

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AL-ABBAS SUGAR MILLS LIMITED 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 Al-Abbas Sugar Mills Limited for the year ended September 30, 2023 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 September 30, 2023.

KARACHI

DATED: December 27, 2023

UDIN: CR202310067s3E5AixdY



BDO EBRAHIM & Co.

Chartered Accountants

Engagement Partner: Zulfikar Ali Causer

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

1. The total number of directors are nine as per the following:
 - a. Male: Seven (7)
 - b. Female: Two (2)
2. The composition of the board is as follows:

Category	Names
Independent Directors	Mr. Haroon Askari Mr. Muhammad Salman Hussain Chawala Mr. Muhammad Siddiq Khokhar
Non-Executive Directors	Mr. Shahid Hussain Jatoi Mr. Suleman Lalani Mr. Zakaria Usman
Executive Director	Mr. Asim Ghani*
Female Directors	Mrs. Asma Aves Cochinwala Mrs. Darakshan Zohaib

*Mr. Asim Ghani, the chief executive officer of the Company, is a deemed director as defined in section 188 (3) of the Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of 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 these Regulations.
7. The meetings of the Board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Seven directors have already completed the directors' training program. The Board consists of one director who is exempted from the directors' training program in accordance with clause 19(2) of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2019 due to having minimum 14 years of education and over 15 years of experience on the board of a listed Company.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Haroon Askari	Chairman
Mrs. Asma Aves Cochinwala	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Salman Hussain Chawala	Member
Mr. Zakaria Usman	Member

Human Resource and Remuneration Committee

Mr. Haroon Askari	Chairman
Mr. Asim Ghani	Member
Mr. Shahid Hussain Jatoi	Member
Mr. Muhammad Siddiq Khokhar	Member
Mr. Suleman Lalani	Member
Mr. Zakaria Usman	Member

Risk Management Committee

Mr. Muhammad Salman Hussain Chawala	Chairman
Mr. Asim Ghani	Member
Mrs. Darakshan Zohaib	Member
Mr. Muhammad Siddiq Khokhar	Member

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 of the committees were as per following:

- Audit Committee: Four quarterly meetings during the financial year ended September 30, 2023.
- HR and Remuneration Committee: Two meetings during the year ended September 30, 2023.
- Risk Management Committee: One meeting during the financial year ended September 30, 2023.

15. The board has set up effective internal audit functions that 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 ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involve in the audit are not a close relative (spouses, 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 the mandatory and non-mandatory requirements of the Regulations have been complied.

Karachi: December 27, 2023



Zakria Usman
Chairman