

Directors' Report



The Directors are pleased to present the Annual Report of Pakistan International Bulk Terminal Limited (PIBT) (the “Company”) together with the audited financial statements of the Company for the year ended June 30, 2026.

BUSINESS REVIEW

The Company entered into a Build-Operate-Transfer (“BOT”) contract with Port Qasim Authority (PQA) on November 06, 2010, for the construction, development, operations and management of a coal and clinker/cement terminal at Port Muhammad Bin Qasim for a period of thirty (30) years, extendible for a further period of thirty (30) years.

During the year, the Company executed the Supplemental Implementation Agreement with the Port Qasim Authority on December 12, 2025, which grants the Company the supplemental concessions, rights and licenses for the handling, storage and export of copper-gold commodities, including minerals, metals, and other natural earth commodities on a non-exclusive basis. The supplemental concessions form part of the existing BOT contract and are effective for the same thirty (30)-year concession period.

The additional concessions allow the Company to leverage its existing terminal infrastructure and operational capabilities to handle a broader range of commodities, including minerals and metals.

As a Terminal Operator, the Company’s operations largely depend on demand for imported coal from the cement, power plants, textile, chemical, and other allied industries. During the year, the Company handled 7,595,432 tons of cargo across 143 vessels as compared to 4,793,326 tons across 87 vessels last year, reflecting a significant increase in terminal throughput, primarily attributable to higher coal imports and stronger industry demand for imported coal.

The increase in demand was supported by developments in the regional energy and supply environment. The Gulf conflict and the resulting disruption in regional energy supplies, together with constraints in RLNG availability in Pakistan and the closure of the Pakistan-Afghanistan border, increased reliance on coal as an alternative energy source. These factors, together with broader economic activity, contributed to stronger demand for imported coal during the year.

The Company remained focused on maintaining operational efficiency by upholding high standards of safety, reliability, efficiency, environmental stewardship and service quality in the handling of cargo. The Company continued to optimise the utilisation of its terminal infrastructure and equipment to support higher volumes and ensure efficient and reliable terminal operations.

A significant development during the year was Reko Diq Mining Company (Private) Limited’s (“RDMC”) identification of PIBT as its preferred terminal for the handling and export of copper and gold concentrates from the Reko Diq project. Subsequently, the Company entered into an agreement with RDMC, under which RDMC will invest in dedicated storage and handling infrastructure at the Company’s terminal. The agreement broadens the Company’s potential cargo base and provides a platform for expanding its role in Pakistan’s mineral export sector.

FINANCIAL PERFORMANCE

The Company recorded a net profit of Rs. 3,373 million during the year, compared with a net loss of Rs. 258 million in the previous year, reflecting a significant improvement in financial performance, primarily supported by higher cargo volumes and stronger terminal activity during the year.

Key financial highlights for the year, compared to the previous year, are outlined below:

-----Rs. in ‘000-----

Particulars	2025-2026	2024-2025
Revenue – net	16,388,191	9,969,183
Gross profit	5,450,462	2,059,244
Profit before tax	4,194,830	43,431
Taxation	(822,282)	(301,361)
Net (loss) / profit	3,372,548	(257,930)
(Loss) / earnings per Share	1.89	(0.14)

The Company remained focused on maintaining operational efficiency, optimising costs and generating sustainable cash flows.

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FINANCIAL MATTERS

Insurance Claim

During the year, the insurance claim arising from the fire incident was settled for USD 2.85 million, net of applicable policy deductibles, covering property and handling equipment, business interruption and increased cost of working. As at the reporting date, USD 0.6 million remained receivable from the insurers.

Debt Servicing

During the year, the Company continued to prioritise deleveraging and strengthening its financial position. The Company made debt repayments of Rs. 4,467 million during the year, including the full repayment of its foreign currency borrowings. The Company's long-term loan outstanding stood at Rs. 3,496 million as at June 30, 2026.

Contingencies

The management regularly reviews the Company's contingencies and potential exposures, which are disclosed in the financial statements. Based on the advice of the Company's legal counsel, management is of the view that the eventual outcome of these matters will be favourable to the Company.

CONTRIBUTION TO THE ECONOMY

It is noteworthy that ~32% of the Company's revenue goes to Port Qasim Authority in terms of royalty and penalty, which amounted to Rs. 5,698 million this year. Additionally, the Company also contributed Rs. 4,976 million to the national exchequer in the form of income tax, sales tax, and other government levies.

APPROPRIATION

The Board of Directors has not recommended any dividend or bonus for the financial year 2026, taking into consideration the financial restrictions under the Company's financing agreements. During the year, the Company fully repaid its foreign currency borrowings and will continue to meet its remaining long-term debt obligations in accordance with the applicable contractual commitments. Over the longer term, the Company expects that the reduction in its debt obligations will provide greater financial flexibility, subject to the terms of its financing arrangements and its financial position, to consider the distribution of available free cash flows to shareholders.

RELATED PARTY TRANSACTIONS

All related party transactions entered into had arrangement/agreement in place and were reviewed and approved by the Audit Committee as well as the Board of Directors of the Company in compliance with the Listed Companies (Code of Corporate Governance) Regulations 2019 and the requirements of the International Financial Reporting Standards (IFRS) and the Companies Act, 2017. These transactions were executed on an arm's-length basis and have been duly disclosed in the financial statements under relevant notes.

EMPLOYEES' RETIREMENT BENEFITS

The Company provides retirement benefits to its employees. This includes a contributory Provident Fund and Defined Benefit Obligation for permanent employees. The value of investments of the provident fund and defined benefit obligation, based on their un-audited accounts as of June 30, 2026, was Rs. 530 million and Rs. 429.6 million respectively.

EXTERNAL AUDITORS

The retiring auditors, M/s Yousuf Adil, Chartered Accountants, being eligible have offered themselves for re-appointment. The Board has recommended the appointment of M/s Yousuf Adil, Chartered Accountants, as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

CREDIT RATING

The Pakistan Credit Rating Agency Limited (PACRA) reaffirmed the Company's long-term and short-term credit ratings at A and A2 respectively with the outlook to the rating assigned as "Stable".

The long-term rating signifies credit quality and the short-term rating indicates capacity for timely payments. The Company's high credit rating indicates creditworthiness, evidencing its efficient cash flow strategy to settle financial commitments.

SUSTAINABILITY

Sustainability encompasses environmental, social, and governance (ESG) considerations. By implementing sustainable operational practices, embracing renewable energy policies, and launching green initiatives, the Company strives to contribute to a more sustainable future. We are committed to ESG targets that align with the Company's strategic objective of enhancing resilience and driving positive social impact.

Over the years, substantial capital has been invested in advanced, eco-efficient technologies and infrastructure upgrades that minimise our environmental footprint and reflect the principles of responsible resource management. As a bulk cargo terminal, we recognise the importance of improving operational efficiency, reducing emissions, and adopting sustainable practices throughout our operations to balance economic performance with environmental stewardship.

The Board also continued to consider the Company's approach to the sustainability-related governance requirements introduced by the Securities and Exchange Commission of Pakistan, including the potential constitution of a dedicated sustainability committee.

DIVERSITY, EQUITY AND INCLUSION

We take pride in being an equal opportunity employer, dedicated to empowering individuals by acknowledging and embracing the diversity that makes each person unique. We appreciate differences in age, gender, ethnicity, religion, disability, sexual orientation, education, and national origin, understanding that these distinctions enhance our workplace and drive our success.

At PIBT, we actively ensure that the contributions, presence, and perspectives of diverse groups are not only valued but fully integrated into our operations. We remain committed to developing gender-neutral roles, fostering an inclusive environment where everyone is given the opportunity to succeed.

GENDER PAY GAP STATEMENT

The following is the gender pay gap calculated for the year ended June 30, 2026:

- Mean gender pay gap

On average, female employees are paid 10.1% more than male employees, primarily because the majority of females work in professional roles, in contrast to a significant proportion of males.

- Median gender pay gap

Even at the mid-salary point, female employees are paid 44% more than male employees.

HEALTH, SAFETY AND ENVIRONMENT

We are firmly committed to maintaining a safe and healthy working environment to ensure the well-being of the people who work with us as well as of the communities where we operate. As a certified organization under ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO 45001 (Occupational Health and Safety Management System), we are dedicated to continuously improving our practices to uphold the highest standards in health, safety, and environmental performance.



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To support employee welfare, we have set up a free medical center at our Terminal to provide accessible healthcare services. We also conduct regular first aid training, mock drills, firefighting sessions, and evacuation exercises to ensure preparedness and foster a safe, healthy working environment for all stakeholders involved in our operations.

During the year, the Company arranged a health checkup exercise for its employees within the terminal premises, facilitated by Jubilee Insurance, as part of its ongoing commitment to employee health and well-being.

GREEN OPERATIONS

PIBT complies with the World Bank's standards of environmental pollution control. In this respect, PIBT has developed an Environmental Management Plan (EMP) in compliance with applicable laws & regulations of Pakistan, IFC's performance standards, and World Bank Group Environment, Health & Safety Guidelines.

Key aspects of the EMP are:

• Dust emission control	• Solid waste management
• Noise pollution control	• Dredge material disposal management
• Waste water management	• Biodiversity conservation & sustainable natural resources management

These aspects of the EMP and the related regulations etc. have been implemented over the course of the construction of the terminal and are monitored and updated regularly during the terminal operations.

Furthermore, the Company has installed the pilot phase of the solar power project of 159 KW. The project is working efficiently by contributing to the reduction of consumption from non-renewable sources and reducing CO2 emissions.

CORPORATE SOCIAL RESPONSIBILITY

The development of an enterprise is closely linked to the welfare and well-being of the communities and stakeholders associated with it. Corporate Social Responsibility (CSR) has been deeply embedded in the culture of PIBT since its inception, reflecting the objectives of the Board and management to contribute meaningfully to the development of the communities in its operating areas in particular and society in general. The Company recognises its responsibility towards the impact of its activities on the environment, employees, communities, and other stakeholders.

As a bulk cargo terminal, the Company recognises the importance of reducing its environmental impact while ensuring operational efficiency. To this end, PIBT has implemented a range of sustainability initiatives and measures. Notably, it is the only common-user facility in Pakistan dedicated to dirty bulk cargo and operates in accordance with international standards for environmental pollution control.



Our corporate philosophy recognises local communities as one of our primary stakeholders. To support them, PIBT has undertaken several community development programs aimed at improving living standards and creating economic opportunities in the areas surrounding our terminal. These initiatives include educational sponsorships and healthcare programs, such as free medical camps and health awareness workshops, designed to improve access to education and healthcare for underprivileged communities.

In addition, in collaboration with local NGOs, the Company is actively engaged in providing daily sustenance to nearby communities. This partnership facilitates the provision of essential resources, including food, to those in need, further reinforcing PIBT's commitment to social welfare and supporting the well-being of underprivileged communities.



CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors of the Company are aware of their responsibilities under the Code of Corporate Governance, the listing requirements of Pakistan Stock Exchange Limited and the Financial Reporting framework of Securities and Exchange Commission of Pakistan and confirm that throughout the year 2025-26 the following has been complied with:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored with which the Directors concur.
- There has been no material departure from the best practices of corporate governance as per Regulations.
- There are no significant doubts upon the Company's ability to continue as a going concern. The material uncertainties regarding the Company's ability to continue as a going concern and their mitigating factors have been described in detail in this report and the financial statements for the year ended June 30, 2026.
- There is no purchase/sale of shares of the company by its directors, CEO, CFO, Company Secretary and their spouses and minor children, other than those disclosed to the Pakistan Stock Exchange. Pattern of shareholding has been presented (separately).

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- Detail of shares held by associated undertakings and related persons has also been presented (separately).
- Statement of the Board meetings held during the year and attendance by each director has also been presented.
- Key financial data for the last six years has also been presented (separately).

CODE OF ETHICS & BUSINESS PRINCIPLES

The Board has adopted the Statement of Ethics and Business Principles, which sets out the standards of ethical conduct and business practices expected across the Company. The Code provides a framework for promoting integrity, transparency, accountability and responsible conduct in the discharge of duties and responsibilities.

RISK MANAGEMENT

The Company has in place a comprehensive risk management framework designed to systematically identify, assess, monitor and manage risks arising from both internal and external factors. The framework supports the Company in evaluating the potential impact of identified risks and implementing appropriate measures to manage exposure and maintain business continuity.

The Company's operational risk management approach focuses on maintaining high standards of safety, reliability and operational efficiency through the sustainable maintenance of equipment and infrastructure, supported by investments in reliable cargo handling technologies. The Company also maintains appropriate insurance coverage to manage exposures arising from its operations and assets.

Oversight of the risk management framework rests with the Board through its Risk Management Committee. During the year, the Risk Management Committee continued to support the Board in reviewing the Company's key risk exposures, including operational, financial, compliance and strategic risks, and in assessing the adequacy of measures implemented to manage such risks.

The Company continues to monitor its risk environment and periodically reviews its risk management framework and mitigation measures in response to changing business, operational, financial and external conditions. Details of the Company's financial risk management, including its exposure to various financial risks and related mitigation measures, are disclosed in the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors is responsible for adequate internal financial controls and has established an efficient system of internal financial controls to ensure effective and efficient conduct of operations, the safeguarding of Company assets, compliance with applicable laws and regulations and the reliability of financial reporting. The independent Internal Audit function of the Company conducts regular evaluations and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and the financial statements on a quarterly basis to ensure their integrity and alignment with corporate governance standards. During the year, the Board reviewed the adequacy and effectiveness of the internal control system, with input from the Audit Committee, and is satisfied with its robustness.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer (CFO) and Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

BOARD OF DIRECTORS

The total number of directors is seven, comprising:

Male	06
Female	01

The Board comprises two (02) Independent Directors, two (02) Executive Directors and three (03) Non-Executive Directors.

The Board reviewed the Company's strategic direction, annual corporate plans and targets, and is committed to ensuring the highest standard of governance.

During the year, four (4) meetings of the Board of Directors were held. Attendance by the Directors is as follows:

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Captain Haleem A. Siddiqui	4	Syed Nadir Shah	4
Mr. Sharique A. Siddiqui	4	Ms. Farah Agha	4
Captain Zafar Iqbal Awan	4	Mr. Arsalan Iftikhar Khan	2
Mr. M. Masood A. Usmani	4	Mr. Nadeem Nisar	0

Leave of absence was granted to the director who could not attend the meeting(s) held during his tenure.

During the year, the following seven (7) directors were deemed elected for the next term of three (03) years commencing from October 25, 2025. Mr. Arsalan Iftikhar Khan was elected in place of retiring director Mr. Nadeem Nisar.

1. Capt. Haleem Ahmed Siddiqui	2. Mr. Sharique Azim Siddiqui
3. Capt. Zafar Iqbal Awan	4. Syed Nadir Shah
5. Ms. Farah Agha	6. Mr. Muhammad Masood Ahmed Usmani
7. Mr. Arsalan Iftikhar Khan	

TRAINING OF DIRECTORS

The directors are aware of their duties and strive to discharge them according to the highest standards. At the year-end, the Company was compliant with the optional requirements for the Directors' Training Program stipulated in the Listed Companies (Code of Corporate Governance) Regulations, 2019, where all the Directors have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

EVALUATION CRITERIA FOR THE BOARD

The performance of the Board of our Company is evaluated annually along the following parameters:

- Integrity, credibility, trustworthiness and active participation of members.
- Follow-up and review of annual targets set by the management.
- Ability to provide guidance and direction to the Company.
- Ability to identify aspects of the organization's performance requiring action.
- Review of succession planning of management.
- Ability to assess and understand the risk exposures of the Company.
- Contribution and interest in regard to improving health, safety and environment, employment and other policies and practices in the Company.

PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board and effectiveness of the role of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. A separate review report by the Chairman on the Board's overall performance, as required under the Companies Act, 2017, is annexed with the Annual Report.

REMUNERATION OF DIRECTORS

The Board of Directors has approved a "Remuneration Policy for Directors" i-e Chairman, non-executive directors and independent directors are entitled only to the fee for attending the meetings. The levels of remuneration are appropriate and commensurate with the level of responsibility and expertise to govern the company successfully and with value addition. Remuneration details of the key management personnel are disclosed in note 28 to the financial statements.

The Articles of Association of the Company permit the Board of Directors to determine and approve the remuneration of a director for attending meetings of the Board of Directors or its Committees from time to time.

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COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control, risk management and the audit process. It has the autonomy to call for information from management and to consult directly with external auditors or advisors as considered appropriate.

During FY2026, the Audit Committee reviewed the Company's financial reporting, internal control environment and internal and external audit matters, and monitored the implementation of recommendations arising from audit reviews. The Committee also supported the Board in overseeing the integrity of the Company's financial reporting and the effectiveness of its internal control framework.

During the year, four (4) meetings of the Audit Committee were held. Names of members of the Committee and their attendance are as follows:

Name of Members	Meetings attended
Captain Zafar Iqbal Awan	4
Syed Nadir Shah	4
Ms. Farah Agha	4

Risk Management Committee

The Risk Management Committee is constituted in accordance with the requirements of the Code of Corporate Governance to assist the Board in overseeing the Company's risk management framework. The Committee reviews key risk exposures, evaluates the adequacy of mitigation strategies, and oversees the effectiveness of systems for identifying and addressing significant risks. The Committee also works with management to strengthen the Company's resilience and align risk management practices with its strategic objectives.

During FY2026, the Committee supported the Board in assessing risks arising from the Company's growth initiatives, operational activities and strategic projects, and in reviewing the measures implemented to manage and mitigate such risks.

During the year, two (2) meetings of the Risk Management Committee were held. Names of members of the Committee and their attendance are as follows:

Name of Members	Meetings attended	Name of Members	Meetings attended
Mr. Sharique A. Siddiqui	2	Mr. M. Masood A. Usmani	2
Syed Nadir Shah	2	Mr. Arsalan I. Khan	2
Ms. Farah Agha	2		

Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee meets to review and recommend matters relating to compensation, organisational structure and employee development policies, including the remuneration of senior executives, and to approve matters relating to the remuneration of Executive Directors.

Following each meeting, the Chairman of the Committee reports to the Board on the Committee's deliberations, approvals and recommendations.

During the year, one (01) meeting of the Human Resource & Remuneration Committee was held. Names of members of the Committee and their attendance are as follows:

Name of Members	Meetings attended
Mr. Sharique A. Siddiqui	1
Syed Nadir Shah	1
Ms. Farah Agha	1

FORWARD OUTLOOK

The Company remains committed to consolidating its position as Pakistan's leading bulk terminal while maintaining high standards of service, operational excellence and environmental stewardship. Imported coal is expected to remain an important component of Pakistan's industrial and energy requirements, supported by demand from the cement, power and other allied industries. While the country continues to pursue greater reliance on indigenous and renewable energy resources, imported coal is expected to continue to play an important role in meeting the existing energy and industrial requirements. In the short to medium term, the Company expects terminal volumes to remain at or above the levels achieved during financial year 2026, supported by continued industrial demand and prevailing energy and market conditions. The Company will continue to optimise the utilisation of its terminal infrastructure and equipment, strengthen operational efficiency and maintain disciplined cost management to support sustainable business performance.

Looking ahead, the Company will continue to leverage its multipurpose bulk cargo terminal, existing infrastructure, operational capabilities and experience to broaden its cargo base and respond to emerging trade opportunities. The Supplemental Implementation Agreement with Port Qasim Authority provides the Company with additional scope to diversify its cargo mix and broaden its handling activities, including minerals and metals.

A significant opportunity arising from this broader mandate is the Reko Diq project, for which PIBT has been identified as the preferred export terminal for the handling and export of copper-gold concentrates. The development of dedicated storage and handling infrastructure at the terminal is expected to further strengthen the Company's capabilities for mineral cargo and support the efficient handling and export of Pakistan's mineral resources. While the Reko Diq project remains under review, with the review expected to continue until mid-2027, the Company remains focused on the longer-term opportunity arising from the project. The partnership provides a platform for broadening the Company's cargo base and expanding its role in Pakistan's growing mineral export sector.

The Company's modern port infrastructure and operational expertise provide a strong foundation to support the project's requirements. The Company remains committed to maintaining high standards of service, operational excellence and environmental stewardship as it continues to develop opportunities arising from its expanded cargo mandate.

ACKNOWLEDGMENT

The Directors extend their sincere appreciation to the Company's employees for their continued commitment, dedication and contribution to the Company's performance. The Board also acknowledges the valued support and confidence extended by the Company's stakeholders throughout the year.

The Directors particularly thank the Company's shareholders, both public and institutional, local lenders, Port Qasim Authority and Reko Diq Mining Company (Private) Limited for their continued trust, cooperation and support. The Board also recognises the contribution of all stakeholders who have supported the Company in strengthening its operations and pursuing opportunities for sustainable long-term growth.

For and on behalf of the Board of Directors,

Sharique Azim Siddiqui
Chief Executive Officer
Karachi: September 21, 2026

Capt. Zafar Iqbal Awan
Director