

MAPLE LEAF CAPITAL LIMITED

Analyst:

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RATING DETAILS

| RATINGS CATEGORY | Latest Rating | | Previous Rating | |
|-----------------------|----------------|------------|-------------------|------------|
| | Long-term | Short-term | Long-term | Short-term |
| ENTITY | A | A1 | A | A1 |
| RATING OUTLOOK/ WATCH | Stable | | Stable | |
| RATING ACTION | Reaffirmed | | Upgrade | |
| RATING DATE | March 04, 2026 | | February 04, 2025 | |

Shareholding (5% or More)

Kohinoor Textile Mills Limited: 82.919%

Mr. Taufique Sayeed Saigol: 8.375%

Mr. Tariq Sayeed Saigol: 5.025%

Other Information

Incorporated in 2014

Public Limited Company

Chief Executive: Mr. Waleed Tariq Saigol

External Auditor: Riaz Ahmad & Company, Chartered Accountants

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

Rating Scale

<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Rating Rationale

The assigned ratings reflect MLCL's strong sponsor profile as a subsidiary of Kohinoor Textile Mills Limited (KTML), part of one of the country's prominent conglomerates, with a well-established operating track record and diversified business presence. The Company has demonstrated strong financial performance over the period, significantly outperforming its benchmark 1-year average KIBOR rate amid favorable equity market conditions, thereby also supporting growth in its equity base.

MLCL's portfolio is predominantly composed of short-term investments in diversified listed blue-chip equities across multiple sectors, ensuring liquidity and diversification, while the limited long-term portfolio is focused on strategic investments in start-ups, particularly in e-commerce and technology. The Company follows a conservative investment strategy, with no day trading and maintains an investment horizon of one to three years, which supports earnings stability and mitigates excessive volatility. Although MLCL utilizes short-term borrowings to leverage its operations, the management's approach to hedge finance cost against dividends has helped limit associated risks.

Going forward, the ratings will remain sensitive to the level and utilization of short-term borrowings, as well as to equity market performance, which may impact portfolio valuations and overall profitability.

Company Profile

Maple Leaf Capital Limited ('MLCL' or 'the Company') is a public limited company incorporated on April 25, 2014 and operates as a subsidiary of Kohinoor Textile Mills Limited (KTML), which holds 82.919% equity stake in the Company. MLCL is part of Kohinoor Maple Leaf Group, one of the prominent industrial conglomerates with a presence in various sectors such as cement, textiles, power, and capital markets. The Company's primary focus is to manage the Group's capital by investing and trading in financial instruments and commodities.

The Company's registered office/ head office is located at 42 Lawrence Road, Lahore.

Management and Governance

CHAIRMAN/CEO PROFILE

Mr. Taufeeq Sayeed Saigol is the Chairman of the Company. He serves as the CEO of Kohinoor Textile Mills Limited and as a Director in all KMLG companies. He is a leading and experienced industrialist of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974.

Mr. Waleed Tariq Saigol is the CEO of MLCL. He was schooled at Aitchison College, Harrow School and holds a bachelor's degree from the London School of Economics & Political Science. He has a rich experience of Textile & Cement Sectors. He serves on the Boards of KTML, MLCFL, MLPL and Maple Leaf Industries Limited.

BOARD & SENIOR MANAGEMENT

MLCL's shares are held by KTML and members of the sponsoring group, who play an active role in its operations. The Board of Directors (BoD) comprises seven members, including the Chairman and CEO, with the other members serving as non-executive directors. To ensure effective oversight of the company's activities, the Board has established three key committees: the Investment Committee (IC), the Management Committee (MC), and the Accounts and Audit Committee (A&AC). The senior management includes seasoned professionals with extensive experience in business, risk management, financial planning, and equity investment. The Company's total staff strength stands at 13 employees as of Jun'25.

The Company's financial accounts are audited by Riaz Ahmad & Company Chartered Accountants who has issued an unqualified opinion as of FY25.

Business Risk

Operational Performance

The Company has a comprehensive and well-established Investment Policy Statement (IPS) that serves as a framework for guiding the management of its funds and operations. The Investment Committee (IC) is entrusted with overseeing all investment activities and decision-making processes. The Board of Directors (BoD) relies on the IC for supervision of the Management Committee (MC) and retains ultimate responsibility for ensuring the effective implementation of the IPS.

The primary investment objective as defined in IPS is for MLCL to derive income through capital gains, dividends, and interest income by investing in listed companies at the Pakistan Stock Exchange, secured debt instruments, commodities, real estate and startup businesses. The benchmark return for this is average 1-year Kibor rate. While income is primary focus, assessment and management of risk is also a crucial objective within IPS. Company's Investment Policy Statement is revised annually and reviewed on a quarterly basis.

Investment Mix:

The Company's investment portfolio consists of both long-term and short-term investments, with the long-term investments representing only 1.0% (FY24: 2.3%) of the total asset base. The long-term portfolio amounted to PKR 365m (FY24: PKR 371m, FY23: PKR 351m) as of end-FY25 and PKR 395m by 1QFY26. These included equity investments in various startup companies, with a major focus on e-commerce and technology solutions.

Meanwhile, the Company's short-term investment portfolio constitutes 96.3% of total assets as of end-FY25 (FY24: 95%; FY23: 89%) and 91.6% as of 1QFY26, primarily comprising listed equities, indicating limited asset class diversification despite the IPS allowing broader avenues. As per the management, Company maintains higher allocation to equities due to strong market returns and a favorable outlook relative to other asset classes.

Related-party exposure in listed equities increased to 9% in FY25 (FY24: 3%), mainly due to investment in Agritech Limited, now classified as an associated company following its director election in July 2024. Other related-party investment includes MLCFL, in which the Company's stake stood at 1.15%.

Besides related parties, the portfolio largely comprises public listed stocks amounting to PKR 34.6b (FY24: PKR 15.5b; FY23: PKR 5.5b). Market risk remains elevated, with short-term investments to equity at 182% as of end-FY25 (FY24: 149%; FY23: 141%) and 158% by 1QFY26. Sector exposure is concentrated in Construction & Materials (FY25: 32%; FY24: 30%), Oil & Gas (FY25: 16%; FY24: 15%), Fertilizer (FY25: 21%; FY24: 14%), Automobile (FY25: 14%; FY24: 19%), and Commercial Banks (FY25: 10%; FY24: 12%).

The Company also invests in share futures. As at end-FY25, outstanding commitments stood at PKR 4.4b (FY24: PKR 1.72b), representing 13% of short-term investments (FY24: 11%).

PROFITABILITY

The Company reported strong profitability in FY25, with net profit increasing by 45% YoY to PKR 8.64b (FY24: PKR 5.97b), primarily driven by higher unrealized gains on investments, thereby earnings excluding unrealized gains records a loss, highlighting reliance on mark-to-market movements. The effective tax remained relatively low despite the imposition of super tax, due to significant portion of unrealized gains.

Performance momentum has carried into 1QFY26, with the Company reporting positive net profit (exc. Unrealized gain) and returns comparable to FY25 levels. However, as underlying profitability improves, the impact of super tax may become more visible going forward,

In FY25, MLCL's profitability metrics demonstrated strong performance, with portfolio returns significantly exceeding the 1-year average KIBOR (FY25: 1-year average KIBOR: 13.8%; investment return: 54%). This was largely driven by strong equity market performance, as the PSX delivered substantial gains. The benchmark KSE-100 Index recorded growth of approximately 60%, surpassing the 100,000-point mark and reaching historic highs.

Operating and administrative expenses increased by 65% YoY, reflecting higher salaries, bonuses, brokerage commissions, and legal & professional costs. While finance costs rose amid increased utilization of short-term borrowings, although the efficiency ratio improved to 40% (FY24: 67%), indicating better cost absorption, given high returns.

The increase in short-term debt aligns with the Company's current investment strategy, where short-term borrowings are utilized to finance investments in high-dividend-yielding stocks. This approach allows the company to cover related finance costs through dividend income, ensuring that capital gains are realized as profit. Additionally, declining interest rates have reduced borrowing cost, further strengthening the contribution of dividend income to overall earnings.

Financial Risk

CAPITAL STRUCTURE

MLCL maintains a manageable capitalization profile, with debt comprising entirely of short-term borrowings deployed in high dividend-yielding equities in line with management's strategy as well as blue chip equities for capital gain. Total short-term debt increased to PKR 12.2b as of FY25 (FY24: PKR 3.8b) and PKR 12.4b by 1QFY26, reflecting portfolio expansion.

Consequently, gearing and leverage rose to 0.65x and 0.89x in FY25 (FY24: 0.36x and 0.57x), before easing to 0.42x and 0.73x, respectively, in 1QFY26 on the back of growth in the equity base. As of end-FY25, 35% (FY24: 24%) of short-term investments were funded through borrowings, declining to 26% by 1QFY26.

DEBT COVERAGE & LIQUIDITY

MLCL's liquidity profile remains strong, supported by a sizable portfolio of listed equities. Liquid assets to total liabilities stood at 2.05x as of FY25 (FY24: 2.62x) and improved to 2.22x by 1QFY26. As at Jun'25, the Company had working capital facilities of PKR 13b (FY24: PKR 4.1b), with PKR 733m (FY23: PKR 306.3m) unutilized at year-end. The coverage profile also remained sound, with DSCR clocking at 2.8x (FY24: 1.6x).

| REGULATORY DISCLOSURES | | | | | | Appendix II |
|----------------------------------|---|----------------------|-------------------------------------|------------------------|---------------|-------------|
| Name of Rated Entity | Maple Leaf Capital Limited | | | | | |
| Sector | Miscellaneous | | | | | |
| Type of Relationship | Solicited | | | | | |
| Purpose of Rating | Entity Ratings | | | | | |
| | Rating Date | Medium to Long Term | Short Term | Outlook / Rating Watch | Rating Action | |
| Rating History | RATING TYPE: ENTITY | | | | | |
| | 04/03/2026 | A | A1 | Stable | Reaffirmed | |
| | 04/02/2025 | A | A1 | Stable | Upgrade | |
| | 20/12/2023 | A- | A1 | Stable | Initial | |
| Statement by the Rating Team | VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. | | | | | |
| Probability of Default | VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default. | | | | | |
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| Due Diligence Meetings Conducted | S.No. | Name | Designation | Date | | |
| | 1. | Mr. Farrukh Zia Awan | Head Finance | 13-Feb-26 | | |
| | 2. | Mr. Malik Imran | Senior Manager - Accounts & Finance | | | |