: environmental, social and governance. It has developed into a broad framework that addresses key aspects including environmental and social impact, as well as how governance structures can be changed to enhance stakeholder well-being. We believe unwaveringly that stakeholder value maximization in Hospitality Business is only possible on a long-term basis by implementing best-in-class ESG protocols and therefore, ESG remains a key dimension in our strategic decision making. Alongside on the path to growth, we also continue upon our journey of Excellence and building Enterprise of the Future, by delivering on our Environment Social and Governance agenda.

E in ESG refers to the environmental aspects of a Company's operations and practices. It involves evaluating how a company interacts with and impacts the natural world. Sustainability revolves around the environment, which has been integrated into corporate values. The Company duly complies with the environmental laws and is continuously working to improve the environmental management system.

S in ESG stands for the social aspects of a company's actions. This involves how the company treats its employees, communities and other stakeholders. The Company aims to prioritize the health, wellness and education of people, and promotes a healthy work-life balance for its associates. The Company's social responsibility is fulfilled by following relevant laws and guidelines and by managing its social, economic and environmental impact effectively.

G in ESG relates to the governance structure, policies, and practices that guide a company's decision-making processes. At AKD Hospitality Limited, effective governance ensures accountability, transparency, and ethical behavior throughout the Company. Our Board of Directors oversees strategic direction and management, ensuring decisions benefit all stakeholders. We uphold high standards of integrity through robust internal controls, risk management and regulatory compliance. Our comprehensive policies prevent conflicts of interest, promote diversity and inclusion and ensure fair treatment. By maintaining open and honest communication with shareholders, we build trust and achieve sustainable long-term growth.

ESG DISCLOSURES We recognize the critical importance of ESG factors in shaping our business future. The Company is committed to ESG principles not only to underscore our dedicated corporate citizenship but also positions us to create long-term value for all our stakeholders.

ESG reporting provides us with a competitive advantage by attracting and retaining investors, customers and employees who are increasingly interested in working with companies that prioritize sustainability. By fostering the culture of transparency we build trust with our stakeholders and empower investors to make informed decisions about their engagement with our company.

Our ESG initiatives help us identify new opportunities for innovation and growth, enabling us to develop products and services that meet the needs of sustainable market. Through this we aim to achieve operational efficiency, cost reduction and negative carbon and positive environment footprints.

ADOPTION OF SECP'S ESG GUIDELINES We have voluntarily adopted the SDGs. This section outlines our key ESG performance indicators reported during the year, reflecting our commitment to voluntary guidelines set by SECP. Together, we strive to achieve a positive impact on society and the environment while driving sustainable growth for the Company.

ROLE OF THE BOARD

To strengthen governance around sustainability, the Board, during the year, has assumed additional responsibilities for sustainability related to actively review of ESG performance, assessment of compliance with emerging regulations and alignment with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the holistic adoption of new sustainability related IFRS (S1 and S2) in upcoming years.

FOUR PILLARS APPROACH TO ESG (Governance, Strategy, Risk Management, Metrics & Targets)

1. Governance

Our Board of Directors, with its diverse mix of independent, non-executive and executive members, provides strong oversight and strategic direction to the Company. We evaluate every decision through the lens of long-term value creation, balancing risks with opportunities to ensure sustainable growth.

We see ESG not as an obligation, but as a pathway to resilience and leadership. The Board is committed to reducing our carbon footprint, advancing renewable energy to the available extent, working for environment and climate improvement, protection of wild life and biodiversity, managing resources responsibly and promoting diversity, employee welfare and community well-being. These priorities are deeply embedded in the way we conduct business.

Robust governance remains central to our approach. The Board has adopted ESG Framework and Policies during the year. The Board also quarterly review the performance report on sustainability.

2. Strategy

We believe that true sustainability can only be achieved when operations are fully aligned with ESG principles. Our strategy focuses on negative carbon footprint and environment friendly operations through environmental initiatives, energy efficient solutions, recycling and reusing of waste in environment friendly manner, and water conservation. These priorities are embedded across our operations to balance growth with responsibility and create lasting impact. Further actions are outlined in the Environmental portion of this report.

3. Risk Management

We operate under a comprehensive risk management framework designed to address key risks, including those arising from environmental and social factors. With established risk management methodologies, we strengthen strategic decision-making and safeguard shareholder value. A detailed discussion is presented in the Sustainability Risk and Opportunity disclosures in next section.

We are committed to setting measurable ESG goals and tracking progress with transparency. On a voluntary basis, we have adopted few metrics and targets in line with SECP guidelines. This indicates our commitment to embed sustainability across every aspect of our business.

Sustainability Risks and Opportunities

Sustainability Risks and Opportunities

For the Company Sustainability Risk include climate, resource use, labor challenges, and governance failures. The Opportunities including cost savings, eco-tourism growth, stronger guest loyalty, green financing, and global reputation far outweigh the risks if companies adopt proactive strategies.

Risk - Opportunity Matrix

Sustainability Area	Key Risks	Opportunities	Priority
Energy & Climate	Rising energy costs, stricter carbon regulations, climate disruptions (e.g., extreme weather affecting operational locations).	Cost savings via energy efficiency; renewable energy adoption; market differentiation as a “climate-resilient” hospitality brand.	● High
Water Management	Water scarcity in tourist destinations; higher costs of utilities; guest dissatisfaction if shortages occur.	Position as a “water-smart” facilities; guest engagement in conservation;	● High
Waste & Food Systems	High food waste; single-use plastics bans; landfill disposal restrictions.	Cost reduction via waste minimization; partnerships with food donation programs; eco-labeling (Green Key, Earth Check).	□ Medium
Employee Welfare	High turnover, poor working conditions, safety incidents; shortage of skilled staff.	Stronger employer brand; improved guest satisfaction; lower recruitment costs through retention.	● High
Diversity & Inclusion	Legal risks and reputational damage if inclusivity is neglected; lack of cultural sensitivity in diverse markets.	Attract and retain diverse talent; appeal to nation-wide travelers; enhance brand reputation.	□ Medium
Guest Health & Safety	Health outbreaks (e.g., pandemics), hygiene lapses, fire and safety incidents.	Enhanced trust, guest loyalty, premium positioning through robust safety & hygiene protocols.	● High

Sustainability Area	Key Risks	Opportunities	Priority
Community Relations	Over-tourism backlash; failure to support local communities; cultural exploitation risks.	Positive brand reputation; local sourcing; authentic cultural experiences for guests.	Medium
Data Privacy & Cybersecurity	Guest data breaches; cyberattacks.	Competitive advantage as a “secure hospitality” operator; increased guest trust.	High
Ethics & Compliance	Bribery, corruption, and unethical supplier practices leading to reputational and legal risks.	Strong governance reputation; investor confidence; preferred partner for global travel companies.	High

Environment, Social and Governance (ESG) Metrics

Environmental Metrics

Metric	Statement
GHG Emissions	Scope 1: Zero Scope 2: 1 ton CO ₂ Scope 3 1 ton CO ₂
Emissions Intensity	Our emissions intensity is zero per output unit , reflecting a clean operation.
Energy Usage	Direct Use of energy 1500 kwh Indirect Use of Petrol 500 litres
Energy Mix	We are planning to go for renewable energy for our projects
Water Usage	1000 USG Consumed in the year.
Environmental Operations	The Company has a formal environmental policy , with responsible waste, water, energy, and recycling policies , ensuring maximum reuse and minimal waste .
Environmental Oversight (Climate-related risks)	The Board actively oversees climate-related risks and ensures long-term sustainability.
Environmental Oversight (Other sustainability issues)	Our leadership also oversees all sustainability-related issues , integrating them into strategy.
Sustainable Sourcing	The Company has a sustainable sourcing policy ensuring responsible procurement.

Social Metrics

Metric	Statement
Gender Pay Ratio	Median Male: Female 2: 3
Employee Turnover	25% change of full-time workers.
Gender Diversity	Total female directors 2 Total Male directors 5
Non-Discrimination	The Company has policies for harassment of women at work, Diversity Equity and Inclusivity There is confidential grievance resolution mechanism under supervision of a female director
Global Health & Safety	The Company uphold a comprehensive health & safety policy .
Child & Forced Labor	We maintain a strict prohibition of child and forced labor , extended to all suppliers and vendors.
Corporate Social Responsibility	We are committed to partner with communities in our business activities.
Working Conditions	During the year no complaint was filed by employees regarding working conditions
Injury Rate	Zero injuries recorded.

Governance Metrics

Metric	Statement
Board Diversity	Board Seats Occupied by Men 71.43% Board Seats Occupied by Women 28.57% Committee Chairs Occupied by Women 33%
Board Independence	CEO and Chairperson are different persons Total Board Seats Occupied by Independent Directors 28.6%
Data Privacy and Protection	The company has formal data privacy and protection policy approved by the Board.
Ethics and Anti-Corruption	The Company has Code of Conduct and Whistle-blower policy dealing with ethics and Anti-Corruption 100% of our employees are compliant with Code of Conduct.
Sustainability Reporting	Relevant information is reported in this annual report
Disclosure Practices	The Company focuses of specific UN Sustainable Development Goals (SDGs) mentioned in Sustainability section of this report

Approaches and Strategies for Risk Management

The Company has identified following risks, strategies for risk management and resulting opportunities from better management.

1. Environmental Risks & Opportunities

Key Risks:

- Rising energy and water costs due to scarcity.
- Water scarcity in tourist destinations.
- Climate change (extreme weather, coastal erosion, seasonal disruption).
- Guest expectations for “green stays” not being met.
- Regulatory and Social pressure on carbon emissions, plastics, and waste.

Strategies & Approaches:

- Conduct **climate risk assessments** for properties (e.g., flooding, heat).
- Implement **energy efficiency measures**: smart HVAC, LED lighting, renewable energy.
- Reduce **water consumption per guest-night** via low-flow fixtures and reuse programs.
- Set **food waste reduction targets** with composting/donation systems.
- Measure and disclose **carbon footprint**, with science-based reduction goals.

Opportunities:

- Lower operating costs through efficiency.
- Attract eco-conscious travelers with sustainable branding.

- Access green and ethical financing and sustainability-linked loans.

2. Social Risks & Opportunities

Key Risks:

- High employee turnover and labor shortages.
- Shortage of skilled staff.
- Workplace conditions, safety and health incidents.
- Cultural insensitivity or community backlash from tourism.
- Guest dissatisfaction over hygiene, inclusivity, or accessibility.

Strategies & Approaches:

- Offer **fair wages, safe working conditions, and staff wellbeing programs**.
- Strengthen **diversity, equity & inclusion (DEI)** in hiring and leadership.
- Invest in **continuous staff training** (languages, hospitality, sustainability awareness).
- Enhance **guest health & safety protocols** (hygiene, emergency preparedness).
- Build **community partnerships**: source locally, showcase local culture.

Opportunities:

- Strong employer brand → attract and retain top talent.
- Happier, healthier workforce → improved guest service.
- Enhanced guest satisfaction and loyalty through inclusivity and local experiences.
- Positive reputation as a socially responsible hospitality brand.

3. Governance Risks & Opportunities

Key Risks:

- Bribery, corruption, or unethical supply chain practices.
- Cybersecurity risks (guest personal and payment data).
- Poor transparency → loss of trust from investors and guests.
- Weak ESG oversight leading to reputational damage.

Strategies & Approaches:

- Adopt a **Code of Conduct** for employees and suppliers.
- Establish **Board-level ESG oversight** with regularly reporting.
- Strengthen **data protection and cybersecurity**

- Annual **sustainability Metrics and Target Report** (aligned with SECP Guidelines).
- Engage stakeholders (guests, staff, investors, communities) in ESG planning.

Opportunities:

- Increased trust and loyalty from investors, partners (suppliers), and guests.
- Access to ESG-focused funds and partnerships.
- Competitive advantage through **transparent reporting**.
- Long-term resilience and stronger governance reputation.

GOVERNANCE

The term 'Governance' refers to a system of Company's management that focuses on responsibility, transparency and sustainable value creation. It encompasses the management and monitoring system of the Company, including its organization, business principles and guidelines as well as internal and external controls and monitoring mechanism.

The Board of Directors is ultimately responsible for organizing and monitoring of the Company's operations. The duties of the Board are partly exercised through Audit Committee, Human Resource and Remuneration Committee and Risk Management and Sustainability Committee. In addition, the Board is responsible to appoint the Chief Executive Officer ("CEO") of the Company. The CEO is in charge of the daily management of the Company in accordance with guidelines and instructions provided by the Board.

Division of responsibilities and duties between the shareholders, the Board, the CEO, and the Chairperson are regulated inter alia by the Companies Act, 2017, the Company's Articles of Association and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019").

1. Shareholders and General Meetings

Shareholders

As on June 30, 2025, the Company had 715 shareholders according to the share register. The Company's share registrar is C&K Management Associates (Private) Limited.

Investors' Grievances / Feedbacks

The Company believes in protecting the interest of its investors. It acknowledges its responsibility to inform shareholders, analysts and investors timely and fully about material developments that are relevant to the Company, its management, operations and financial situation as well as its future prospects. The policy is devised to establish guidelines for communicating with shareholders, analysts, investors and other stakeholders for their understanding of entity's business, governance, financial performance and prospects. A well-defined structure for governance and management which provides specific authority and responsibility for policy implementation is in line with the policy. Further, policy ensures that grievances notified by the shareholders are handled and resolved efficiently; and record is maintained along with respective actions taken for resolution.

Company Secretary has been designated as the person responsible for handling investor grievances and feedbacks. The mechanism is summarized below:

- A designated email address has been created namely investor.relations@akdhospitality.com to facilitate investors in submitting their queries, grievances and feedbacks.
- In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary at the registered office of the Company.
- All queries, grievances and feedbacks are resolved and communicated to the investors on timely basis after due verification procedures.
- During the year, the Company did not receive any investor complaints. As a result, there were no issues to address or resolve, reflecting a period of smooth operations and satisfaction among investors.

Stakeholders' Engagement Policy, Process and Identification

The stakeholders' expectations are carefully understood by the Company and responded to as a responsible corporate citizen. The engagement serves the purpose to actively engage with stakeholders, know their expectations, build a relationship with them and respond appropriately with the aim to win their loyalty with the Company. By engaging stakeholders effectively, Company can build trust, manage risks, enhance their reputation, and foster long-term sustainable relationships. This, in turn, can lead to better decision making, improved performance, and the creation of shared value for both the Company and its stakeholders.

The engagement process starts with the identification of stakeholders. The Company defines stakeholders as those who are potentially affected by the Company's operations or who have an interest in or influence on the Company's business. Stakeholders are identified and then prioritized on the basis of nature of relationship, influence, responsibility, dependency, proximity and willingness & ability to engage. Consultation is then carried out with the identified stakeholders to gain input on topics which are of interest to stakeholders or which can significantly affect us.

General Meeting of Shareholders

After every three years of shareholders elect in AGM the Members of the Board. The Board of Directors convenes the EOGM if they consider any matter requiring the approval of Company's shareholders in general meeting, or if the shareholders who control one tenth shareholding demand in writing, for the consideration of a certain issue.

The Annual General Meeting (AGM) decides on, among other things, the adoption of the financial statements contained therein and the distribution of profits. In addition, the AGM decides the appointment of external auditors and their remuneration. The AGM, furthermore, may decide on, amendments to the Articles of Association, share issues, etc. as required by laws and regulations prevailing in the country.

AKD Hospitality Limited's Annual General Meeting was held on October 28, 2024 in Karachi. The shareholders adopted inter alia the following resolutions:

Ordinary Business

- That the Minutes of Annual General Meeting held on October 25, 2023 be and are hereby confirmed.
- That the Audited Annual Financial Statements for the year ended June 30, 2024 together with the Chairperson's Review, Directors' and Auditors' Reports thereon be and are hereby adopted.
- That the retiring Auditors M/s. Riaz Ahmad & Co., Chartered Accountants being eligible, be and are hereby re-appointed as Company's Auditors for the year ending June 30, 2025 as recommended by the Audit Committee and Board of Directors for an audit fee equivalent to approved in previous Annual General Meeting.

Special Business

That the approval be and hereby given to allow the Company to circulate the audited financial statements along with directors' report etc. ("collectively called annual report) to its members / shareholders through Quick Response (QR) enabled code and web-link instead of through CD/DVD/USB in accordance with the S.R.O. 389(1)/2023 dated March 21, 2023

Issues Discussed in Last AGM

The overall performance of the Company including Company's growth, industry growth, future prospects, etc. were discussed by the shareholders.

Encouraging Minority Shareholders to Attend General Meetings

The Company values all shareholders equally and consider them an integral part of the Company. The Company sends the notice of general meetings to all shareholders in addition to the notice being published in Urdu and English newspapers. Further, to make attending general meetings more accessible, the Company offers the option of attending in person or remotely through virtual meeting platforms. This allows minority shareholders who are unable to attend physically to participate and contribute their views and opinions. The Company ensures that there is dedicated timeslot for questions and answers session in its general meetings so that the minority shareholders, in particular, can engage with the Board of Directors, and raise any queries that they may have with regards to the Company's performance. This encourages a healthy attendance from the minority shareholders in the Company's meetings.

Corporate Briefing Session

In compliance with PSX requirements, the Company conducted Corporate Briefing Session on December 02, 2024. The briefing was well attended by analysts and shareholders. The Chief Financial Officer (CFO) of the Company presented financial results, analysis, future prospects and challenges. CFO and Company Secretary also discussed all the queries raised by participants at a great length.

For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our website link: <http://akdhospitality.com/Media.aspx#CBS>

2. Board of Directors

The Board's Responsibilities

The Board of Directors is responsible for the appropriate arrangement of the Company's administration and operations. The Board consists of minimum of seven members elected by a General Meeting of shareholders. The Board elects a Chairperson among its members. The Board's tasks and responsibilities are determined primarily by the Companies Act, 2017, the Company's Articles of Association, the Code 2019 and other legislation and regulations applicable to the Company. It is the responsibility of the Board of Directors to act in the interests of the Company and all of its stakeholders.

The Board responsibilities include but are not limited to:

- devise overall corporate and business strategies and gives direction to the Company's management;
- oversee the performance of the management periodically;
- ensure that professional standards and corporate values are put in place in the form of Code of Conduct;
- define and review vision and mission of the Company and evaluate performance there against;

- ensure that the system of corporate governance exist;
- review the internal controls and risk management policies and approve its governance structure and code of conduct;
- recommend the matters to be dealt with by a General Meeting and to ensure that the decisions made by a General Meeting are appropriately implemented;
- approve policies, business agreements, investments decision and declaration of dividend, etc.;
- direct and supervise the Company's executive management;
- appoint and dismiss the CEO, decide CEO's remuneration and other benefits;
- monitor the financial reporting process and the efficiency and strength of the Company's internal control, internal auditing and risk management and compliance systems; and
- responsible for succession planning, ensuring a smooth transition of leadership within the Company. It identifies and develops potential successors for key positions, including CEO and other executive roles.

The Board discharges its responsibilities through their meetings including quarterly meetings which include approval of budgetary planning and business strategy. The Directors' main role is to ensure that key management is working towards the Company's goal in a way that benefits both the Company and its shareholders. The Board has constituted various committees for the performance of their functions.

Decisions and matters taken by the Board and delegated to management for execution

The Board of Directors holds the ultimate authority within the Company and carries out its duties and responsibilities in line with relevant laws. The Directors' main role is to ensure that key management is working towards the Company's goals in a way that benefits both the Company and its shareholders.

The implementation of Board's approved strategies falls primarily to management. This responsibility encompasses routine business activities, including short-term investments, contractual agreements for sales and purchases, policy enforcement, treasury management, taxation matters, litigation, and stock management. Management must perform these tasks effectively and ethically, adhering to the strategic objectives and goals set by the Board, while also identifying and managing key risks and opportunities that may affect the Company.

Management is also tasked with keeping the Board informed about any changes in the business environment. Moreover, under the supervision of the Board and its Audit Committee, management is responsible for preparing financial statements that accurately reflect the Company's financial status in compliance with relevant accounting standards and legal requirements.

Composition of the Board of Directors

The General Meeting confirmed that the Board of Directors shall have seven members.

The profile of Members of the Board is presented in Board of Directors part of this report.

Directors' Qualification

The Board members have diversified experience and are qualified professional. They are well conversant of the laws and business practices in Pakistan. They have ample experience from various sectors and brought in their expertise and knowledge to the Company. They are also well aware of the importance of mandatory trainings and evaluation as per the Code 2019.

Roles and Responsibilities of Chairperson

The Chairperson's role is primarily to guide long term strategic planning for the Company including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board;
- Defining the Company's philosophy and objectives;
- Safeguarding shareholders' interest in the Company;
- Responsible for building the Company's image;
- Ensuring the appropriate recording and circulation of the minutes of the meeting to the Directors and officers entitled to attend Board meetings;
- Overseeing the Company's macro approaches and public relations in the broad sense, including its relations with public organization and other companies; and
- Commitments and de-commitment of strategic investments.

Conflicts of Interest

Directors have a duty to avoid a situation in which they have or can have a direct or indirect interest which conflicts, with the interests of the Company. In this regard, the directors have undertaken that they will comply with the related provisions of the Companies Act, 2017, the Code 2019, and rules and regulations of SECP and stock exchange and Company's Code of Conduct.

Board's Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon.

External Evaluation of the Board's Performance

The Company relies solely on its internal mechanisms to evaluate the Board's performance, choosing not to involve external experts.

Remuneration of the Board of Directors.

The Board has an approved formal policy for remuneration of executive and non-executive directors. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition by them.

The Company does not pay any remuneration to independent directors except fees for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors is approved by the Board, as recommended by the Human Resource and Remuneration Committee.

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code 2019, it is ensured that directors do not take part in deciding their own remuneration.

For information on remuneration of directors and CEO in 202-2025, please refer to the financial statements.

Formal Orientation at Directors' Induction

Every director upon joining is provided with an orientation presentation. CEO briefs new directors about the Company operation, industry dynamics, organization structure and other significant matters.

Board Meetings

There were four Board meetings held during the year. All of them were held inside Pakistan.

Independent Directors

Mr. Muhammad Siddiq Khokhar and Ms. Uzma Paracha are serving as independent Directors. They meet the criteria of independence as notified under Companies Act, 2017 and the Code 2019.

Representation of Female Director on the Board

The Company is fully compliant to the requirement of the Code 2019 to have at least one female member on Board. The Company has two female directors.

3. Chief Executive Officer (CEO)

The CEO handles the operational management of the Company in accordance with direction set by the Board. She is responsible to the Board of Directors for fulfilling the targets, plans and goals that the Board sets. The CEO is responsible for ensuring that the Company's accounting is in compliance with the law and that financial management has been arranged in a reliable manner. The CEO forms the Management Teams and delegates to its members the necessary powers for carrying out their responsibilities.

The CEO is responsible for reporting the Company's performance to the Board of Directors. She is also responsible for all matters pertaining to the operations of the Company under direction of the Board of Directors.

CEO Performance Review

The performance of the CEO is formally appraised through the evaluation system which is based on achieving quantitative and qualitative targets, set at beginning of the year. It includes performance of the business, accomplishment of objectives with reference to profits, organization building, succession planning and corporate success. The Human Resource and Remuneration Committee appraise the performance of CEO along with the determination of remuneration which is then recommended to Board for their approval, on annual basis.

4. Committees of the Board

To ensure objective control, the Board has established Audit Committee and, Human Resource and Remuneration Committee and Risk Management and Sustainability Committee to oversee relevant areas of the Company's operations.

Audit Committee

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The Committee consists of three members. All members of the Committee are non-executive directors. Two members including Chairperson of the Committee are independent directors.

The detailed Charter of the Audit Committee is developed in accordance with the Code 2019 as contained in the listing regulations of the stock exchange which is summarize below:

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- (c) review of preliminary announcements of results prior to publication;
- (d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- (e) review of management letter issued by external auditors and management's response thereto;
- (f) ensuring coordination between the internal and external auditors of the Company;
- (g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- (h) consideration of major findings of internal investigations and management's response thereto;
- (i) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- (k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (l) determination of compliance with relevant statutory requirements;
- (m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- (n) oversight of risk management; and
- (o) consideration of any other issue or matter as may be assigned by the Board of Directors.

The Audit Committee has reviewed the quarterly, half yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendations of the internal auditor.

Report of the Audit Committee is annexed with this report.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in Company's human resource policies and procedures and their periodic review.

The Committee consists of three members; all members are nonexecutive directors. The Chairperson of the Committee is female independent director.

The Committee is responsible for:

- carry out annual evaluation of the Board of Directors performance;
- recommending human resource management and remuneration policies to the Board;
- recommending to the Board the selection, evaluation, compensation and succession planning of the CEO; and
- recommending to the Board the selection, evaluation, compensation of CFO, Company Secretary and Head of Internal Audit.

Risk Management and Sustainability Committee

The Board is assisted by risk management and sustainability committee for overseeing the implementation of risk management and sustainability policies and controls, identifying the risks faced by organization, and developing risk mitigating strategies. The committee has directors from diverse representation from different area of expertise including economics, financial analysis and financial and operational risk management.

To strengthen governance around sustainability, the Board, during the year, has assigned the Risk Management Committee with additional responsibilities of sustainability related matters. This expanded mandate reflect our intent to imbed sustainability into core of our decision-making processes. The Committee will actively review ESG performance, assess compliance with emerging regulations and ensure alignment with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the holistic adoption of new sustainability related IFRS (S1 and S2) in upcoming years. This governance enhancement reinforces our commitment to transparency, accountability and long-term value creation.

The Committee is responsible for:

- Oversight of Capital, Liquidity and Funding Planning
- Review and recommend for the Board's approval annually (and when material changes are proposed) the Company's Global Risk Management Principles, including the Risk Appetite Statement. Approve or recommend for the Board's approval the Company's significant risk governance, risk management and risk assessment guidelines and policies, as appropriate.
- Oversee the Company's risk identification framework, including emerging risks and regulatory matters related to the Committee's authority.
- Oversee the Company's process and significant policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established limits.

- Review significant risk management regulatory reports and findings of regulators, as applicable to the mandate of the Committee, including management's remediation plans and progress against such plans.
- Oversight of the Chief Risk Officer and Risk Management Function
- Coordination with Management and Other Board Committees on the matters relating to the responsibilities of the committee.

5. Auditors

The Company's auditor is an auditing firm which fulfills general competency requirements and also complies with relevant legal independence requirements guaranteeing the execution of an independent and reliable audit. They are also compliant with the Code 2019 and other applicable laws and regulations. The performance, cost and independence of the external auditor is reviewed by the Audit Committee and recommended to the Board. The auditor is elected in Annual General Meeting to audit the accounts for the financial year and the auditor's duties ceases at the close of the subsequent Annual General Meeting. The auditor's duty is to audit financial statements and give reasonable assurance that the financial statements give a true and fair view of the Company's operations and result as well as its financial position. The Company's auditor presents the audit report required by law to the Company's shareholders in connection with the annual financial statements and reports regularly to the Board of Directors.

6. Compliance and Integrity Management

All directors and associates are required to comply with all applicable laws and regulations.

Governance of Risk and Internal Controls

The Company has various policies pertaining to governance of risk and internal controls, approved by the Board of directors. These include but not limited to related party transactions, gender equality and integration, whistle blowing etc. Such policies are implemented rigorously to ensure smooth business operations at all levels.

Code of Conduct

The Code emphasizes on honesty, integrity and openness in conduct of Company's operations. It strictly abides all stakeholders to follow the laws and regulations. It also promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights and grievance, fraud, etc. The Code guides interactions with all stakeholders, including customers, employees, suppliers, shareholders and partners.

The Code is disseminated to all associates and is placed on Company's website as part of this annual report. It is reviewed annually and any changes therein are approved by the Board.

The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. An open dialogue is promoted on integrity with a formal "Whistle Blowing Policy". The associates of the Company are encouraged to report their views on bad processes and unethical practices through such policy.

These mechanisms are part of the complaints procedure and are described in our Code of Conduct. During the year, no alleged breaches of the Code of Conduct were reported.

Records Retention and Safety Policy

The Company is striving to become paperless in coming years through digitalization of records. The Company has an efficient Record Management System to safeguard records of the Company from the time such records are conceived through to their eventual disposal.

Record management policy covers several aspects which include:

- Having Centralized Record Room with proper shelves, fire resistant lockers, etc.;
- Centralized electronics record facility;
- Retention of electronic mail policy;
- Compliance on Records Retention Policy;
- Records retention period;
- Mode of retention; and
- Records disposal.

Whistle Blowing Policy

The Company values an open dialog on integrity and responsibility with its associates. The Company is committed to provide a fair environment to its employees. The Company investigates all alleged breaches of Code of Conduct and applies appropriate measures when complaints turn out to be substantiated. The associates of the Company are encouraged to report their views on processes and practices to their manager. These reporting mechanisms are part of the complaints procedure and are described in our Code of Conduct.

This policy applies to recruitment and selection, terms and conditions of employment including pay and benefits, communications, training, promotion, transfer and every other aspect of employment.

Violations reported through the whistle blower procedure are investigated by internal audit function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Company function and the status of any investigation. During the year, no alleged breaches of the Code of Conduct were reported.

Protection of Women against Harassment at Work

Associates may report harassment concerns directly to the Manager Human Resources, who serves as the Competent Authority or by email to, hrccommittee@akdhospitality.com.pk, the HR and Remuneration Committee appointed by the Board. This designated body oversees the reporting, investigation, and resolution of all harassment allegations in strict accordance with legal obligations and company policy. Our reporting framework provides multiple accessible channels to ensure that complaints are handled transparently and impartially, and that every individual involved is protected from retaliation. All reported incidents are treated with highest level of confidentiality and only authorized persons are involved and disclosures are made solely on a need to know basis. No associate will suffer any adverse consequence for making a complaint or participating in an investigation.

No such cases have been reported during the year.

Business Ethics and Anti-Corruption Measures

Our Code of Conduct states our principles for good business ethics with underlying values to conduct business operations with honesty, integrity and openness, and with respect for human rights and interest of the associates.

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc.

Stern action is to be taken against personnel found in these mal-practices. It is the responsibility of all associates to ensure that they are not engaged in practices which infringe legal or regulatory requirements. The associates are encouraged to report any infringement or suspected infringement of legal or regulatory requirements involving associates of the Company.

Related Parties

Related parties comprise of the Associated Companies and undertakings, sponsors and directors of the Company, companies in which directors are interested, key management personnel and close members of the families of the directors, sponsors and key management personnel.

The Company has an updated list of related parties and complete record as required by Companies Act, 2017 and directives issued by SECP from time to time.

Transactions with the related parties are conducted on the basis approved by the Board of Directors. Any related party transaction where majority of the directors are interested, shall be referred to the shareholders in a general meeting for ratification / approval. If a related party transaction, takes place other than on an arm's length basis, such transaction shall be approved by the Board on the recommendation of the Audit Committee, subject to the reasons to be properly recorded in minutes.

Disclosure of Directors Interest in Significant Contracts and Arrangements

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with Section 205 of the Companies Act, 2017, which also requires Directors to disclose all material interests. We use this information to help us maintain an updated list of related parties. Any conflict of interest relating to members of Board of Directors is managed as per provisions of the Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange.

All the directors are bound by applicable laws and regulations to disclose their interest in significant contracts and arrangements with the Company.

Unreserved Compliance of IFRS issued by IASB

Company's financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standard comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017.

In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

Board commitment to establish high level of ethics and compliance in the Company

Board is committed to upholding the highest standards of ethics and compliance across all levels of the Company. It prioritizes integrity, transparency, and accountability in our operations, ensuring that ethical practices are embedded in our corporate culture and decision-making processes.

RISK AND OPPORTUNITIES

In an ever challenging risk environment, our embedded approach to risk management supports the delivery of our strategic vision and priorities by ensuring decisions are made, and opportunities are pursued, with a thorough understanding of the threats we face. The Company's risk management framework drives better decision making through the proactive identification, assessment and management of the risks we face and emerging threats.

Our approach is well established and continues to evolve to meet the needs of the business and harness the input from functional management, executive leadership and the Board.

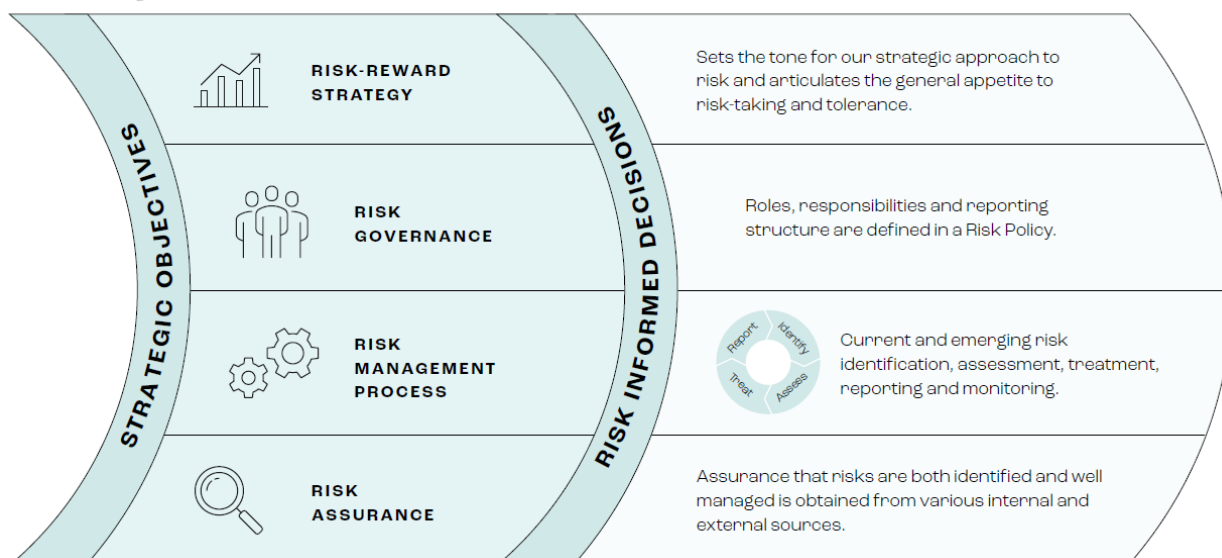
As we focus on unlocking growth from our new locations openings, our risk profile is expected to shift focus throughout 2026. As our inherent development project risk should reduce as we deliver our latest developments, addressing any threats to the growth objectives of our existing portfolio will be a priority, to ensure we deliver operating efficiency and performance.

Macroeconomic and geo-political uncertainty remains a constant driver of risk and is something that the Company demonstrated real resilience to in recent years. The significant political change across the globe in 2025 could see a pace of change in global relationships, policies, regulation and taxation throughout 2026 which could impact our markets, supply chains and operations. Resilience to challenging conditions continues to be a priority with focused cost management, dynamic pricing strategies, technology initiatives and new process efficiencies.

Horizon scanning for emerging threats remains an important part of our risk management approach. The evolution of AI is presenting many opportunities for us to improve the way we operate and meet the needs of our guests. We will embrace the use of new technologies while introducing safeguards to mitigate any associated risk.

Environment related risk is fully integrated within our risk management framework. Climate change is one of the drivers of several existing principal risks. Our Sustainability reporting section detail environment related risk.

Our risk management framework



Our risk-reward strategy

Our risk-reward strategy, which articulates our risk appetite across various business activities, is aligned to our strategic objectives. The Board has reassessed the strategy and adjusted the risk appetite for Technology change and development to Active, indicating a more proactive stance on adopting new technologies.

Risk appetite levels	Definition	Business activities	Strategic pillars and enablers
Active	We will actively seek to take calculated risks in this area in pursuit of our strategic objectives, as long as the associated benefits significantly outweigh the risk impact, and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	• Acquisitions and development opportunities • Technological change/development	Diversification of portfolio Entrepreneurial, people-oriented and creator culture to underpin growth agenda
Neutral	We will take on a limited increased exposure to risk in pursuit of our strategic objectives if the associated benefits outweigh the risk impact and the risk remains within our tolerances. We will apply appropriate safeguards when pursuing these opportunities.	• Development projects (construction) • Working with third parties • Funding • Commercial and promotional activity	Non-dilutive capital approach Destination led restaurant experience with ambitious growth plans Entrepreneurial, people-oriented and creator culture to underpin growth agenda
Averse	We will act to protect the business from increased risk exposure in these areas.	• Environmental impact • Responsible and ethical sourcing • Human rights • Operational continuity • Health and safety • Data privacy • Compliance • Financial and tax reporting • Financial control	Meaningful ESG impact for the benefit of all stakeholders Guest satisfaction – memorable and superior guest experiences

Our risk governance and risk management process

Governance		
Executive Leadership – Risk Forum • Agree the Risk Policy and Framework and formulate a risk-reward strategy (risk appetite) for proposal to the Board. • Challenge the robustness and completeness of the full-year and half-year updates to the Company's risk registers, including key actions.	Risk Management and Sustainability Committee of Board • Keep under review the effectiveness of the Company's procedures for the identification, assessment and reporting of risks, assisting the Board in monitoring the Company's risk management systems. • Keep under review specific ESG and climate related risk assessment. Audit Committee of Board • Oversee internal and external assurance requirements.	Board • Ultimately responsible for risk management including approval of the Company risk profile; the Company Risk Policy and Framework; the risk-reward strategy; and the statement on risk management in the Annual Report.

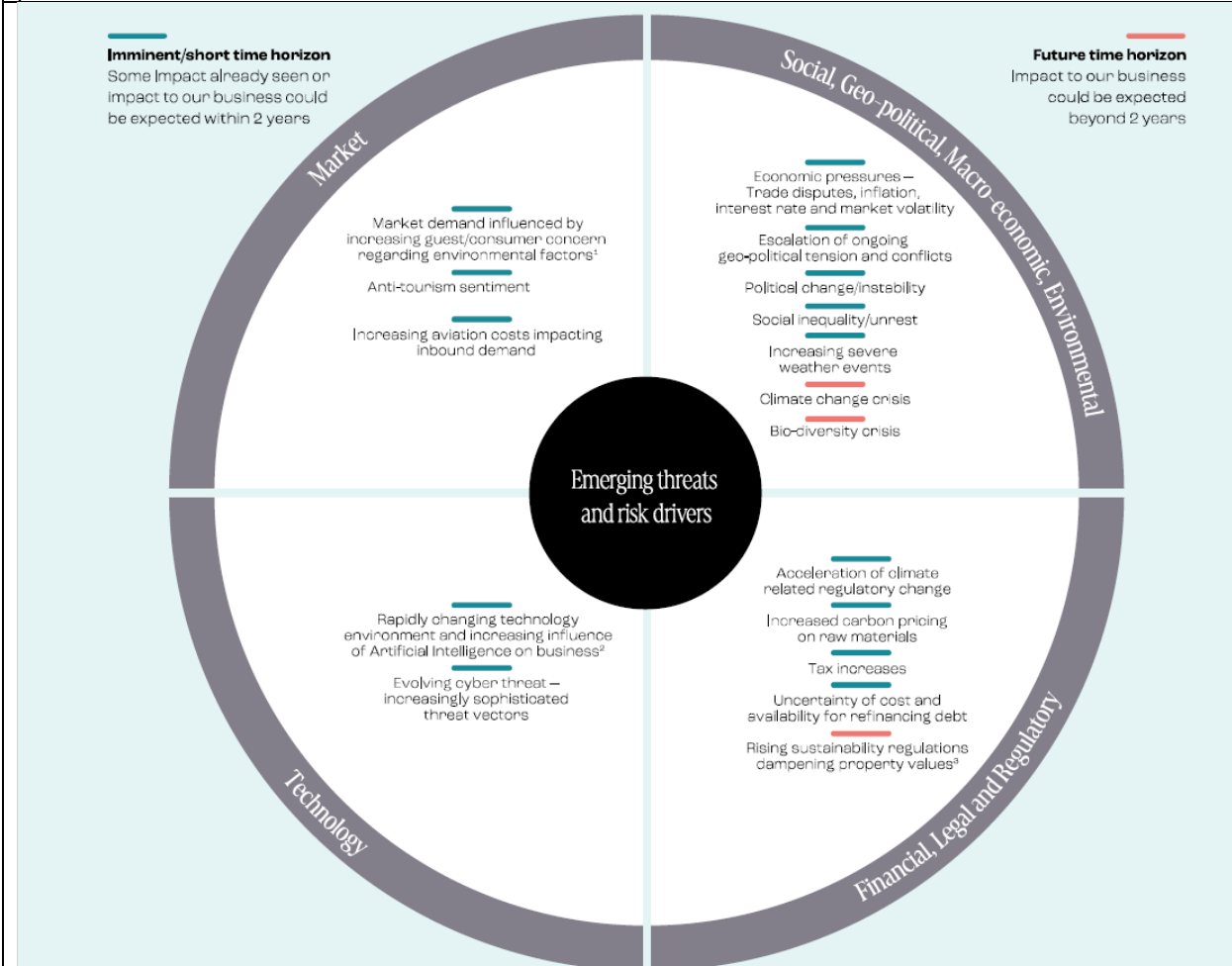
Process	
ENTERPRISE RISK ASSESSMENT	
Consolidation of underlying functional and subsidiary risks into a single view of risk reported to the Board. The enterprise assessment underpins the Company's principal risk disclosure.	
CURRENT RISKS Existing threats to the achievement of our business objectives. Regular risk updates from functional management to identify, assess and respond to existing risks. Key steps include the following: • Assessment of the severity of each risk using the Company risk assessment criteria. Consideration of the effectiveness of the existing controls/mitigating activity. • Establishing clear actions with nominated accountability where further mitigation is required to contain or reduce risks to a more acceptable level. • Regular risk reporting to Executive Leadership to support informed decision-making and prioritisation of resources. • Reporting the enterprise risk profile to the Risk Management and Sustainability Committee.	EMERGING RISKS Future threats that cannot be accurately assessed at the assessment time but could have a material impact on the business in the future through either heightening existing risks or becoming new stand-alone risks. Horizon scanning for emerging risk consideration at each functional risk workshop and each Executive Level Risk Forum with a view to improving response plans and exploiting potential opportunities. Emerging risk trends reporting alongside the enterprise risk assessment to the Risk Management and Sustainability Committee. Identifying emerging risk, considering several drivers of change, including: • shifts in market dynamics; • social, geo-political, macro-economic and environmental factors; • technological trends; and • legal and regulatory developments.

FUNCTIONAL AND SUBSIDIARY RISK ASSESSMENTS

Management identifying, assessing and managing the risks and controls across all business functions.

Emerging risk

Our Executive Leadership Team considers emerging threats and risk drivers that could have a material impact on the business in the future, with a view to improving our response plans and exploiting potential opportunities. The near-term threats may already influence our principal risk assessments and the prioritisation of our risk actions.



Related Opportunities

1. The delivery of ESG strategic objectives increase market demand
2. Improvement in overall operation and delivery of satisfactory performance through early adoption of technologies
3. Creating value for stakeholders by meeting high standards of sustainability

Principal Risks

The tables below detail our principal risks. The reported risks are those we consider could have the greatest impact on our business and represent the most significant threats to the achievement of our objectives. This is not an exhaustive list of all risks identified and monitored through our risk management process, which includes the consolidation of underlying functional and subsidiary risk registers into a single view of risk reported to the Board. Our risk level is decided through an assessment of the likelihood of the risk and its impact should it materialise. Our assessments are weighted towards impact to encourage prioritisation of high impact risks.

Movement from last year: Unchanged (↔) Increased (↑) Reduced (↓)

Market and Macro-economic Environment		Risk Appetite: Neutral
Principal Risk Description	Residual Risk	Outlook and risk response for next year
Adverse economic climate Economic stress fuelled by the volatile geo-political environment could mean a continuation of steep inflation and unstable interest rates impacting growth and profit margins.	High (↔)	An unfavourable economic climate poses a significant and persistent risk to the achievement of our objectives. Numerous factors are expected to drive this risk in 2026, including geopolitical instability, trade disputes and regional tensions that are influencing the global macro environment. We will closely observe economic trends and respond as needed to protect our business. Our approach includes: • Enhanced budgeting and forecasting methods • Active pursuit of efficiencies through the introduction of new technologies • Continued focus on cost management • Agility in our strategic planning
Market dynamics Uncertainty in future market demand could arise due to volatile macro-economic or geo-political conditions, or significant incidents which impact travel.	Medium (↔)	While an uncertain macro-economic and geo-political climate can present market challenges in 2026, we will benefit from our proven ability to adapt to changing market conditions, through for example changing our market segmentation or geographic areas of focus. We are also focused on areas of opportunity such as growing contracted business.
Technology and Information Security		Risk Appetite: Adverse
Principal Risk Description	Residual Risk	Outlook and risk response for next year
Cyber threat – undetected/unrestricted cyber security incidents The Company could be subject to a cyber-attack, resulting in disruption to operations and financial loss from falling revenues,	Medium (↓)	This year we have reduced our assessment of this risk to reflect the change of software and securities measures to combat evolving challenge of combatting cyber threats. Key actions include: • Aligning security controls with the changing technology infrastructure landscape

cost of recovery, reputation loss and significant fines in the event of a related data breach.		• Network monitoring & detecting and autonomously responding to threats • Continuous vulnerability scanning and remediation • Enhanced back-up and recovery solution, including ransomware recovery • Focused team member awareness campaigns and training programs, including the responsible use of AI in business • Enhanced filtering of malicious phishing sites Although we have bolstered our defense mechanisms and monitoring capabilities to their strongest levels yet, we recognise the increasingly sophisticated nature of these attacks. This keeps cyber risk as one of the most prominent threats to our business and a key priority for our risk mitigation efforts. Where possible we aim to reduce the risk through solidifying our established controls and implementing new defense and response mechanisms.
Data privacy – risk of data breach The Company could experience a serious data privacy breach, which could result in investigation, significant fines in accordance with the data protection regulations and subsequent reputational damage.	High (↔)	Managing data privacy risk is a high priority for our business. Safeguarding the information of our guests and team members remains a core commitment. Our key mitigating controls include: • Centralised records of data processing activity maintained within a data protection and information security platform. • Internal awareness campaigns and training programs • Documented data protection and privacy procedures • Monitoring of databases containing Personally Identifiable Information, with data owners • Renewing and updating data privacy risk assessments and other documentation required under GDPR
Technology disruption A prolonged failure in our core technology infrastructure could present a significant threat to the continuation of our business operations, particularly where failures impact hotel management and reservation systems	Medium (↔)	As we actively seek opportunities to enhance performance by integrating new technology into our business, we remain dedicated to safeguarding the robustness of our technology infrastructure and ensuring the uninterrupted delivery of our services. In 2026 our technology strategy includes crucial projects that will enhance our long-term resilience, including: • Transitioning to cloud services with a top-tier provider for our core infrastructure • Redesigning and implementing a new back-up and recovery solution alongside the move to cloud services • Enhancing network monitoring and vulnerability

		scanning capabilities.
People		Risk Appetite: Adverse
Principal Risk Description	Residual Risk	Outlook and risk response for next year
Difficulty in attracting, engaging and retaining a suitably skilled workforce Difficulties in maintaining an engaged and suitably skilled workforce could impact our service standards, drive up operating costs, disrupt operations and impact the overall delivery of our key strategic objectives.	Medium (↔)	We are continually striving to address the challenge of recruiting, developing, and keeping skilled team members within our organisation. Our team members are crucial to our success, so we adopt a proactive and continuous management strategy to address this risk, including: • Learning & Development programs with focus on technical skills and management development • Talent management and succession planning to promote intra-company mobility options • Regular talent reviews and learning need analysis • Physical health and well-being initiatives
Environmental, Social and Governance		Risk Appetite: Adverse
Principal Risk Description	Residual Risk	Outlook and risk response for next year
Negative stakeholder perception with regard to ESG matters With ESG being a key concern for our stakeholders, a perception that the Company does not apply best practice corporate governance principles, or does not act responsibly to protect the environment and the communities we operate in, could impact our performance by damaging our appeal to customers, investors and other business partners. It could also affect our ability to retain and attract talent. A failure to comply with the upcoming regulatory changes to governance and ESG reporting could further heighten this area of risk.	Medium (↔)	ESG continues to be an important factor in shaping our strategic direction. Our ESG strategy is designed to meet our stakeholders' expectations, with its implementation led by our CEO, and overseen by the Board of Directors. The ESG functions are effectively discharged by the Board by monitoring the Company's progress against these objectives. We address this risk area through various channels and programs: • Initiatives to reduce energy consumption in our business. • Regular social media communications about ESG strategic approach, priorities and initiatives. Sustainability section of this report details our ESG strategic objectives and Detailed ESG Risk – Opportunities Matrix.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises of 2 independent and 1 non-executive directors and Chairperson of the Committee is an independent director. The Audit Committee consists of financially literate personnel as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019"). The Audit Committee reports the following after an annual review of the Company's operations:

- Four meetings of the Audit Committee were held during the year 2024-2025 and Chairperson Audit Committee presided four meetings attendance of which is as follows:

Sr. No	Name of Directors	Status	Attendance
1.	Muhammad Siddique Khokhar (Chairperson)	Independent	4/4
2.	Uzma Piracha	Independent	4/4
3.	Aamir Nazir Dhedhi	Non-Executive	4/4

As required by the Code 2019, Audit Committee also separately met with external auditors without the representation of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the meetings held during the year, by invitation.

The Audit Committee appointed a secretary of the Committee who is Head of Internal Audit. The secretary circulated the minutes of meetings of the Audit Committee to all members, directors, CEO and CFO prior to the next meeting of the Board.

Presence of Audit Committee Chairperson at the AGM

Audit Committee Chairperson was available at the AGM to answer any questions on the Audit Committee's activities and related matters.

Financial Statements

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the year ended June 30, 2025, and reports that:

- (a) The Audit Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended to the Board for approval.
- (b) The Audit Committee reviewed preliminary announcements of results prior to publication.
- (c) The Audit Committee reviewed the internal audit reports.
- (d) The Company's Code of Conduct has been disseminated in this report, which is placed on the website of the Company.
- (e) Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2025 which present fairly the state of affairs, results of operations, changes in equity and cash flows of the Company.
- (f) The CEO and the CFO have endorsed the financial statements of the Company before presenting to the Audit Committee and Board of Directors. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and

results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.

- (g) Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholders' needs.
- (h) The Audit Committee has reviewed the related party transactions and recommended to the Board for approval.
- (i) Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim / final results, or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

Risk Management and Internal Controls

- (j) The Company has developed a sound mechanism for identification of risks and assigning criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.
- (k) The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function which is duly reviewed by the Committee for effectiveness.
- (l) The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- (m) The Company's approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Risk and Opportunity Report.

Internal Audit

- (n) The Board has effectively implemented the internal control framework through an in-house Internal Audit function, which is suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company.
- (o) Internal Audit facilitate a risk assessment process in each key business area and support function to review the significant risks facing its operations and to record the relevant controls and any action in place to mitigate the risks and safeguarding the assets of the Company. The materiality of the risk is measured based on financial and non-financial criteria, and probability of the risk arising is also mapped. The detailed assessments are then consolidated to provide input into the Company's risk assessment. This process also enables Internal Audit to engage with senior management throughout the business on risk monitoring and management.
- (p) The Audit Committee has reviewed the findings of internal audit during the year and management's response thereto, further it approved the internal audit plan for 2025-26.

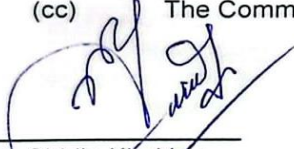
- (q) Coordination between internal and external auditor was facilitated to ensure efficiency and contribution to the Company's objectives, including reliable financial reporting system and compliance with laws and regulations.
- (r) Audit Committee met with internal auditor without CFO and external auditors being present.
- (s) Head of Internal Audit has direct access to the Audit Committee.
- (t) The appraisal of Head of Internal Audit was jointly done by the Chairperson of the Audit Committee and CEO.

External Audit

- (u) The statutory auditors of the Company, M/s. Riaz Ahmad & Co., Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2025 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the year ended June 30, 2025.
- (v) The Auditors have been allowed direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- (w) The Audit Committee has reviewed and discussed points of improvements highlighted by the external auditors.
- (x) The Audit Committee has reviewed the Management Letter of 2023-24 which was issued within 30 days of the date of the Auditors' Report on financial statements as required under the listing regulations and discussed with the external auditors and management.
- (y) The Audit Committee reviewed performance, cost and independence of the external auditors, M/s. Riaz Ahmad & Co., Chartered Accountants and has recommended to the Board their reappointment for the year ending June 30, 2026.

Other Matters

- (z) None of the staff and management has reported to the Committee during the year concerns about impropriety in financial and other matters.
- (aa) The Annual Report is fair, balanced and understandable and provides Company's performance and strategy to shareholders.
- (bb) Evaluation of the Board performance which also included members of the Audit Committee was carried out separately.
- (cc) The Committee has discharged its duties according to its terms of reference.



M. Siddiq Khokhar
Chairman
Audit Committee

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AKD Hospitality 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 AKD Hospitality Limited ("the Company") for the year ended 30 June 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 to 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 30 June 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected or not in the paragraph reference where these are stated in the Statement of Compliance:

Riaz Ahmad & Company
Chartered Accountants

Sr. No.	Paragraph reference	Description
(I)	18	The number of independent directors appointed is less than the number prescribed by Regulation 6 i.e., at least two or 1/3 members of the Board, whichever is higher and is not rounded up as one.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 06 OCTOBER 2025
UDIN: CR202510045EHPDM1ZJc

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: AKD Hospitality Limited

Year ended: 30 June 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven (07) as per the following:
 - a. Male: 5
 - b. Female: 2

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. M. Siddiq Khokhar Ms. Uzma Piracha
Non-Executive Directors	Mr. Muhammad Sohail Mr. Nadeem Saulat Siddiqui Mr. Aamir Nazir Dhedhi Mr. Kanwar Adeel Zaman
Executive Director	Ms. Huma Khurram Rashid Paracha

Fraction 0.33 relating to number of independent directors is less than 0.5 and not rounded up to one.

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. The Code of Conduct is well circulated with this annual report, which is also available on website of the company. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in annual report which is available on the Company's website.
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 Act and Regulations thereunder;
7. The meetings of the Board were presided over by the Chairperson. The Board has complied with the requirements of Act and the Regulations thereunder with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the regulations thereunder;
9. Four directors are Certified Director and Three directors including one newly appointed during the year have not taken directors' training program and will ensure the compliance in the ensuing financial year in accordance with the regulations. Further, the Company will take adequate measures for the Directors' Training Program (DTP) for the female executive and head of department;

DIRECTORS	TRAINING STATUS AND PLAN
MR. NADEEM SAULAT SIDDIQUI	Certified
MR. SIDDIQ KHOKHAR	Certified
MS. UZMA PIRACHA	Certified
MR. KANWAR ADEEL ZAMAN	Certified
MR. MUHAMMAD SOHAIL	Plan to get certified in ensuing year
MR. AAMIR NAZIR DHEDHI	Plan to get certified in ensuing year
MS. HUMA KHURRAM RASHID PARACHA	Plan to get certified in ensuing year

10. The Board has approved the 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 financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Mr. M. Siddiq Khokhar	Chairperson
Ms. Uzma Paracha	Member
Mr. Aamir Nazir Dhedhi	Member

b) HR and Remuneration Committee

Names	Designation held
Ms. Uzma Paracha	Chairperson
Mr. Aamir Nazir Dhedhi	Member
Mr. Siddiq Khokhar	Member

c) Risk Management and Sustainability Committee

Names	Designation held
Mr. M. Siddiq Khokhar	Chairperson
Mr. Sohail Abdul Ghaffar	Member
Mr. Kanwar Adeel Zaman	Member

During the year, the Board has assigned the Risk Management Committee with the additional responsibilities of sustainability related matters. In future the Committee will review these areas and take necessary steps to ensure compliance with the requirements of non-mandatory regulation no.10A in the upcoming years;

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Four quarterly meetings were held during the financial year ended 30 June 2025.

b) HR and Remuneration Committee

Two Meeting of the Committee were held during the year.

c) Risk Management and Sustainability Committee

One meeting of the Committee was held during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and 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 are 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, except for the following:
 - a) The independent directors number in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Four directors of the Company have acquired Directors' Training Program certification. The Company has planned to arrange Directors' Training Program certification for remaining directors before 30 June 2026.	19(1)
2	Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The Board effectively discharge all the responsibility of Nomination Committee as recommended by the Code. It regularly assesses and monitor the requirements of any changes in the committees including Chairpersonship of those committees. The Board also actively monitors the requirements, regarding its structure, size and composition, timely reviews and adapt any necessary changes in this regard.	29(1)
3	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	The Company has detailed policies of disclosure and communication, risk management, internal control, CSR and HSE and also have TORs of Committees of the Board and Directors' remuneration policy. The Company's Code of Conduct covers the key elements of significant policies including Whistleblower, HSE, Harassment at Workplace and is disclosed in this annual report and available on the Company's website.	35
4	Environmental Social and Governance Matter The board is responsible for governance and oversight of setting the company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director.	During the year Board provided governance and oversight in relation to Environment, Social and Governance (ESG) matters. The Board has assigned these responsibilities to Risk Management Committee in last quarter. In future the risk management committee will have additional responsibility related ESG.	10(A)(5)

5	Independent Directors It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	The independent directors number fraction is not rounded up as one because the fraction (0.33) was less than 0.5; The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.	6(1)
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Nadeem Saulat Siddiqui
Chairperson

KARACHI

DATE: October 04, 2025

AKD HOSPITALITY LIMITED

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

**FOR THE YEAR ENDED
30 JUNE 2025**

INDEPENDENT AUDITOR'S REPORT

To the members of AKD Hospitality Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of AKD HOSPITALITY LIMITED ("the Company"), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 30 June 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.2 to the financial statements which states that the Company's operations at reasonable scale in its principal line of business are at halt since long. Further, the Company has accumulated losses amount to Rupees 13.793 million and capital reserve for investments classified at fair value through other comprehensive income stood in negative at Rupees 8.854 million. These factors indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its

Riaz Ahmad & Company

Chartered Accountants

liabilities in the normal course of business. The financial statements, however, has been prepared on a going concern basis due to the reasons morefully disclosed in the aforementioned note. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

Information other than the Financial Statements and Auditor's Report Thereon

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

Riaz Ahmad & Company

Chartered Accountants

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 board of directors, we determine those matters that were of most significance in the audit of the 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



RIAZ AHMAD & COMPANY
Chartered Accountants

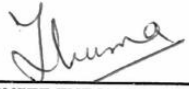
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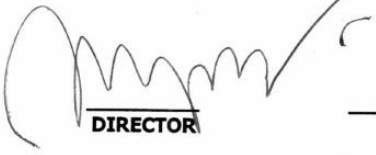
DATE: 06 OCTOBER 2025
UDIN: AR202510045U2ufVzgro

AKD HOSPITALITY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	768,065	862,539
Long-term investments	5	27,192,000	14,728,000
Long-term security deposit	6	20,000	20,000
Long-term loan to employee	7	105,000	25,000
		28,085,065	15,635,539
CURRENT ASSETS			
Trade debts	8	2,689,879	2,217,998
Loans and advances	9	120,000	250,001
Other receivables	10	-	-
Sales tax receivable - net		26,345	-
Cash and bank balances	11	14,118,089	14,024,199
		16,954,313	16,492,198
TOTAL ASSETS		45,039,378	32,127,737
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
100,000,000 (2024: 100,000,000) ordinary shares of Rupees 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	12	25,072,733	25,072,733
Capital contribution	13	12,950,001	12,950,001
Reserves	14	(1,003,876)	(14,734,180)
TOTAL EQUITY		37,018,858	23,288,554
NON CURRENT LIABILITIES			
Deferred tax liability	23.1	142,501	155,612
		142,501	155,612
CURRENT LIABILITIES			
Trade and other payables	15	5,087,857	4,665,504
Contract liability		-	500,000
Provision for taxation and levy payable - net	16	313,200	1,041,105
Unclaimed dividend		2,476,962	2,476,962
		7,878,019	8,683,571
TOTAL LIABILITIES		8,020,520	8,839,183
Contingencies and commitments	17		
TOTAL EQUITY AND LIABILITIES		45,039,378	32,127,737

The annexed notes from 01 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

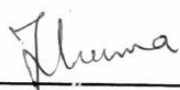

DIRECTOR


CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contract with customer	18	6,000,000	6,000,000
Administrative and general expenses	19	(4,236,928)	(4,177,825)
Allowance for expected credit losses	8	(340,119)	(42,002)
		<u>(4,577,047)</u>	<u>(4,219,827)</u>
Gross profit		1,422,953	1,780,173
Other income	20	-	7,700,833
		<u>1,422,953</u>	<u>9,481,006</u>
Provision for Sindh Workers' Welfare Fund		(28,459)	(189,620)
PROFIT BEFORE INCOME TAX AND LEVY		1,394,494	9,291,386
Levy	21	(141,301)	(944,742)
PROFIT BEFORE INCOME TAX		1,253,193	8,346,644
Income tax	22	13,111	14,266
PROFIT AFTER INCOME TAX AND LEVY		1,266,304	8,360,910
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit and loss:			
- Unrealized gain arising on remeasurement of investments at 'fair value through other comprehensive income'		12,464,000	3,838,000
- Current tax related adjustment		-	-
- Deferred tax related adjustment		-	-
Items that may be reclassified subsequently to profit and loss		-	-
Other comprehensive income for the year		12,464,000	3,838,000
TOTAL COMPREHENSIVE INCOME		13,730,304	12,198,910
Earnings per share - basic and diluted	24	0.51	3.33

The annexed notes from 01 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

Description	Issued, subscribed and paid-up share capital	Capital contribution (Note 13)	Reserves					Sub Total	Total equity
			Capital Reserves		Revenue Reserves				
			Share premium	Fair value reserve on 'Fair value through other comprehensive income' investments	General reserve	Accumulated loss			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2023	25,072,733	9,750,001	20,891,600	(25,156,000)	752,000	(23,420,690)	(26,933,090)	7,889,644	
Loss for the year	-	-	-	-	-	8,360,910	8,360,910	8,360,910	
Other comprehensive loss	-	-	-	3,838,000	-	-	3,838,000	3,838,000	
Total comprehensive loss for the year	-	-	-	3,838,000	-	8,360,910	12,198,910	12,198,910	
Capital contribution from sponsor during the year	-	3,200,000	-	-	-	-	-	3,200,000	
Balance as at 30 June 2024	25,072,733	12,950,001	20,891,600	(21,318,000)	752,000	(15,059,780)	(14,734,180)	23,288,554	
Profit for the year ended 30 June 2025	-	-	-	-	-	-	-	-	
Other comprehensive gain	-	-	-	12,464,000	-	1,266,304	1,266,304	1,266,304	
Total comprehensive gain for the year	-	-	-	12,464,000	-	1,266,304	13,730,304	13,730,304	
Capital contribution from sponsor during the year	-	-	-	-	-	-	-	-	
Balance as at 30 June 2025	25,072,733	12,950,001	20,891,600	(8,854,000)	752,000	(13,793,476)	(1,003,876)	37,018,858	

The annexed notes from 01 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

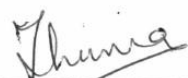

DIRECTOR

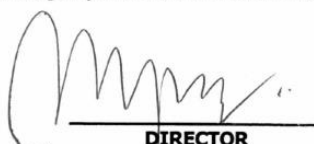

CHIEF FINANCIAL OFFICER

**AKD HOSPITALITY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 Rupees	2024 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax and levy	1,394,494	9,291,386
Adjustments for non cash items:		
Allowance for expected credit loss	340,119	42,002
Depreciation	94,474	107,342
Reversal of allowance for expected credit loss	-	(7,700,833)
Provision for workers welfare fund	28,459	189,620
Operating profit before working capital changes	1,857,546	1,929,517
Working capital changes		
(Increase) / decrease in current assets:		
Trade debts	(812,000)	(1,243,000)
Loans and advances	250,001	(275,001)
Other receivables	-	10,100,833
Sales tax receivable - net	(26,345)	-
Increase / (Decrease) in current liabilities		
Trade and other payables	643,894	81,907
Contract liability	(500,000)	400,000
	(444,450)	9,064,739
Net cash used in operating activities before working capital changes	1,413,096	10,994,256
Income tax and levy paid	(869,206)	(539,010)
Provision For Worker's Welfare Fund paid	(250,000)	-
Net cash generated from / operating activities	293,890	10,455,246
CASH FLOW FROM INVESTING ACTIVITIES		
Long-term loan to employee paid	(200,000)	-
Net cash used in investing activities	(200,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Capital contribution from related party	-	3,200,000
Net cash flow from financing activities	-	3,200,000
Net increase in cash and cash equivalents	93,890	13,655,246
Cash and cash equivalents at the beginning of the year	14,024,199	368,953
Cash and cash equivalents at the end of the year	14,118,089	14,024,199

The annexed notes from 01 to 33 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AKD HOSPITALITY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1. THE COMPANY AND ITS OPERATIONS

- 1.1** AKD Hospitality Limited {"the Company"} was incorporated as a Public Limited Company in the year 1936 under Companies Act, 1913 (Now the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited.

During the prior years the Company through special resolution passed in its extra ordinary general meeting held on 01 February 2021 altered the Memorandum of Association by changing its name from "AKD Capital Limited" to "AKD Hospitality Limited" and its principal line of business from "the business of real estate / providing consultancy, projects financing and management, investment in listed securities and to engage in leasing" to "tourism business including hospitality business, motel, destination management services, developing and building tourism attractions and to undertake all ancillary business activities to provide end to end service solutions".

The registered office of the Company is situated at 511, fifth floor Continental Trade Center, Clifton, Karachi.

1.2 GOING CONCERN ASSUMPTION

The Company's operations at reasonable scale in its principal line of business are at halt since long. Further, the Company has accumulated losses amount to Rupees 13.907 million and capital reserve for investments classified at fair value through other comprehensive income stood in negative at Rupees 8.854 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Accordingly, the management has carried out an assessment of the Company's ability to continue as a going concern in accordance with the requirements of International Financial Reporting Standards (IFRSs) and believes that the going concern assumption used in the preparation of these financial statements is appropriate due to the following factors:

- a) The Company had executed a service agreement with one of its affiliated companies in the previous year to provide specific services aligned with its core business activities on a retainer basis. This arrangement has started generating positive cash flows during the current year, thereby strengthening the Company's revenue base. The management expects to further expand such service arrangements with other potential partners, which are anticipated to generate attractive returns within the Company's primary line of business;
- b) The Company has strong commitment from its sponsors to support its operations as a going concern. The Sponsor shareholder has previously extended capital support to meet the Company's liquidity requirements, as more fully disclosed in Note 13 to these financial statements. Furthermore, the Company has unused financial commitments from the Sponsor which remain available to be utilized if required.
- c) These financial statements have therefore been prepared on a going concern basis. Accordingly, no adjustments have been made to the carrying amounts of assets and liabilities that might result if the Company were unable to continue as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 BASIS OF PREPARATION

a) Statement of compliance

These 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:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the 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 areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments - fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at reporting date.

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

Income tax and levy

In making the estimates for income tax and levy currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revenue from contracts with customers

When recognizing revenue in relation to the provision of services to customers, the key performance obligation of the Company is considered to be the rendering of services over time, as customers simultaneously receive and consume the benefits of such services, and revenue is therefore recognized as the services are performed.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2024:

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.
- Amendments to IFRS 16 'Leases' - Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current Liabilities with Covenants.
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

d) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2024 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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e) Standards, amendments and improvements to published approved accounting standards that are not yet effective but relevant to the Company.

Following standards, amendments and improvements to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2025 or later periods:

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' regarding the classification and measurement of financial instruments (effective for annual periods beginning on or after 01 January 2026). The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. The amendments are effective for annual reporting periods beginning on or after 01 January 2026. It contains amendments to following five standards as result of the IASB's annual improvements project.

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*;
- IFRS 7 *Financial Instruments: Disclosures* and its accompanying *Guidance on implementing IFRS 7*;
- IFRS 9 *Financial Instruments*;
- IFRS 10 *Consolidated Financial Statements*; and
- IAS 7 *Statement of Cash Flows*.

The above standards, amendments and improvements are likely to have no significant impact on the financial statements.

f) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

Following standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2025 but are considered not to be relevant or do not have any significant impact on the Company's financial statements:

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

2.2 Property and equipment

Initial recognition

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction year of qualifying assets and other directly attributable cost of bringing the asset to working condition.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized 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 repair and maintenance costs are charged to statement of profit or loss and other comprehensive income during the year in which they are incurred.

Depreciation

Depreciation is charged to statement of profit or loss and other comprehensive income applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 3. The Company charges the depreciation on additions from the date when the asset is available for use and on deletions up to the date when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

De-recognition

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss and other comprehensive income in the year the asset is de-recognized.

2.3 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.4 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.5 Investments and other financial assets

a) 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), and
- those to be measured at amortized cost.

The classification depends on the Company'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 the statement of 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, this will depend on whether the Company 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 Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) 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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in statement of profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through other comprehensive income (FVTOCI)

Financial 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 FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in the statement of profit or loss and other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment

losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of profit or loss and other comprehensive income and presented net within other income / (other expenses) in the year in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

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. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income/ (other expenses) in the statement of profit or loss and other comprehensive income as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

2.6 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss and other comprehensive income. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss and other comprehensive income. Any gain or loss on de-recognition is also included in profit or loss.

2.7 De-recognition of financial assets and liabilities

a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it

neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.8 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.9 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and equity instruments at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss and other comprehensive income.

2.11 Trade debts and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.12 Deposits

Deposits include long-term amounts paid as security deposits which do not have a fixed repayment date. These are measured at cost, being the amount paid on initial recognition, as their fair value is not considered to be materially different from cost. Short-term deposits are classified as current assets, while long-term deposits are classified as non-current assets based on their recoverability period.

2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent comprise of cash in hand and cash in banks in current and deposit accounts.

2.14 Taxation and levy

Income tax expense comprises current and deferred tax. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Current

The charge for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime and / or minimum tax or alternate corporate tax as applicable, after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Levy

In accordance with the requirements of Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income and as per revised guidance by IASB (International Accounting Standard Board), these fall within the scope of IFRIC 21 (levies) / IAS 37 (provisions, contingent liabilities and contingent assets) and accordingly have been classified as levy in these financial statements. Further, the Company designates the amount calculated on taxable income using the notified tax rates as an income tax within the scope of IAS 12 'Income Taxes' and recognizes it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

2.15 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss and other comprehensive income over the year of the borrowings using the effective interest method.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.17 Contract liabilities

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers good or service to the customer, the Company shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

2.18 Revenue recognition

a) Rendering of services

Revenue from a contract to provide services is recognized over time as the services are rendered based on either a fixed price or an hourly rate.

b) Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

2.19 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event, 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. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.20 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.21 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. SUMMARY OF OTHER ACCOUNTING POLICIES

3.1 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

3.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.3 Foreign currencies transactions and translation

All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date, while the transaction is foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at the exchange rates prevailing on the date of transaction or on the date when fair values are determined. The Company charges all the exchanges differences to statement of profit or loss and other comprehensive income.

3.4 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

3.5 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the year in which the dividends are declared and other appropriations are recognized in the year in which these are approved by the Board of Directors.

3.6 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its stakeholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated if there is any potential dilutive effect on the Company's reported net profits.

4. PROPERTY AND EQUIPMENT

Description	Furniture and fixtures	Office equipment	Computer equipment	Vehicles	Lockers	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
At 30 June 2023						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,382,051)	(1,366,500)	(1,876,252)	(5,023,662)	(38,393)	(11,686,858)
Net book value	609,779	256,144	2,013	98,838	3,107	969,881
Year ended 30 June 2024						
Opening net book value	609,779	256,144	2,013	98,838	3,107	969,881
Addition - at cost	-	-	-	-	-	-
Depreciation charged	(60,978)	(25,614)	(671)	(19,768)	(311)	(107,342)
Closing net book value	548,801	230,530	1,342	79,070	2,796	862,539
At 30 June 2024						
Cost	3,991,830	1,622,644	1,878,265	5,122,500	41,500	12,656,739
Accumulated depreciation	(3,443,029)	(1,392,114)	(1,876,923)	(5,043,430)	(38,704)	(11,794,200)
Net book value	548,801	230,530	1,342	79,070	2,796	862,539
Year ended 30 June 2025						
Opening net book value	548,801	230,530	1,342	79,070	2,796	862,539
Addition - at cost	-	-	-	-	-	-
Depreciation charged	(54,880)	(23,053)	(447)	(15,814)	(280)	(94,474)
Closing net book value	493,921	207,477	895	63,256	2,516	768,065
At 30 June 2025						
Cost	3,991,830	1,622,644	2,258,265	5,122,500	41,500	13,036,739
Accumulated depreciation	(3,497,909)	(1,415,167)	(2,257,370)	(5,059,244)	(38,984)	(12,268,674)
Net book value	493,921	207,477	895	63,256	2,516	768,065
Depreciation rate	10%	10%	33.33%	20%	10%	

4.1 The depreciation for the year has been charged to administrative and general expenses in these financial statements. (Note 19).

5.	LONG-TERM INVESTMENTS	Note	2025 Rupees	2024 Rupees
	Investment in equity securities - at 'fair value through other comprehensive income'			
	Related parties			
	AKD REIT Management Company Limited - unquoted			
	10,000 (2024: 10,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.1% (2024: 0.1%) at cost of Rupees 100,000 (2024: Rupees 100,000)	5.1	-	-
	Creek Developers (Private) Limited - unquoted			
	9,800 (2024: 9,800) fully paid ordinary shares of Rupees 10 each. Equity held 0.01% (2024: 0.01%) at cost of Rupees 98,000 (2024: Rupees 98,000)	5.2	98,000	98,000
	Others			
	Cnergyico Pk Limited - quoted			
	3,800,000 (2024:3,800,000) fully paid ordinary shares of Rupees 10 each. Equity held 0.07% (2024: 0.07%) and cost of Rupees 35,948,000 (2024: 35,498,000)		27,094,000	14,630,000
			<u>27,192,000</u>	<u>14,728,000</u>
5.1	Investment in AKD REIT Management Company Limited has been fully provided in prior years. The Company is required to seek prior approval from Securities & Exchange Commission of Pakistan before disposing of this investment.			
5.2	This represents investment in the ordinary shares of Creek Developers (Private) Limited (CDPL) that is in the process of building towers. CDPL is currently classified as a level 3 financial assets and is measured at fair value on reporting dates. However, due to volatility in the underlying assumptions relevant to the valuation, there is a wide range of possible fair value measurement and cost is considered to represent the best estimate of fair value within that range. The Company is required to seek prior approval from Defense Housing Authority before disposing of this investment.			
6.	LONG-TERM SECURITY DEPOSIT			
	Deposit with Pakistan Telecommunication Company Limited	6.1	<u>20,000</u>	<u>20,000</u>
6.1	This represents amount deposited with Pakistan Telecommunication Company Limited (PTCL) as security deposit at the time of connection in 2003. The fair value and expected credit loss adjustment in accordance with requirements of IFRS 9 "Financial Instruments" in respect of long term deposits is not considered material and hence not recognized in these financial statements.			
7.	LONG-TERM LOAN TO EMPLOYEE			
	Un-secured:			
	Loan to employee	7.1	225,000	25,000
	Current portion shown under current assets		<u>(120,000)</u>	<u>-</u>
			<u>105,000</u>	<u>25,000</u>
7.1	Reconciliation of carrying amount of loan to employee:			
	As at 01 July		25,000	-
	Disbursement during the year		200,000	25,000
	loan recovered during the year		-	-
	As at 30 June		<u>225,000</u>	<u>25,000</u>
7.2	Long term loan have been carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.			

8.	TRADE DEBTS	Note	2025 Rupees	2024 Rupees
	Related party- Unsecured			
	AKD REIT Management Company Limited		3,072,000	2,260,000
	Less: Allowance for expected credit loss			
	As at 01 July		42,002	-
	Recognized during the year		340,119	42,002
	Reversal made during the year		-	-
	As at 30 June		(382,121)	(42,002)
		8.1	<u>2,689,879</u>	<u>2,217,998</u>
8.1	Ageing analysis of trade debtors are as follows:			
	Not yet due		575,000	565,000
	Upto 30 days		575,000	565,000
	31 to 90 days		1,725,000	1,130,000
	91 days to 180 days		-	-
	More than 180 days		-	-
			<u>2,875,000</u>	<u>2,260,000</u>
8.2	The maximum aggregate amount receivable from AKD REIT Management Company Limited at the end of any month during the period was Rupees 5.710 million (2024: Rupees 6.328 million).			
9.	LOANS AND ADVANCES			
	Un-secured:			
	Current portion of long-term loan to employee	7	120,000	-
	Advance against purchase		-	250,001
			<u>120,000</u>	<u>250,001</u>
10.	OTHER RECEIVABLES			
	Related Parties - Unsecured			
	Creek Developers (Private) Limited (CDPL)	10.1	4,451,084	4,451,084
	Less: Allowance for expected credit loss			
	As at 01 July		4,451,084	12,151,917
	Recognized during the year		-	-
	Reversal made during the year		-	(7,700,833)
	As at 30 June		(4,451,084)	(4,451,084)
			<u>-</u>	<u>-</u>
10.1	This represents the balance receivable of allocated share of common expenses.			
10.2	The maximum aggregate amount receivable from CDPL at the end of any month during the year was Rupees 4.451 million (2024: Rupees 4.451 million) which was impaired and provided for. The ageing of this other receivable were of more than 365 days.			
11.	CASH AND BANK BALANCES			
	Cash in hand		20,358	10,399
	Cash at bank - current accounts		14,097,731	14,013,800
			<u>14,118,089</u>	<u>14,024,199</u>

12. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2025	2024			
(Number of shares)				
2,138,681	2,138,681	Ordinary shares of Rupees 10 each fully paid in cash.	21,386,810	21,386,810
368,311	368,311	Ordinary shares of Rupees 10 each issued as fully paid bonus shares.	3,683,110	3,683,110
479	479	Ordinary shares of Rupees 10 each forfeited.	2,813	2,813
2,507,471	2,507,471		25,072,733	25,072,733

12.1 Ordinary shares of the Company held by the associates companies are as under:

	Number of shares	
AKD Securities Limited	306,290	306,290
Aqeel Karim Dhedhi Securities (Private) Limited-Staff Provident Fund	249,000	249,000
	555,290	555,290

13. CAPITAL CONTRIBUTION

This represented interest free loan obtained from AKD Group Holdings (Private) Limited, a related party and was payable on demand granted for the purpose to meet the working capital requirements of the Company. In previous years, the Company had entered into a tri-partite agreement, where the right to receive this loan was transferred to the sponsor shareholder Mr. Aqeel Karim Dhedhi. Therefore, the Company is under no obligation to pay to AKD Group Holdings (Private) Limited. Under the revised terms of loan with the Sponsor, the limit of this loan was increased to Rupees 20 million and available to the Company as and when needed to meet the Company's liquidity requirements. This loan is interest free and is payable on discretion of the Company to the Sponsor. Accordingly, the same has been reclassified as capital contribution in equity, in previous year, in accordance with TR-32 issued by the Institute of Chartered Accountants of Pakistan (ICAP).

14. RESERVES	Note	2025 Rupees	2024 Rupees
Composition of reserves is as follows:			
Capital reserves			
Share premium	14.1	20,891,600	20,891,600
Fair value reserve		(8,854,000)	(21,318,000)
		12,037,600	(426,400)
Revenue reserves			
General reserve		752,000	752,000
Accumulated loss		(13,793,476)	(15,059,780)
		(13,041,476)	(14,307,780)
		(1,003,876)	(14,734,180)

14.1 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

15.	TRADE AND OTHER PAYABLES	Note	2025 Rupees	2024 Rupees
	Accrued liabilities		1,105,245	955,085
	Payable to AKD Group Holding Private Limited - related party	15.1	450,000	-
	Payable to AKD Securities Limited - related party	15.2	2,107,577	1,867,577
	Overdue lease liability		810,000	810,000
	Withholding tax payable		352,434	352,436
	Sales tax payable - net		-	196,264
	Provision for workers welfare fund		262,601	484,142
			<u>5,087,857</u>	<u>4,665,504</u>
15.1	This represents interest-free funds provided by the sponsors through AKD Group Holdings (Private) Limited to meet the company's working capital requirements, in accordance with the terms of the Tri-parties agreement.			
15.2	This represent payable to related party on account of allocated share of common expenses.			
16.	PROVISION FOR TAXATION AND LEVY PAYABLE - NET			
	Provision for taxation - net			
	Advance income tax		-	1,216,750
	Less: Provision for taxation		-	(1,216,750)
			-	-
	Levy payable - net			
	Prepaid levy		307,800	575,170
	Less: levy payable		(621,000)	(1,616,275)
			(313,200)	(1,041,105)
			<u>(313,200)</u>	<u>(1,041,105)</u>
17.	CONTINGENCIES AND COMMITMENTS			
	There were no contingencies and commitments outstanding as at the reporting date (2024: Nil).			
18.	REVENUE FROM CONTRACT WITH CUSTOMER			
	Consultancy services - gross		6,900,000	6,780,000
	Less: Sindh sales tax on services @15%		(900,000)	(780,000)
		18.1	<u>6,000,000</u>	<u>6,000,000</u>
18.1	This represents the billing made under service agreement entered into for provision of services regarding review of third party pre-feasibility or feasibility studies to establish hospitality related business and other ancillary services to the related party i.e. AKD REIT Management Company Limited.			
19.	ADMINISTRATIVE AND GENERAL EXPENSES			
	Salaries and benefits		1,497,004	1,115,742
	Director's meeting fee		305,000	265,000
	Printing and stationery		22,600	12,360
	Postage and telegram		3,810	6,770
	Fees, taxes and subscription		589,786	538,007
	Legal and professional		528,115	493,610
	Advertisement and publicity		301,470	123,335
	Entertainment		78,005	699,788
	Auditors' remuneration	19.1	747,900	747,900
	Depreciation	4.0	94,474	107,342
	Office expenses		55,437	36,600
	Repair and maintenance		7,055	-
	Bank charges		6,272	3,057
	Others		-	28,314
			<u>4,236,928</u>	<u>4,177,825</u>

19.1	Auditors' remuneration	Note	2025 Rupees	2024 Rupees
	Audit fee		440,000	440,000
	Half yearly review fee		130,000	130,000
	Code of Corporate Governance review fee		41,000	41,000
	Other certification		22,000	22,000
	Out of pocket expenses		59,500	59,500
	Sindh Sales tax @ 8%		55,400	55,400
			<u>747,900</u>	<u>747,900</u>
20.	OTHER INCOME			
	Reversal of expected credit loss allowance		-	7,700,833
21.	LEVY			
	Minimum tax		621,000	943,043
	Prior year		(479,699)	1,699
			<u>141,301</u>	<u>944,742</u>
22.	INCOME TAX			
	Current tax		-	-
	Deferred tax income	23	(13,111)	(14,266)
			<u>(13,111)</u>	<u>(14,266)</u>
22.1	Relationship between tax expense and accounting profit			
	The relationship between tax expense and accounting profit has not been presented in these financial statements as taxable income and tax liability are based on minimum tax payable on turnover for the year.			
23.	DEFERRED TAX LIABILITY			
	Deferred tax asset comprises of:			
	(Deductible) temporary differences on:			
	Long-term investments		4,627,176	2,664,750
	Trade debts		110,815	-
	Other receivables		1,290,814	1,302,995
	Overdue lease liability		234,900	234,900
	Provision for workers welfare fund		76,154	54,990
	Available tax losses		2,767,293	2,170,697
			<u>9,107,152</u>	<u>6,428,332</u>
	Deferred tax liability comprises of:			
	Taxable temporary differences on:			
	Property and equipment		142,501	155,612
			<u>142,501</u>	<u>155,612</u>
	Unrecognized deferred tax asset		8,964,651	6,272,720
			<u>9,107,152</u>	<u>6,428,332</u>
			<u>142,501</u>	<u>155,612</u>

23.1 Movement of deferred tax liability	Note	2025 Rupees	2024 Rupees
As at 01 July		155,612	169,878
Charged for the year to :			
Statement of profit or loss		(13,111)	(14,266)
Statement of other comprehensive income		-	-
		(13,111)	(14,266)
As at 30 June		142,501	155,612

- 23.2** Deferred tax asset as at 30 June 2025 to the extent of Rupees 9.107 million (2024: Rupees 6.428 million) has not been recognised as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

24. EARNINGS PER SHARE - BASIC AND DILUTED

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

Profit after taxation attributable to ordinary shareholders (Rupees)	1,266,304	8,360,910
Weighted average number of ordinary shares (Number)	2,507,471	2,507,471
Profit per share - basic and diluted (Rupees)	0.51	3.33

25. REMUNERATION OF CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amount charged in the financial statements for remuneration to Chief Executive Officer and Directors of the Company is as follows:

	2025		2024	
	Chief Executive Officer	Directors	Chief Executive Officer	Directors
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	400,000	-	-	-
Meeting fee	-	305,000	-	255,000
	400,000	305,000	-	255,000
Number of persons	1	5	1	5

26. RECONCILIATION OF MOVEMENT OF LIABILITY TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES:

Capital contribution

As at 01 July	12,950,001	9,750,001
Amount received during the year	-	3,200,000
Amount paid during the year	-	-
As at 30 June	12,950,001	12,950,001



27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, other related companies and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions and balances (gross of expected credit losses) with related parties are as follows:

	Related party	Relationship with the Company	Nature of transaction and balances	2025 Rupees	2024 Rupees
i.	AKD Securities Limited	Common directorship and 12.22% shareholding	Expenses credited	240,000	120,000
			Paid/adjusted during the year	-	14,579
			Balance at year end	2,107,577	1,867,577
ii.	Creek Developers (Private) Limited	Common directorship and 0.01% shareholding	Expenses debited	-	-
			Balance at year end	4,451,084	4,451,084
iii.	R.A. Enterprises	Sponsor's interest	Consultancy fee	-	-
			Balance at year end	-	-
iv.	AKD Group Holdings (Private) Limited	Common directorship	Funds received	36,450,000	-
			Funds paid	36,000,000	-
			Balance at year end	450,000	-
v.	Mr. Aqeel Karim Dhedhi	Sponsor shareholder	Capital contribution made during the year	-	3,200,000
			Balance at year end	12,950,001	12,950,001
vi.	AKD REIT Management Company Limited	Common directorship and 0.04% shareholding	Retainership income	6,000,000	6,000,000
			Balance at year end	3,072,000	2,260,000

28. FINANCIAL RISK MANAGEMENT

28.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to this risk because there were no receivables and payables in any foreign currency as at the reporting date. Moreover, no transactions were carried out in any foreign currency during the year.

Sensitivity analysis of functional currency at reporting date is not required due to nil foreign currency nominated financial assets and liabilities at the reporting date.

(ii) **Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange (PSX) Index on the Company's other comprehensive income for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on equity (fair value reserve)	
	2025 Rupees	2024 Rupees	2025 Rupees	2024 Rupees
KSE 100 (5% increase)	-	-	1,354,700	736,400
KSE 100 (5% decrease)	-	-	(1,354,700)	(736,400)

(iii) **Interest rate risk**

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing assets and liabilities at the reporting date.

b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Long-term security deposit	20,000	20,000
Long-term loan to employee	105,000	-
Loans and advances	120,000	-
Trade debts	2,689,879	2,260,000
Other receivables	-	4,451,084
Cash and bank balances	14,097,731	14,024,199
	17,032,610	20,755,283

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Banks	Rating			2025	2024
	Short Term	Long Term	Agency	Rupees	Rupees
MCB Bank Limited	A1+	AAA	PACRA	13,950,093	13,861,983
United Bank Limited	A1+	AAA	VIS	-	4,179
Bank Al-Habib Limited	A1+	AAA	PACRA	147,638	147,638
				14,097,731	14,013,800

Investments	Rating			2025	2024
	Short Term	Long Term	Agency	Rupees	Rupees
AKD REIT Management Company Limited	Unrated		-	-	-
Creek Developers (Private) Limited	Unrated		-	98,000	98,000
Energycio Pk Limited - quoted	Withdrawn		PACRA	27,094,000	14,630,000
				27,192,000	14,728,000

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient bank balance other liquid assets. At 30 June 2025, the Company had Rupees 14.118 million (2024: Rupees 14.024 million) cash and bank balance and Rupees 27.094 million (2024: Rupees 14.630 million) investment in equity securities. Furthermore, the Company has support from related parties and can raise fund if need arises. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2025

	Carrying Amount	Contractual Cash Flows	06 month or less	06 months to 12 months	More than 01 year
	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payables	3,662,822	3,662,822	3,662,822	-	-
Overdue liabilities against lease	810,000	810,000	810,000	-	-
Unclaimed dividend	2,476,962	2,476,962	2,476,962	-	-
	6,949,784	6,949,784	6,949,784	-	-

Contractual maturities of financial liabilities as at 30 June 2024

	Carrying Amount	Contractual Cash Flows	06 month or less	06 months to 12 months	More than 01 year
	Rupees	Rupees	Rupees	Rupees	Rupees
Trade and other payable	2,822,662	2,822,662	2,822,662	-	-
Overdue lease liability	810,000	810,000	810,000	-	-
Unclaimed dividend	2,476,962	2,476,962	2,476,962	-	-
	6,109,624	6,109,624	6,109,624	-	-

28.2 Recognized fair value measurements - financial assets

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
As at 30 June 2025				
Investments at 'fair value through other comprehensive income'	27,094,000	-	98,000	27,192,000
As at 30 June 2024				
Investments at 'fair value through other comprehensive income'	14,630,000	-	98,000	14,728,000

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer in and out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

28.3 Recognized fair value measurements - non-financial assets

There were no non-financial assets as at 30 June 2025 (2024: Nil) for the recognized fair value measurement.

28.4 Financial instruments by categories

As at 30 June 2025

Assets as per statement of financial position

	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Long-term investments	27,192,000	-	27,192,000
Long-term security deposit	-	20,000	20,000
Long-term loan to employee	-	105,000	105,000
Trade debts	-	2,689,879	2,689,879
Loans and advances	-	120,000	120,000
Bank balances	-	14,118,089	14,118,089
	27,192,000	17,052,968	44,244,968

Liabilities as per statement of financial position

	At 'fair value through profit or loss'	At amortized cost	Total
	Rupees	Rupees	Rupees
Trade and other payables	-	3,662,822	3,662,822
Overdue lease liability	-	810,000	810,000
Unclaimed dividend	-	2,476,962	2,476,962
	-	6,949,784	6,949,784

As at 30 June 2024

Assets as per statement of financial position

	At 'fair value through other comprehensive income'	At amortized cost	Total
	Rupees	Rupees	Rupees
Long-term investments	14,728,000	-	14,728,000
Long-term security deposit	-	20,000	20,000
Trade debts	-	2,217,998	2,217,998
Cash and bank balances	-	14,024,199	14,024,199
	14,728,000	16,262,197	30,990,197

Liabilities as per statement of financial position

	At 'fair value through profit or loss'	At amortized cost	Total
	Rupees	Rupees	Rupees
Trade and other payables	-	2,822,662	2,822,662
Overdue lease liability	-	810,000	810,000
Unclaimed dividend	-	2,476,962	2,476,962
	-	6,109,624	6,109,624

Reconciliation to the line items presented in the financial position is as follows:

As at 30 June 2025

Assets as per balance sheet

Property and equipment
Long-term investments
Long-term security deposit
Long-term loan to employee
Trade debts
Loans and advances
Other receivables
Sales tax receivable - net
Cash and bank balances

Financial assets	Non-financial assets	Total as per financial position
Rupees	Rupees	Rupees
-	768,065	768,065
27,192,000	-	27,192,000
20,000	-	20,000
105,000	-	105,000
2,689,879	-	2,689,879
120,000	-	120,000
-	-	-
-	26,345	26,345
14,118,089	-	14,118,089
44,244,968	794,410	45,039,378

As at 30 June 2025

Liabilities as per balance sheet

Deferred tax liability
Trade and other payables
Contract liability
Provision for taxation and levy payable - net
Unclaimed dividend

Financial liabilities	Non-financial Liabilities	Total as per financial position
Rupees	Rupees	Rupees
-	142,501	142,501
4,022,822	1,065,035	5,087,857
-	-	-
313,200	-	313,200
2,476,962	-	2,476,962
6,812,984	1,207,536	8,020,520

As at 30 June 2024

Assets as per balance sheet

Property and equipment
Long-term investments
Long-term security deposit
Trade debts
Loans and advances
Other receivables
Cash and bank balances

Financial assets	Non-financial assets	Total as per financial position
Rupees	Rupees	Rupees
-	862,539	862,539
14,728,000	-	14,728,000
20,000	-	20,000
2,217,998	-	2,217,998
25,000	250,001	275,001
-	-	-
14,024,199	-	14,024,199
31,015,197	1,112,540	32,127,737

As at 30 June 2024

Liabilities as per balance sheet

Deferred tax liability
Trade and other payables
Contract liability
Provision for taxation and levy payable - net
Unclaimed dividend

Financial liabilities	Non-financial Liabilities	Total as per financial position
Rupees	Rupees	Rupees
-	155,612	155,612
3,632,662	1,032,842	4,665,504
-	500,000	500,000
1,041,105	-	1,041,105
2,476,962	-	2,476,962
7,150,729	1,688,454	8,839,183

28.5 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

29. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares or sell assets. The Company's strategy, remained unchanged from last year.

30. NUMBER OF EMPLOYEES

The number of employees during the year is as follows:

	2025		2024	
	At year end	Average	At year end	Average
Number of employees	4	3	4	3

- 30.1 Other employees are hired on temporary contract basis. Therefore, the Company has not so far established any staff retirement benefit scheme. The Company intends to hire permanent employees in ensuing financial year.

31. DATE OF AUTHORIZATION

These financial statements were approved and authorized for the issue on Oct 4, 2025 by the Board of Directors of the Company.

32. CORRESPONDING FIGURES

- Figures have been rounded off to the nearest Rupee.
- Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Reclassifications made in these financial statements is as follows:

From	To	Rupees
Loans and advances	Long-term loan to employee	<u>25,000</u>

33. GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

Gender Pay Gap Statement

AKD Hospitality Limited

Gender Pay Gap Statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024.

Following is gender pay gap calculated for the year ended June 30, 2025.

1. Mean Gender Pay Gap (40%) [Mean hourly rate of Female staff is higher than Male]
2. Median Gender Pay Gap (50%) [Median hourly rate of Female staff is higher than Male]

The above data is calculated for all full pay relevant employees.

The Company Secretary,
AKD Hospitality
511, Continental Trade Centre,
Block 8, Clifton,
Karachi

Proxy Form

I / We _____
of _____
being member(s) of AKD Hospitality Limited holding _____ ordinary shares as per Folio
No. _____ and / or CDC Account No. _____ hereby appoint _____
_____ of _____
_____ Folio No. _____ and / or
CDC Account No. _____ or failing him / her _____
_____ of _____
_____ Folio No. _____ and / or CDC Account No. _____
_____ as my / our proxy to attend, act and vote for me / us and on my / our behalf at
the Annual General Meeting of the Company to be held at 11:00 a.m. on Tuesday, October 28, 2025 at 5th Floor,
Continental Trade Centre, Block 8, Clifton, Karachi, and / or online through Zoom and at every adjournment thereof.

Signed this _____ day of _____, 2025.

Witnesses:

Signature _____

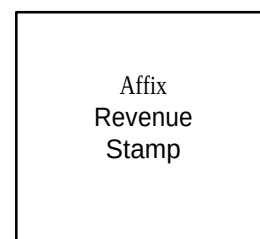
Name _____

CNIC or Passport No. _____

Signature _____

Name _____

CNIC or Passport No. _____



Signature of
Member(s)

Note:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend, act and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. M/s. C & K management Associate (Pvt) Ltd. M-13, Progressive Plaza, Plot No. 5 - CL - 10, Civil Lines Quarter, Beaumont Road, Karachi or through email at investor.relations@akdhospitality.com not less than 48 hours before the meeting.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

The Company Secretary,
AKD Hospitality,
511, 5th Floor, Continental
Trade Centre, Block – 8,
Clifton, Karachi.

AFFIX
POSTAG

پراکسی فارم

میں / ہم ساکن AKD باسپٹیلیٹی لمیٹڈ
کے ممبر ہونے کے تحت فولیو نمبر،، / سی ڈی سی اکاؤنٹ نمبر کے
مطابق کے عمومی حصص کے حامل ہونے کے تحت جناب محترم /
محترمہ ساکن فولیو نمبر،، اور / یا سی ڈی سی
اکاؤنٹ یا ان کی ناکام ہونے کی صورت میں جناب محترم / محترمہ ساکن
..... فولیو نمبر اور / یا سی ڈی سی اکاؤنٹ نمبر کو 28 اکتوبر،
2025 صبح 11:00 پانچویں منزل، کانٹی نینٹل ٹریڈ سینٹر، بلاک 8، کلفٹن، کراچی میں اور / یا زوم کے ذریعے منعقد ہونے والے کمپنی
کے سالانہ اجلاس عام اور کسی زیر التوا اجلاس میں شرکت اور رائے دی کے لئے اپنا / ہمارا پراکسی مقرر کرتا / کرتے / کرتی ہوں

اس دستاویز پر مورخہ 2025 کو دستخط ہوئے



گواہان

..... دستخط

..... دستخط

..... نام

..... نام

..... شناختی کارڈ یا پاسپورٹ نمبر

..... شناختی کارڈ یا پاسپورٹ نمبر

ممبر (ممبران) کے دستخط

نوٹ:

* سالانہ اجلاس عام میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت کرنے اور رائے دی کیلئے دوسرے ممبر کو اپنا
پروکسی مقرر کر سکتا ہے۔ مکمل پروکسی فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا ہمارے
شیر رجسٹرار میسرز سی اینڈ کے مینجمنٹ ایسوسی ایٹ (پرائیویٹ) لمیٹڈ، M-13، پروگیسیو پلازہ، پلاٹ نمبر 105-CL، سول لائنز
کوارٹر، بیومونٹ روڈ، کراچی پر بذریعہ ڈاک یا investor.relations@akdhospitality.com پر ای میل کے ذریعے جمع کرانا ہوگا۔
* سی ڈی سی بولٹرز اور ان کی پراکسیوں سے درخواست ہے کہ کمپنی کے پاس جمع کرانے سے پہلے اپنے پراکسی فارم کے ہمراہ
اپنے کمپیوٹر انڈکس کارڈ (سی این آئی سی) یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔

ڈاک ٹکٹ

چسپاں کریں

کمپنی سیکرٹری

AKD ہاسپتالیٹی

511، پانچویں منزل، کانٹیننٹل ٹریڈ سینٹر، بلاک 8

کلٹن، کراچی۔