

CHAIRMAN'S REVIEW REPORT 2019

Thal Limited began its journey as a humble Jute Mill 53 years ago. It is indeed with the grace of the Almighty that today we stand proudly before you as a diverse business entity comprising of Thermal Systems, Electric Systems, Engine Components, Paper sack and Laminates businesses. We would not be here today without your unwavering support for which we are thankful.

With a clear vision to align ourselves with the macroeconomic objectives of the country and the needs of our people, our plans are to align with national priorities such as CPEC and Pakistan's urgent desire to be energy sufficient for the future. Therefore, the Company has partnered in developing Pakistan's first open pit coal mining project at Thar by investing in the Sindh Engro Coal Mining Company (SECMC) and remains engaged in setting up a 330 MW coal-fired power generation plant at Thar, Sindh through its subsidiary Thal Power (Private) Limited. We also continue to scale up our sustainable packaging solutions in Paper and Jute packaging to help Pakistan's policy objective of reducing plastic pollution in the country.

Pakistan's recent agenda for economic restructuring has posed challenges across the countries' business landscape. Despite this, your company was able to achieve steady growth in its overall profitability for the year ended June 30, 2019.

During the course of the year, the Company's Engineering Segment, completed a new facility to cater to expansion in its automotive wire harness business in technical collaboration with Yazaki Corporation, one of the world's largest automotive parts manufacturers. In addition, Thal Boshoku Pakistan (Private) Limited, also completed its new facility to cater to the production of car seats, and commercial production is expected to commence by the end of 2019. Thal's Jute business also made a significant investment in capital equipment to improve & update operational capability and enhance quality. To tap new markets, Thal's Pakistan Papersack Division, recently diversified its product range to include retail & food packaging. These investments and initiatives are expected to provide growth opportunities in the coming years.

Since its inception, the very backbone of Thal Limited has been a steady investment in human capital. The Company continues to take tangible steps to provide training and development opportunities for its employees across the board. To meet our

succession needs we maintain the highest standards of selection from the country's best institutions for young talent and future potential leaders through our Management Trainee Program. We are confident that consistent investment in our people shall continue to pay us qualitative dividends in the future.

The Board of Directors of Thal Limited comprises of highly experienced business leaders who, together, bring over 150 years of expertise to our board. All Board members are aware of their fiduciary & governance responsibilities and fulfill these by providing strategic direction to management and necessary guidance for compliance with global policies and standards.

The role and contribution of the members of the Board of Directors remains critical to the formulation & achievement of our plans and operations. Board Members have exercised the required strategic oversight for us to continue on our path to success. I am grateful to the Board's Committees on Audit and on Human Resources & Remuneration for their valuable contributions in providing requisite leadership, support and guidance.

During the year, the Chief Executive of the Company – Mr. Mazhar Valjee resigned and the Board has appointed Mr. Mohammad Tayyab Ahmed Tareen as his replacement effective from July 1st, 2019. On behalf of the Company, I wish to acknowledge Mr. Mazhar Valjee for the valuable contributions made in his 30-year association with our Group.

I would also like to advise that Mr. Sohail P. Ahmed has, after a very long association with the Company, resigned from the Board with effect from 20th September, 2019. In his time with the Company Mr. Ahmed has made a very significant contribution towards developing Thal's auto parts business. The Board expressed its sincere appreciation and gratitude to him in recognition of this valued contribution.

In closing, I would like to thank our shareholders, customers, dealers and business partners for their continued patronage and trust.

I would also like to thank all our staff members for their contribution to the growth of the Company and trust that together we shall rise to even greater heights in the future.



Rafiq M Habib
Chairman

