

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

Name of company: Kohinoor Spinning Mills Limited

Year ending: 30th June 2025

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

1. The total number of directors are 07 as per the following:

a. Male: 06

b. Female: 01

2. The composition of the Board is as follows:

Category	Name
Independent Directors	1. Faisal Qaiyum 2. Abbas Ali
Non-Executive Directors	1. Khawaja Muhammad Jahangir 2. Khawaja Muhammad Kaleem
Female Non-Executive Director	1. Ms. Aqsa Jahangir
Executive directors	1. Muhammad Naveed 2. Khawaja Muhammad Hamza Yousaf

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/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 these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of Seven Directors. three directors are exempt from Directors' Training program as they qualify the criteria of having a minimum of 14 years of education and 15 years of experience on the Board of a listed Company. One Director has already completed Director's Training program. The Board shall arrange the Directors' Training program for the remaining directors in due course of time;
10. No new appointment of chief financial officer, company secretary and head of internal audit was made during the year;
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

<b>Name</b>	<b>Designation</b>
Faisal Qaiyum	Chairman
Khawaja Muhammad Kaleem	Member
Aqsa Jahangir	Member

b) HR and Remuneration Committee

<b>Name</b>	<b>Designation</b>
Faisal Qaiyum	Chairman
Khawaja Muhammad Jahangir	Member
Khawaja Muhammad Kaleem	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 (quarterly/half yearly/ yearly) of the committee were as per following,-

<b>Committees</b>	<b>Frequency of Meeting</b>
Audit Committee	04--on quarterly basis
HR and Remuneration Committee	01-annual basis

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is 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 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 3,7,8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Regulation Ref.	Requirement	Explanation of Non-Compliance
5	The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.
6(1)	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 Company currently has two elected independent directors out of total seven directors on the Board. Fractional requirement for Independent directors have not been rounded up as both independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director..
18	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	Currently, the Company has not made any arrangement for orientation program. However, the Company is considering to carry out in-house orientation training program in due course.
19(1)	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	Out of seven, three Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training

	specified by the Commission and approved by it.	program. One Director has already completed Director's training program. However, remaining directors will attain the certification in due course.
19(3)	Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	The Company has not arranged any training under Directors' Training Program for any head of the department during the year
29(1)	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	Currently the board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a separate Risk Management Committee and the functions are being performed by the Board
35	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 director's remuneration policy.	Although, these were circulated among the relevant employees and directors, the Board shall consider positing such policies and synopsis on its website in near future



(KHAWAJA MUHAMMAD JAHANGIR)  
Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF KOHINOOR SPINNING MILLS LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE 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 Kohinoor Spinning Mills Limited (the Company) for the year ended June 30, 2025, to comply 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 to 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

No information for the purpose of review was provided to us accordingly, we do not express our conclusion as to whether Statement of Compliance appropriately reflects the Company's compliance in all material respects, with the requirements contained in the Regulations as applicable to the Company for year ended June 30, 2025.



**SAEED UL HASSAN & COMPANY**  
**CHARTERED ACCOUNTANTS**  
Engagement Partner: **SAEED UL HASSAN**  
Lahore



Date: October 02, 2025