PAKISTAN STOCK EXCHANGE

NOTICE

PSX/N-416

April 14, 2026

FOR ALL CONCERNED

PLACEMENT OF DRAFT PROSPECTUS OF "SERVICE LONG MARCH TYRES LIMITED" ON PSX WEBSITE FOR SEEKING PUBLIC COMMENTS

Pakistan Stock Exchange Limited ["**PSX"**] is pleased to inform all concerned that **Service Long March Tyres Limited** [**"the Company"**] has applied for listing on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises of 389,738,038 Ordinary Shares having par value of PKR 2/- each using Book Building Method at a Floor Price of PKR 14.25/- per share. Arif Habib Limited is the Lead Manager to the Issue.

Pursuant to Clause 3A.(2) of the Public Offering Regulations, 2017, the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of "**Public Comments on Draft Prospectus of Service Long March Tyres Limited**". Details about the Issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at comments.draftprospectus@psx.com.pk latest by **COB Tuesday, April 21, 2026.**

Syed Ahmad Abbas
Head of Business Development & Listing

Copy to:

1. The HOD, PMADD (SMD), SECP
2. The Chief Executive Officer, PSX
3. Service Long March Tyres Limited
4. Arif Habib Limited
5. PSX Website

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INDIVIDUALS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.

Service Long March Tyres Limited
PROSPECTUS FOR INITIAL PUBLIC OFFERING

Date and Place of Incorporation: January 07, 2020, Lahore, **Incorporation Number**: 0145111, **Registered & Corporate Office**: Servis House, 2 – Main Gulberg, Lahore, **Contact No.:** +92-323-7568973, **Website**: https://slmtires.com/, **Email**: info.IPO@slmtires.com; **Contact Persons**: Tahir Maqsood (Company Secretary), **Phone**: +92-306-1482496, **Email**: tahir.maqsood@servis.com: Atif Aziz (Chief Financial Officer), **Phone**: +92-333-4443421, **Email**: atif.aziz@slmtires.com.

Issue Size: The Issue consists of 389,738,038 Ordinary Shares (i.e. 5% of the total post-IPO paid up capital of Service Long March Tyres Limited) of face value of PKR 2.00/- each.

Method of Offering: Book Building Method

Book Building Method and Floor Price: Seventy-five percent (75%) of the Issue size i.e., 292,303,528 shares will be offered through Book Building Method at a Floor Price of PKR 14.25/- per share with a maximum price band of up to 40% (PKR 19.95/-). Justification of Issue Price is given under "Valuation section", i.e. Section 4A). The Bidders shall be allowed to place Bids for seventy-five (75%) of the Issue size and the Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed to. The remaining twenty-five percent (25%) i.e., 97,434,510 shares shall be offered to the retail investors through General Public portion.

Retail/General Public Portion: General Public portion of the Issue comprises of 97,434,510 ordinary shares (25% of the total issue) at the Strike Price. The retail portion of the public offer shall be fully underwritten.

Public Comments: Draft Prospectus was placed on PSX's website seeking public comments starting from [•] to [•] and all public comments received were duly addressed by the Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on [•] and will close at 3:00 pm on [•]
BIDDING PERIOD DATES: From [•] to [•], From: 9:00 am to 5:00 pm
DATE OF PUBLIC SUBSCRIPTION: From [•] to [•] (both days inclusive)

Consultant to the Issue	Eligible Participants for Book Building	Underwriters to the Issue
ARIF HABIB LIMITED	**Securities Broker, Mutual Funds, Scheduled Banks and Developmental Financial Institutions that are clearing members of NCCPL, and Trading only Brokers.**[1]	Bank Alfalah, ISMAIL IQBAL Securities (Pvt.) Ltd, ARIF HABIB LIMITED, DEL

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system ("**PES**") and CDC's Centralized E-IPO system ("**CES**"). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com, There is no transaction limit on making payment through e- banking channels. 1Link through Memo dated August 22, 2024, has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e-IPO platforms. For details, please refer to Section 13.3 of the Prospectus.

Date of Publication of this Prospectus

Prospectus can be downloaded from the following websites: https://slmtires.com/, http://www.psx.com.pk, www.cdceipo.com and http://www.arifhabibltd.com.

For Further Queries you may Contact

Service Long March Tyres Limited: Tahir Maqsood (Company Secretary) | **Phone**: +92-306-1482496 | **Email**: tahir.maqsood@servis.com; Atif Aziz (Chief Financial Officer) | **Phone**: +92-333-4443421 | **Email**: atif.aziz@slmtires.com; **Arif Habib Limited**: Malik Harris Rehman (AVP – Investment Banking) | **Phone**: +92-21-38899273 | **Email**: harris.rehman@arifhabibltd.com; Raheel Ahmed (Senior Associate – Investment Banking) | **Phone**: +92-21-38280639 | **Email**: raheel.ahmed@arifhabibltd.com; Saif Ul Haq (Associate – Investment Banking), **Phone**: +92-21-38280640 | **Email**: saif@arifhabibltd.com; Muhammad Ali Chandio (Analyst – Investment Banking) | **Phone**: +92-21-38280638 | **Email**: ali.chandio@arifhabibltd.com.

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

[1] *Provided that Trading only Securities Brokers shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO Brokers. TO Brokers shall allowed to participate in the Book Building from the proprietary account and may also onboard its clients.*

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)

Z443056

0052-33539492

E-STAMP

PB-LHR-C694E5F126986D2A

Non-Judicial

Rs 500/-

Description	: AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(cc)
First Party	: SERVICE LONG MARCH TYRES LIMITED [3520202937823]
Second Party	: Undertaking In favour of Pakistan Stock Exchange Limited [3520202937823]
Agent	: Umair [35202-0293782-3]
Stamp Duty Paid by	: SERVICE LONG MARCH TYRES LIMITED [3520202937823]
Issue Date	: 02-Feb-2026, 11:17:29 AM
Paid Through Challan	: 20268AE9FA60AA2E
Amount in Words	: Five Hundred Rupees Only

Please Write Below This Line

NOTARY PUBLIC LAHORE

Dated: March 10th, 2026

ATTESTED NOTARY PUBLIC LAHORE

UNDERTAKING

WE, OMAR SAEED, THE CHIEF EXECUTIVE OFFICER AND ATIF AZIZ, THE CHIEF FINANCIAL OFFICER OF **SERVICE LONG MARCH TYRES LIMITED** CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF **SERVICE LONG MARCH TYRES LIMITED**

OMAR SAEED
CHIEF EXECUTIVE OFFICER

ATIF AZIZ
CHIEF FINANCIAL OFFICER

SERVICE LONG MARCH TYRES LIMITED

ATTESTED
MUHAMMAD UMAR PANHWAR
Oath Commissioner Karachi
09 MAR 2026

Note: This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Service Long March Tyres Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Service Long March Tyres Limited earlier published on [•]

Service Long March Tyres Limited

- FLOOR PRICE: PKR 14.25/- PER SHARE
- STRIKE PRICE: PKR [•] /- PER SHARE
- ISSUE PRICE: PKR [•] /- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 19.95/- PER SHARE

Underwriter to the Retail Portion of the Issue, If Any

Sr. No.	Name(s) of Underwriter	No. of Shares Underwritten	Amount Underwritten (at Floor Price of PKR 14.25/-)	Amount Underwritten (at Cap Price of PKR 19.95/-)	Underwriting Fee	Take-up Commission
					%	
1.	Dawood Equities Limited	37,593,985	535,714,286	750,000,000	0.75%	N/A
2.	Bank Alfalah Limited	31,645,570	450,949,372	631,329,121		
3.	Ismail Iqbal Securities (Private) Limited	15,037,594	214,285,714	300,000,000		
4.	Arif Habib Limited	13,157,361	187,492,396	262,489,354		
Total		**97,434,510**	**1,388,441,768**	**1,943,818,475**	**0.75%**	

Category Wise Breakup of Successful Bidders

Sr. No.	Category	No. of Bidders	No. of Shares Provisionally Allocated
Institutional Investors			
1.	Commercial Banks	●	●
2.	Development Financial Institutions	●	●
3.	Mutual Funds	●	●
4.	Insurance Companies	●	●
5.	Investment Banks	●	●
6.	Employees' Provident / Pension Funds	●	●
7.	Leasing Companies	●	●
8.	Modarabas	●	●
9.	Securities Brokers	●	●
10.	Foreign Institutional Investors	●	●
11.	Any other Institutional Investors	●	●
Total Institutional Investors			
Individual Investors			
12.	Foreign Investors	●	●
13.	Local	●	●

GLOSSARY OF TECHNICAL TERMS

ACT	Securities Act, 2015
AGIL	Agriauto Industries Limited
AHL	Arif Habib Limited
ATBA	Atlas Battery Limited
ATIR	Appellate Tribunal Inland Revenue
Bn	Billion
BPS	Basis Points
BRL	Brazilian Real
BST	Baluchistan Sales Tax
BWHL	Baluchistan Wheels Limited
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-IPO System
CNY	Chinese Yuan (Currency)
COI	Certificate of Incorporation
CA, 2017	Companies Act, 2017
CP	Constitutional Petition
CPI	Consumer Price Index
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
CY	Calendar Year
DOT (USA)	Department of Transportation (United States of America)
E-Mark (Europe)	European Conformity Mark under the United Nations Economic Commission for Europe (UNECE) Regulations (commonly referred to as ECE Certification)
EPS	Earnings Per Share
ERF	Export Refinance Facility
ESOS	Employee Stock Option Scheme
EU	European Union
EXIDE	Exide Pakistan Limited
FBR	Federal Board of Revenue
FED	Federal Excise Duty

FOREX	Foreign Exchange
FY	Financial Year
FZE	Free Zone Establishment
GDP	Gross Domestic Product
GOP	Government of Pakistan
GSO (GCC)	Gulf Standardization Organization (of the Gulf Cooperation Council)
GST	General Sales Tax
GTYR	Gandhara Tyre & Rubber Company Limited
GWh	Gigawatt-hour
HCV	Heavy Commercial Vehicle
HESCO	Hyderabad Electric Supply Company
HGMV	Heavy Goods Motor Vehicle
HPMV	Heavy Passenger Motor Vehicle
HTV	Heavy Transport Vehicle
INMETRO (Brazil)	Instituto Nacional de Metrologia, Qualidade e Tecnologia (National Institute of Metrology, Quality and Technology)
IPO	Initial Public Offering
ISO 9001:2015	International Organization for Standardization – Quality Management Systems (QMS) Requirements (ISO 9001:2015 Standard)
IST	Islamabad Sales Tax
ITERF	Islamic Temporary Economic Refinance Facility
ITO	Income Tax Ordinance, 2001
JPY	Japanese Yen (Currency)
JV	Joint Venture
Kg	Kilo Gram (Mass Unit)
KPa	Kilo Pascal (Pressure Unit)
KPKST	Khyber Pakhtunkhwa Sales Tax
LBD	Local Bills Discounting
Lbs.	Pounds (Mass Unit)
LC	Letter of Credit
LCV	Light Commercial Vehicle
LESCO	Lahore Electric Supply Company
LG	Letter of Guarantee
LM	Chaoyang Long March Tyres Company
LMV	Light Motor Vehicle
LOB	Line of Business
LTFF	Long Term Financing Facility
LTV	Light Transport Vehicle

MC	Motorcycle
Mm	Millimeters
Mn	Million
MT	Metric Tons
MW	Mega Watt
MWp	Mega Watt Peak
NICOP	National Identity Card for Overseas Pakistani
NIP	National Industrial Park
NOC	No Objection Certificates
NRCS (South Africa)	National Regulator for Compulsory Specifications (South Africa)
OEM	Original Equipment Manufacturers
OTR	Off the Road
P.A.	Per Annum
PACRA	Pakistan Credit Rating Agency
PCR	Passenger Car Radial
PES	PSX's e-IPO System
PKR / Rs.	Pakistan Rupee(s) (Currency)
PKT	Pakistan Standard Time
PO Regulation	Public Offering Regulations, 2017
PPE	Property, Plant and Equipment
PR Rating	Ply Rating
PRIDE	Public Offerings Revolutionized through an Integrated & Digitized Experience
Psi	Pounds per Square Inch (Pressure unit)
PST	Punjab Sales Tax
PSV	Public Service Vehicle
PSX	Pakistan Stock Exchange Limited and/or Securities Exchange
RLNG	Re-Gasified Liquefied Natural Gas.
S&P	Standard and Poor
SBP	State Bank of Pakistan
SCP	Supreme Court of Pakistan
SCRA	Special Convertible Rupee Account
SECP	The Securities and Exchange Commission of Pakistan and/or Commission
SEZ	Special Economic Zone
SG	Servis Group
SGFL	Service Global Footwear Limited
SHC	High Court of Sindh
SIL	Service Industries Limited

SLM and/or Company	Service Long March Tyres Limited and/or SLM Tyres
SNGPL	Sui Northern Gas Pipelines Limited
SRPL	Service Retail (Private) Limited
SSGC	Sui Southern Gas Company Limited
SST	Sindh Sales Tax
STPL	Service Tyres (Private) Limited
TBR	Truck & Bus Radial
TERF	Temporary Economic Refinance Facility
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USA	United States of America
USD	United States Dollar (Currency)
WDV	Written Down Value
WHT	Withholding Tax

DEFINITIONS

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder, which is equivalent to the product of the Bid Price and the number of shares.
Bead	The part of a tyre that ensures a secure fit on the wheel rim, typically reinforced with steel wire.
Bead Wire Forming	The process of shaping high-strength steel wires into circular loops that form the tyre bead. These beads provide a secure fit between the tyre and the wheel rim, ensuring proper seating, load-bearing capacity, and stability. Bead wire forming is a critical step in tyre assembly, as it determines the tyre's structural integrity and safety.
Belt	Layers of strong materials (steel, nylon, or polyester) embedded under the tread to strengthen the tyre and improve stability.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of **Service Long March Tyres Limited** at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than **10%** of the prevailing indicative strike price subject to a maximum price band of **40%** of the Floor Price. Please refer to Section 12.1.2 for details.
Bid Amount	The amount equals the product of the number of shares Bid for and the Bid price.
Bid Price	The price at which a bid is made for a specified number of shares.
Bid Revision	The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation10(2)(iii) of the PO Regulations. As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.
Bidder	An eligible investor who makes a bid for subscription of shares in the Book Building process.
Bidding Period	The period during which bids for subscription of shares are received.
Book Building	A process undertaken to elicit demand for shares under which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.

Book Building Portion	The part of the total Issue which has been allocated for subscription through Book Building.
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Calendaring	A manufacturing process in which rubber compounds are passed through a series of heated rollers to form thin, uniform sheets or to coat reinforcing materials like steel cords. In tyre manufacturing, calendaring is used to produce the layers (plies) that make up the carcass and belts, ensuring consistent thickness and adhesion for better structural strength
Cap Price	The maximum price, being **40%** above the Floor Price, at which a prospective Bidder may place a bid for shares under the Book Building process.
Carcass	The framework of a tyre, including the plies, that provides shape and strength.
Company / SLM / SLM Tyres	Service Long March Tyres Limited
Company's Legal Advisor	Mian Muhammad Zulqurnan, Advocate High Court, of M/s. Bokhari Aziz & Karim
Compound	The mixture of natural and synthetic rubbers, fillers, oils, and additives used to produce the tread and sidewall of a tyre.
Commission / SECP	Securities & Exchange Commission of Pakistan
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein
Consultant to the Issue / Lead Manager	Any person licensed by the Commission to act as Consultant to the Issue and/or the Lead Manager. Arif Habib Limited has been appointed as Consultant to the Issue and/or the Lead Manager by the Issuer.
Designated Institution	Includes the securities exchange, central depository and clearing company to provide the Book Building System for conducting Book Building.
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bids in descending order based on the Bids Prices along with the number of shares and the cumulative number of shares bid for. The Strike Price is determined by lowering the Bid Price to the extent that the total number of securities offered under the Book Building Portion are subscribed.
Edge Cover Strips	Narrow strips of rubber applied along the edges of tyre components, such as steel belts or plies, to cover exposed cords or reinforcement layers. These strips protect the edges from damage during handling and use, improve adhesion between layers, and help maintain uniform tyre shape and durability.
E-IPO Platform	E-IPO refers to the electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. Retail investors shall be

able to participate in the public subscription through only the e-IPO platforms provided by CDC and PSX.

The following systems are available for e-IPO:

(i) PSX's e-IPO System (PES): To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:
- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or +92-21-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at midnight on [•]

(ii) Centralized e-IPO System (CES): To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES. There is no transaction limit on making payment through e – banking channels.
For making application though CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe

	on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone +92-21-34326030 and email: farooq_butt@cdc.pak.com. Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on [•]. IPO Facilitation Account (IFA): Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.
Eligible Investor	An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR **2,000,000/-** (Two Million Rupees only).
Eligible Participant for Book Building (Eligible Participant)	Eligible Participant shall include securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing member of NCCPL. Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. Provided further that in case of Trading Only Securities Broker, Professional clearing member shall collect the margin money from the bidders and deposit the same with NCCPL.

Floor Price	In case of book building means the minimum price per share set by the Issuer in consultation with Consultant to the Issue. For this Issue, Floor Price is PKR **14.25/-** per share.
Gross Domestic Product	GDP is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
General Public	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
Initial Public Offer (IPO)	It means first time offer of securities to the general public.
Inner Liner Extrusion	A process in which a layer of airtight rubber (inner liner) is extruded onto the tyre carcass or a rubber sheet. The inner liner acts as a gas barrier, preventing air from escaping in tubeless tyres, maintaining tyre pressure, and enhancing overall tyre performance and safety. The extrusion process ensures uniform thickness and smooth application over the tyre's interior surface.
Institutional Investors	Any of the following entities: **(i)** A financial institution; **(ii)** A company as defined in the Companies Act, 2017; **(iii)** An insurance company established under the Insurance Ordinance, 2000; **(iv)** A securities broker; **(v)** A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; **(vi)** A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; **(vii)** A private fund established under Private Fund Regulations, 2015; **(viii)** Any employee's fund established for the benefit of employees; **(ix)** Any other fund established under any special enactment; **(x)** A foreign company or any other foreign legal person; and **(xi)** Any other entity as specified by the Commission.
Issue	The public offer of securities to the general public or a class thereof by an Issuer. This Issue consists of **389,738,038** Ordinary Shares representing **5.00%** of total post-IPO paid-up capital having floor price of PKR **14.25/-** per share.
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Strike Price will be the Issue Price.
Issuer	Service Long March Tyres Limited
Joint Procedures	The procedures notified by the Securities Exchange and NCCPL for Book Building
Key Employees	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.

Limit Bid	A bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'. The aforementioned regulations can be found at the following link; https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-February-09-2026.pdf
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Eligible Participants shall collect full amount of the bid money as Margin Money from the Bidders and deposit same with the NCCPL. Individual Investors and Institutional Investors shall pay 100% of bid amount as margin money to the Eligible Participants. Provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment. Eligible Participants that are Banks, Development Finance Institutions, and Mutual Funds, shall be allowed to participate in the book building with 0% margin money for proprietary trade. Provided that the Banks and Development Finance Institutions shall provide standing instruction to the NCCPL to directly debit the bank account in case of default.
Minimum Bid Size	The Bid amount equal to Two Million Rupees (PKR **2,000,000/-**) under the Book Building Method
Ordinary Shares	Ordinary Shares of Service Long March Tyres Limited having face value of PKR **2.00/-** each.
PO Regulations	The Public Offering Regulations, https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&refresh=6984133c13ec91770263356
Price Band	Floor Price with an upper limit of **40%** above the Floor Price, i.e. PKR **14.25/-** and PKR **19.95/-**, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	Prospectus includes any document, notice, circular, material, advertisement, offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company, body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies.
Ply Rating	Ply Rating is a measure of number of Ply in a tyre and is an expression of tyre strength and capacity.
Radial Tyre	In Radial Tyres steel belts run at 90-degree angle with the tread line. It allows the sidewall and the tread of the tyre to function independently. Thus, there is low sidewall flex and more contact with the ground.
Replacement Cycle	Replacement cycle refers to the life of tyres. It refers to the time-period during which the tyres are worn out and need to be replaced.

Replacement Market	Replacement market is a secondary market for tyre manufacturers for sale of tyres. Replacement market is comprised of distributors, wholesalers and retailers.
Retreading	Retreading is a re-manufacturing process for tyres that replaces the tread on worn tyres.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence two days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer, the Offeror, the Underwriters, and the Consultants to the Issue, who are involved in the Issue or the Offer for Sale. Please refer to Section 3A (vi) for further details.
Shoulder Pad Extrusion	The process of applying a specially formulated rubber strip along the tyre's shoulder area, where the tread meets the sidewall. Using an extrusion machine, the shoulder pad rubber is shaped and placed to provide reinforcement, improve load distribution, enhance cornering stability, and protect the tyre from cracking or wear in the high-stress shoulder region.
Sidewall Extrusion	A process in which rubber compounds are shaped and applied to form the tyre's sidewalls. Using an extrusion machine, the rubber is forced through a die to create a continuous strip with uniform thickness, which is then wrapped around the tyre carcass. Sidewall extrusion ensures proper protection, flexibility, and durability of the tyre's sides while providing a surface for branding, markings, and reinforcement.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
Steel Belt Calendaring	A specialized calendaring process in which steel cords (used in radial tyre belts) are coated with rubber and pressed between heated rollers to form uniform steel-reinforced sheets. This process ensures proper adhesion of rubber to the steel cords and precise thickness, which enhances the tyre's strength, stability, and resistance to punctures.
Step Bid	Step Bid in case of shares means a series of Limit Bids at increasing prices provided that Bid Amount of any step is not less than minimum bid size. In case of a step bid the amount of each step will not be less than Rupees Two Million only (PKR **2,000,000/-**).
Strike Price	The price per share is determined on the basis of Book Building process.

Supplement to the Prospectus	Means the supplement to the prospectus to be published within One (1) working day of the close of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
Tread	Tread of a tyre refers to rubber on its circumference that makes contact with the road or ground.
Tread Extrusion	A process in which rubber compounds are forced through an extrusion die to form continuous strips of the tyre tread. The extruded tread is then applied over the tyre carcass and shaped to the required profile. Tread extrusion ensures uniform thickness, consistent properties, and optimal adhesion to underlying layers, providing traction, wear resistance, and overall tyre performance.
Vulcanization	A chemical process in which raw rubber is heated with other curatives to form cross-links between polymer chains. This process transforms soft, sticky rubber into a more durable, elastic, and heat-resistant material suitable for tyre manufacturing. Vulcanization improves tensile strength, resilience, and wear resistance of tyres.

INTERPRETATION

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1. APPROVAL OF THE SECURITIES EXCHANGE AND COMMISSION OF PAKISTAN

Approval of the Securities Exchange And Commission (collectively referred to as the "**Regulators**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Service Long March Tyres Limited ("**SLM**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their respective letters, bearing Letter Nos. [•] dated [•] and [•] dated [•], respectively.

DISCLAIMER:

(a) THE SECURITIES EXCHANGE AND COMMISSION HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC/INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

(b) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY THE SECURITIES EXCHANGE AND COMMISSION.

(c) THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY THE SECURITIES EXCHANGE AND COMMISSION, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT WITH ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF THE EXCHANGE AND COMMISSION.

(d) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND COMMISSION AND MUST NOT BE TREATED AS A SUBSTITUTED FOR SPECIFIC ADVICE.

(e) THE SECURITIES EXCHANGE AND COMMISSION DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND/OR MISTAKES, FOR DECISIONS AND/OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

(f) SECURITIES EXCHANGE AND COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIALS SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE COMPANY IN THIS PROSPECTUS.

(g) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT

1.2. FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

Service Long March Tyres Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Companies Act, 2017 a copy of this Prospectus signed by all the Directors of the Company.

1.3. LISTING ON PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this Prospectus shall be void if such permission has not been applied for within seven (7) days after the first issue of this Prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this Prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of default in complying with this requirement, the Company and every officer who authorizes or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.

2. SUMMARY OF THE PROSPECTUS

2.1. SUMMARY OF PRIMARY BUSINESS OF SERVICE LONG MARCH TYRES LIMITED

Service Long March Tyres Limited ("**SLM**" or the "**Company**") was incorporated in Pakistan on January 07, 2020, under the Companies Act, 2017. The Company commenced its commercial operations on March 10, 2022. The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore.

The Company was formed as a strategic joint venture between Service Industries Limited ("**SIL**"), a leading Pakistani industrial conglomerate with extensive experience in manufacturing, branding, and nationwide distribution, Chaoyang Long March Tyre Company Limited ("**LM**"), a globally recognized Chinese manufacturer specializing in All-steel Radial Tyres, and Mr. Shabir Ahmad of Myco Corporation Pakistan ("**Myco**"). The Joint Venture Agreement ("**JV Agreement**"), executed on November 18, 2019. It was structured to integrate SIL's domestic market leadership, operational expertise, and established dealer network with LM's advanced production technology, research capabilities, and product engineering expertise. This collaboration enabled the transfer of manufacturing processes, quality assurance systems, and technical know-how, forming the technological backbone of SLM's operations and strengthening its competitive positioning in the truck and bus radial segment.

The Company operates as part of the Servis Group ("**SG**"), a leading industrial conglomerate in Pakistan. It benefits from the Group's longstanding manufacturing heritage, strong brand equity, and extensive nationwide distribution network spanning all four provinces. Within this Group structure, Service Industries Limited ("**SIL**") serves as the flagship entity and holding company, providing strategic oversight and governance across its subsidiaries. SLM is a group company under SIL, and through this ownership structure, it leverages the Group's operational expertise, established dealer network, and consolidated resources. SIL was incorporated as a private limited company on March 20, 1957, and was subsequently converted into a public limited company on September 23, 1959. SIL was listed on the Pakistan Stock Exchange (then the Karachi Stock Exchange) in June 1970. SIL operates as both a holding and operating entity, maintaining a strong presence across multiple manufacturing and retail sectors, including tyres, tubes, and footwear.

Following a structured demerger, SIL streamlined its corporate structure by segregating operating businesses into specialized entities, thereby enabling sharper operational focus, strengthened governance frameworks, and improved capital allocation efficiency. This restructuring permits dedicated management oversight across distinct verticals, while SIL continues to exercise strategic supervision, financial stewardship, and group-level governance. Concurrently, SIL maintains direct management of its footwear manufacturing facility in Gujrat, which continues to contribute materially to the Group's consolidated performance.

In its capacity as a holding company, SIL maintains strategic investments across multiple subsidiaries, including Service Long March Tyres Limited ("**SLM**") and Service Global Footwear Limited ("**SGFL**"), along with its wholly owned subsidiaries, Service Tyres (Private) Limited ("**STPL**"), Service Industries Capital (Private) Limited ("**SICPL**") and Service Retail (Private) Limited ("**SRPL**"). These entities are engaged in tyre and tube manufacturing, investment in new ventures, shares and securities (listed or otherwise) and footwear retail operations. These subsidiaries collectively reinforce the Group's integrated manufacturing, investment, branding, and distribution ecosystem.

The Servis Group maintains a strong competitive position across its operating segments, underpinned by a diversified business portfolio, expanding export presence, and sound governance practices. In the domestic market, the Group maintains a dominant position across two and three-wheeler, passenger vehicle, commercial vehicle and off-the-road tyre segments, with a broad product portfolio, an extensive dealer network, and strong brand recognition. Within the truck and bus radial ("**TBR**") segment, SLM serves as a principal growth platform for the Group and has secured a meaningful market presence by offering locally manufactured, cost-efficient alternatives to imported tyres under a structured import substitution strategy. This approach enhances supply chain resilience, reduces exposure to foreign exchange volatility, and promotes localization of advanced tyre manufacturing capabilities within Pakistan.

In addition to its domestic operations, on the international front SLM, STPL and SGFL contribute to the Group's strategy of expanding its global footprint and generating foreign currency earnings. Sustained export growth, combined with portfolio diversification, has supported continued expansion in consolidated revenues and profitability. The strong internal controls, prudent risk management practices, and experienced leadership further reinforce the Group's operational stability and overall credit profile.

SLM is engaged in the manufacturing, marketing, sale, and export of radial tyres designed for commercial and industrial applications, including truck and bus radial ("**TBR**") tyres. Its product portfolio addresses diverse heavy-duty transport and industrial requirements across logistics, public transportation, infrastructure development, and allied sectors. In addition, the Company plans to establish a dedicated passenger car radial ("**PCR**") tyre manufacturing facility, a strategic expansion into the passenger vehicle segment and broadening the Company's overall product offering.

SLM holds the distinction of being one of the largest manufacturer of TBR tyres in Pakistan, supported by a comprehensive technology transfer from China that enables the Company to meet rigorous international quality and performance benchmarks. The Company's products are certified under globally recognized regulatory regimes, including DOT (USA), E-Mark (Europe), GSO (GCC), INMETRO (Brazil), and NRCS (South Africa), reflecting compliance with diverse international safety and performance standards. Additionally, SLM operates under an ISO 9001:2015 certified quality management system, underscoring its commitment to consistent quality, operational excellence, and global market acceptance.

The manufacturing facility is located at Sindh Industrial Trading Estate ("**SITE**"), Nooriabad, Sindh, and spans approximately 50 Acres of land, encompassing an integrated production plant along with auxiliary complexes. The project facility has been designated as a Special Economic Zone ("**SEZ**") under the applicable SEZ framework. Its strategic location provides substantial logistical and operational efficiencies. These include direct access to major national highways and arterial road networks, facilitating streamlined inbound raw material procurement and efficient nationwide distribution of finished goods. The site's proximity to railway connectivity, international airports, and key seaports further enhances domestic and export logistics capabilities. Additionally, the facility benefits from fiscal and regulatory incentives under the SEZ framework, including tax concessions applicable until June 30, 2032, duty exemptions, and streamlined regulatory procedures, collectively contributing to operational efficiency, cost optimization, and competitive export positioning.

SLM is also distinguished as the first enterprise in Pakistan to be granted Sole Enterprise Special Economic Zone status by the Board of Investment, alongside recognition as a Greenfield Industrial Undertaking by the Federal Board of Revenue. These designations reflect the Company's strategic significance and its contribution to industrial development, foreign investment facilitation, and import substitution within the national economy.

The Company's business model emphasizes localized manufacturing supported by progressive backward integration, enabling substitution of imports in a segment historically dominated by foreign brands. Raw materials are sourced through international suppliers, and standardized production systems are reinforced by stringent quality control protocols to ensure product consistency, durability, and reliability. The Company's offerings cater primarily to commercial fleet operators, logistics providers, public transport entities, and infrastructure-related industries where performance efficiency and lifecycle cost optimization are critical decision factors.

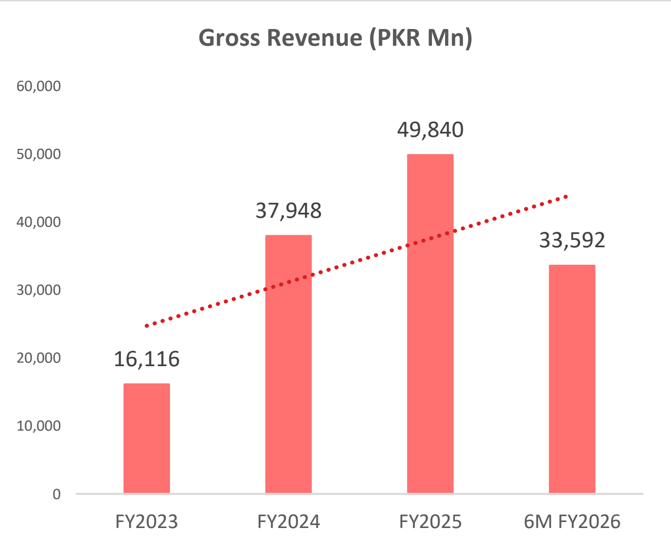
Since commencing commercial production on March 10, 2022, SLM has demonstrated strong operational execution and accelerated market penetration. Operating in a domestic tyre industry traditionally reliant on imports, the Company has positioned itself as a credible local alternative delivering internationally compliant quality standards. Supported by an expanding nationwide dealer network, competitive pricing strategy, and strong after-sales support infrastructure, SLM holds an estimated market share of approximately 55% in the domestic all-steel tyre segment, based on management estimates.[2] This performance reflects growing customer confidence, strengthening brand equity, and effective distribution reach across key transport corridors.

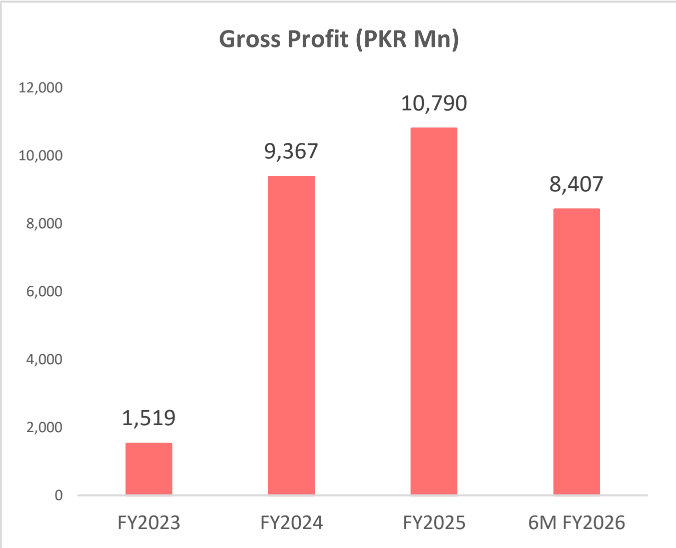
[2] *The estimates are based on the Company's internal assessment.*

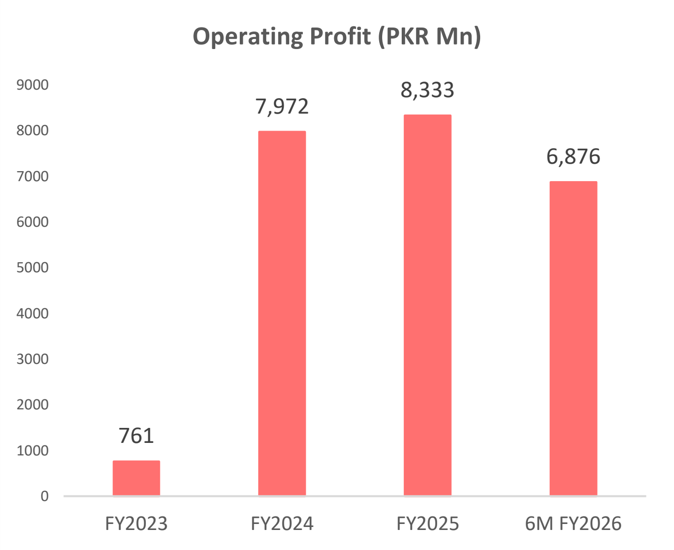
Concurrently, SLM has expanded its export footprint and continues to evaluate opportunities across regional and global markets. The Company is positioned to benefit from evolving international trade dynamics, including tariff adjustments in certain jurisdictions that enhance its competitive standing relative to exporters from select competing countries. The Company continues to leverage its integrated manufacturing capabilities designed for the production of TBR tyres. These capabilities are supported by advanced production technology and quality control systems that support consistent product quality and operational efficiency. The Company also benefits from the combined expertise of its sponsors, bringing together international tyre manufacturing experience and strong local market knowledge. Pakistan's strategic geographic location further supports the Company's export strategy by providing access to high growth markets, enabling the Company to gradually expand its international presence while maintaining compliance with applicable regulatory and quality standards.

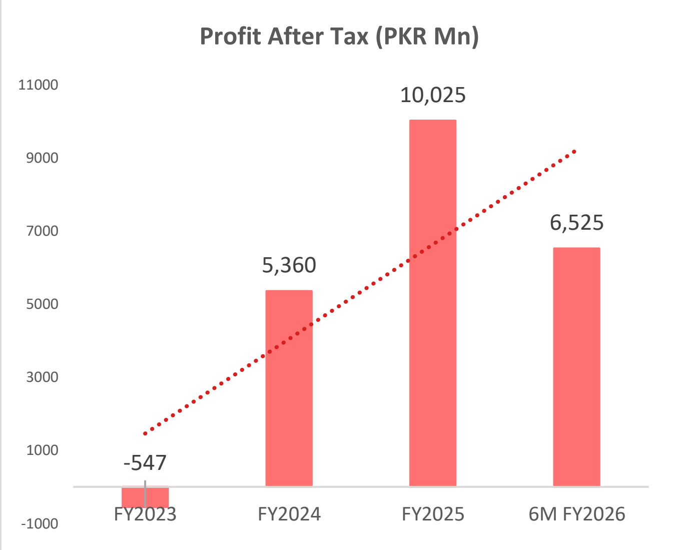
Export Revenue	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
PKR Mn	***Audited***	***Audited***	***Audited***	***Unaudited***
USA	3,703.22	9,185.81	12,679.83	5,722.86
Brazil	930.19	3,084.20	2,573.86	4,071.39
South Africa	-	-	-	30.86
Puerto Rico	-	-	-	20.65
Egypt	-	-	-	20.59
UAE	434.96	-	-	-
Total Export	**5,068.37**	**12,270.01**	**15,253.69**	**9,866.35**

From a financial performance perspective, the Company has demonstrated strong and accelerating growth momentum since the commencement of operations. Revenues increased from PKR 16,116.02 million in FY2023 to PKR 37,947.62 million in FY2024, and further to PKR 49,840.19 million in FY2025, representing a year-on-year growth of approximately 135.47% in FY2024 and 31.34% in FY2025. Over the period from FY2023 to FY2025, the Company's revenues expanded at a CAGR of approximately 75.86%, reflecting rapid scale-up of operations and strong market acceptance. This growth has been driven primarily by higher sales volumes, improved capacity utilization, and increased penetration in both domestic and export markets. The Company's financial profile is supported by healthy operating cash flows, disciplined cost management, and an efficient working capital cycle. While capital structure reflects leverage associated with capacity expansion and working capital requirements, a meaningful portion of borrowings has been secured under concessionary financing schemes, moderating financing costs and mitigating overall financial risk exposure.









The Company's operational and financial performance is reinforced by a sound governance framework and a professional management team with extensive experience across manufacturing operations, supply chain management, finance, and strategic planning. Independent credit ratings reflect SLM's business profile, market positioning, operational scalability, and growth trajectory, underpinned by the Company's ability to sustain revenue growth, maintain profitability, and uphold financial discipline.

A strong commitment to sustainability and energy efficiency is evident in the Company's operations. Its total renewable energy capacity has increased to 12 MW of solar power, significantly reducing its carbon footprint, while the introduction of a 7.5 MW wind turbine will further strengthens its renewable energy portfolio. These initiatives not only enhance environmental responsibility but also improve energy cost resilience, supporting long-term operational efficiency.

Credit ratings assigned by Pakistan Credit Rating Agency Limited ("**PACRA**") further evidence the Company's strong financial profile. As of June 27, 2025, SLM holds a long-term rating of "**A+**" and a short-term rating of "**A1**" with a stable outlook.[3] PACRA has noted that the assigned ratings are contingent upon the Company's ability to sustain its revenue growth trajectory, maintain healthy profitability metrics, and successfully execute its stated business and expansion strategy.

Looking ahead, SLM intends to capitalize on long-term growth in the tyre market through the development of a dedicated Passenger Car Radial ("**PCR**") tyre manufacturing facility. Building on the Company's existing manufacturing capabilities, industry experience, and established presence in the domestic tyre sector, this strategic expansion is positioned for success. Execution of the project will follow a single, integrated expansion approach, enabling operational efficiencies, streamlined implementation, and effective capacity utilization. Commercial production is expected to commence from January 2028.

The PCR facility is projected to achieve an initial installed capacity of approximately 2.0 million tyres in FY2028 per annum, which is expected to increase to 2.5 million tyres in FY2029 and further to 3.0 million tyres per annum by FY2030. Designed with inherent scalability, the project allows for future capacity enhancements in line with evolving market demand and the Company's growth strategy.

Overall, this calibrated capacity ramp-up is designed to align with anticipated demand growth, operational stabilization, and market absorption. The expansion supports domestic import substitution objectives while strengthening the Company's ability to serve export markets. Upon completion of the ramp-up, SLM will significantly enhance its production scale and product portfolio, reinforcing its position within Pakistan's tyre manufacturing industry and thereby creating a strong platform for sustainable medium- to long-term growth.

[3] https://www.pacra.com/api/rating-report/MTQ2NDA=

2.2. SPONSORS OF SERVICE LONG MARCH TYRES LIMITED

Service Long March Tyres Limited (“**SLM**”) is a key subsidiary of Service Industries Limited (“**SIL**”), the flagship company of the Servis Group (“**SG**”), a leading Pakistani industrial conglomerate with a diversified portfolio spanning footwear, tyres, and related products. SLM represents the Group’s strategic presence in the commercial tyre sector and leverages the Group’s established manufacturing expertise, strong brand reputation, and expanding export footprint. The Servis Group operates multiple businesses across domestic and international markets, which, alongside SLM, include:

- Service Global Footwear Limited (“**SGFL**”)
- Service Tyres (Private) Limited (“**STPL**”)
- Service Retail (Private) Limited (“**SRPL**”)
- Service Industries Capital (Private) Limited (“**SICPL**”)

The Company’s sponsors currently hold a majority stake of 97.01%, while the remaining shares are held by directors, employees, and other members. The table below provides a detailed breakdown of each sponsor’s shareholding in the Company.

Sponsors	Description	No. Shares Held	Ownership
		#	%
Chaoyang Long March Tyre Company Limited	LM is engaged in the manufacturing and sale of a full range of truck and bus tyres in China, with an annual turnover of approximately USD 580 million. The company has pioneered tubeless heavy-duty tyres and developed OTR tyres to broaden its product portfolio. It has established a robust marketing network across more than 140 countries and regions worldwide, including China, the Gulf region, Canada, France, and Australia.	3,152,500,000	42.57%
Service Industries Limited	SIL is the flagship and holding company of the Servis Group and is listed on the Pakistan Stock Exchange. The Company operates under a dual business model, functioning both as a holding and an operating entity. In its capacity as a holding company, SIL maintains significant equity investments in eight subsidiary companies and one associated company, with dividend income from these investments constituting a major contributor to its profitability. In its operating capacity, SIL is engaged in the manufacturing and sale of footwear and technical rubber products through its manufacturing facility located in Gujrat.	1,582,698,295	21.37%
Service Global Footwear Limited	SGFL is the largest exporter of footwear from Pakistan and is listed on the Pakistan Stock Exchange. The Company generates annual exports of approximately USD 70 million and supplies a diverse range of footwear products across key international markets, including Europe, North America, Asia, Africa, and Australia.	1,354,858,520	18.30%
Service Tyres (Private) Limited	STPL is a wholly owned subsidiary of Service Industries Limited and is engaged in the manufacturing and sale of tyres and tubes for bicycles, motorcycles, scooters, rickshaws, passenger cars, tractors, trolleys, and trucks & buses (bias tyres). The Company is also involved in the manufacturing and trading of auto spare parts. During CY2025, STPL reported net sales of approximately Rs. 51 billion (USD 181 million). STPL is the largest exporter of tyres and tubes in Pakistan, with an export footprint spanning over 40 countries, while also maintaining a leading position in the domestic market.	716,477,275	9.68%
Mr. Shabir Ahmad	Mr. Shabir Ahmad is a sponsor shareholder of SLM and a seasoned businessman with over 40 years of experience in Pakistan’s tyre	377,238,635	5.09%

	trading and distribution industry. He serves as the Chief Executive Officer of MYCO Corporation, a well-established tyre distributor operating across Pakistan, through which he has played a key role in the distribution and market development of internationally recognized tyre brands, including Long March. Leveraging his extensive distribution network, strong industry relationships, and deep market knowledge, Mr. Ahmad has been instrumental in supporting the establishment and expansion of SLM's presence in Pakistan.		
Sponsors' Total Shareholding		**7,183,772,725**	**97.01%**

2.3. SALIENT FEATURES OF THE OFFER

The Offer comprises 389,738,038 Ordinary Shares of SLM having face value of PKR 2/- at Floor Value of PKR 14.25/- each, which constitute 5% of the Post-IPO Paid-up Capital of the Company.

Seventy-five percent (75%) of the entire Issue size i.e., 292,303,528 shares will be offered through Book Building Method at a Floor Price of PKR 14.25/- per share, with a maximum price band of up to 40% (i.e., PKR 19.95/- per share). The Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed under the Book Building process.

The remaining twenty-five percent (25%) of the Issue, i.e., 97,434,510 ordinary shares, will be offered to Retail Investors through the General Public portion at the Strike Price determined through the Book Building process. The Retail Portion should be fully underwritten, with Dawood Equities Limited, Bank Alfalah Limited, Ismail Iqbal Securities (Private) Limited and Arif Habib Limited acting as the underwriters to the Issue.

The proceeds from the IPO at the Floor Price of PKR 14.25/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#		PKR
Book Building	292,303,528	14.25	4,165,325,274
Retail Portion	97,434,510	14.25	1,388,441,768
Public Issue	**389,738,038**	**14.25**	**5,553,767,042**

The proceeds from the IPO at the Cap Price (40%) of PKR 19.95/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#		PKR
Book Building	292,303,528	19.95	5,831,455,384
Retail Portion	97,434,530	19.95	1,943,818,475
Public Issue	**389,738,038**	**19.95**	**7,775,273,858**

2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Names	Pre-IPO Shareholding		Post-IPO Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Service Industries Limited	1,582,698,295	21.37%	1,582,698,295	20.30%
Chaoyang Long March Tyre Company Limited	3,152,500,000	42.57%	3,152,500,000	40.44%
Service Global Footwear Limited	1,354,858,520	18.30%	1,354,858,520	17.38%
Service Tyres (Private) Limited	716,477,275	9.68%	716,477,275	9.19%
Mr. Shabir Ahmad	377,238,635	5.09%	377,238,635	4.84%

Sub – Total	**7,183,772,725**	**97.01%**	**7,183,772,725**	**92.16%**
Directors, Chief Executive Officer and Members of the Company				
Mr. Omar Saeed	200,000,000	2.70%	200,000,000	2.57%
Ms. Lubna Tahir	7,500,000	0.10%	7,500,000	0.10%
Mr. Khizr Hayat	7,500,000	0.10%	7,500,000	0.10%
Mr. Muhammad Zubair	1,500,000	0.02%	1,500,000	0.02%
Mr. Muhammad Abid Aleem	1,250,000	0.02%	1,250,000	0.02%
Mr. Hassan Shahid	1,250,000	0.02%	1,250,000	0.02%
Mr. Khurram Anwar	1,250,000	0.02%	1,250,000	0.02%
Mr. Atif Aziz	1,000,000	0.01%	1,000,000	0.01%
Sub – Total	**221,250,000**	**2.99%**	**221,250,000**	**2.84%**
Public Offering				
General Public	-	-	389,738,038	5.00%
Sub – Total	**-**	**-**	**389,738,038**	**5.00%**
Total	**7,405,022,725**	**100%**	**7,794,760,763**	**100%**

2.5. PRINCIPAL PURPOSE OF THE ISSUE

The Company intends to raise proceeds of **PKR 5,553,767,042/-** through this Initial Public Offering at a Floor Price of **PKR 14.25/-** per share. The proceeds will be utilized to partially finance the establishment of a dedicated Passenger Car Radial ("**PCR**") tyre manufacturing facility, marking a key milestone in the Company's expansion strategy.

The total estimated cost of the PCR project is **PKR 22,560,000,000/-**, which is expected to be funded through a balanced mix of IPO proceeds, internally generated cash flows, and long-term financing, structured in alignment with the project's implementation schedule.

The proceeds from the IPO will be allocated towards:

1. Building - Including Civil and MEP Works for the PCR tyre manufacturing facility; and
2. Plants and Machinery for the PCR facility.

This expansion represents a strategic capacity enhancement initiative designed not only to increase production volume but also to diversify the Company's revenue streams and broaden its addressable market. By establishing a dedicated PCR tyre manufacturing facility, SLM will be able to cater to a rapidly growing segment of the automotive market, reduce dependence on imported products, and strengthen its ability to meet both domestic and international demand. The facility is designed with scalability in mind, allowing production capacity to grow in line with market trends and emerging opportunities. Upon initial completion of the PCR project, the facility is expected to achieve an annual installed capacity of approximately 2.0 million tyres in FY2028, reflecting the Company's commitment to operational excellence and long-term growth.

The IPO proceeds will play a critical role in financing this growth-oriented expansion, directly supporting the construction, equipment procurement, and commissioning of the state-of-the-art facility. By expanding production scale and enhancing product diversification, the project is anticipated to strengthen SLM's competitive positioning, improve operational efficiencies, and enable the Company to capture a larger share of both domestic and export markets. This initiative aligns with the Company's long-term strategy of delivering sustainable value to shareholders while solidifying its position as a leading tyre manufacturer in the region.

2.5.1. SOURCE OF FUNDING

The total estimated cost for the PCR project expansion is PKR 22,560,000,000/-, which will be funded through a balanced mix of IPO proceeds, internally generated cash flows, and long-term financing.

A breakdown of the total funding requirement is presented below:

Source of Funding	Funds	Contributions
	PKR	*%*
Long-Term Loan	11,280,000,000	50%
Internal Cash Generation	5,726,232,959	25%
IPO Proceeds*	5,553,767,042	25%
Total	**22,560,000,000**	**100%**

**IPO Proceeds are on the Floor price.*

Long Term Financing

The work on project is expected to commence in the fourth quarter of FY2026. The long-term financing component is planned to be availed in line with the project's implementation schedule, with drawdowns expected to begin in the fourth quarter of FY2027. As of the date of this prospectus, no long-term financing has been drawn, reflecting prudent financial planning and a phased approach to funding aligned with project milestones.

Internal Cash Generation

Internally generated cash flows will contribute to the funding of the project, demonstrating the Company's capacity to self-finance a portion of its expansion. These funds will be allocated strategically to meet capital expenditure requirements as the project progresses.

IPO Proceeds

The Company intends to utilize IPO proceeds to fund a portion of the expansion, ensuring efficient capital allocation and minimizing reliance on external borrowings. These funds will be deployed in accordance with the project timeline.

2.5.2. UTILIZATION OF IPO PROCEEDS

The Company intends to utilize the IPO proceeds to fund the PCR project's key components, including civil construction, mechanical, electrical, and plumbing (MEP) works, procurement and installation of plant and machinery, and payment of the technology fee.

Particulars	Estimated Project Cost		IPO Proceeds	
	PKR	*%*	*PKR*	*%*
Plant & Machinery	14,946,000,000	66%	3,666,000,000	66%
Building - Including Civil and MEP Works	7,614,000,000	34%	1,887,767,042	34%
Total	**22,560,000,000**	**100%**	**5,553,767,042**	**100%**

Detailed break-up of funds required for the PCR project by the Company is provided in **Section 4.2**.

In the event that the Strike Price is determined above the Floor Price, any excess funds raised may be applied towards any of the categories of expenditure outlined in **Section 4.2** of this Prospectus. If utilized for this purpose, the Company may reduce reliance on long-term financing or internal cash generation, accordingly. Alternatively, excess funds may also be allocated to support the working capital requirements of the PCR project, including any potential cost overruns, to ensure operational flexibility and facilitate scale-up beyond the currently stated base-level investments.

2.6. JUSTIFICATION IN FAVOR OF THE FLOOR PRICE OF PKR 14.25/- PER SHARE MAY BEEN SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

Justification given by the lead manager/consultant to the issue in favor of floor price of PKR 14.25/- per share may be seen at **Section 4A** of the prospectus, titled Valuation Section.

2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of SLM during the last three financial years, i.e. FY2025, FY2024, FY2023. The audits for FY2025 and FY2024 were conducted by **A.F. Ferguson & Co., Chartered Accountants**.

2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.7 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Statement of Financial Position				
Authorized Share Capital	**12,815.00**	**15,000.00**	**15,250.00**	**15,250.00**
Issued, Subscribed & Paid-up Share Capital	12,815.00	14,329.55	14,329.55	14,810.05
Share Premium	-	-	-	294.10
Employee Share Option Reserve	-	-	283.38	21.87
Share Deposit Money	18.70	18.10	18.10	18.10
Revenue Reserve – Accumulated Profit / (Losses)	(808.13)	4,551.54	12,570.72	16,095.59
Total Equity	**12,025.57**	**18,899.18**	**27,201.74**	**31,239.72**
Outstanding Shares (Mn)[4]	6,407.50	7,164.77	7,164.77	7,405.02
Non – Current Liabilities	8,723.07	8,136.91	7,604.99	4,978.40
Current Liabilities	11,901	9,917	18,052	21,020
Total Liabilities	20,623.97	18,053.54	25,656.82	25,998.01
Total Equity & Liabilities	**32,649.54**	**36,952.73**	**52,858.56**	**57,237.73**
Non – Current Assets	20,368.14	22,510.33	30,974.50	33,420.46
Current Assets	12,281.40	14,442.40	21,884.05	23,817.26
Total Assets	**32,649.54**	**36,952.73**	**52,858.56**	**57,237.73**
Statement of Profit or Loss				
Revenue	**16,116.02**	**37,947.62**	**49,840.19**	**33,592.02**
Cost of Sales	(14,597.21)	(28,580.54)	(39,050.29)	(25,184.69)
Gross Profit	**1,518.81**	**9,367.07**	**10,789.90**	**8,407.33**
Operating Profit	761.46	7,972.50	8,332.57	6,876.10
Profit After Tax	**(547.46)**	**5,359.66**	**10,025.32**	**6,524.88**
EBITDA	1,901.34	8,974.11	9,574.79	7,358.28
Statement of Cash Flows				
Cash Flows from Operating Activities	(5,203.23)	6,879.16	5,569.65	2,597.98
Cash Flows from Investing Activities	(1,984.34)	(3,377.41)	(11,094.63)	(353.82)
Cash Flows from Financing Activities	4,316.50	(1,522.47)	6,078.08	(2,024.27)
Growth Margins				
Gross Profit Margin (%)	9%	25%	22%	25%
Net Profit Margin (%)	(3%)	14%	20%	19%
EBITDA Margin (%)	12%	24%	19%	22%
Return on Equity (ROE) (%)	(5%)	28%	37%	NM
Return on Assets (ROA) (%)	(2%)	15%	19%	NM
Profitability Ratios				

[4] *Outstanding shares have been presented on a post-stock-split basis, reflecting the reduction in par value from PKR 10 to PKR 2 per share, to ensure comparability across all periods.*

Earnings Per Share (EPS) Pre-Split (PKR)[5]	(0.37)	3.62	6.77	4.41[6]
Earnings Per Share (EPS) Post-Split (PKR)[7]	(0.07)	0.72	1.35	0.88[8]
Breakup Value Per Share Pre-Split (BVPS) (PKR)[9]	8.12	12.76	18.37	21.09[10]
Breakup Value Per Share Post-Split (BVPS) (PKR)[11]	1.62	2.55	3.67	4.22[12]
Leverage Ratios				
Total Borrowing as per the Balance Sheet (PKR Mn)	17,058.17	12,446.10	20,364.83	20,740.29
Total Debt to Equity Ratio	1.42x	0.66x	0.75x	0.66x
Debt to Total Capital (%)	59%	40%	43%	40%

Further, detailed financial analysis of the company can be found in **Section 6.7**.

2.9. OUTSTANDING LEGAL PROCEEDINGS

The following table summarizes the rejected claims, excluding those arising in the normal course of business, filed against SLM, its sponsors, substantial shareholders, directors, or associated group companies under the issuer's control, which may have a material impact on the Company.

Sr. No.	Year	Issuing Authority	Brief Case Description	Stage of Case	Amount *PKR Mn*	Management Instance & Current Status
1.	2021	Federal Board of Revenue (FBR)	The Company imported prefabricated buildings and claimed exemption from customs duties and sales tax for establishing an industry in the special economic zone. The claim was denied on the grounds that prefabricated buildings do not qualify as capital goods or plant & machinery	Constitutional appeal filed in High Court of Sindh; matter pending	368.70	Guarantees submitted by the Company's banks to the Collector of Customs. Based on merits and past favorable judgments, management believes the case will be decided in the Company's favor
2.	2024 - 2025	Commissioner Inland Revenue / Appellate Tribunal Inland Revenue (ATIR)	Show cause notice issued for inadmissible adjustment of input tax on building material and services for tyre manufacturing facility. Original demand rose after remand-back proceedings.	ATIR passed revised order on July 3, 2025; Company still contesting	5.22	Amount paid under protest. Appeal filed with Lahore High Court and remand back to ATIR. Based on legal advice, no provision is made in financial statements.
3.	2021-2025	Supreme Court of Pakistan / Sindh High Court	Constitutional Petition C.P No. 4294/2021 filed to challenge levy of Sindh Infrastructure Development Cess. SC suspended High Court judgement and stayed bank guarantee encashment.	Matter pending as of June 30, 2025	1,055	Bank guarantees submitted as security. Management is confident of favorable outcome; no provision made in financial statements.
Total					**1,428.92**	**-**

[5] The EPS is calculated based on the pre-split number of shares i.e., 1,481.00 Mn
[6] EPS for 6MFY2026 reflects actual performance for the six-month period.
[7] The EPS is calculated based on the post-split number of shares i.e., 7,405.02 Mn
[8] EPS for 6MFY2026 reflects actual performance for the six-month period.
[9] The BVPS is calculated based on the pre-split number of shares i.e., 1,481.00 Mn
[10] BVPS for 6MFY2026 reflects actual performance for the six-month period.
[11] The BVPS is calculated based on the post-split number of shares i.e., 7,405.02 Mn
[12] BVPS for 6MFY2026 reflects actual performance for the six-month period.

Further details of outstanding legal proceedings that may have a material impact on SLM are provided in Section 8.1.

2.10. RISK FACTORS

For a comprehensive understanding of the potential risks and uncertainties associated with SLM, including operational, financial, and market-related factors, please refer to Section 05 of this prospectus.

2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

The Company's related parties comprise the Holding Company, associated undertakings, joint ventures, Directors, key management personnel, and staff retirement funds. Contributions to the defined contribution plan (provident fund) are made in accordance with the terms of employment, while remuneration of key management personnel is determined in line with their respective employment agreements.

A summary of transactions with the Company's related parties during the three financial years ended June 30, 2025, together with the six months ending December 31, 2025 (6MFY2026), and their corresponding financial impact, is presented below:

Sr. No.	Name	Relationship	FY2023	FY2024	FY2025	6M FY2026
			Audited	*Audited*	*Audited*	*Unaudited*
1.	Service Industries Limited	Holding Company	2,240.79	1,267.32	568.58	706.93
2.	Chaoyang Long March Tyre Company Limited	Associated Company	5,871.26	1,619.46	1,599.29	1,796.67
3.	Service Global Footwear Limited	Associated Company	894.44	572.80	379.36	549.07
4.	Mr. Shabir Ahmad	Sponsor	236.50	151.45	611.88	152.83
5.	Service Tyres (Private) Limited	Associated Company	-	-	540.62	299.78
6.	Service Long March Tyres Limited – Employee Provident Fund	Staff Provident Fund	66.14	141.44	101.79	75.95
7.	Key Management Personnel	Employees	33.96	61.03	109.88	306.33
Total			**9,343.09**	**3,813.50**	**3,911.40**	**3,887.56**

All transactions with related parties are conducted at arm's length.

3. OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY HISTORY AND OVERVIEW

Name	Service Long March Tyres Limited
Incorporation Number	0145111
Date of Incorporation and Place	January 07, 2020, Lahore
Date of Commencement of Business	N/A[13]
Date of Commercial Production	March 10, 2022
Date of Conversion to Public Limited Company	January 06, 2026

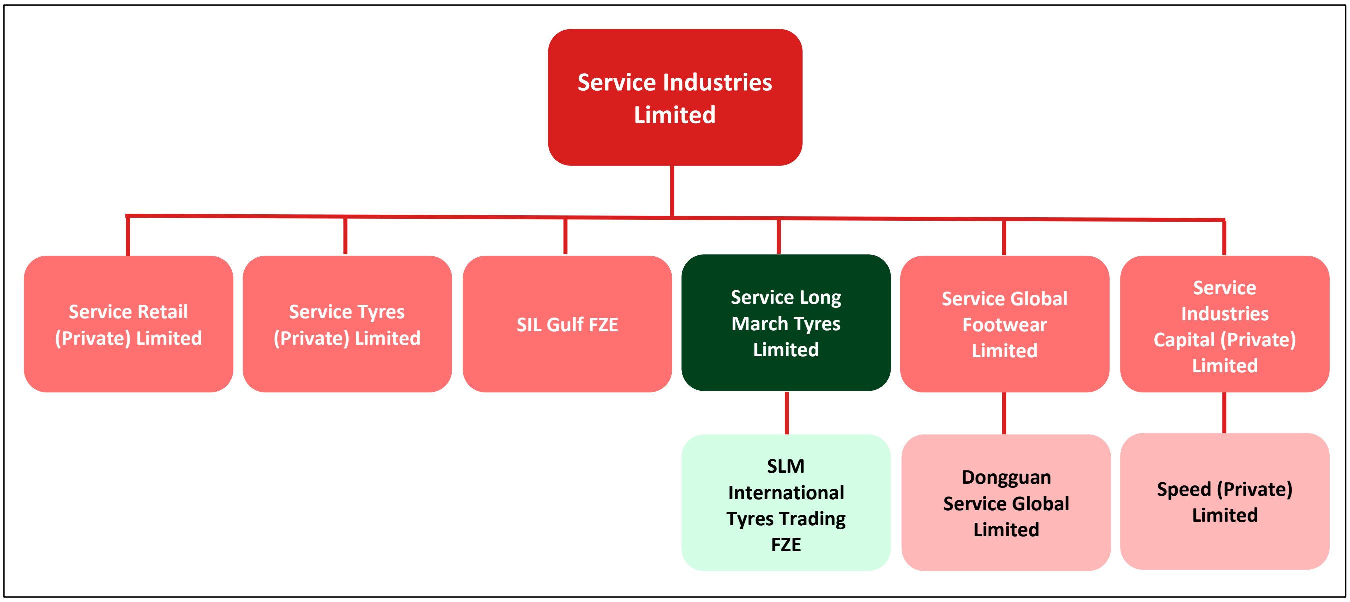
Service Long March Tyres Limited ("**SLM**" or the "**Company**") was incorporated in Pakistan on January 07, 2020, under the Companies Act, 2017. The Company commenced its commercial operations on March 10, 2022. The registered office of the Company is situated at Servis House, 2-Main Gulberg, Lahore.

The Company was formed as a strategic joint venture between Service Industries Limited ("**SIL**"), a leading Pakistani industrial conglomerate with extensive experience in manufacturing, branding, and nationwide distribution, Chaoyang Long March Tyre Company Limited ("**LM**"), a globally recognized Chinese manufacturer specializing in All-steel Radial Tyres, and Mr. Shabir Ahmad of Myco Corporation Pakistan ("**Myco**"). The Joint Venture Agreement ("**JV Agreement**"), executed on November 18, 2019. It was structured to integrate SIL's domestic market leadership, operational expertise, and established dealer network with LM's advanced production technology, research capabilities, and product engineering expertise. This collaboration enabled the transfer of manufacturing processes, quality assurance systems, and technical know-how, forming the technological backbone of SLM's operations and strengthening its competitive positioning in the truck and bus radial segment.

The Company operates as part of the Servis Group ("**SG**"), a leading industrial conglomerate in Pakistan. It benefits from the Group's longstanding manufacturing heritage, strong brand equity, and extensive nationwide distribution network spanning all four provinces. Within this Group structure, Service Industries Limited ("**SIL**") serves as the flagship entity and holding company, providing strategic oversight and governance across its subsidiaries. SLM is a group company under SIL, and through this ownership structure, it leverages the Group's operational expertise, established dealer network, and consolidated resources. SIL was incorporated as a private limited company on March 20, 1957, and was subsequently converted into a public limited company on September 23, 1959. SIL was listed on the Pakistan Stock Exchange (then the Karachi Stock Exchange) in June 1970. SIL operates as both a holding and operating entity, maintaining a strong presence across multiple manufacturing and retail sectors, including tyres, tubes, and footwear.

Following a structured demerger, SIL streamlined its corporate structure by segregating operating businesses into specialized entities, thereby enabling sharper operational focus, strengthened governance frameworks, and improved capital allocation efficiency. This restructuring permits dedicated management oversight across distinct verticals, while SIL continues to exercise strategic supervision, financial stewardship, and group-level governance. Concurrently, SIL maintains direct management of its footwear manufacturing facility in Gujrat, which continues to contribute materially to the Group's consolidated performance.

[13] *Not applicable since the Company was originally incorporated as a private limited company.*



In its capacity as a holding company, SIL maintains strategic investments across multiple subsidiaries, including Service Long March Tyres Limited ("**SLM**") and Service Global Footwear Limited ("**SGFL**"), along with its wholly owned subsidiaries, Service Tyres (Private) Limited ("**STPL**"), Service Industries Capital (Private) Limited ("**SICPL**") and Service Retail (Private) Limited ("**SRPL**"). These entities are engaged in tyre and tube manufacturing, investment in new ventures, shares and securities (listed or otherwise) and footwear retail operations. These subsidiaries collectively reinforce the Group's integrated manufacturing, investment, branding, and distribution ecosystem.

The Servis Group maintains a strong competitive position across its operating segments, underpinned by a diversified business portfolio, expanding export presence, and sound governance practices. In the domestic market, the Group maintains a dominant position across two and three-wheeler, passenger vehicle, commercial vehicle and off-the-road tyre segments, with a broad product portfolio, an extensive dealer network, and strong brand recognition. Within the truck and bus radial ("**TBR**") segment, SLM serves as a principal growth platform for the Group and has secured a meaningful market presence by offering locally manufactured, cost-efficient alternatives to imported tyres under a structured import substitution strategy. This approach enhances supply chain resilience, reduces exposure to foreign exchange volatility, and promotes localization of advanced tyre manufacturing capabilities within Pakistan.

In addition to its domestic operations, on the international front SLM, STPL and SGFL contribute to the Group's strategy of expanding its global footprint and generating foreign currency earnings. Sustained export growth, combined with portfolio diversification, has supported continued expansion in consolidated revenues and profitability. The strong internal controls, prudent risk management practices, and experienced leadership further reinforce the Group's operational stability and overall credit profile.

SLM is engaged in the manufacturing, marketing, sale, and export of radial tyres designed for commercial and industrial applications, including truck and bus radial ("**TBR**") tyres. Its product portfolio addresses diverse heavy-duty transport and industrial requirements across logistics, public transportation, infrastructure development, and allied sectors. In addition, the Company plans to establish a dedicated passenger car radial ("**PCR**") tyre manufacturing facility, a strategic expansion into the passenger vehicle segment and broadening the Company's overall product offering.

SLM holds the distinction of being one of the largest manufacturers of TBR tyres in Pakistan, supported by a comprehensive technology transfer from China that enables the Company to meet rigorous international quality and performance benchmarks. The Company's products are certified under globally recognized regulatory regimes, including DOT (USA), E-Mark (Europe), GSO (GCC), INMETRO (Brazil), and NRCS (South Africa), reflecting compliance with diverse international safety and performance standards. Additionally, SLM operates under an ISO 9001:2015 certified quality management system, underscoring its commitment to consistent quality, operational excellence, and global market acceptance.

The manufacturing facility is located at Sindh Industrial Trading Estate ("**SITE**"), Nooriabad, Sindh, and spans approximately 50 Acres of land, encompassing an integrated production plant along with auxiliary complexes. The project facility has been designated as a Special Economic Zone ("**SEZ**") under the applicable SEZ framework. Its strategic location provides substantial logistical and operational efficiencies. These include direct access to major national highways and arterial road networks, facilitating streamlined inbound raw material procurement and efficient nationwide distribution of finished goods. The site's proximity to railway connectivity, international airports, and key seaports further enhances domestic and export logistics capabilities. Additionally, the facility benefits from fiscal and regulatory incentives under the SEZ framework, including tax concessions applicable until June 30, 2032, duty exemptions, and streamlined regulatory procedures, collectively contributing to operational efficiency, cost optimization, and competitive export positioning.

SLM is also distinguished as the first enterprise in Pakistan to be granted Sole Enterprise Special Economic Zone status by the Board of Investment, alongside recognition as a Greenfield Industrial Undertaking by the Federal Board of Revenue. These designations reflect the Company's strategic significance and its contribution to industrial development, foreign investment facilitation, and import substitution within the national economy.

The Company's business model emphasizes localized manufacturing supported by progressive backward integration, enabling substitution of imports in a segment historically dominated by foreign brands. Raw materials are sourced through international suppliers, and standardized production systems are reinforced by stringent quality control protocols to ensure product consistency, durability, and reliability. The Company's offerings cater primarily to commercial fleet operators, logistics providers, public transport entities, and infrastructure-related industries where performance efficiency and lifecycle cost optimization are critical decision factors.

The Company's product portfolio serves a broad spectrum of customers including commercial fleet operators, logistics service providers, public transport operators, and infrastructure related industries, where performance reliability, durability, and lifecycle cost optimization are central procurement considerations. These end users operate in high utilization environments such as long-haul freight transportation, intercity passenger services, construction logistics, and broader industrial supply chains. In these segments, vehicles accumulate substantial mileage under varying road and load conditions, making product consistency, after sales support, and dependable supply critical to minimizing downtime and optimizing total operating costs.

In the Original Equipment Manufacturer segment, the Company supplies to established industry participants such as:

Sr. No.	Original Equipment Manufacturer (OEM)
1.	Daewoo Pak Motors (Private) Limited
2.	Fuso Master Motors (Private) Limited
3.	Ghandhara DF (Private) Limited
4.	Ghandhara Industries Limited
5.	Hino Pak Motors Limited
6.	Master Motor Corporation (Private) Limited

The Company also participates in institutional and tender-based procurement, supplying to entities such as:

Sr. No.	Institutions and Tender
1.	Director General Defence Purchase
2.	National Logistics Corporation

This diversified channel presence across OEM, institutional, dealer, and export markets strengthens revenue resilience and reinforces the Company's positioning within the commercial freight and logistics ecosystem.

In such operating environments, tyre reliability directly impacts fuel efficiency, vehicle downtime, maintenance cycles, and overall operating margins. As a result, purchasing decisions are driven not merely by upfront pricing but by total cost of ownership, tread life, retreadability, and consistent technical performance. The recurring nature of tyre replacement in commercial vehicles creates predictable demand patterns, particularly as freight movement and infrastructure development continue to expand across Pakistan.

With the recovery and growth of the commercial vehicle sector, including significant increases in truck and bus production and sales in FY2025, demand from both OEM and replacement segments has strengthened. Fleet expansion, higher road utilization, and accelerated wear cycles further reinforce the need for dependable domestic supply. SLM's product positioning, technical support capabilities, and consistent quality standards align closely with these operational requirements, enabling the Company to serve as a strategic supply partner rather than merely a product vendor.

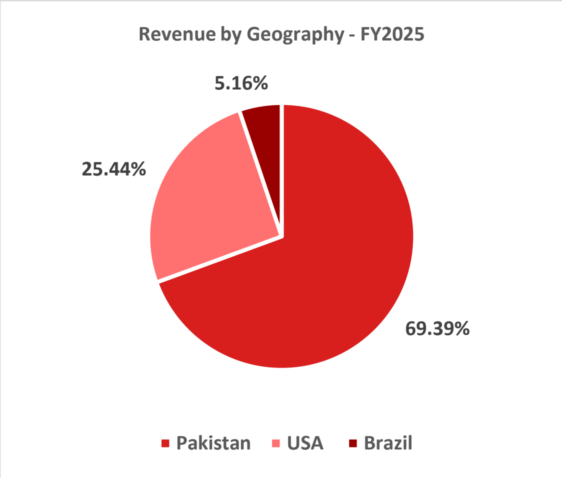
Since commencing commercial production on March 10, 2022, SLM has demonstrated strong operational execution and accelerated market penetration. Operating in a domestic tyre industry traditionally reliant on imports, the Company has positioned itself as a credible local alternative delivering internationally compliant quality standards. Through its expanding distribution footprint, SLM has established a strong nationwide presence across more than 30 cities, supported by a network of 100+ authorized dealers and distributors. This extensive reach enables efficient market penetration, timely product availability, and closer engagement with commercial fleet operators and transporters across key logistics corridors. The Company breakdown of the supply to the different sectors in the local market.

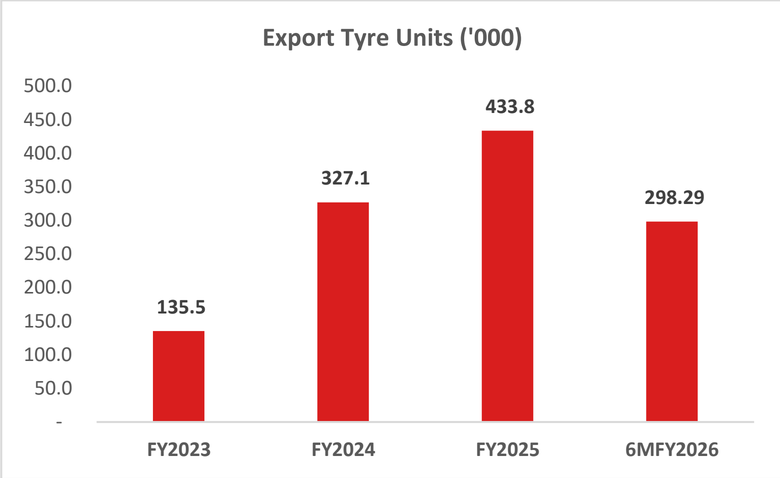
Sectors	FY2023	FY2024	FY2025	6M FY2026
Replacement	92.7%	91.7%	92.4%	93.0%
Corporate	4.0%	3.3%	3.6%	2.0%
Tender	3.1%	4.6%	2.9%	2.7%
OEM	0.3%	0.3%	1.1%	2.3%

The Company's structured dealer network, supported by a competitive pricing strategy and comprehensive after-sales technical support, reinforces customer retention and drives recurring demand within the replacement segment. Given that commercial vehicle tyres are subject to predictable wear cycles, distribution accessibility and service responsiveness remain critical determinants of purchasing decisions. As a result of its focused product strategy, reliable supply chain, and broad distribution coverage, SLM has attained an estimated market share of approximately 55% in the domestic all steel tyre segment.[14] This reflects growing customer acceptance, strong brand positioning, and effective execution of its nationwide distribution model.

Concurrently, SLM has expanded its export footprint and continues to evaluate opportunities across regional and international markets. The Company seeks to strengthen its presence in selected export destinations through the development of long-term relationships with distributors and customers while maintaining a disciplined approach to market expansion. The Company's export strategy focuses on diversifying its geographic presence to reduce concentration risk and enhance revenue stability. In pursuing this strategy, the Company places significant emphasis on maintaining consistent product quality and ensuring compliance with applicable international regulatory and certification requirements. These efforts support the Company's objective of building a sustainable presence in international markets while complementing its domestic sales operations.

[14] *The estimates are based on the Company's internal assessment.*





From a financial performance perspective, the Company has demonstrated strong and accelerating growth momentum since the commencement of operations. Revenues increased from PKR 16,116.02 million in FY2023 to PKR 37,947.62 million in FY2024, and further to PKR 49,840.19 million in FY2025, representing a year-on-year growth of approximately 135.47% in FY2024 and 31.34% in FY2025. Over the period from FY2023 to FY2025, the Company's revenues expanded at a CAGR of approximately 75.86%, reflecting rapid scale-up of operations and strong market acceptance. This growth has been driven primarily by higher sales volumes, improved capacity utilization, and increased penetration in both domestic and export markets. The Company's financial profile is supported by healthy operating cash flows, disciplined cost management, and an efficient working capital cycle. While capital structure reflects leverage associated with capacity expansion and working capital requirements, a meaningful portion of borrowings has been secured under concessionary financing schemes, moderating financing costs and mitigating overall financial risk exposure.

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Gross Revenue	16,116	37,948	49,840	33,592
Cost of Sales	(14,597)	(28,581)	(39,050)	(25,185)
Gross Profit	1,519	9,367	10,790	8,407
Operating Profit	761	7,972	8,333	6,876
Profit After Tax	(547)	5,360	10,025	6,525

The Company's operational and financial performance is reinforced by a sound governance framework and a professional management team with extensive experience across manufacturing operations, supply chain management, finance, and strategic planning. Independent credit ratings reflect SLM's business profile, market positioning, operational scalability, and growth trajectory, underpinned by the Company's ability to sustain revenue growth, maintain profitability, and uphold financial discipline.

A strong commitment to sustainability and energy efficiency is evident in the Company's operations. Its total renewable energy capacity has increased to 12 MW of solar power, significantly reducing its carbon footprint, while the introduction of a 7.5 MW wind turbine will further strengthens its renewable energy portfolio. These initiatives not only enhance environmental responsibility but also improve energy cost resilience, supporting long-term operational efficiency.

Credit ratings assigned by Pakistan Credit Rating Agency Limited ("**PACRA**") further evidence the Company's strong financial profile. As of June 27, 2025, SLM holds a long-term rating of "**A+**" and a short-term rating of "**A1**" with a stable outlook.[15] PACRA has noted that the assigned ratings are contingent upon the Company's ability to

[15] *https://www.pacra.com/api/rating-report/MTQ2NDA=*

sustain its revenue growth trajectory, maintain healthy profitability metrics, and successfully execute its stated business and expansion strategy.

Looking ahead, SLM intends to capitalize on long-term growth in the tyre market through the development of a dedicated Passenger Car Radial ("**PCR**") tyre manufacturing facility. Building on the Company's existing manufacturing capabilities, industry experience, and established presence in the domestic tyre sector, this strategic expansion is positioned for success. Execution of the project will follow a single, integrated expansion approach, enabling operational efficiencies, streamlined implementation, and effective capacity utilization. Commercial production is expected to commence from January FY2028.

The PCR facility is projected to achieve an initial installed capacity of approximately 2.0 million tyres in FY2028 per annum, which is expected to increase to 2.5 million tyres in FY2029 and further to 3.0 million tyres per annum by FY2030. Designed with inherent scalability, the project allows for future capacity enhancements in line with evolving market demand and the Company's growth strategy.

Overall, this calibrated capacity ramp-up is designed to align with anticipated demand growth, operational stabilization, and market absorption. The expansion supports domestic import substitution objectives while strengthening the Company's ability to serve export markets. Upon completion of the ramp-up, SLM will significantly enhance its production scale and product portfolio, reinforcing its position within Pakistan's tyre manufacturing industry and thereby creating a strong platform for sustainable medium- to long-term growth.

3.2. PATTERN OF SHAREHOLDING OF THE COMPANY

Names	Pre-IPO Shareholding		Post-IPO Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Service Industries Limited	1,582,698,295	21.37%	1,582,698,295	20.30%
Chaoyang Long March Tyre Company Limited	3,152,500,000	42.57%	3,152,500,000	40.44%
Service Global Footwear Limited	1,354,858,520	18.30%	1,354,858,520	17.38%
Service Tyres (Private) Limited	716,477,275	9.68%	716,477,275	9.19%
Mr. Shabir Ahmad	377,238,635	5.09%	377,238,635	4.84%
Sub – Total	**7,183,772,725**	**97.01%**	**7,183,772,725**	**92.16%**
Directors, Chief Executive Officer and Members of the Company				
Mr. Omar Saeed	200,000,000	2.70%	200,000,000	2.57%
Ms. Lubna Tahir	7,500,000	0.10%	7,500,000	0.10%
Mr. Khizr Hayat	7,500,000	0.10%	7,500,000	0.10%
Mr. Muhammad Zubair	1,500,000	0.02%	1,500,000	0.02%
Mr. Muhammad Abid Aleem	1,250,000	0.02%	1,250,000	0.02%
Mr. Hassan Shahid	1,250,000	0.02%	1,250,000	0.02%
Mr. Khurram Anwar	1,250,000	0.02%	1,250,000	0.02%
Mr. Atif Aziz	1,000,000	0.01%	1,000,000	0.01%
Sub – Total	**221,250,000**	**2.99%**	**221,250,000**	**2.84%**
Public Offering				
General Public	-	-	389,738,038	5.00%
Sub – Total	**-**	**-**	**389,738,038**	**5.00%**
Total	**7,405,022,725**	**100%**	**7,794,760,763**	**100%**

<u>Details of the Major Shareholders are as follows:</u>

A. Service Industries Limited ("SIL")

SIL is the flagship and holding company of the Servis Group, listed on the Pakistan Stock Exchange. SIL operates under a dual business model, functioning both as a holding and operating entity. As a holding company, SIL maintains significant equity investments in eight subsidiary companies and one associated company, with dividend income from these investments constituting a major contributor to its profitability. In its operating capacity, SIL is engaged in the manufacturing and sale of footwear and technical rubber products through its manufacturing facility located in Gujrat.

B. Service Global Footwear Limited ("SGFL")

SGFL is a largest exporter of footwear from Pakistan, is listed on Pakistan Stock Exchange and have annual exports of USD 70 Million. The Company supplies a diverse range of footwear across key regions, including Europe, North America, Asia, Africa, and Australia

C. Service Tyres (Private) Limited ("STPL")

STPL is a wholly owned subsidiary of Service Industries Limited, engaged in the manufacturing and sale of tyres and tubes for bicycles, motorcycles, scooters, rickshaws, automobiles, cars, tractors, trolleys and trucks & buses bias tyres. The Company is also involved in the manufacturing and trading of auto spare parts. During CY 2025, STPL reported net sales of Rs. 51 billion (USD 181 Million). STPL is Pakistan's largest exporter of tyres and tubes with an export footprint spanning over 40 countries and maintains a leading position in the domestic market.

D. Chaoyang Long March Tyre Company Limited ("LM")

CLM is engaged in the manufacturing and sales of full range of truck and bus Tyres in China, with annual turnover of approximately USD 580/- Million. The company has also pioneered tubeless heavy-duty tyres and developed OTR tyres to expand the product portfolio. It has established a marketing network in more than 140 countries and regions around the world, including China, the Gulf Region, Canada, France, and Australia, etc.

E. Mr. Shabir Ahmad

Mr. Shabir Ahmad is a sponsor shareholder of SLM and a seasoned businessman with over 40 years of experience in Pakistan's tyre trading and distribution industry. He serves as the Chief Executive Officer of Myco Corporation, a well-established tyre distributor operating across Pakistan, through which he has played a key role in the distribution and market development of internationally recognized tyre brands, including Long March. Leveraging his extensive distribution network, strong industry relationships, and deep market knowledge, Mr. Ahmad has been instrumental in supporting the establishment and expansion of SLM's presence in Pakistan.

3.3. REVENUE AND INCOME DRIVERS OF THE COMPANY

The Company's revenue is primarily generated through the sale of all-steel radial tyres across both domestic and international markets. To provide a clear view of the Company's business composition, the table below presents a detailed breakdown of gross revenue over the past three fiscal years. This segmentation highlights SLM's diversified revenue streams and balanced exposure across different geographies.

Revenue	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Sales of Goods				
Export	5,071	12,237	14,830	9,583
Local	13,245	30,696	42,326	29,105
Sub – Total	**18,316**	**42,933**	**57,157**	**38,688**
Less Returns / Adjustments				

Custom Duty Drawback	-	392	423	283
Sales Tax	(2,023)	(4,710)	(6,456)	(4,408)
Trade Discounts	(178)	(667)	(1,284)	(971)
Sub – Total	**(2,200)**	**(4,985)**	**(7,316)**	**(5,096)**
Total	**16,116**	**37,948**	**49,840**	**33,592**

Over the period 2023–2025, SLM's net revenues grew at a CAGR of approximately 75.86%, reflecting rapid operational scale-up and strong market acceptance.

Other Income	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
PKR Mn	***Audited***	***Audited***	***Audited***	***Unaudited***
Income from Financial Assets				
Conventional	29.88	77.15	85.95	28.65
Islamic	-	-	18.32	9.16
Profit on Term Deposits Receipts	29.88	77.15	104.27	37.81
Conventional	12.09	39.07	31.58	14.56
Islamic	18.72	9.15	7.47	7.47
Profit on Saving Accounts	30.81	48.22	39.04	22.03
Income from Non - Financial Assets				
Scrap Sales	32.40	14.72	54.37	15.92
Gain / (Loss) on Disposal of Operating Fixed assets	-	1.60	(0.05)	2.34
Total	**93.09**	**141.68**	**197.6**	**78.10**

3.3.1. PRODUCTION AND SALES PERFORMANCE

The Company's operational performance is closely aligned with its revenue growth, reflecting both the scale of production and market demand. The table below presents a detailed breakdown of TBR tyres produced and sold by SLM over the same period, illustrating the Company's increasing manufacturing capacity, sales execution, and ability to meet growing customer demand across domestic and international markets.

Particulars	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
	Audited	***Audited***	***Audited***	***Unaudited***
				Units
TBR – Actual Production	430,468	835,374	1,184,346	789,350
TBR – Actual Total Sale	389,267	842,399	1,150,278	776,107
Sales Growth – YoY (%)	-	116.40%	36.54%	Nm*

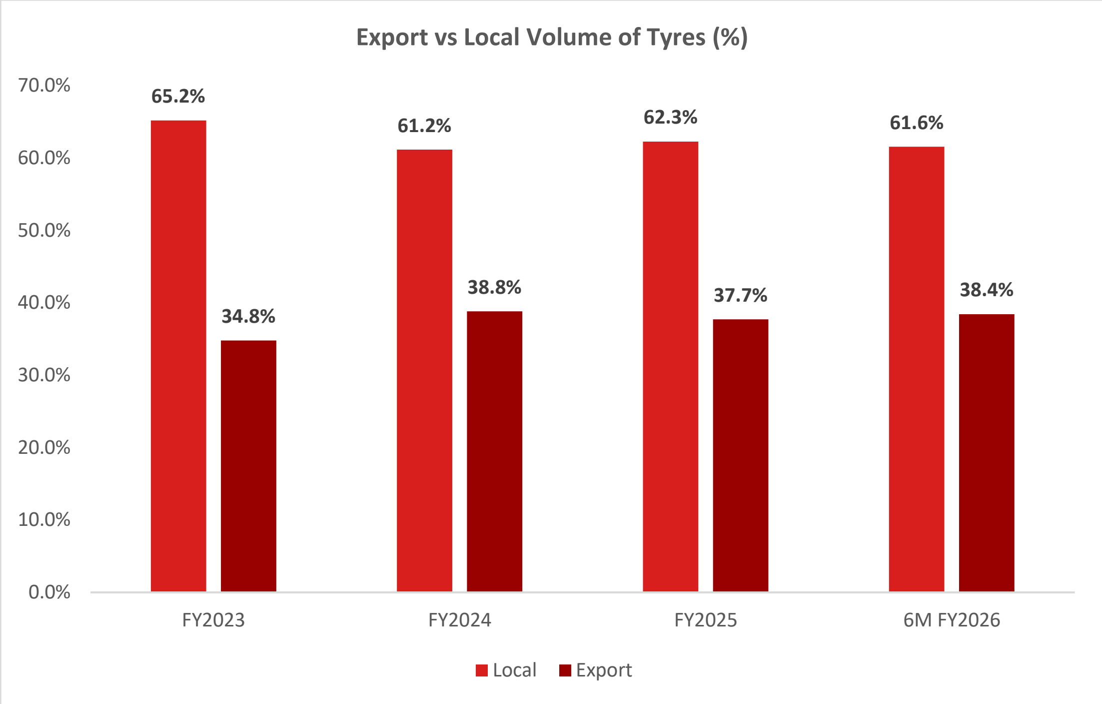
**Not meaningful for 6M FY2026 as YoY growth is based on projected full-year sales.*

Over the three-year period, SLM achieved strong growth in its TBR tyre production and sales, reflecting a rapid operational scale-up and increasing market acceptance. Production and sales expanded at a compound CAGR of approximately 65.87% and 71.90%, respectively, demonstrating the Company's ability to efficiently convert manufacturing capacity into revenue. This consistent growth underscores SLM's operational efficiency and reinforces its position in the domestic and international tyre markets.

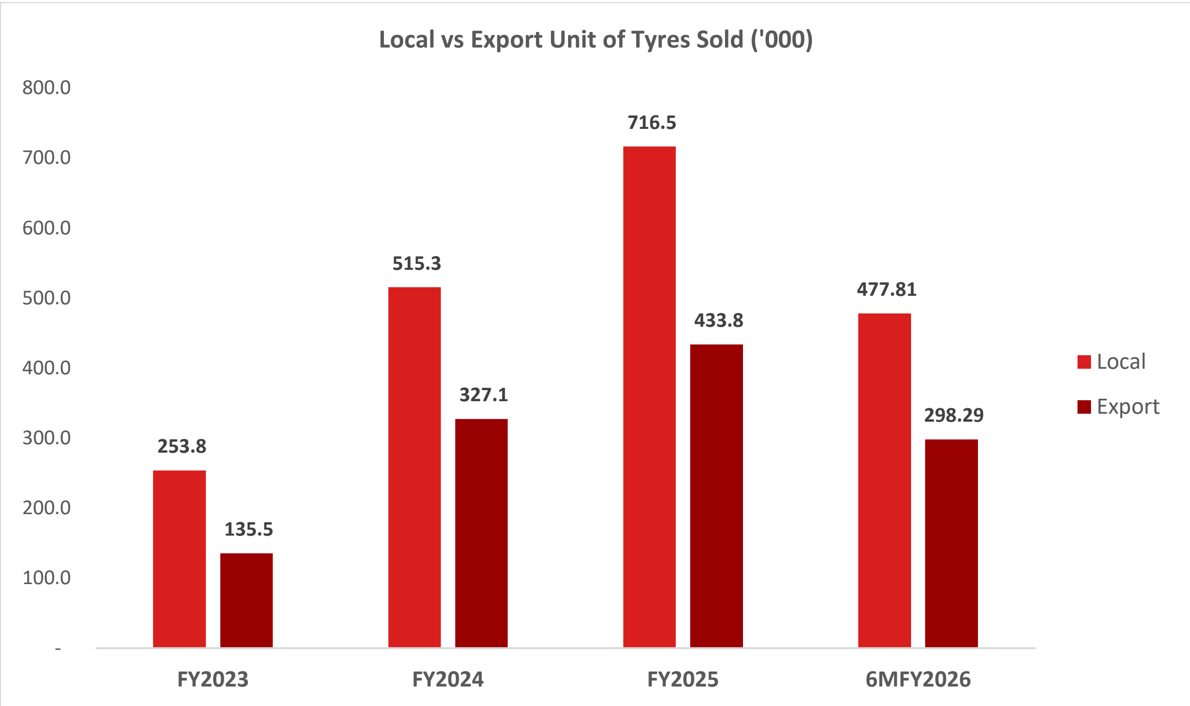
3.3.2. SALES MIX BETWEEN LOCAL AND EXPORT MARKETS

SLM derives its revenues from a balanced mix of domestic and export markets, providing both stability in volume and geographic diversification. The domestic market continues to be the primary revenue driver, reflecting the Company's strong presence and leadership in Pakistan's truck and bus tyre segment. At the same time, export sales have demonstrated steady growth, contributed valuable foreign currency inflows and reduced reliance on domestic demand cycles. Management intends to broadly maintain this export-to-local sales mix, reflecting confidence in the Company's international competitiveness and the strength of long-term export relationships.

This diversified revenue mix enhances overall resilience, mitigates exposure to localized economic volatility, currency fluctuations, and demand cycles, and establishes a robust foundation for sustainable growth across both domestic and international markets. A bar chart illustrating domestic and export volume of tyres sold can further highlight the consistent growth of the Company and the increasing contribution of international markets.



The chart below illustrates domestic and export tyre units sales, highlighting the Company's growth and the increasing contribution of international markets.

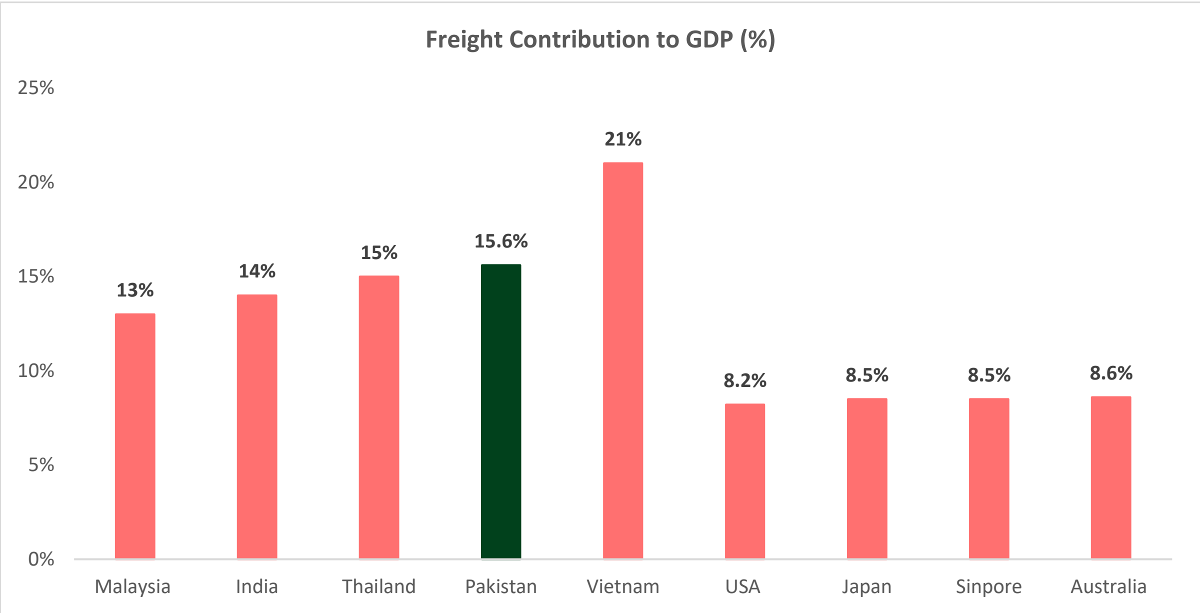


3.3.3. DOMESTIC MARKET DYNAMICS

In the domestic market, demand for truck and bus tyres is largely driven by the replacement segment, which serves as the primary and recurring source of revenue. Within this segment, replacement tyres account for approximately 73.2% of total demand, while original equipment manufacturer (OEM) requirements represent around 26.8% of TBR production. This highlights the structural significance of the replacement market within Pakistan's commercial tyre industry.[16]

Truck and bus tyres generally require replacement within six to ten months, depending on mileage, axle load, vehicle utilization, terrain, and road conditions. In Pakistan, comparatively weak road infrastructure, axle overloading practices, and intensive long-haul freight forward movement accelerate tyre wear relative to more developed transport systems. As a result, tyres are often replaced nearly twice a year, creating sustained and recurring demand in the domestic market.

This recurring demand is further reinforced by the scale and significance of Pakistan's freight forward and transport sector, which contributes approximately 15.6% to national GDP and employs around 6% of the workforce. Freight movement in the country is predominantly road-based, supported by an extensive road network of approximately 501,169 kilometers compared to only 7,791 kilometers of rail infrastructure.[17] The structural reliance on road-based freight forward operations leads to higher fleet utilization, which directly increases tyre consumption and replacement frequency.



Comparative data across economies further highlights this structural dynamic. Developing countries such as Vietnam (21%), Pakistan (15.6%), Thailand (15%), and India (14%) demonstrate a significantly higher freight and transport share of GDP compared to developed economies such as the United States (8.2%), Singapore (8.5%), Japan (8.5%), and Australia (8.6%). This higher proportion reflects greater dependence on road-based freight forward activities and relatively higher logistics intensity. In Pakistan's case, this structural reliance reinforces long-term replacement demand for commercial tyres.[18]

In addition, fleet operators increasingly prioritize fuel-efficient and durable tyres to optimize operating costs amid fluctuating fuel prices. All-steel radial tyres offer improved rolling resistance, enhanced durability, and extended tread life, making them the preferred choice in the replacement market. This shift toward performance-oriented products further supports demand for high-quality domestic manufacturers.

[16] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[17] https://fpcci.org.pk/wp-content/uploads/2025/10/A-Policy-Brief-on-Pakistans-Logistics-Performance-and-Its-Impact-on-Trade-Competitiveness.pdf
[18] https://tdap.gov.pk/wp-content/uploads/2022/08/Logistics-functional-strategy-Pakistan-3_web.pdf

During FY2025, SLM held an estimated 51% share of the local replacement market, positioning it as the market leader in the truck and bus tyre segment. The remaining demand is largely met through imports and grey channel products.[19] As the sole domestic manufacturer of all-steel radial truck and bus tyres, SLM benefits from structural advantages including consistent product availability, shorter lead times, localized after-sales support, and strong brand recognition among fleet operators.

In contrast, the OEM segment represents approximately 26.8% of total local demand for TBR tyres.[20] Currently, SLM fulfills only around 40% of this demand, highlighting substantial headroom for growth.[21] With no other local manufacturers in this space, combined with planned capacity expansions and a targeted strategy to deepen relationships with vehicle assemblers, the Company is well positioned to gradually increase its OEM penetration and capture a larger share of this segment over the medium to long term.

Particulars	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
				Units
TBR – Actual Production	430,468	835,374	1,184,346	789,350
TBR – Local Sale	253,796	515,253	716,450	477,814
Local Sales– YoY (%)	-	103.02%	39.05%	Nm*

**Not meaningful for 6M FY2026 as YoY growth is based on projected full-year sales.*

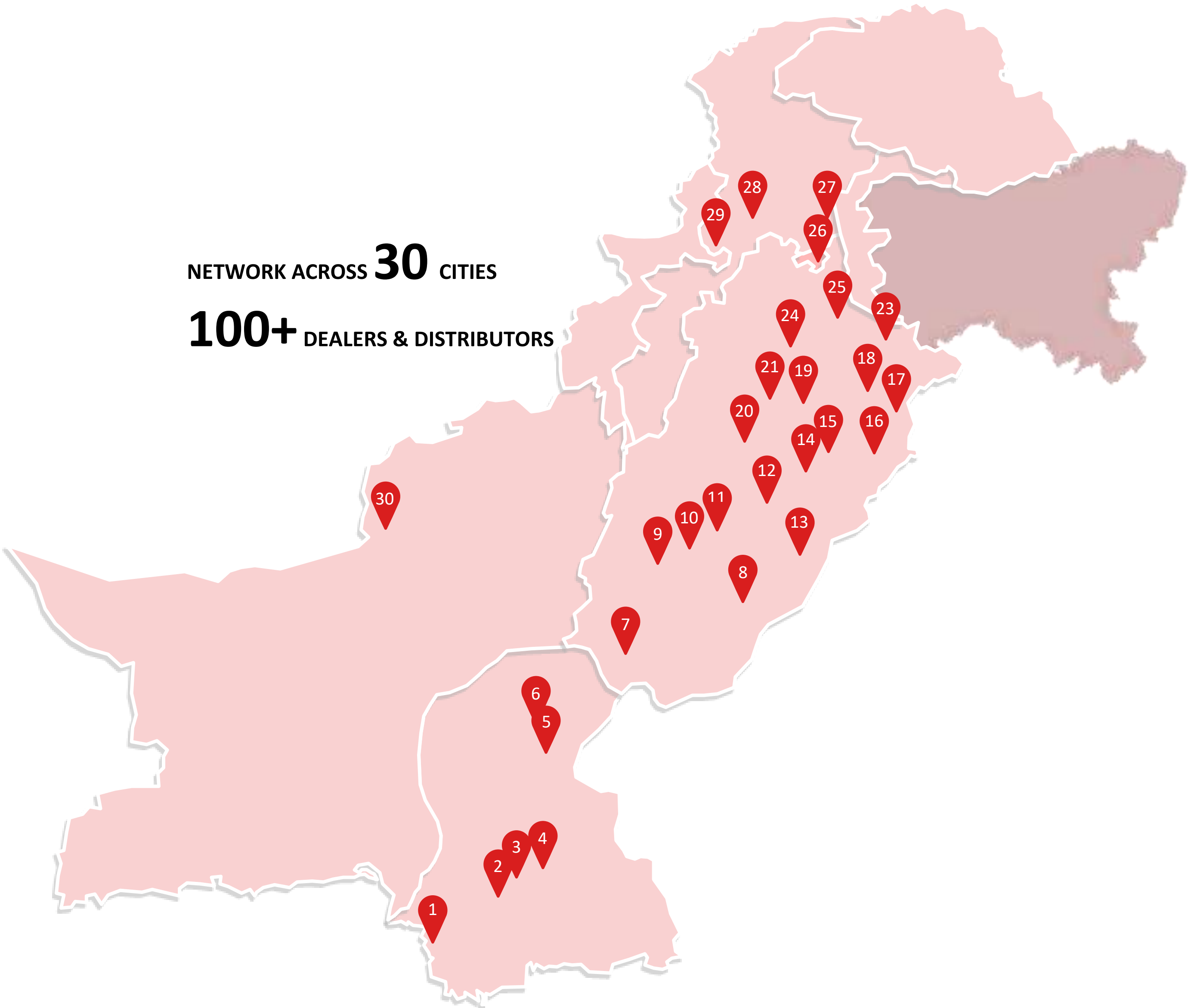
3.3.4. DOMESTIC DISTRIBUTION NETWORK

SLM's domestic distribution network represents a core strategic strength and a principal driver of revenue generation. The Company has developed a well-integrated and geographically diversified dealership footprint spanning over 30 cities, covering both Tier 1 and Tier 2 markets where demand for TBR tyres is predominantly concentrated. Through a network of approximately 100+ authorized dealers nationwide, SLM maintains a strong presence across major transportation corridors, industrial clusters, logistics hubs, and key commercial centers.

The structure of this network enables deep market penetration, ensuring proximity to end-users such as fleet operators, transporters, and freight forward contractors. By maintaining dealers in high-traffic cargo routes and economically active regions, the Company is able to respond promptly to replacement demand and minimize supply gaps. This localized availability enhances customer convenience, reduces delivery lead times, and strengthens dealer confidence in maintaining adequate inventory levels. As a result, SLM benefits from consistent sell-through, improved market intelligence at the ground level, and the ability to further expand its footprint into underserved and emerging transport markets.

The effectiveness of this distribution model is reflected in its contribution to sustained sales growth, high customer retention, and strong brand visibility in the replacement segment. The Company's channel partners are supported through structured engagement, performance monitoring, and coordinated marketing initiatives, enabling uniform brand representation nationwide. This cohesive and disciplined network not only reinforces SLM's leadership position in the domestic replacement market but also provides a scalable platform for incremental penetration as overall freight forward activity and fleet sizes continue to expand.

[19] *The estimates are based on the Company's internal assessment.*
[20] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[21] *The estimates are based on the Company's internal assessment.*



To further strengthen channel relationships and market positioning, SLM organizes annual Dealer Conventions, bringing together distributors and dealers from across the country. These conventions provide stakeholders with the opportunity to visit the Company's state-of-the-art manufacturing facility, review performance milestones, and align forward-looking growth strategies. In parallel, SLM continues to invest in structured shop branding initiatives across key TBR markets nationwide to enhance brand recall and visibility at the retail level.

Distribution strength remains a central pillar of SLM's growth model. Since inception, the Company has strategically expanded its distributor and dealer base to achieve balanced national coverage, currently supporting 100+ active distributing partners within 30 cities. In addition to its dealer-led network, SLM engages directly with major corporations and fleet customers, enabling it to effectively serve both fragmented retail demand and large institutional buyers, thereby reinforcing its competitive positioning in the domestic market.

3.3.5. INDUSTRY GROWTH

Pakistan's commercial vehicle and automobile sectors demonstrated strong growth in FY2025, creating a favorable environment for the domestic tyre industry. Real GDP grew by approximately 2.7% in FY2025 compared to 2.4% in FY2024, supporting increased economic activity and freight movement. Truck and bus sales surged by around 96.3% year on year, recovering from a decline of 30.6% in FY2024, directly driving demand for both OEM and replacement tyres.[22] Replacement demand remains the principal contributor to domestic tyre sales, while OEM demand offers additional growth opportunities as vehicle production increases.

Particulars[23]	FY2023	FY2024	FY2025
			Units
Trucks Manufactured	3,074	2,204	4,366
Buses Manufactured	701	419	796
Total Manufactured	**3,775**	**2,623**	**5,162**
Trucks Sold	3,182	2,187	4,444
Buses Sold	654	454	788
Total Sold	**3,836**	**2,641**	**5,232**
Trucks on Road	320,400	321,999	327,719
Buses on Road	168,500	169,700	172,690
Total on Road	**488,900**	**491,699**	**500,409**

The truck and bus sector has exhibited a robust revenue CAGR of almost 35.2% between FY2021 and FY2025, with FY25 revenues rising by 156.5% year on year due to higher vehicle sales volumes.[24] Growth in commercial vehicle usage, freight forward activity, and infrastructure development accelerates tyre wear cycles, generating recurring replacement demand. This creates a strong and stable revenue base for tyre manufacturers, while increasing OEM vehicle production expands the opportunity for supplying tyres directly to assemblers.

Macroeconomic improvements further support industry expansion. Inflation dropped to around 4.2 % in FY2025 compared to 9.2% in FY2024, while interest rates fell to approximately 11% from 20.5%, making vehicle financing more accessible, During the first quarter of FY2026, production of trucks and buses increased by approximately 115% year on year, followed by passenger cars at 74%, jeeps and light commercial vehicles at 48.7%, and two and three wheelers at 35.8%.[25] This growth trajectory is expected to continue, reinforcing demand for tyres both in the replacement market and through OEM channels.

While the local tyre market remains highly competitive, with imported replacement tyres, particularly through grey channels, dominating much of the market, domestic manufacturers with advanced technology and manufacturing capabilities are well positioned to benefit. SLM, as the sole domestic producer of all steel radial truck and bus tyres, directly leverages its state-of-the-art technology to meet high quality and performance standards demanded by both OEMs and replacement customers. The correlation between rising vehicle sales, increasing freight activity, and accelerated tyre wear cycles ensures that SLM's technologically advanced production capacity translates into consistent growth in revenue and market share.

Government initiatives such as stricter enforcement against smuggling, better border management, and rationalization of import duties are expected to further support local manufacturers. These measures provide an opportunity for SLM to expand its share in both replacement and OEM segments, consolidating its position as the leading domestic producer and capturing the benefits of sustained industry growth.

3.3.6. EXPORT MARKETS

SLM leverages its competitive cost structure, efficient manufacturing processes, and strict adherence to international quality standards to compete effectively in global markets while maintaining attractive margins. Export sales contribute significantly to overall volume growth and provide diversification against domestic market risks, reducing dependence on local market fluctuations.

[22] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[23] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[24] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[25] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

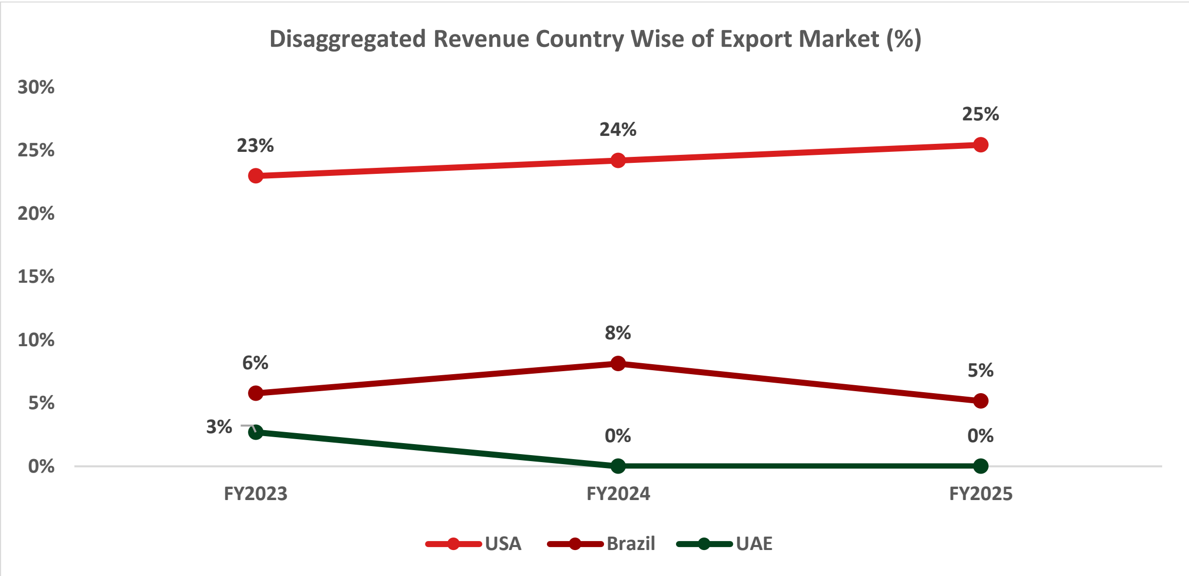
Over the past three years, both production and export volumes have grown steadily, reflecting the Company's scalable manufacturing capacity and increasing international demand for its products.

Particulars	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
				Units
TBR – Actual Production	430,468	835,374	1,184,346	789,350
TBR – Export Sale	135,471	327,146	433,828	298,293
Export Sales – YoY (%)	-	141.48%	32.60%	Nm*

**Not meaningful for 6M FY2026 as YoY growth is based on projected full-year sales.*

SLM exports its products to multiple international markets, with the United States and Brazil representing the largest destinations for its truck and bus tyres, as illustrated in the export breakdown graph. In these markets, the Company competes primarily with manufacturers from Thailand and Cambodia, positioning itself as a high-quality, cost-competitive alternative. Additionally, Europe and South Africa have been identified as a potential growth market for the SLM, offering opportunities to expand SLM's international footprint in the European and African continents.

Further supporting SLM's export growth is government policy aimed at strengthening domestic manufacturing. The imposition of import duties on imported tyres encourages the use of locally manufactured products, both domestically and in the export supply chain. This creates a favorable environment for SLM to expand its international presence, maintain margins, and strengthen competitiveness in key markets such as the United States, Brazil, and emerging markets like South Africa. Through its technology-driven manufacturing, expanding production capacity, and supportive policy environment, SLM is well positioned to capture a larger share of global commercial tyre demand, further diversifying revenue streams and enhancing long-term growth potential.



3.3.7. PRODUCT QUALITY AND MANUFACTURING CAPABILITY

SLM's commitment to producing high-quality all steel radial truck and bus tyres is a cornerstone of its success in both domestic and international markets. Reliability, durability, and performance are critical factors for fleet operators and commercial users, directly driving repeat demand, customer loyalty, and long-term market leadership.

As the sole domestic manufacturer of TBR tyres in Pakistan, SLM benefits from a comprehensive technology transfer from China, which enables the Company to meet stringent international quality and performance standards. Its products are certified under globally recognized regulatory regimes, including DOT (USA), E-Mark (Europe), GSO (GCC), INMETRO (Brazil), and NRCS (South Africa), demonstrating compliance with diverse safety and performance benchmarks required for key export markets. These certifications, combined with the Company's ISO 9001:2015 certified quality management system, underscore SLM's commitment to operational excellence, consistent product quality, and global market acceptance.

SLM's advanced manufacturing capabilities, supported by cost-efficient processes and rigorous quality controls, enable the Company to sustain high production volumes while maintaining superior performance standards. This technological and operational strength not only reinforces SLM's position as a preferred supplier in the domestic truck and bus tyre segment but also allows it to compete effectively in international markets, meeting the exacting standards of fleet operators worldwide.

3.4. COST DRIVERS OF THE COMPANY

Breakdown of SLM's key expense items for the preceding three years is provided hereunder:

Cost of Sales	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Raw & Packing Material Consumed	13,090.35	23,852.65	34,875.12	21,943.10
Fuel and power	1,145.04	1,632.92	1,975.01	1,208.25
Salaries, Wages and Other Benefits	607.48	988.73	1,269.24	837.55
Depreciation	914.16	969.57	1,151.04	675.74
Repair and Maintenance	133.38	318.74	417.66	280.79
Travelling	74.32	161.62	215.09	171.62
Insurance	81.65	86.28	93.81	84.21
Freight and Insurance	31.01	63.21	54.62	8.96
Vehicles Running Expenses	17.12	34.36	60.07	23.32
Safety & Security	31.05	31.71	34.08	19.92
Communication	1.79	2.26	6.88	3.79
Rent, Rates & Taxes	9.05	0.84	1.91	0.77
Manufacturing Overheads	3,046.05	4,290.24	5,279.40	3,314.91
Cost of Goods Manufactured	103.50	(307.14)	(276.91)	186.68
Finished Goods	(1,642.69)	744.79	(827.31)	(260.00)
Total	**14,597.21**	**28,580.55**	**39,050.29**	**25,184.69**

Distribution Costs	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Freight Expense of Export Sales	186.84	285.81	389.58	182.59
Carriage Outwards of Local Sales	51.89	238.40	442.70	355.25
Salaries and Other Benefits	67.46	143.62	174.91	97.52
Advertisement and Publicity	24.52	80.75	130.80	174.72
Travelling and Conveyance	8.07	11.32	48.09	15.96
Commission on Sales	-	-	-	-
Communication	0.40	0.34	1.10	0.79
Total	**339.18**	**760.24**	**1,187.17**	**826.84**

Administrative Expenses	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Salaries and Other Benefits	192.02	338.31	744.16	404.24
Insurance	0.71	-	-	-
Depreciation And Amortization	152.54	166.60	206.07	113.34
Legal and Professional Charges	17.98	27.93	37.11	43.55
Travelling and Conveyance	2.01	23.60	105.22	0.54

General	15.46	17.05	17.61	9.32
Communication	0.99	13.87	18.80	18.52
Entertainment	11.48	12.52	25.06	16.95
Miscellaneous	4.27	11.13	27.89	14.44
Vehicles Running Expenses	11.58	9.75	45.83	27.77
Rent, Rates and Taxes	1.53	7.75	33.77	50.84
Training and Education	0.69	1.68	3.06	2.38
Printing and Stationery	1.84	3.02	4.56	2.36
Safety and Security	5.11	1.11	1.04	0.15
Total	**418.18**	**634.33**	**1,270.16**	**704.40**

Other Expenses	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
PKR Mn	***Audited***	***Audited***	***Audited***	***Unaudited***
Workers' Profit Participation Fund	-	341.14	388.47	314.14
Auditor's Remuneration	2.79	15.30	22.49	13.88
Workers' Welfare Fund	-	2.35	2.61	45.10
Exchange (Gain) / Loss	17.11	(82.54)	(101.04)	11.89
Total	**19.90**	**276.24**	**312.53**	**385.00**

3.4.1. NATURAL RUBBER

Natural rubber is the most significant raw material in SLM's production process and constitutes a substantial portion of total production cost. Its consistently high contribution to the cost base highlights the Company's sensitivity to movements in natural rubber prices and exchange rates, making it a key determinant of overall manufacturing economics and margin performance.

% of Raw Material	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
	Audited	***Audited***	***Audited***	***Unaudited***
Natural Rubber	30.9%	33.2%	40.9%	40.00%

SLM sources natural rubber primarily through imports from established producing countries, including Thailand and Malaysia, to ensure consistent quality and compliance with its technical specifications. While this sourcing strategy supports product reliability and manufacturing efficiency, it also exposes the Company to external risk factors beyond its direct control.

These risks include foreign exchange exposure, as procurement is denominated in foreign currencies, and volatility in international natural rubber prices driven by global supply and demand dynamics and commodity cycles. Additionally, potential supply chain disruptions, geopolitical developments, trade restrictions, or logistical constraints in supplier markets may impact availability and input costs.

Given the material importance of natural rubber in the production mix, fluctuations in global prices or currency movements can directly affect cost of production and operating margins. Accordingly, disciplined procurement planning, supplier relationship management, and effective pricing strategies remain critical to mitigating input cost volatility and sustaining profitability.

3.4.2. OTHER RAW MATERIALS

In addition to natural rubber, SLM relies on several other key raw materials, including carbon black, steel cord, bead wire, chemicals, and performance additives. Collectively, these inputs account for almost 38% of total production cost and form an integral component of the tyre manufacturing process. A significant portion of these materials is imported, with China serving as a major sourcing market due to its scale, cost competitiveness, and established supply base.

% of Raw Material	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
	Audited	***Audited***	***Audited***	***Unaudited***

Carbon Black	17.1%	18.5%	17.7%	14.0%
Steel Cord	3.3%	3.2%	3.5%	3.1%
Bead Wire	13.5%	13.7%	13.9%	13.5%
Chemicals & Others	12.5%	12.1%	12.9%	11.2%

Carbon black and steel cord represent the largest components within this category, reflecting their critical role in ensuring tyre strength, durability, and performance. The relative stability in their percentage contribution over the reviewed periods indicates a consistent cost structure**,** however, exposure to international commodity markets remains a key consideration.

The primary risks associated with these materials include foreign currency exposure arising from import dependence, price volatility in global steel, petrochemical, and carbon black markets, and potential supply disruptions stemming from trade policy changes, tariffs, geopolitical developments, or supplier concentration risks.

Given the material contribution of these inputs to overall manufacturing cost, effective procurement planning, supplier diversification, strategic inventory management, and cost pass through mechanisms are essential to mitigate volatility and maintain margin stability. These measures support operational continuity and reinforce SLM's ability to manage input cost fluctuations in a competitive market environment.

3.4.3. LABOR AND UTILITIES

Labor and utility costs, including electricity, gas, and water, constitute a smaller yet essential component of SLM's overall production cost structure. These expenses are closely linked to production volumes, wage adjustments, and regulated energy tariffs, and therefore tend to move in line with operational scale and broader economic conditions.

Administrative payroll expenses have increased over the reviewed periods, reflecting business expansion, higher production activity, and workforce growth aligned with capacity utilization.

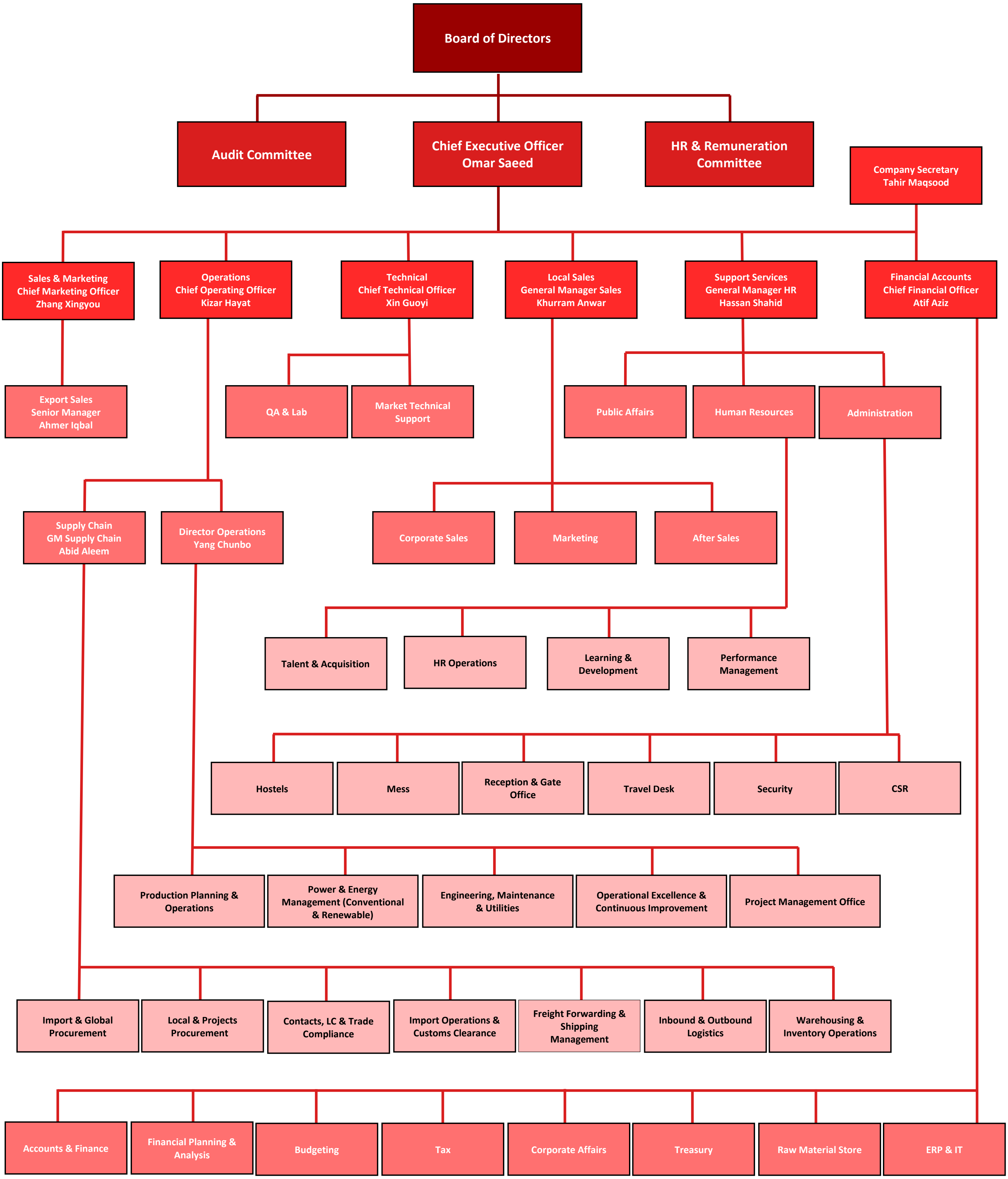
Administrative Expenses	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
PKR Mn	***Audited***	***Audited***	***Audited***	***Unaudited***
Salaries and Other Benefits	192.02	338.31	744.16	404.24

Similarly, fuel and power expenses form a critical component of cost of sales, given the energy-intensive nature of tyre manufacturing. Variations in electricity and gas tariffs, along with changes in production levels, directly influence overall utility expenditure.

Cost Sales	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
PKR Mn	***Audited***	***Audited***	***Audited***	***Unaudited***
Fuel and power	1,145.04	1,632.92	1,975.01	1,208.25

While labor and utilities are generally more stable compared to globally traded raw material inputs, increases in statutory wages, energy tariffs, or fuel prices may exert upward pressure on operating costs. However, improved capacity utilization, economies of scale, and ongoing operational efficiencies help mitigate per unit cost increases. As production volumes expand, fixed and semi-fixed cost absorption improves, supporting margin stability despite inflationary pressures. In addition, the Company's total renewable energy capacity has increased to 12 MW of solar power, reducing its carbon footprint, and the introduction of a 7.5 MW wind turbine further strengthens its renewable energy portfolio, enhancing sustainability and energy cost resilience.

3.5. ORGANIZATIONAL STRUCTURE OF THE ISSUER (ORGANOGRAM)



3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

Year	Milestones
2019	• Initiation of strategic discussions between Servis Group and Chaoyang Long March Tyre Company Limited for the establishment of a joint venture in Pakistan. • Execution of the Shareholders' Agreement between the joint venture partners
2020	• Incorporation of Service Long March Tyres Limited as a private limited company. • Acquisition of approximately 50 acres of land at Nooriabad Industrial Estate for the establishment of Pakistan's first all-steel radial tyre manufacturing facility.
2021	• Award of Sole Enterprise Special Economic Zone (SEZ) status by the Board of Investment, Government of Pakistan.
2022	• Commencement of commercial production with an initial installed annual capacity of 740,000 tyres. • Formal inauguration of the manufacturing facility by the President of Pakistan. • Achievement of a major export milestone through the first shipment of Truck Bus Radial (TBR) tyres to the United States of America.
2023	• Installation and commissioning of a 3 MW solar power plant as part of the Company's renewable energy initiative.
2024	• Formal market launch of the Company's proprietary brand, "SLM Tyres." • Expansion of installed annual production capacity to 1.0 million tyres. • Further enhancement of annual production capacity to 1.3 million tyres. • Completion of a 2 MW solar power project, increasing total installed solar capacity to 5 MW to optimize energy costs
2025	• Achievement of an annual production capacity of 1.6 million tyres. • Initiation of Letters of Credit (LCs) to support capacity expansion to 2.0 million tyres per annum. • Completion of a 7 MW solar power project, raising total installed solar capacity to 12 MW and reducing the Company's carbon footprint. • Finalization of the procurement order for a 7.5 MW wind turbine, further strengthening the Company's renewable energy portfolio.
2026	• On January 30, 2026, the Prime Minister of Pakistan conferred the Prime Minister's Excellence Award upon Service Long March Tyres Limited in recognition of its position as Leading Exporter of the Country.

3.7. PRODUCTION CAPACITY OF THE ISSUER

The Company's production capacity profile reflects its transition from initial operational stabilization to scaled commercial manufacturing. Over recent financial periods, SLM has progressively aligned capacity expansion with growing domestic and export demand, demonstrating disciplined operational planning and efficient asset utilization.

Current TBR Production Capacity

The table below presents the installed capacity, actual production, and capacity utilization levels for the TBR production line.

Plant Capacity of TBR	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
				Units
Installed Capacity	740,000	740,000	1,300,000	1,600,000

Actual Production	430,468	835,374	1,184,346	789,350
Projected Production				1,600,000*
Utilization Capacity (%)	**58.17%**	**112.88%***	**91.10%**	**100%*****

**The projected production for FY2026 is 1,600,000 units,*
***The exceed in production of unites than installed capacity is due to operational efficiencies and improvements in bottleneck processes.*
****Capacity utilization for FY2026 is derived using projected full-year production. i.*

During FY2023 and FY2024, installed capacity remained constant, however, actual production increased significantly. The utilization level exceeding 100% in FY2024 reflects operational optimization, efficiency, process improvements, and debottlenecking initiatives that enabled output beyond the originally rated capacity. This period marked strong market acceptance and improved manufacturing efficiency. In FY2025, installed capacity was formally enhanced under the Company's expansion program, enabling a substantial increase in production volumes. Actual production closely aligned with the expanded capacity, demonstrating effective deployment of capital expenditure and improved absorption of fixed costs. The projected increase in installed capacity is expected to position the Company to meet rising demand from both domestic replacement markets and export destinations. The historical production trajectory highlights SLM's demonstrated ability to scale operations in line with demand growth while maintaining high utilization levels, thereby providing confidence in its capability to effectively execute planned capacity enhancements with operational discipline and manufacturing stability.

Projected Production Capacity – Pre and Post Expansion

Looking forward, SLM plans to further expand its TBR production line while simultaneously establishing a new Passenger Car Radial (PCR) production facility.

Units	FY2026 (F)	FY2027 (F)	FY2028 (F)	FY2029 (F)	FY2030 (F)
TBR Production Line					
Installed Capacity	1,600,000	2,000,000	2,200,000	2,600,000	2,600,000
Projected Production	1,600,000	2,000,000	2,200,000	2,600,000	2,600,000
Projected Capacity Utilization (%)	100%	100%	100%	100%	100%
PCR Production Line					
Installed Capacity	-	-	1,000,000[26]	2,500,000	3,000,000
Projected Production	-	-	900,000	2,375,000	2,850,000
Projected Capacity Utilization (%)	-	-	90%	95%	95%

The projected expansion of the TBR line reflects continued demand growth and the Company's strategy to consolidate its leadership in the truck and bus radial segment. Utilization levels are expected to remain high, supported by strong replacement demand and expanding export markets.

The PCR production line is currently in the planning and development phase and is not yet operational. The proposed IPO is intended to partially finance the establishment of this PCR manufacturing facility. Commercial operations are expected to commence by FY2028, with production ramping up progressively in line with market demand and distribution readiness.

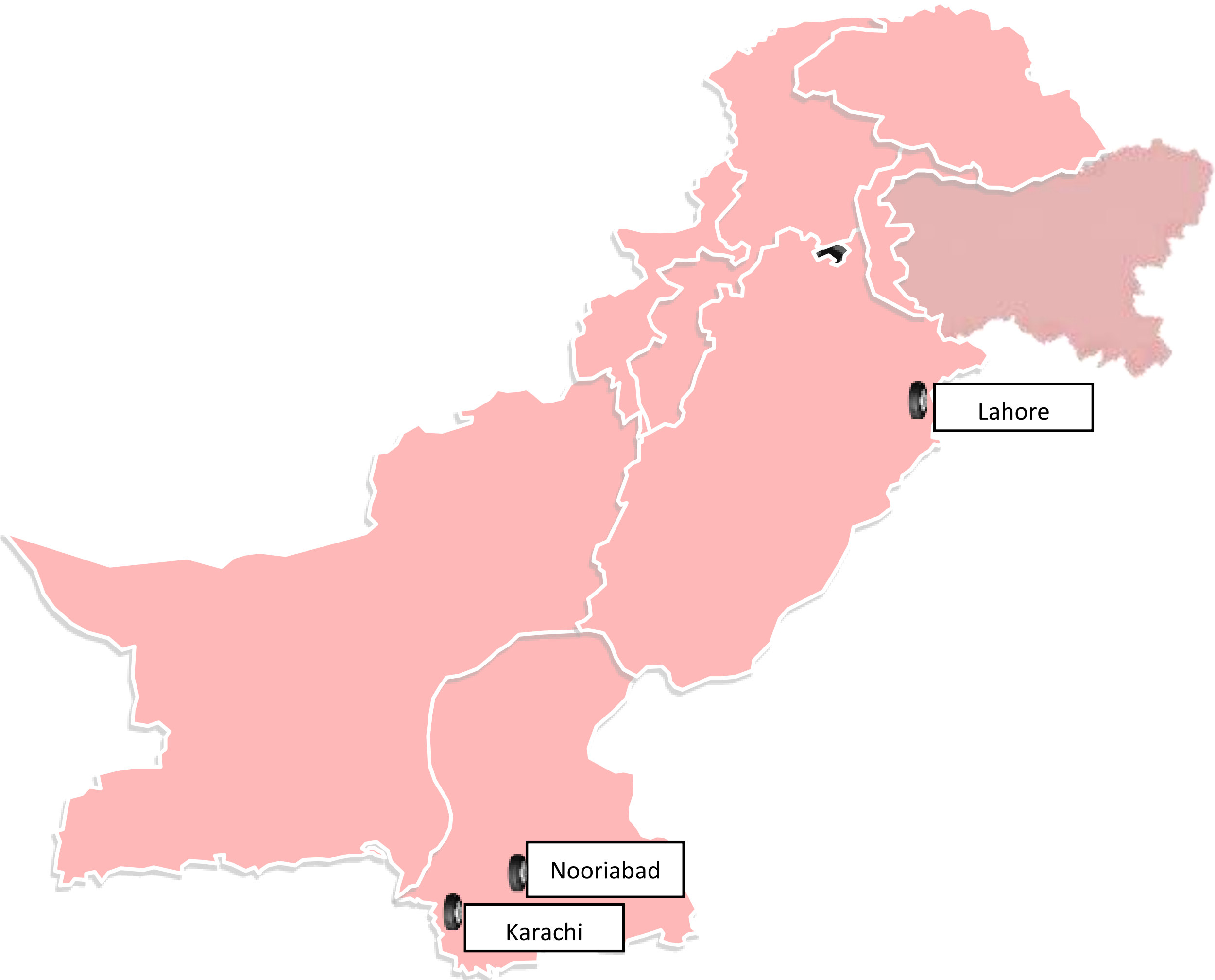
The addition of the PCR line represents a strategic diversification into the passenger vehicle segment, broadening SLM's product portfolio and revenue base. Once operational, the combined TBR and PCR capacity will significantly enhance the Company's manufacturing scale, improve cost absorption, and strengthen its competitive positioning in both domestic and international markets.

3.8. LOCATION OF THE MANUFACTURING PLANT AND OTHER FACILITIES OF THE ISSUER

The Company's manufacturing production facilities are located at its integrated manufacturing plant in Nooriabad, Sindh. The facility is situated within an established industrial zone, providing access to essential infrastructure, utilities, and transportation networks necessary for large-scale manufacturing operations. The

[26] . Upon completion as of January 2028, the PCR facility will have an installed capacity of 2.0 million tyres in FY2028 per annum. The 1.0 million figure reflects available capacity for the financial year 2028.

Nooriabad location offers logistical advantages due to its connectivity with major highways and proximity to key ports, supporting efficient inbound raw material supply and outbound distribution for both domestic and export markets.



The availability of industrial land at the site also enables phased capacity expansion, allowing the Company to scale production in line with demand growth. The centralized location of manufacturing operations supports operational efficiency, streamlined supply chain management, and effective quality control. Collectively, these factors position the Nooriabad facility as a strategic asset underpinning the Company's current production capacity and future growth plans. The table below presents a summary of SLM's plant facilities, and other premises, along with their respective locations, addresses, and ownership status.

Particular	Location	Address	Ownership Status
Production Facility / Plant	Nooriabad, Sindh	Plot No. B-61, Jam Tamachi Road, Sindh Industrial Trading Estate	Owned by SLM
Dormitories, Warehouse, Wind Turbine*	Nooriabad, Sindh	Plot No. B-62, Jam Tamachi Road, Sindh Industrial Trading Estate	Owned by SLM

**SLM acquired an additional 15 acres of land in January 2026, adjacent to its existing 50-acre facility.*

3.9. INFRASTRUCTURE OVERVIEW

The Company's manufacturing complex is strategically designed to integrate all key operations under one roof, combining advanced production technologies with supporting infrastructure. This setup not only ensures high-quality and efficient tyre production but also provides flexibility for future expansion, including the upcoming PCR project. Alongside the production lines, dedicated facilities for power generation, renewable energy, employee accommodation, and healthcare support create a fully self-sufficient ecosystem that sustains continuous operations, enhances workforce productivity, and reinforces the Company's commitment to operational excellence and environmental responsibility.

A. Aerial View of Production Facility

An integrated tyre manufacturing complex with current installed capacity of 1.6 million[27]. TBR tyres per annum, alongside dedicated land reserved for the upcoming PCR expansion project, enabling future scalability.

[27] The production volume stood at 1.6 million tyres per annum and is projected to increase to 2.2 million tyres per annum by FY2028.

B. Office Block

A purpose-built administrative facility supporting operations, management, quality control, and strategic planning functions.

C. Existing Mixing Building

Dedicated rubber mixing unit is equipped to ensure consistency, compound precision, and quality control for TBR tyre production.

D. TBR Workshop (Component to Packing Section)

Fully integrated production line covering component preparation, building, curing, inspection, and final packing, enabling end-to-end TBR manufacturing under one roof.

E. Grid Station

The Company operates an on-site 132kV grid station, providing high-voltage connectivity to ensure a stable and uninterrupted power supply. This dedicated infrastructure is critical for maintaining continuous and efficient manufacturing operations.

F. Power House

In-house power generation facility supporting operational reliability and reducing dependency on external power fluctuations.

G. Boiler House

Dedicated steam generation unit supporting curing processes and ensuring thermal efficiency across production stages.

H. Renewable Energy Facility

The Company operates a captive renewable energy facility with a total installed capacity of 12MW, comprising a 7MW ground-mounted solar installation and a 5MW rooftop solar system. This 12MW Solar Park significantly reduces energy costs while supporting the Company's commitment to sustainable and environmentally responsible manufacturing practices.

I. Dormitories

The Company maintains on-site residential accommodation for its workforce to enhance operational continuity, employee convenience, and timely shift management. Currently, there are four dormitory facilities available within the premises.

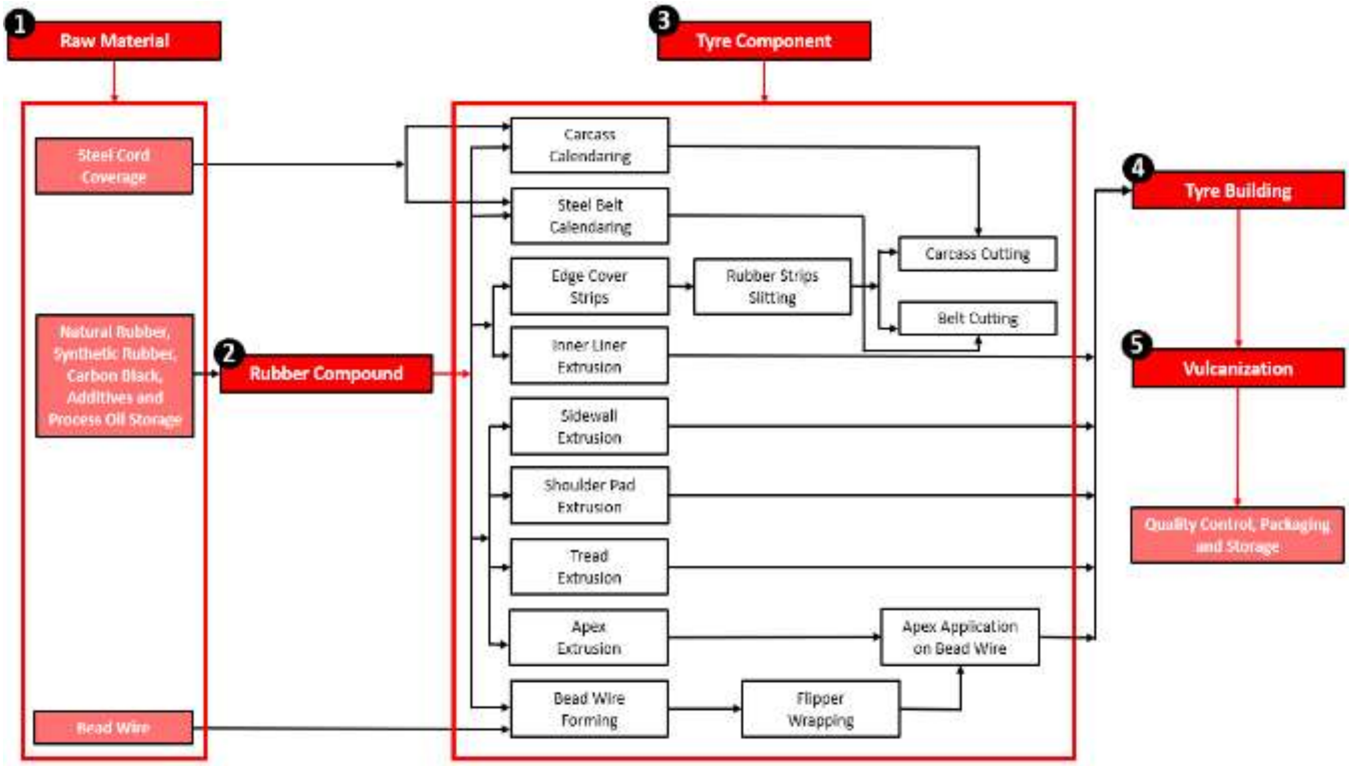
J. Medical Facility

The Company provides on-site healthcare support in collaboration with Aga Khan University Hospital, ensuring employee well-being and adherence to occupational health and safety standards.

3.10. TYRE MANUFACTURING PROCESS

All-steel radial tyres are the top tier of tyre engineering, combining high-strength steel reinforcements with advanced rubber compounds to deliver superior durability, stability, and performance under demanding conditions. SLM's all-steel radial tyres are designed to withstand heavy loads, high speeds, and challenging road surfaces while providing enhanced fuel efficiency and safety. The manufacturing process integrates precise material selection, component engineering, advanced assembly techniques, and rigorous quality control to ensure that each tyre meets international standards for strength, longevity, and performance. From raw material transformation to final vulcanization and inspection, every step is carefully optimized to produce tyres that consistently deliver reliability and excellence on the road.

ALL-STEEL RADIAL TYRE MANUFACTURING PROCESS



A. Material Transformation – Mixing Workshop

Objective:
The objective of the Mixing Workshop is to convert raw polymers and additives into high-performance rubber compounds. At the heart of tyre quality lies the rubber compound, where carefully selected raw materials are transformed into a homogeneous mixture that meets stringent standards for durability, elasticity, and overall performance. Precision in blending ensures that each batch delivers consistent properties, providing a reliable foundation for downstream manufacturing and ultimately contributing to the tyre's quality and longevity.

Raw Materials & Storage:
All raw materials are imported and stored in a controlled environment to ensure consistent quality.

Polymers:
Natural and synthetic rubber provide durability and elasticity.

Reinforcements & Fillers:
Carbon black enhances abrasion resistance and UV protection.

Process Agents:
Specialized oils and additives allow precise formulation and dosing.

Quality Control:
Materials are stored under strict conditions to maintain performance and reliability.

Internal Mixing:
The internal mixing process produces rubber compounds by uniformly blending natural and synthetic rubber with carbon black, chemicals, and other additives. Materials are mixed under controlled temperature, pressure, and time in an internal mixer to ensure consistent quality. This stage is chemically significant, as the raw

materials lose their individual identities to form a rubber compound, a new product ready for downstream processing.

Natural Rubber

Carbon Black

Additives

Process Oil

Mixing Process

Final Compound

B. <u>Component Engineering – Tyre Component Workshop</u>

Objective:
Precision manufacturing of the individual structural elements of the tyre.

High-Precision Extrusion Processes:

- **Tread & Sidewall:** Extruders shape the outer layers, providing grip and protecting the tyre casing.
- **Internal Lining:** Inner liner extrusion creates the airtight layer essential for tubeless performance.
- **Reinforcements:** Apex and shoulder pad extrusion provide the necessary rigidity at the bead and shoulder areas.

Steel Cord & Calendaring Operations:

- **Calendaring:** Steel cords are coated with rubber in calender lines to produce the carcass and steel belt layers.
- **Cutting & Slitting:** Calendered sheets are cut to precise angles (carcass/belt cutting) and widths (slitting) to define the tyre's structural characteristics.

Bead Assembly & Reinforcement:

- **Wire Forming:** Bead wire is formed and wrapped (flipper wrapping) before the apex is applied, creating a high-strength anchor that secures the tyre to the rim.

Extrusion Process

Tread

Sidewall

Inner Liner

Bead Wire

Steel Cord Calendar

Steel Belts

Carcass

C. <u>Integration & Assembly – Tyre Building Workshop</u>

Objective:
Assemble engineered components into a unified “Green Tyre.”

Tire Building Machine (“TBM”) Operations:
All individual components including the inner liner, body ply (carcass), beads, belts, and tread are layered onto a rotating drum in a precise sequence. TBM ensures concentricity and perfect alignment, which are critical for the tyre’s final balance.

From Components to Unified Structure:
This stage represents the significant transformation of flat, separate rubber and steel parts into a single cohesive unit.

The "Green Tire" Status:
At the end of this stage, the product is referred to as a Green Tyre. It has the final tyre shape but remains uncured, with a plastic rather than elastic structure, ready for the curing process.

Tyre Building Machine

Green Tyre

D. <u>Vulcanization & Quality Assurance</u>

Objective:
Cure the Tyre chemically and verify performance.

The Vulcanization (Curing) Process:
Green tyres are loaded into curing machines or vulcanizers where they are subjected to high heat and pressure.

Chemical Cross-linking:
A series of controlled chemical reactions transforms the tyre from a soft state to its final elastic, high-strength form. The mold defines the final tread pattern, branding, and performance characteristics.

Tyre Curing Machine

Finished Tyre

Multi-Stage Quality Inspection:

- **Visual & Physical:** Initial inspection of surface and structural integrity.
- **Structural Imaging:** X-ray and holographic inspections detect internal defects or air bubbles.
- **Dynamic Testing:** Tyres are tested for dynamic balancing to ensure smooth operation at high speeds

Logistics:
Successfully inspected tyres are packed and moved to the finished goods warehouse for distribution.

Physical Inspection

X-ray Machine

Holographic Machine

Dynamic Testing Machine

Warehouse

3.11. PRODUCT PORTFOLIO OF THE ISSUER

Service Long March Tyres Limited markets its products under its own established brands, including SLM Tyres, Starlux, and Roadlux, catering to a diverse range of commercial and consumer segments. The Company's product portfolio is designed to meet varying operational requirements, from heavy-duty transport to passenger vehicles, combining durability, safety, and performance.

Each brand addresses specific market needs, ensuring a strong presence across multiple tyre categories while reinforcing SLM's commitment to quality, innovation, and customer satisfaction. The Company continues to expand its portfolio strategically, aligning product offerings with evolving market demands and emerging automotive trends.

The following are the key types of tyres offered across SLM's brands

A101

All-Position On-Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Unique bead structure increases long-term durability and resistance to wear.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
8.25R16LT	16 PR	128/124	L	1800(3970)	770(112)	1600(3525)	770(112)	12mm

A260

All-Position On-Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Unique bead structure increases long-term durability and resistance to wear.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	16mm

A270

All-Position Standard Load On-Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
9.00R20	16 PR	144/142	L	2800(6175)	900(130)	2650(5840)	900(130)	15mm
10.00R20	18 PR	149/146	L	3250(7160)	930(135)	3000(6610)	930(135)	15.5mm
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	16mm

A275

All-Position Standard Load On-Road Service

- Cut- and chip-resistant compound extends casing life
- Zigzag grooves improve grip and water evacuation
- Optimized footprint ensures stable handling and long mileage

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	19mm
11R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	19mm
11R22.5	16 PR	148/145	L	3150(6940)	850(123)	2900(6395)	850(123)	19mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	19mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	19mm
295/80R22.5	18	152/149	L	3550(7830)	900(130)	3250(7160)	900(130)	19mm
315/80R22.5	18	154/151	M	3750	(120)	3450	(120)	19mm
315/80R22.5	20	156/150	M	4000	(125)	3350	(125)	19mm
315/80R22.5	22	158/156	M	4250	(130)	4000	(130)	19mm

A276

All-Position On-Road Service

- Cut- and chip-resistant compound extends casing life
- Zigzag grooves improve grip and water evacuation
- Optimized footprint ensures stable handling and long mileage

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
9.00R20	16 PR	144/142	L	2800(6175)	900(130)	2650(5840)	900(130)	15mm
10.00R20	18 PR	149/146	L	3250(7160)	930(135)	3000(6610)	930(135)	15mm

A285

All-Position on/off-Road Services

- Cut- and chip-resistant compound extends casing life
- Zigzag tread improves braking and wet traction
- Optimized footprint ensures stable handling and long mileage

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
12.00R24	18 PR	158/155	K	4250	830(120)	3875	830(120)	18mm
12.00R24	20 PR	160/157	K	4500	900(130)	4125	900(130)	18mm
315/80R22.5	22 PR	162/160	K	4750	(123)	4500	(123)	18mm
315/80R22.5	24 PR	164/162	K	5000	(130)	4750	(130)	18mm

A560

All-Position On-Road Service

- Cut- and chip-resistant compound extends casing life
- Zigzag tread improves braking and wet traction
- Optimized footprint ensures stable handling and long mileage

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	17mm

A576

Cut and Chip Compound All-Position on/off-Road

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	15.5mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	15.5mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	15.5mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	15.5mm
255/7OR22.5	16 PR	140/137	M	2500(5510)	830(120)	2300(5070)	830(120)	14mm

A577

All-Position, Short/Long Distance for Highway Services

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Unique bead structure increases long-term durability and resistance to wear.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	17mm
8.25R16LT	16 PR	128/124	L	1800(3970)	770(112)	1600(3525)	770(112)	14mm

A580

All-Position, On/Off – Road Service

- Optimized for drive axle positions, providing strong and reliable road grip.
- Heavy-duty casing that enhances re-treadability and ensures extended service life.
- Designed to deliver dependable performance across varying road and weather conditions.

Tyre Size			Speed	Single	Double	

	PR Rating	Load Max		Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	Tread Depth
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	17mm

A595

All-Position, On – Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Low rolling resistance provides Tyre with excellent fuel efficiency

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	16mm

A585

All-Position, On – Road Service

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	17mm

A707

HEAVY DUTY TIRES

All-Position, On – Road Service

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	17mm

AM01

All-Position, On – Road Service

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	18mm

DL01

Drive Position for Highway Service

- Deep trench pattern enhances braking grip.
- Strong casing structure improves stability and durability.
- Traditional lug design resists wear and boosts traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
215/75R17.5	16 PR	135/133	J	2180(4805)	860(125)	2060(4540)	860(125)	15.5mm
225/70R19.5	14 PR	128/126	J	1800(3970)	760(110)	1700(3750)	660(95)	15.5mm
235/75R17.5	18 PR	143/141	J	2725(6005)	860(125)	2575(5675)	860(125)	15.5mm
245/70R17.5	18 PR	143/141	J	2725(6005)	875(127)	2575(5675)	875(127)	16.5mm
245/70R19.5	16 PR	135/133	J	2180(4805)	830(120)	2060(4540)	830(120)	16.5mm

DL02

Drive Position for Highway Service

- Deep trench pattern enhances braking grip.
- Strong casing structure improves stability and durability.
- Traditional lug design resists wear and boosts traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
385/65R22.5	24 PR	164/-	K	5000	(130)	-	(130)	16.5mm
385/65R22.5	24 PR	164/-	K	4500	(130)	-	(130)	16.5mm

D251

Drive Position, Short/Long-Distance for Highway Services

- Special rubber protrusions offer casing protection and self-cleaning.
- Four-belt structure enhances stability and re-treadability.
- Zigzag tread improves braking and wet traction.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	20mm
11R22.5	16 PR	148/145	M	3150(6940)	850(123)	2900(6395)	850(123)	20mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	20mm

D252

Drive Position, Short/Long-Distance for Highway Services

- All-steel construction resists heat buildup and supports long wear.
- Tread compound improves grip and uniform wear.
- Suitable for flatbeds, tankers, and tipper fleets.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
12R22.5	18 PR	152/149	K	3550(7830)	930(135)	3250(7160)	930(135)	18mm
12R22.5	16 PR	150/147	K	3350(7390)	830(120)	3075(6780)	830(120)	18mm
315/80R22.5	18 PR	154/151	L	3750(8270)	830(120)	3450(7610)	830(120)	18mm
315/80R22.5	20 PR	156/150	L	4000(8820)	860(125)	3350(7390)	830(125)	18mm
315/80R22.5	22 PR	158/156	L	4250(9370)	900(130)	4000(8820)	900(130)	18mm

D271

Drive Position, Closed-Shoulder Deep-Tread for Highway Service

- Special rubber protrusions offer casing protection and self-cleaning.
- Four-belt structure enhances stability and re-treadability.
- Deep grooves ensure dependable wet traction and self-cleaning.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	24mm
11R22.5	16 PR	148/145	L	3150(6940)	850(123)	2900(6395)	850(123)	24mm
11R22.5	14 PR	144/142	L	2800(6175)	720(105)	2650(5840)	720(105)	24mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	24mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	24mm
275/80R22.5	16 PR	147/144	L	3075(6780)	830(120)	2800(6175)	830(120)	20.5mm

285/75R24.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	20.5mm
285/75R24.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	20.5mm
295/75R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	20.5mm
295/75R22.5	14 PR	144/141	L	2800(6175)	760(110)	2575(5675)	760(110)	20.5mm

D272

Drive Position, Open-Shoulder Urban/Rural On-Road Service

- Deep tread depth for longer mileage and uniform wear
- Reinforced structure resists load heat and support retreading
- Angled tread blocks boost grip and promote self-cleaning

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	19mm
11R22.5	16 PR	148/145	L	3150(6940)	850(123)	2900(6395)	850(123)	19mm
11R22.5	14 PR	144/142	L	2800(6175)	720(105)	2650(5840)	720(105)	19mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	19mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	19mm
275/80R22.5	16 PR	147/144	K	3075(6780)	830(120)	2800(6175)	830(120)	20.5mm
285/75R24.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	20.5mm
285/75R24.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	20.5mm
295/75R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	20.5mm
295/75R22.5	14 PR	144/141	L	2800(6175)	760(110)	2575(5675)	760(110)	20.5mm

D275

Drive Position for Highway Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
295/80R22.5	18 PR	152/149	K	3550(7830)	900(130)	3250(7160)	900(130)	22mm

D280

Drive Position on – Road Services

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	14 PR	144/142	-	2800	(105)	2650	(105)	23mm
11R22.5	16 PR	146/143	-	3000(6610)	830(120)	2725(6005)	830(120)	23mm
11R22.5	16 PR	148/143	-	3150	(123)	2900	(123)	23mm
295/75R22.5	14 PR	144/141	M	2800	(110)	2575	(110)	20.5mm
295/75R22.5	16 PR	146/143	M	3000	(120)	2725	(120)	20.5mm

D313

Drive Position On – Road Service

- Special rubber protrusions offer casing protection and self-cleaning
- Four-belt structure enhances stability and re-treadability
- Zigzag tread improves braking and wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550	(135)	3250	(135)	20mm

D353

Drive Position On/off-Road Service

- Tyre offers fearless puncture resistance, enabling vehicles to tackle demanding trails with ease.
- Delivering superior traction for smooth and controlled rides on uneven terrain.
- Built for off-road construction vehicles, including dump trucks and cement mixers.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
295/80R22.5	18 PR	152/149	L	3550(7830)	900(130)	3250(7160)	900(130)	20.5mm

D581

Drive Position On – Road Service

- Tyre offers fearless puncture resistance, enabling vehicles to tackle demanding trails with ease.
- Delivering superior traction for smooth and controlled rides on uneven terrain.
- Built for off-road construction vehicles, including dump trucks and cement mixers.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	14 PR	144/142	M	2800	(105)	2650	(105)	22mm
11R22.5	16 PR	146/143	M	3000	(120)	2725	(120)	22mm
11R22.5	16 PR	148/145	M	3150	(123)	2900	(123)	22mm
275/80R22.5	16 PR	147/144	M	3075	(110)	2800	(110)	22mm

275/80R22.5	18 PR	149/146	M	3250	(120)	3000	(120)	22mm
295/75R22.5	18 PR	152/149	L	2800	(110)	2575	(110)	22mm
295/75R22.5	18 PR	152/149	L	3000	(120)	2725	(120)	22mm
295/80R22.5	18 PR	152/149	k	3550(7830)	900(130)	3250(7160)	900(130)	22mm

SL01

Super Driver Performance on Highway

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Low rolling resistance provides Tyre with excellent fuel efficiency

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R20	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	15.5mm
8.250R20	16 PR	139/137	L	2430	(135)	2300	(135)	12mm
7.50R16LT	16 PR	125/121	L	1650(3640)	870(126)	1450(3195)	870(126)	12mm
6.50R16LT	12 PR	110/105	L	1060(2340)	670(97)	925(2040)	670(97)	10mm

S202

Premium Steer/Trailer Position for Highway Service

- Smart way certified design enhances fuel efficiency
- Unique tread patterns offer excellent grip and long-lasting performance
- Wide grooves help prevent hydroplaning and improve wet traction

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	16mm
11R22.5	16 PR	148/145	M	3150(6940)	850(123)	2900(6395)	850(123)	16mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	16mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	16mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	16mm
12R22.5	18 PR	152/149	L	3550(7830)	930(135)	3250(7160)	930(135)	16mm
12R22.5	16 PR	150/147	L	3350(7390)	830(120)	3075(6780)	830(120)	16mm
215/75R17.5	16 PR	135/133	L	2180(4805)	860(125)	2060(4540)	860(125)	13mm
225/70R19.5	14 PR	128/126	M	1800(3970)	760(110)	1700(3750)	660(95)	13mm
235/75R17.5	18 PR	143/141	J	2725(6005)	860(125)	2575(5675)	860(125)	13mm
245/70R17.5	18 PR	143/141	K	2725(6005)	875(127)	2575(5675)	875(127)	13.5mm
245/70R19.5	16 PR	135/133	M	2180(4805)	830(120)	2060(4540)	830(120)	13mm
255/70R22.5	16 PR	140/137	M	2500(5510)	830(120)	2300(5070)	830(120)	14mm
275/70R22.5	18 PR	152/148	L	3550(7830)	930(130)	3150(6940)	930(130)	20mm
275/70R22.5	16 PR	148/145	L	3150(6940)	900(130)	2900(6395)	900(130)	20mm
275/80R22.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	15mm

285/75R24.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	15mm
285/75R24.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	15mm
295/75R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	15mm
295/75R22.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	15mm
295/80R22.5	18 PR	152/149	L	3550(7830)	900(130)	3250(7160)	900(130)	15mm
315/80R22.5	18 PR	154/151	L	3750(8270)	830(120)	3450(7610)	830(120)	16mm
315/80R22.5	20 PR	156/150	L	4000(8820)	860(125)	3350(7390)	830(125)	16mm
315/80R22.5	22 PR	158/156	L	4250(9370)	900(130)	4000(8820)	900(130)	16mm

S205

Premium Steer/Trailer Position for Highway Service

- Smart way verified for improved fuel economy
- Longitudinal grooves quickly evacuate water and resist hydroplaning
- Enhanced shoulder pattern ensures stability and even wear.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	14.3mm
11R22.5	16 PR	148/145	M	3150(6940)	850(123)	2900(6395)	850(123)	14.3mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	14.3mm
275/80R22.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	14mm
295/75R22.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	14mm
295/80R22.5	18 PR	152/149	M	3550(7830)	900(130)	3250(7160)	900(130)	14mm
295/75R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	14mm

S208

Premium Steer/Trailer Position for Highway Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Low rolling resistance provides Tyre with excellent fuel efficiency

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
295/80R22.5	18 PR	152/149	L	3550(7830)	900(130)	3250(7160)	900(130)	17mm
315/80R22.5	18 PR	154/151	M	3750	830(120)	3450	830(120)	15.5mm
315/80R22.5	20 PR	156/150	M	4000	(125)	3350	(125)	15.5mm
315/80R22.5	22 PR	158/156	M	4250	(130)	4000	(130)	15.5mm
385/65R22.5	24 PR	164/164	K	-	-	5000	-	15mm
385/65R22.5	24 PR	164/164	K	-	-	4500	-	15mm

T201

Trailer Position, On – Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
275/80R22.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	13mm
295/75R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	13mm
295/80R22.5	18 PR	152/149	M	3550(7830)	900(130)	3250(7160)	900(130)	13mm

T203

Trailer Position, On – Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Optimized tread pattern delivers excellent traction and handling across various road surfaces.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	13mm
11R22.5	16 PR	148/145	L	3150(6940)	850(123)	2900(6395)	850(123)	13mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	13mm
275/80R22.5	18 PR	149/146	M	3250(7610)	850(123)	3000(6610)	850(123)	13mm
275/80R22.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	13mm
295/75R22.5	16 PR	146/143	L	3000(6610)	830(120)	2725(6005)	830(120)	13mm
295/75R22.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	13mm
295/80R22.5	18 PR	152/149	L	3550(7830)	900(130)	3250(7160)	900(130)	13mm

T210

Trailer Position Highway Service

- Cut-resistant compound ensures casing durability
- Smart way approved for efficient fuel consumption
- Extra reinforced shoulder increases tread life and high-speed stability

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	10.5mm
11R22.5	14 PR	144/142	M	2800(6175)	720(105)	2650(5840)	720(105)	10.5mm
11R24.5	16 PR	149/146	M	3250(7160)	830(120)	3000(6610)	830(120)	10.5mm
11R24.5	14 PR	146/143	M	3000(6610)	720(105)	2725(6005)	720(105)	10.5mm
255/70R22.5	16 PR	140/137	M	2500(5510)	830(120)	2300(5070)	830(120)	10.5mm

285/75R24.5	16 PR	147/144	M	3075(6780)	830(120)	2800(6175)	830(120)	10.5mm
285/75R24.5	14 PR	144/141	M	2800(6175)	760(110)	2575(5675)	760(110)	10.5mm
295/75R22.5	16 PR	146/143	M	3000(6610)	830(120)	2725(6005)	830(120)	10.5mm

T212

Trailer Position, On – Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Low rolling resistance provides Tyre with excellent fuel efficiency

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11R22.5	14 PR	144/142	-	2800	(105)	2650	(105)	10.5mm
11R22.5	16 PR	146/143	L	3000	(120)	2725	(120)	10.5mm
11R22.5	16 PR	148/145	L	3150	(123)	2900	(123)	10.5mm
295/75R22.5	14 PR	144/141	M	2800	(110)	2575	(110)	10.5mm
295/75R22.5	16 PR	146/143	M	3000	(120)	2725	(120)	10.5mm

TM09

Trailer Position, On – Road Service

- Advanced compound formulation for superior wear resistance and reduced heat generation.
- Reinforced belt structure enhances high-speed durability and driving comfort.
- Low rolling resistance provides Tyre with excellent fuel efficiency

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
ST225/75R15	14 PR	123/119	M	1550	(110)	1360	(110)	10mm
ST225/90R16	14 PR	132/127	M	2000	(110)	1750	(110)	10mm
ST225/90R16	16 PR	133/128	M	2060	(115)	1800	(115)	10mm
ST235/80R16	14 PR	129/125	M	2000	(110)	1650	(110)	10mm
ST235/80R16	16 PR	130/126	M	2060	(120)	1700	(120)	10mm
ST235/85R16	14 PR	132/127	M	1800	(110)	1750	(110)	10mm
ST235/85R16	16 PR	133/128	M	1900	(120)	1800	(120)	10mm
7.50R16LT	10 PR	116/114	N	1250	(80)	1180	(80)	10mm
7.50R16LT	14 PR	111/118	L	1500	(112)	1320	(112)	10mm
7.50R16LT	16 PR	125/121	L	1650	(126)	1450	(126)	10mm

216

All Position

- Advanced compound for longer wear and lower heat.
- Reinforced bead ensures lasting durability.
- Optimized tread gives superior grip and handling.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R22	16 PR	152/149	L	3550	(120)	3250	(120)	16mm

326

All Position

- Advanced compound for longer wear and lower heat.
- Reinforced bead ensures lasting durability.
- Optimized tread gives superior grip and handling.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R22	16 PR	152/149	L	3550	(120)	3250	(120)	22mm

820

All Position

- Advanced compound for longer wear and lower heat.
- Reinforced bead ensures lasting durability.
- Optimized tread gives superior grip and handling.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
11.00R22	14 PR	144/142	M	2800	(105)	2650	(105)	09mm

281

All Position

- Advanced compound for longer wear and lower heat.
- Reinforced bead ensures lasting durability.
- Optimized tread gives superior grip and handling.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
385/65R22.5	24 PR	164	K	-	(130)	5000	(130)	15.5mm

180

All Position

- Advanced compound for longer wear and lower heat.
- Reinforced bead ensures lasting durability.
- Optimized tread gives superior grip and handling.

Tyre Size	PR Rating	Load Max	Speed	Single		Double		Tread Depth
				Kg (Lbs.)	Kpa (Psi)	Kg (Lbs.)	Kpa (Psi)	
385/65R22.5	24 PR	164	K	-	-	5000	(130)	09mm

3.12. MARKETING ACTIVITY

SLM Tyres entered the market with a clear objective of strengthening Pakistan's Truck and Bus Radial (TBR) tyre segment through reliable domestic manufacturing. The Company seeks to reduce dependence on imported and grey-market products by offering high-quality tyres designed specifically for the operating conditions of commercial vehicles in Pakistan. Since commencing commercial production in March 2022, SLM Tyres has focused on building a scalable and sustainable platform, supported by consistent product performance, reliable supply, and disciplined quality control. This approach has enabled the Company to foster long-term customer confidence and establish itself as the only large-scale domestic alternative in a market historically dominated by imports.

3.12.1. MARKETING STRATEGY AND APPROACH

SLM Tyres follows a structured and disciplined market penetration strategy that prioritizes sustainable growth and efficient capacity utilization. Expansion into new product sizes and specifications is carefully aligned with evolving demand within the commercial transport sector. By phasing growth and aligning production with market requirements, the Company ensures steady market absorption and minimizes operational risk.

A key differentiator in SLM's strategy is its relationship-driven marketing model, which centers on direct engagement with distributors, dealers, transporters, and fleet operators. This engagement provides real-time feedback, enabling the Company to respond swiftly to customer requirements while strengthening long-term channel partnerships. This approach ensures deeper market penetration and fosters brand loyalty across the distribution network.

The Company markets its products under three distinct brands: SLM Tyres, Starlux, and Roadlux. Each brand is positioned to address specific customer segments based on vehicle type, load intensity, and pricing considerations. This structured portfolio enables SLM Tyres to serve a broad spectrum of the market while maintaining clarity of positioning across diverse geographic regions. The nationwide sales and after-sales infrastructure, including a dedicated tyre fitment facility in Karachi, reinforces service reliability and differentiates SLM from import-reliant competitors.

3.12.2. BRAND POSITIONING, ADVERTISING AND AWARENESS

SLM Tyres is positioned as a progressive, technology-driven Pakistani manufacturer capable of meeting international standards for Truck and Bus Radial Tyres. The Company's brand narrative emphasizes transparency, consistency, and operational credibility. Factory visits are regularly conducted for distributors, dealers, corporate clients, and key stakeholders to showcase SLM's advanced manufacturing capabilities, turning operational excellence into market confidence.

Given that no other domestic manufacturer operates at a comparable scale in the TBR segment, SLM's brand initiatives not only establish trust but also set industry benchmarks. Competitors such as Gandhara Tyre Limited maintain a limited TBR line, while Panther focuses on passenger car radial and below, leaving SLM effectively unchallenged in its segment.

Advertising and awareness campaigns are targeted primarily at the commercial transport ecosystem to ensure relevance and maximum impact. These are complemented by below-the-line initiatives designed to enhance visibility, engagement, and stakeholder confidence. Key initiatives include:

a. Dealer Conventions

These are annual gatherings of distributors and dealers designed not only to celebrate achievements and review past performance but also to align on future growth strategies. The conventions serve as a platform for

knowledge sharing, training, and strengthening professional networks within the distributor-dealer ecosystem. By fostering collaboration and recognizing contributions, these events help reinforce loyalty, encourage best practices, and ensure that dealers are fully engaged in the Company's growth objectives.

b. Foreign Tours

The company conducts foreign tours two to three times annually for top-performing members of its nationwide dealer network. These tours provide participants with exposure to international markets, industry innovations, and global best practices. In addition to serving as recognition and rewards, the tours enhance participants' understanding of market trends, operational excellence, and emerging opportunities, thereby motivating dealers and reinforcing their strategic alignment with the Company's long-term vision.

c. Shop Branding

SLM Tyres strategically invests in visual merchandising, branded displays, and promotional materials across retail outlets to enhance product visibility and brand recall. These initiatives ensure that SLM products remain highly recognizable in competitive retail environments, reach a broad customer base, influence purchasing decisions at the point of sale, and communicate the Company's commitment to quality and reliability.

d. Road Shows

The Company organizes road shows in collaboration with regional dealers, bringing SLM Tyres directly to end customers. These events allow customers to experience the products' performance, durability, and reliability in real-world conditions. In addition to showcasing product quality, the road shows educate customers on warranty coverage, service support, and best usage practices, thereby reinforcing trust and strengthening brand engagement at the grassroots level.



Road Shows are conducted in collaboration with regional dealers to engage directly with end consumers. These events allow customers to experience the performance, durability, and reliability of SLM Tyres products in real-world conditions. They also serve as an interactive platform to highlight the Company's warranty and service offerings, educate customers on product features, and reinforce the quality and value of the brand.

e. Pakistan Super League Sponsorship and Broadcast Advertising

SLM Tyres has established a strong and visible brand presence through strategic sponsorship and targeted advertising during the Pakistan Super League ("PSL"), the country's premier professional cricket tournament and one of the most widely viewed sporting events nationwide. As a key sponsor and prominent advertiser throughout PSL broadcast coverage, SLM Tyres has secured extensive primetime exposure across leading national television networks and digital streaming platforms. This has enabled the Company to reach a broad and diverse audience, including millions of viewers across Pakistan as well as the international diaspora, significantly enhancing brand recognition and market visibility.

3.12.3. SALES CHANNELS, DISTRIBUTION AND DEALER NETWORK

The strength of SLM Tyres distribution network is a cornerstone of its growth strategy. Since commercial operations began, the Company has strategically expanded its dealer network to achieve broad national coverage. Presently, SLM Tyres operates 100+ dealers across 30 major cities, including Tier One and Tier Two markets, supported by direct engagement with major corporate and fleet customers. This network allows SLM to efficiently serve both fragmented and institutional demand across Pakistan.

Internationally, SLM Tyres has established export channels to North America, South America, South Africa, Egypt, and the Middle East. This presence not only diversifies revenue streams but also strengthens the Company's reputation as a globally recognized manufacturer of high-quality and reliable TBR tyres.

3.12.4. CUSTOMER SEGMENTATION AND TARGETING

SLM Tyres serves a diverse range of commercial vehicle applications, from light trucks to heavy-duty haulage and passenger transport operators. Customer segmentation is based on usage intensity, load conditions, road environment, and operational economics. This targeted approach enables the Company to provide purpose-built solutions rather than generic products, ensuring that customers receive tyres optimized for their specific requirements.

Continuous engagement with dealers, transporters, and fleet operators allows the Company to gather real-time market insights, monitor emerging trends, and identify new customer needs. This insight-driven approach ensures that new product development aligns closely with actual market demand and operational conditions.

3.12.5. DIGITAL MARKETING INITIATIVES

SLM Tyres leverages digital platforms strategically for marketing, relationship management, and knowledge sharing. Social media channels, including TikTok, Facebook, and LinkedIn, are used to communicate product information, operational guidance, and best practices for tyre usage. These initiatives contribute to enhanced operational safety, efficiency, and credibility within the commercial transport sector.

Digital platforms also facilitate two-way communication with stakeholders, allowing SLM Tyres to monitor feedback, identify emerging issues, and refine communication strategies. Sharing authentic market experiences strengthens the Company's credibility and fosters trust with customers, partners, and industry stakeholders.

3.12.6. MARKET SHARE AND COMPETITOR ANALYSIS

SLM Tyres has rapidly gained traction by offering a structured and reliable alternative to imported and grey-market TBR tyres. The Company's competitive advantage is anchored in its domestic manufacturing of radial truck and bus tyres, enabling controlled quality standards, consistent product availability, and service-backed accountability.

The domestic tyre industry comprises established players serving a wide range of segments. Ghandhara Tyre and Rubber Company Limited produces a diversified portfolio including steel belted tubeless radial tyres for passenger vehicles and bias tyres for trucks and buses, along with other specialized applications. Panther Tyres Limited also serves multiple segments, ranging from motorcycles and rickshaws to tractors and commercial vehicles. Within this landscape, domestic manufacturing of radial truck and bus tyres remains at an early stage. SLM's focus on this segment positions it to support the ongoing shift towards locally manufactured steel radial tyres in the commercial vehicle category. This product focus, supported by consistent quality and availability, enables the Company to build customer confidence, contribute to evolving performance standards, and progressively expand its presence in the market. Ongoing market insights further support competitive pricing, product development, and alignment with regional demand trends, underpinning SLM's growth trajectory.

3.12.7. STRATEGIC GROWTH ROADMAP AND CAMPAIGNS

SLM Tyres growth roadmap focuses on strengthening brand equity, expanding the product portfolio, and enhancing institutional credibility. Planned initiatives include developing communication materials that showcase the Company's capabilities, achievements, and long-term vision to investors, customers, and partners. These include brochures, presentations, videos, and other tools highlighting manufacturing scale, innovation, and operational excellence.

Future campaigns will be executed selectively at high-impact customer and stakeholder touchpoints to maximize effectiveness while conserving resources. By reinforcing market leadership and aligning messaging with strategic objectives, these initiatives aim to consolidate SLM Tyres position as the domestic market leader in the Truck and Bus Radial segment, strengthen dealer and fleet engagement, and support sustainable revenue growth.

3.13. END USERS, DEMAND FOR THE PRODUCTS AND NAMES OF THE COMPETITORS

The primary market for Truck and Bus Radial (TBR) Tyres in Pakistan is the replacement segment, which constitutes the largest and most stable source of demand within the commercial Tyre industry. Replacement demand is inherently recurring in nature, driven by vehicle utilization, freight movement, and road conditions. As commercial vehicles operate continuously across long-haul and regional routes, Tyre wear generate predictable and recurring consumption patterns, providing a stable revenue base for domestic manufacturers.

Pakistan's OEMs, logistics providers, transport companies, and corporate fleet operators have historically faced limited availability of reliable domestically manufactured high quality TBR Tyres. The market has traditionally relied on imports or fragmented local supply, creating supply chain uncertainty and inconsistencies in technical support. SLM Tyres has strategically positioned itself to address this structural gap by acting as a dependable domestic supply partner.

The Company provides consistent product availability, traceable quality assurance, and dedicated technical support tailored to commercial fleet requirements. Through its expanding product portfolio and reliable supply model, SLM supports operational continuity for fleet operators and contributes to improving efficiency and resilience within Pakistan's transport and freight ecosystem. This positioning strengthens customer confidence and fosters long-term relationships across both corporate and replacement segments

Competitive Landscape

SLM operates in a uniquely advantageous position within the domestic market. Currently, there is no local competitor exclusively focused on the production and specialization of truck and bus radial (TBR) tyres, making SLM the only dedicated domestic manufacturer in this segment. This focus allows the Company to develop deep technical expertise, maintain consistent product quality, and deliver tailored solutions to commercial vehicle operators.

The broader domestic tyre industry includes established players such as Ghandhara Tyre and Rubber Company Limited and Panther Tyres Limited, which serve multiple segments including passenger cars, motorcycles, tractors, and light commercial vehicles. These companies typically maintain diversified product portfolios to meet the varying needs of different vehicle categories. While radial tyres for trucks and buses were already in demand in Pakistan, this demand was largely met through imports. SLM's domestic production addresses this gap, providing a locally manufactured alternative that combines quality, reliability, and consistent availability. By focusing on radial tyres for commercial vehicles, SLM is well-positioned to support the ongoing shift from imported to locally produced radial tyres. This allows the Company to contribute to performance standardization in the domestic market, build stronger customer relationships, and gradually expand market share. Leveraging its manufacturing capabilities, quality standards, and service-backed distribution network, SLM can meet the growing demand efficiently while strengthening its competitive position.

SLM's focused strategy has already translated into strong operational performance and revenue growth within its niche. Continued investment in technology, production capacity, and customer engagement is expected to further consolidate its position. In parallel, the Company is implementing sustainable energy initiatives, including solar and wind power, to enhance operational efficiency and reduce its environmental footprint. SLM is also constructing a new manufacturing facility to expand its production capabilities and serve additional tyre segments. These combined efforts position the Company to capitalize on the growing demand for high-quality radial tyres while supporting sustainable and diversified growth in the domestic tyre industry.

Customer Base and Market Reach

SLM serves a diversified customer base that spans OEM vehicle assemblers, government and institutional buyers, logistics operators, commercial transport fleets, individual vehicle owners, and select export markets. This broad coverage helps mitigate customer concentration risk while supporting stable and recurring demand streams.

The Company's presence across both OEM and replacement markets strengthens its strategic positioning. Close OEM partnerships enable early integration into vehicle supply chains and influence product specifications, while replacement market sales generate recurring revenue throughout the lifecycle of commercial vehicles. By serving both segments, SLM reinforces revenue stability, enhances market penetration, and builds long-term customer relationships across the commercial vehicle ecosystem.

Original Equipment Manufacturers (OEMs)		
HINO	GHANDHARA INDUSTRIES LIMITED	MASTER MOTOR
	DONGFENG	DYSIN
Government and Tender Clients		
NLC National Logistics Corporation		
Corporate, Fleet and Freight Operators		
DAEWOO	FAISAL MOVERS	MOMENTUM LOGISTICS
BSGT BASHIR SHAKIL GOODS TRANSPORT	LEEDS REDEFINING LOGISTICS	PTN
AUTOCOM	TCS	CELERITY SIMPLIFIED LOGISTICS

	DSV	

Market Demand and Industry Growth

Pakistan's commercial vehicle and automobile sectors have shown strong resilience and recovery in recent years, creating a favorable operating environment for the domestic tyre industry. Economic growth, expansion in trade and logistics, and ongoing infrastructure development have collectively contributed to increasing demand for trucks and buses, which form the core of commercial transport in the country. In FY2025, GDP grew by approximately 2.7% compared to 2.4% in FY2024, supporting higher freight movement and overall transport activity. This macroeconomic momentum, combined with fleet modernization and an increasing shift toward more durable and efficient radial tyres, has driven renewed demand in the commercial vehicle segment.

Historically, radial tyres for trucks and buses were largely imported, reflecting strong market demand that could not be fully met by domestic production. SLM's entry as a local manufacturer of high-quality radial tyres addresses this gap, providing a reliable domestic supply and supporting the ongoing shift from imported to locally produced commercial vehicle tyres. Truck and bus sales rebounded sharply in FY2025, increasing by approximately 96.3% year on year after a contraction of 30.6% in FY2024. The production, sales, and fleet data for the past three years are summarized below:

Particulars[28]	FY2023	FY2024	FY2025
			Units
Trucks Manufactured	3,074	2,204	4,366
Buses Manufactured	701	419	796
Total Manufactured	**3,775**	**2,623**	**5,162**
Trucks Sold	3,182	2,187	4,444
Buses Sold	654	454	788
Total Sold	**3,836**	**2,641**	**5,232**
Trucks on Road	320,400	321,999	327,719
Buses on Road	168,500	169,700	172,690
Total on Road	**488,900**	**491,699**	**500,409**

The truck and bus sector recorded a revenue compound annual growth rate of approximately 35.2% between FY2021 and FY2025, with FY2025 revenues increasing by 156.5% year on year. Higher vehicle utilization, expanding freight forwarding activity, and infrastructure development accelerate Tyre wear cycles, generating recurring replacement demand. This structural demand dynamic creates a strong and sustainable revenue base for TBR manufacturers.[29]

The table below presents the major truck OEMs operating in Pakistan:

Truck Manufacturer	Name of Brand	FY2023	FY2024	FY2025
				Units
Ghandhara Industries Limited	ISUZU	1,346	1,284	2,856
Master Group of Industries	MASTER	988	524	1,024
Hino Motors Limited	HINO	580	246	290
Ghandhara Automobile Limited	JAC	160	150	196
Total		**3,074**	**2,204**	**4,366**

[28] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[29] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf

The table below presents the major Bus OEMs operating in Pakistan:

Bus Manufacturer	Name of Brand	FY2023	FY2024	FY2025
				Units
Ghandhara Industries Limited	ISUZU	157	60	209
Master Group of Industries	MASTER	276	231	427
Hino Motors Limited	HINO	268	128	160
Total		**701**	**419**	**796**

SLM's Local and International Customers

SLM has developed a diversified customer base comprising both local and international clients. The company supplies tyres to the dealers and retailers present in the domestic market as well as overseas markets, reflecting its growing footprint in the regional tyre industry. The table below highlights SLM's key local and international customers.

Customer	Country of Origin	Goods / Services Provided	% to Sales FY2023	% to Sales FY2024	% to Sales FY2025	% to Sales 6M FY2026
Local Customers						
City Tyre & Rubber Company	Pakistan	Tyres	3.2%	5.1%	8.3%	12.9%
Z & H Enterprises (Private) Limited	Pakistan	Tyres	0.1%	0.0%	6.7%	4.8%
New Multan Tyre House	Pakistan	Tyres	1.6%	2.1%	4.9%	4.3%
Shah Faisal Trader	Pakistan	Tyres	0.0%	0.0%	4.4%	3.1%
M/s Atif Brothers	Pakistan	Tyres	3.2%	1.7%	3.9%	2.9%
National Logistics Corporation	Pakistan	Tyres	3.1%	2.7%	1.9%	2.4%
Frontier Traders	Pakistan	Tyres	0.0%	0.0%	2.1%	1.8%
M/s Waziristan Tyre Traders	Pakistan	Tyres	0.0%	0.0%	1.5%	1.7%
M/s Cheema Tyre House	Pakistan	Tyres	0.0%	0.0%	1.1%	1.6%
Zabardast Trading Company	Pakistan	Tyres	0.2%	0.4%	1.6%	1.5%
Karachi Tyre House	Pakistan	Tyres	0.4%	0.0%	1.4%	1.3%
BSL (Pvt) Ltd	Pakistan	Tyres	0.2%	1.1%	1.0%	1.2%
M/s New Fancy Tyre House	Pakistan	Tyres	0.0%	0.0%	1.1%	1.0%
Sufi Logistics (Pvt) Ltd	Pakistan	Tyres	1.0%	0.9%	1.3%	0.9%
Myco (Private) Limited	Pakistan	Tyres	0.0%	0.3%	2.3%	0.8%
Seven Star Old & New Tubes & Tyre	Pakistan	Tyres	0.0%	0.0%	1.0%	0.4%
Director General Defence Purchase	Pakistan	Tyres	0.0%	2.0%	1.0%	0.3%
Global Tyre Corporation	Pakistan	Tyres	0.0%	0.3%	2.3%	0.0%
Platinum Trading Company	Pakistan	Tyres	0.0%	0.9%	1.5%	0.0%
M/s Myco Corporation	Pakistan	Tyres	0.0%	0.3%	1.4%	0.0%
International Customers						

Sutong Tyre Resources Inc.	USA	Tyres	36.2%	41.7%	51.7%	38.9%
America Koryo Inc.	USA	Tyres	25.7%	20.7%	22.7%	13.8%
JBC Group Limited	Hong Kong	Tyres	16.3%	4.5%	2.4%	7.8%
Cantu Store Inc.	Brazil	Tyres	0.0%	9.4%	8.5%	4.3%
Organization Emotion International	Mexico	Tyres	1.8%	4.6%	5.3%	3.4%

3.14. INTELLECTUAL PROPERTY RIGHTS

Sr. No.	Country	Number	Trademark	Current Status	Filing Date	Registration Date	Awarding Body
1.	Pakistan	730162	SLM TIRES	Registered	21/ 11 / 2023	16 / 10 / 2025	Intellectual Property Organization of Pakistan.
2.	European Union	18960395		Registered	06 / 12 / 2023	10 / 05 / 2024	European Union Intellectual Property Office
3.	UK	UK000040 19801		Registered	28 / 02 / 2024	24 / 05 / 2024	UK Intellectual Property Office
4.	USA	98308936		Discussion with Ms. Kiran & Khurran Anwar on 19-05-2025, the client instructed to close the files no use available.	11 / 12 / 2023	In process	US Patents and Trademarks Office
5.	Pakistan	753581	SLM TIRES	Demand Note received on 27 / 02 / 2026.	10 / 05 / 2024	In process	Intellectual Property Organization of Pakistan.
6.	European Union	19029967		Registered	21 / 05 / 2024	20 / 09 / 2024	European Union Intellectual Property Office
7.	UK	UK000040 51303		Registered	21 / 05 / 2024	02 / 08 / 2024	UK Intellectual Property Office
8.	USA	98575429		Trademark Accepted, Registration fee to be	30 / 05 / 2024	In process	USPTO

				deposited after the instructions of USPTO.			
9.	South Africa	2025/34097		Under Examination	01 / 10 / 2025	In process	Companies and Intellectual Property Commission (CIPC)
10.	Egypt	-		To be filed. Awaiting confirmation for POA signatory details			
11.	Pakistan	776549		Examination Reply Filed	18 / 10 / 2024	18 / 10 / 2024	Intellectual Property Organization of Pakistan.
12.	European Union	19116546		Registered	07 / 12 / 2024	20 / 06 / 2025	European Union Intellectual Property Office
13.	UK	UK00004115841		Registered	24 / 10 / 2024	21 / 02 / 2025	UK Intellectual Property Office
14.	USA	98838884		Trademark Accepted, Registration fee to be deposited after the instructions of USPTO.	05 / 11 / 2024	In process	US Patents and Trademarks Office
15.	Brazil	936776900		Published in the Official Bulletin no. 2811 on November 19, 2024	25 / 10 / 2024	In process	Instituto Nacional da Propriedade Industrial (INPI)
16.	South Africa	2025/34098		Under Examination	01 / 10 / 2025	In process	Companies and Intellectual Property Commission (CIPC)
17.	Egypt	-		To be filed. Awaiting confirmation for POA signatory details			
18.	Pakistan	737638		Awaiting registration certificate	12/ 01 / 2024.	In process	Intellectual Property Organization of Pakistan.

19.	European Union	18978107		Awaiting registration certificate	24 / 01 / 2024	In process	European Union Intellectual Property Office
20.	UK	UK00004019794		Registered	28 / 02 / 2024	28-06-2024	UK Intellectual Property Office
21.	USA	98370424		Discussion with Ms. Kiran & Khurran Anwar on 19-05-2025. the client instructed to close the files no use available.	23 / 01 / 2024	In process	US Patents and Trademarks Office
22.	Brazil	933238290		Email received from SLM on 01-10-2025. that they don’t want to pursue this trademark so we close the file.	18 / 01 / 2024	In process	Instituto Nacional da Propriedade Industrial - INPI
23.	Pakistan	767233	PASSU TIRES	Advertised in TMJ No-897 on 25-11-2025.	20 / 08 / 2024	In process	Intellectual Property Organization of Pakistan.
24.	KSA	SA-1074861		Registered	30 / 01 / 2025	01 / 07 / 2025	Saudi Authority for Intellectual Property
25.	USA	99055403		Evidence of Use to be filed.	25 / 02 / 2025	In process	US Patents and Trademarks Office
26.	Pakistan	767238	KARAKORAM	Advertised in TMJ No-897 on 25 / 11 / 2025.	20 / 08 / 2024	In process	Intellectual Property Organization of Pakistan.
27.	USA	99055309		Evidence of Use to be filed.	25 / 02 / 2025	In process	US Patents and Trademarks Office
28.	Pakistan	317995	SuperSonic	Registered, Renewed	09 / 04 / 2012	15 / 11 /2016	Intellectual Property Organization of Pakistan.

29.	Pakistan	687025		Registered	09 / 12 / 2022	09 / 10 / 2025	Intellectual Property Organization of Pakistan.
30.	Pakistan	687022		Registered	09 / 12 / 2022	23 / 01 / 2026	Intellectual Property Organization of Pakistan.
31.	Pakistan	730164		Registered	21 / 11 / 2023	14 / 10 / 2025	Intellectual Property Organization of Pakistan.
32.	Pakistan	711483		Advertised in TMJ No-890 on March 01, 2025	21 / 11 / 2023	In process	Intellectual Property Organization of Pakistan.
33.	Pakistan	730166		Advertised in TMJ No-893 on July 28, 2025	26 / 06 / 2025	In process	Intellectual Property Organization of Pakistan.
34.	Pakistan	819175		Under Examination.	26 / 06 / 2025	In process	Intellectual Property Organization of Pakistan.
35.	Pakistan	819167		Examination Reply Filed	26 / 06 / 2025	In process	Intellectual Property Organization of Pakistan.
36.	Pakistan	819279		Under Examination.	27 / 06 / 2025	In process	Intellectual Property Organization of Pakistan.
37.	Pakistan	819379		Under Examination.	16 / 07 / 2025	In process	Intellectual Property Organization of Pakistan.
38.	Pakistan	819375		Under Examination.	27 / 06 / 2025	In process	Intellectual Property Organization of Pakistan.
39.	Pakistan	822387		Examination Reply Filed.	16 / 07 / 2025	In process	Intellectual Property Organization of Pakistan.

3.15. DETAILS OF MATERIAL PROPERTY

The table below presents a summary of SLM's plant facilities, and other premises, along with their respective locations, addresses, and ownership status.

Particular	Location	Address	Ownership Status
Production Facility / Plant	Nooriabad, Sindh	Plot No. B-61, Jam Tamachi Road, Sindh Industrial Trading Estate	Owned by SLM

Dormitories, Warehouse & Wind Turbine	Nooriabad, Sindh	Plot No. B-62, Jam Tamachi Road, Sindh Industrial Trading Estate	Owned by SLM

**SLM acquired an additional 15 acres of land in January 2026, adjacent to its existing 50-acre facility.*

3.16. FUTURE PROSPECTS AND DEMAND OUTLOOK

Service Long March Tyres Limited (SLM) operates primarily in the all-steel truck and bus radial (TBR) tyre segment, a cornerstone of Pakistan's commercial transport ecosystem. Demand in this segment is largely driven by commercial fleet operators, logistics companies, public transport providers, infrastructure-related transporters, and corporate fleet owners.

The TBR segment is predominantly replacement-driven, with approximately 73.2% of demand arising from replacement tyres and 26.8% from original equipment manufacturers (OEMs). Despite robust demand, only around 10% of requirements are currently fulfilled by domestic production, with the remaining 90% met through imports, including both formal and grey market channels. This heavy reliance on imports presents SLM with a substantial opportunity to establish itself as a reliable and high-quality local supplier.[30]

The demand for TBR tyres closely tracks commercial vehicle activity and broader economic performance. Between FY2021 and FY2025, Pakistan produced an average of approximately 4,452 trucks and buses annually, with around 488,502 units in operation. Economic slowdowns in FY2023 and FY2024, driven by high inflation and elevated interest rates, constrained vehicle utilization, demonstrating the strong linkage between economic activity and tyre demand. Conversely, improvements in FY2025, including a decline in inflation to 4.2% from 9.2% and a reduction in interest rates from 20.5% to 11%, improved fleet financing and utilization, leading to increased replacement tyre demand.

Financially, the TBR segment has exhibited impressive growth. Between FY2021 and FY2025, revenue expanded at a compound annual growth rate (CAGR) of 35.2%. FY2025 alone saw revenue surge by 156.5%, rising from PKR 27.6 billion in FY2024 to PKR 70.9 billion. Gross margins improved to 20.1% from 14.5%, operating profit margins increased to 15.0% from 6.8%, and net margins reached 10.1% from 1.4%, aided by a 53.5% reduction in finance costs.[31] This demonstrates the strong correlation between commercial vehicle production, recurring replacement cycles, and profitability potential in the TBR market.

Operational data from Q1 FY2026 further reflects sustained momentum: truck and bus production increased by 115%, passenger car production by 74%, jeeps and light commercial vehicles by 48.7%, and two- and three-wheelers by 35.8%. These trends highlight a recovery trajectory that supports long-term demand growth.[32]

SLM is strategically expanding into the passenger car radial (PCR) segment, targeting a high-growth market. The new PCR facility in SITE, Nooriabad, Sindh, is expected to achieve an annual production capacity of 3 million tyres by FY2030, serving both domestic and export markets. The phased ramp-up ensures efficient capacity utilization and market penetration. Projected growth in PCR production over the next five years is shown below:

Units	FY2026 (F)	FY2027 (F)	FY2028 (F)	FY2029 (F)	FY2030 (F)
PCR Production Line					
Installed Capacity	-	-	1,000,000[33]	2,500,000	3,000,000
Actual Production	-	-	900,000	2,375,000	2,850,000
Capacity Utilization (%)	-	-	90%	95%	95%

Looking ahead, robust TBR market fundamentals position SLM to capitalize on both domestic and international opportunities. Rising vehicle production, increased freight activity, and accelerated tyre wear cycles drive

[30] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[31] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[32] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[33] *Upon completion as of January 2028, the PCR facility will have an installed capacity of 2.0 million tyres in FY2028 per annum. The 1.0 million figure reflects available capacity for the financial year 2028.*

recurring replacement demand. Combined with favorable macroeconomic conditions, including lower inflation and interest rates, SLM is well-placed to optimize capacity utilization, increase domestic market share, and explore selective export markets. The phased entry into the PCR segment will diversify revenue streams, enabling SLM to capture a growing share of the passenger car replacement market while complementing its TBR business.

Pakistan's economy demonstrates a structural reliance on road transportation, with commercial trucking serving as the backbone of goods movement and logistics across the country. This reliance, together with the gradual expansion of regional trade corridors, underpins stable and resilient demand for truck and bus radial tyres. At the same time, replacement cycles and fleet expansion in SLM's export markets provide additional opportunities for volume growth. Although the domestic market remains highly competitive and heavily reliant on imported tyres, there is a growing preference for high-quality local producers capable of delivering consistent performance. SLM, with its advanced manufacturing capabilities and stringent quality standards, is well-positioned to serve both original equipment manufacturers and replacement customers, ensuring sustainable long-term growth.

The increasing utilization of commercial vehicles, expanding freight forwarding activity, and ongoing infrastructure development are key factors that accelerate tyre wear cycles and generate recurring replacement demand. These dynamics create a stable and predictable revenue base for tyre manufacturers, while rising OEM vehicle production expands opportunities to supply tyres directly to assemblers. Macroeconomic improvements have further strengthened these trends. Inflation declined to approximately 4.2% in FY2025 from 9.2% in FY2024, and interest rates fell to around 11% from 20.5%, enhancing accessibility to vehicle financing. Reflecting these positive developments, production in the first quarter of FY2026 increased by approximately 115% year-on-year for trucks and buses, 74% for passenger cars, 48.7% for jeeps and light commercial vehicles, and 35.8% for two- and three-wheelers. This growth trajectory is expected to continue, reinforcing strong and recurring demand for tyres across both replacement and OEM markets.[34]

The domestic tyre market, while competitive and heavily influenced by imported replacements, particularly through grey market channels, increasingly favors manufacturers with advanced technology and production capabilities. SLM, as the sole domestic producer of all-steel radial truck and bus tyres, leverages its state-of-the-art manufacturing infrastructure to meet the stringent quality and performance standards required by both OEMs and replacement customers. Rising vehicle sales, expanding freight activity, and accelerated tyre wear cycles ensure that SLM's technological advantage translates into consistent revenue growth, enhanced profitability, and incremental market share expansion.

Government initiatives further strengthen the prospects for local manufacturers. Measures such as stricter enforcement against tyre smuggling, improved border management, and rationalization of import duties create a more favorable operating environment by limiting unfair competition from imports. These policy developments provide SLM with a strategic opportunity to expand its market share across both replacement and OEM segments, consolidating its position as the leading domestic producer and capturing the benefits of sustained growth within Pakistan's transport sector.

Based on current trends and management's assessment, demand across SLM's key markets is expected to grow at mid-single-digit rates over the medium to long term, reflecting both the steady expansion of commercial vehicle fleets and the cyclical nature of tyre replacement cycles. Notably, aggregate demand already surpasses the Company's current manufacturing capacity, making capacity expansion the primary driver for future revenue growth. This structural imbalance between demand and supply underscores a clear opportunity for SLM to strengthen its market position both domestically and internationally.

Market Segment*	Current Demand	Projected Growth Rate	Projected Demand	SLM Current Share	SLM Projected Share
	(Tyres / Year)	CAGR	(< 3 Years)		Units
Truck and Bus Tyres					

[34] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

Pakistan Market	1,700,000	6%	1.7 Mn to 2.0 Mn	1,000,000	1,400,000
USA Market	40,000,000	4%	40 Mn to 44 Mn	500,000	700,000
Brazil Market	10,000,000	4%	10 Mn to 11 Mn	300,000	400,000
South Africa	1,200,000	4%	1.2 Mn to 1.5 Mn	50,000	100,000

**Data assessment prepared using the Company's internal data and analysis*

International Market Outlook

The international market presents significant growth opportunities for SLM, driven by both established and emerging demand centers for truck and bus radial (TBR) tyres. The United States stands out as one of the largest and most mature TBR markets globally, with an estimated annual demand of approximately 40 million tyres. This market is expected to grow steadily at a compound annual growth rate of around 4%, supported by recurring replacement cycles, expanding freight and logistics networks, and ongoing infrastructure development. In addition, regulatory compliance, stringent environmental standards, and heightened fleet safety requirements drive sustained demand for high-quality all-steel radial tyres. SLM's current exports to the U.S. demonstrate its ability to meet these demanding quality benchmarks, with medium-term potential sales estimated between 500,000 and 700,000 tyres. This not only represents a substantial revenue opportunity but also strengthens SLM's brand recognition in a competitive, high-value market.

Brazil, with an estimated TBR tyre demand of 10 million units annually, offers a similarly attractive growth trajectory, expected to expand at approximately 4% per year. The growth is underpinned by the expansion of commercial vehicle fleets, large-scale road infrastructure projects, and accelerated tyre replacement cycles driven by heavy vehicle usage in freight and transport services. SLM's presence in Brazil enables it to capture a meaningful portion of this market, with projected sales of 300,000 to 400,000 tyres over the medium term, contingent on effective supply chain management, market access, and acceptance by local customers. Beyond immediate revenue, this market provides strategic diversification, reducing reliance on regional markets and contributing to SLM's broader international expansion strategy.

The South African TBR tyre market, although smaller at an estimated 1.2 million units per year, remains an important emerging market with steady growth prospects. Demand is primarily replacement-driven, influenced by regional trade activity, mining operations, and expanding commercial fleets. Over the medium term, the market is projected to grow at a CAGR of around 4%, offering SLM potential sales volumes of 50,000 to 100,000 tyres. While the absolute volumes are smaller compared to the U.S. and Brazil, South Africa provides SLM with a strategic foothold in an emerging region, offering consistent demand patterns and the potential for gradual market expansion alongside infrastructure development and regional trade growth.

Capacity Constraints and Strategic Growth Initiatives

SLM's current production capacity represents a limiting factor in fully capitalizing on market demand, both domestically and internationally. Incremental growth will therefore be driven by capacity optimization measures, debottlenecking existing production lines, and strategic expansion projects, such as the new PCR facility. Market prioritization will be guided by factors including profitability, currency diversification, long-term strategic partnerships, and the alignment of production capabilities with high-demand geographies. This structured approach ensures that growth is sustainable, efficient, and value accretive.

Future Market Expansion

Looking ahead, SLM is evaluating entry into select European markets, targeting higher-value segments within the all-steel radial TBR category. Expansion will be undertaken in a phased manner, contingent on regulatory approvals, product certifications, and customer qualifications. European market entry presents a strategic opportunity to strengthen SLM's global footprint, leverage technological capabilities, and access premium pricing segments while further diversifying its international revenue streams.

3.17. RAW MATERIALS REQUIRED FOR PRODUCTION AND VENDORS TO THE ISSUER

Below is the list of the major materials procured by the Company:

Particular	Nature	% of Purchase			
		FY2023	FY2024	FY2025	6M FY2026
		Audited	*Audited*	*Audited*	*Unaudited*
Natural Rubber	Imported	32.7%	30.5%	41.0%	40.7%
Carbon Black	Imported	15.9%	18.3%	14.9%	12.3%
Steel Cord	Imported	13.2%	12.8%	13.1%	13.7%
Bead Wire	Imported	3.1%	2.9%	3.1%	2.7%
Chemicals & Others	Imported	13.6%	9.5%	7.2%	5.7%

Below is the list of the major vendors from whom the Company procure raw material for production:

Vendors	Country	Products	% of Purchase			
			FY2023	FY2024	FY2025	6M FY2026
			Audited	*Audited*	*Audited*	*Unaudited*
International						
Thai Hua Rubber Public Company Limited	Thailand	Natural Rubber	0.0%	7.9%	20.8%	21.0%
Jiangsu Xingda Steel Tyre Cord Company Limited	China	Steel Cord	16.2%	15.5%	14.9%	13.8%
New Continent Enterprises Private Limited	Malaysia	Natural Rubber	17.8%	19.4%	14.7%	7.0%
Longmarch (Yingkou) International Trade Company Limited	China	Chemical / Additives	6.7%	9.8%	8.0%	6.3%
Jinneng Chemical (Qingdao) Company Limited	China	Carbon Black	0.9%	2.7%	6.5%	6.8%
Total			**41.7%**	**55.3%**	**64.8%**	**55.0%**

Note: Service Long March Tyres Limited has not entered into any formal agreements with the above-mentioned vendors for the procurement of raw materials, except for Thai Hua Rubber Public Company Limited. Further details regarding this agreement are provided in Section 11.3.

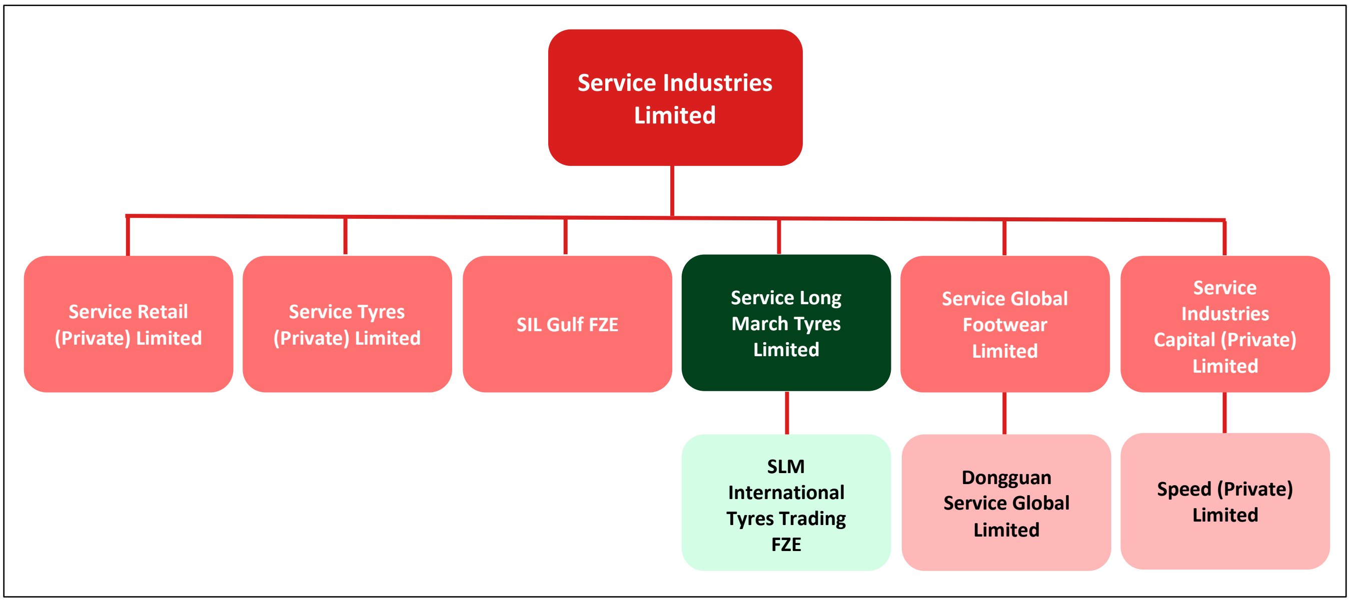
3.18. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

Approval / Certificate	Issuing Authority / Organization	Details	Issue Date	Expiration Date
ISO 9001:2015	SGS Pakistan	ISO 9001:2015 is an internationally recognized Quality Management System (QMS) standard that provides a structured framework for consistent quality delivery, risk-based thinking, process standardization, and continual improvement to enhance customer satisfaction and organizational performance.	July 06, 2023	July 06, 2026
E-mark Facility Appraisal	Vehicle Certification Agency (UK)	Facility Appraisal evaluates a manufacturer's Testing Laboratory Compliance.	December 09, 2025	December 09, 2027
E-mark COP	Vehicle Certification Agency (UK)	E-Mark COP evaluates a manufacturer's production system and	December 09, 2025	December 09, 2026

		facilities to ensure continuous compliance with E-Mark (ECE) regulations		
INMETRO Certification (Brazil)	National Institute of Metrology, Quality, and Technology (CELAC, Brazil)	INMETRO Certification (Brazil) ensures products meet Brazil's safety, quality, and performance standards, enabling legal market access and consumer trust.	January 26, 2025	January 21, 2027
DOT Certification (USA)	National Highway Traffic Safety Administration (USA) (NHTSA)	DOT Certification (USA) verifies that products meet U.S. safety standards, ensuring legal sale and regulatory compliance.	October 11, 2021	-
GSO Certification	GSO	GSO Certification ensures that products meet the Gulf Cooperation Council (GCC) Standardization Organization's safety, quality, and regulatory requirements for legal sale in GCC countries.	August 05, 2025	August 05, 2028
New Grid Station & Gas boiler IEE	SEPA (Sindh, Pakistan)	IEE-NOC- is issued by Sind Environmental Protection agency for the upgradation or addition of New Grid Station & Gas Boiler	March 27, 2025	No Expiry
HSMP-NOC SEPA	SEPA (Sindh, Pakistan)	HSMP-NOC- is issued by Sind Environmental Protection agency for the handling and storage of hazardous substances.	October 09, 2024	October 08, 2025
ESIA Report	SEPA (Sindh, Pakistan)	ESIA-NOC- is issued by Sind Environmental Protection agency for the environmental social impact assessment of the facility	October 27, 2020	No Expiry
Operational Phase NOC	SEPA (Sindh, Pakistan)	OP-NOC- is issued by Sind Environmental Protection agency for Confirmation of compliance under Regulation 14 (2) (b) & 15 Sindh EPA Review of environmental Assessment regulations, 2021 for permission of operation of the project.	December 12, 2022	No Expiry

3.19. GROUP STRUCTURE OF THE ISSUER

The associated companies, based on pre-IPO shareholding in SLM or common directorship, are listed below.



3.20. ASSOCIATED COMPANIES

Name of Company	Nature of Business	Operational Status	Listing Status	Nature of Relation	Shareholding in SLM	Shareholding of SLM
					%	%
Chaoyang Long March Tyres Company Limited	Manufacturing	Operational	Unlisted	Common Directorship	42.57%	Nil
Service Industries Limited	Manufacturing	Operational	Listed	Holding Company	21.37%	Nil
Service Global Footwear Limited	Manufacturing	Operational	Listed	Common Directorship	18.30%	Nil
Service Tyres (Private) Limited	Manufacturing	Operational	Unlisted	Common Directorship	9.68%	Nil
Service Retail (Private) Limited	Retailers	Operational	Unlisted	Common Directorship	Nil	Nil
SIL Gulf FZE	Trading	Operational	Unlisted	Common Management	Nil	Nil
Service Industries Capital (Private) Limited	Investment	Operational	Unlisted	Common Directorship	Nil	Nil
S2 Hydro Limited	Power Generation	Non – Operational	Unlisted	Common Directorship	Nil	Nil
SBL Trading (Private) Limited	Trading	-	Unlisted	Common Directorship	Nil	Nil
Servis Foundation	Charitable Purposes	Operational	Unlisted	Common Directorship	Nil	Nil
Shahid Arif Investments (Private) Limited	Investment	Operational	Unlisted	Common Directorship	Nil	Nil
SLM International Tyres Trading FZE[35]	Investment	Operational	Unlisted	Common Directorship	Nil	100%

[35] *SLM International Tyres Trading FZE, located in the Jebel Ali Free Zone, was established as a wholly owned subsidiary of the Company on June 27, 2024.*

Dongguan Service Global Limited	Marketing & Procurement	Operational	Unlisted	Common Management	Nil	Nil

3.20.1. Common Directorship

Company	Common Directors
Service Industries Limited	• Mr. Omar Saeed • Mr. Arif Saeed • Mr. Hassan Javed
Service Global Footwear Limited	• Mr. Omar Saeed • Mr. Arif Saeed • Mr. Hassan Javed • Mr. Ahmed Javed
Service Tyres (Private) Limited	• Mr. Omar Saeed • Mr. Arif Saeed • Mr. Hassan Javed
Service Retail (Private) Limited	• Mr. Omar Saeed • Mr. Arif Saeed • Mr. Hassan Javed
SIL Gulf FZE	• Common Management
S2 Hydro Limited	• Mr. Omar Saeed • Mr. Hassan Javed
SBL Trading (Private) Limited	• Mr. Arif Saeed • Mr. Hassan Javed
Servis Foundation	• Mr. Arif Saeed. • Mr. Omar Saeed • Mr. Ahmed Javed • Mr. Hassan Javed
Shahid Arif Investments (Private) Limited	• Mr. Arif Saeed. • Mr. Hassan Javed
Service Industries Capital (Private) Limited	• Mr. Omar Saeed • Mr. Arif Saeed • Mr. Hassan Javed
SLM International Tyres Trading FZE	• Mr. Zhang Xingyou
Dongguan Service Global Limited	• Common Management

3.21. DUTY STRUCTURE AND TARIFF

Duty tariff for key raw materials procured by the Company is outlined below

Particulars	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Remarks
Natural Rubber	4001.2200	0%	0%	0%	-
Carbon Black	2803.0010	10%	0%	0%	-
Steel Tyre Cord	7312.9010	0%	0%	0%	-
Bead Wire	7217.3010	10%	0%	0%	Imports under FTA CD - 0%
Other Chemicals	Multiple	5%	0%	0%	-
Flap	4012.9090	20%	4%	0%	-
Tube	4013.1010	5%	0%	0%	Imports under FTA CD - 0%

3.22. RELATED PARTY TRANSACTIONS

Transactions with the Company's related parties during the three financial years ended June 30, 2025, together with the six months ended December 31, 2025 (6MFY2026), and their corresponding financial impact, are presented below:

Name	Relationship	Nature	FY2023	FY2024	FY2025	6M FY2026
PKR Mn			***Audited***	***Audited***	***Audited***	***Unaudited***
Service Industries Limited	Holding Company	Share Deposit Money Received	438.03	486.02	-	-
		Share Capital Issued against Share Deposit Money	1,079.83	486.02	-	-
		Sales of Goods	64.74	48.70	-	-
		Proportionate Salaries Charged	-	43.72	72.00	36.00
		Guarantee Commission Paid	36.00	40.68	40.50	18.00
		Purchase of Goods	614.84	154.55	4.47	1.02
		Transfer of Fixed Assets	-	-	-	6.66
		Dividend Paid	-	-	443.16	641.20
		Reimbursement of Expenses	7.35	7.64	8.46	4.05
Sub – Total			**2,240.79**	**1,267.32**	**568.58**	**706.93**
Chaoyang Long March Tyre Company Limited	Associated Company	Share Deposit Money Received	610.22	665.81	-	-
		Share Capital Issued against Share Deposit Money	1,480.60	666.40	-	-
		Service Received	447.77	-	-	-
		Dividend Paid	-	-	882.70	1,277.17
		Purchase of Goods	3,332.66	287.25	716.59	519.50
Sub – Total			**5,871.26**	**1,619.45**	**1,599.29**	**1,796.67**
Service Global Footwear Limited	Associated Company	Share deposit money received	258.12	286.40	-	-
		Share capital issued against share deposit money	636.32	286.40	-	
		Dividend paid	-	-	379.36	548.89
		Purchase of Goods	-	-	-	0.17
Sub – Total			**894.44**	**572.80**	**379.36**	**549.07**
Mr. Shabir Ahmad	Sponsor	Share deposit money received	68.25	75.73	-	-
		Share capital issued against share deposit money	168.25	75.73	-	-
		Sales of goods	-	-	492.46	**-**
		Trade discounts	-	-	19.11	**-**
		Dividend paid	-	-	100.31	152.83
Sub – Total			**236.50**	**151.45**	**611.88**	**152.83**
		Purchase of goods	-	-	336.32	9.06

Service Tyres (Private) Limited	Associated Company	Dividend paid	-	-	200.61	290.27
		Expenses Charged	-	-	2.07	-
		Sales of goods	-	-	1.62	0.45
Sub – Total			**-**	**-**	**540.62**	**299.78**
Service Long March Tyres Limited - Employee Provident Fund	Staff Provident Fund	Net charge in respect of staff retirement benefit plan	14.89	35.68	59.13	41.59
		Retirement benefits plan payable	51.25	105.76	42.66	34.35
Sub – Total			**66.14**	**141.44**	**101.79**	**75.95**
Key Management Personnel	Employees	Remuneration	33.96	61.03	109.88	306.33
Sub – Total			**33.96**	**61.03**	**109.88**	**306.33**
Total			**9,343.09**	**3,813.50**	**3,911.40**	**3,887.56**

All transactions with related parties are conducted at arm's length

3.23. PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER, WHICH THE ISSUER HAS CONTROL ALONG WITH FOLLOWING INFORMATION

The Issuer, SLM, does not have control over any associated listed company

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3.24. INDUSTRY OVERVIEW

Global Automotive Overview

The global automotive industry is one of the largest and most capital-intensive sectors worldwide, forming the backbone of industrial activity in many economies. It directly and indirectly supports millions of jobs across manufacturing, component supply, logistics, dealership networks, and after-sales services. Beyond transportation, the sector has strong linkages with steel, rubber, plastics, electronics, energy, and financial services industries, making it a critical driver of broader economic momentum and industrial diversification. Given these extensive backward and forward linkages, trends within the automotive sector have a multiplier effect across supply chains, including the global tyre industry.

The automotive industry forms the primary demand base for the tyre sector, as developments in vehicle production, fleet expansion, and usage intensity directly determine both original equipment and replacement tyre consumption. Every new vehicle produced generates immediate demand for tyres at the OEM level, while the continued operation of that vehicle over its economic life creates recurring replacement demand. For tyre manufacturers, particularly those operating in commercial segments, the outlook for light and heavy vehicles is therefore closely aligned with long term volume growth, pricing stability, and capacity utilization. Accordingly, sustained expansion in vehicle production and fleet usage translates directly into structural demand visibility for tyre producers across global markets.

Global automotive production reached approximately 93 million units in 2024, reflecting a marginal moderation from the prior year following a strong post pandemic recovery phase. While short term output softened amid economic normalization and tighter financial conditions, underlying demand across passenger and commercial vehicle segments remains structurally resilient. Production trends continue to reflect the cyclical nature of the industry, with volumes rebounding significantly after 2020 and stabilizing at elevated levels thereafter. This stabilization at comparatively high output levels indicates that the industry has transitioned from recovery mode into a phase of normalized yet sustainable growth.[36]

[36] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

The automotive demand is broadly divided into passenger vehicles, light commercial vehicles, and medium to heavy commercial vehicles. Passenger and light commercial vehicles support urban mobility, small business transport, and last mile delivery services. Medium and heavy commercial vehicles serve freight transportation, construction activity, public infrastructure projects, and cross border trade. While passenger vehicles account for higher production volumes, heavy vehicles generate significantly higher tyre consumption per unit due to multiple axles, higher load bearing requirements, and more intensive operational cycles. This structural difference creates a strong and recurring demand base for commercial vehicle tyres. Consequently, growth within the heavy vehicle category disproportionately benefits tyre manufacturers relative to unit vehicle growth alone.

Major automotive markets such as China, United States, Japan, and Germany collectively account for a significant share of global light and heavy vehicle production. These economies not only drive new vehicle output but also maintain large and mature vehicle fleets, which support consistent replacement tyre demand. In parallel, emerging markets across Asia, Africa, and Latin America are experiencing steady growth in commercial vehicle fleets due to expanding infrastructure networks, industrialization, and domestic trade activity.[37]

The heavy vehicle segment is particularly important from a tyre industry perspective. Trucks and buses operate under higher mileage conditions, greater load stress, and extended daily usage compared to passenger vehicles. As a result, tyre wear cycles are shorter and replacement frequency is higher. Within the commercial vehicle landscape, trucks and buses continue to represent a critical pillar of freight mobility and public transportation systems. While global truck production moderated modestly in 2024 due to cautious fleet replacement cycles in developed markets, emerging economies maintained comparatively stronger momentum driven by infrastructure expansion and logistics growth. Similarly, although bus production volumes softened year on year, industry revenues remained resilient, supported by a gradual shift toward higher value and technologically advanced models. Even during periods when new vehicle sales slow due to macroeconomic factors, freight movement and essential transport services continue, sustaining replacement demand. This provides a degree of resilience to tyre manufacturers serving the commercial segment. This inherent resilience in freight and public transport activity provides a stabilizing buffer for tyre manufacturers focused on the commercial segment.[38]

Light commercial vehicles also contribute meaningfully to tyre demand growth, particularly with the global expansion of e commerce and organized logistics networks. The increase in last mile delivery services has expanded fleet sizes in many markets, leading to stable replacement cycles and higher aggregate tyre consumption. As logistics efficiency becomes more critical, fleet operators increasingly focus on tyre durability, fuel efficiency, and total cost of ownership, creating opportunities for manufacturers offering performance oriented products. This shift toward cost optimization and operational efficiency further strengthens demand for technologically advanced and premium tyre offerings.

The global outlook for light and heavy vehicles remains structurally supportive for the tyre industry. While vehicle production volumes may fluctuate in the short term due to economic cycles, the expanding global vehicle population, increasing freight activity, and rising utilization intensity provide a strong foundation for sustained tyre demand. This direct correlation between automotive activity and tyre consumption underpins the strategic positioning of tyre manufacturers operating in both original equipment and replacement segments, particularly those focused on commercial vehicle categories. Overall, the long term trajectory of global mobility and trade continues to reinforce the structural growth narrative for the tyre industry.

Global Tyres Market Trends

The global tyres sector, intrinsically linked to trends in trucks, buses, passenger vehicles, and two and three wheelers, recorded revenue of USD 212.9 billion in 2024, compared to USD 226.9 billion in 2023, reflecting a decline of approximately 6.2%. This contraction in revenue was primarily attributable to higher interest rates across major economies, tighter consumer financing conditions, and cautious fleet expansion decisions, which collectively affected original equipment manufacturer demand. In addition, pricing normalization following

[37] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[38] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf

elevated raw material costs in prior years contributed to revenue moderation despite relatively stable unit volumes.

Despite the decline in revenue, global tyre sales volumes reached approximately 3.8 billion units in 2024, maintaining a CAGR of 4% since 2021.[39] The resilience in unit growth underscores the structural strength of the replacement segment, which continues to account for a significant proportion of total demand. Replacement demand is relatively inelastic compared to OEM demand, as tyres are consumable products requiring periodic replacement based on mileage, wear, and regulatory safety standards. This dynamic provides stability to the sector even during periods of economic moderation. Accordingly, the replacement segment continues to act as the primary anchor of revenue continuity across economic cycles.

Regionally, the Asia Pacific market remains the dominant force in global tyre production and exports. In 2024, China accounted for approximately 39.2% of total global tyre exports, reinforcing its position as the largest manufacturing hub. China's dominance is underpinned by large-scale integrated production facilities, cost competitiveness, strong upstream supply chains including synthetic rubber and steel cord, and well-established export distribution networks spanning North America, Europe, Africa, and emerging markets.[40]

In mature markets such as the United States and Canada, demand is largely replacement-driven, supported by a sizeable installed vehicle base and consistent vehicle usage patterns. These markets are increasingly characterized by a shift toward technologically advanced and environmentally sustainable tyres, including low rolling resistance tyres, smart tyres with embedded sensors, and specialized products designed for electric and hybrid vehicles. The scale efficiencies achieved by Chinese manufacturers enable aggressive pricing strategies while maintaining competitive margins.

Conversely, African markets and certain developing regions emphasize affordability, durability, and resistance to challenging road and climatic conditions. In these markets, value-segment tyres and retread solutions play a critical role in supporting commercial transport operators and small fleet owners. Regulatory standards and consumer awareness regarding fuel efficiency and environmental impact further accelerate this transition toward advanced tyre technologies. This divergence in regional demand characteristics highlights the importance of product portfolio diversification for global tyre manufacturers.

At the global level, industry exhibits a high degree of consolidation. Leading manufacturers including Michelin, Bridgestone, Goodyear, and Continental collectively accounted for approximately 62% of total global tyre revenue in 2024. This concentration reflects strong brand equity, extensive research and development capabilities, global distribution reach, and long-standing OEM relationships, which create high entry barriers for new competitors. Such structural consolidation enhances pricing discipline and reinforces competitive advantages for established global players.

Global Commercial Vehicle Production

Global production of heavy trucks and buses registered a negative CAGR of 1.1% during the period 2020–2024, reflecting cyclical adjustments and post-pandemic normalization in commercial vehicle demand. In 2024, total production declined by 3.7% to approximately 3.9 million units compared to 4.1 million units in 2023.[41] The contraction was primarily driven by weaker demand in Europe, where transport operators deferred fleet expansion and replacement decisions amid economic uncertainty, elevated financing costs, and regulatory transition pressures. These dynamics illustrate the sensitivity of commercial vehicle investment decisions to macroeconomic and credit conditions, particularly in developed markets where fleet renewal cycles are closely linked to business confidence indicators.

Region/Country Wise | Production of Heavy Trucks and Buses[42]					
000' Units	CY2020	CY2021	CY2022	CY2023	CY2024

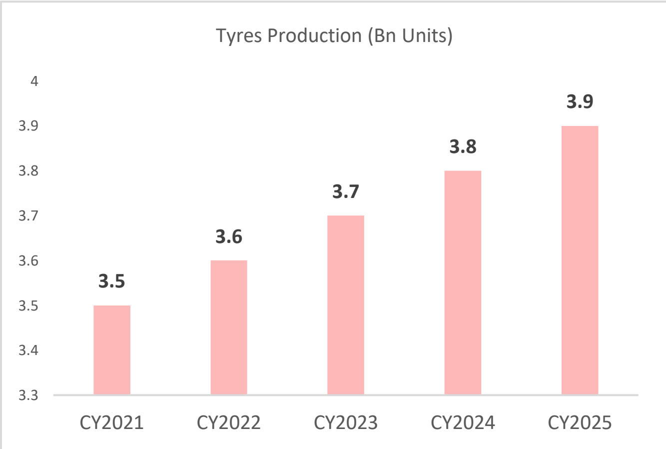
[39] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[40] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[41] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf
[42] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf

	Volume	% Share	Volume	% Share	Volume	% Share	Volume	% Share	Volume	% Share
China	3,080	67.23%	2,503	55.72%	1,338	37.61%	1,738	42.56%	1,775	45.15%
North & South America	495	10.81%	645	14.36%	725	20.38%	689	16.87%	730	18.57%
Japan	410	8.95%	519	11.55%	516	14.50%	497	12.17%	466	11.85%
India	159	3.47%	281	6.26%	400	11.24%	467	11.43%	382	9.72%
Europe	265	5.78%	344	7.66%	343	9.64%	469	11.48%	255	6.49%
Africa	23	0.50%	28	0.62%	30	0.84%	32	0.78%	32	0.81%
Pakistan	3	0.07%	6	0.13%	6	0.17%	2	0.05%	3	0.08%
Other Regions	146	3.19%	166	3.70%	200	5.62%	190	4.65%	288	7.33%
World Total	**4,581**	**100%**	**4,492**	**100%**	**3,558**	**100%**	**4,084**	**100%**	**3,931**	**100%**

China retained its leading position, contributing 45.5% of global truck production and 41.1% of global bus production in 2024. The country's dominance is supported by its scale of operations, integrated manufacturing ecosystem, and strong domestic logistics demand. North and South America, Japan, India, and Europe also remain significant contributors to global commercial vehicle output, although European production declined sharply during the year. Globally, truck manufacturing volumes decreased by 2.3%, while bus production increased by 17%, reflecting renewed public investment in passenger transport systems and infrastructure development across selected emerging markets. The divergence between truck and bus production trends highlights differing demand drivers, with freight investment moderating while public mobility infrastructure spending gains relative momentum.

Tyres and Vehicle Demand Correlation

Global tyre production is projected to reach approximately 3.9 billion units in 2025, reflecting steady expansion aligned with global vehicle production and the continued growth of the installed vehicle base. Tyre demand remains directly correlated with trends in automobile manufacturing, vehicle utilization rates, and replacement cycles. While OEM demand fluctuates with new vehicle output, the replacement segment provides structural stability, supported by recurring wear and tear across passenger and commercial fleets. This dual-demand structure reinforces the industry's ability to maintain volume resilience even amid cyclical fluctuations in new vehicle sales.[43]



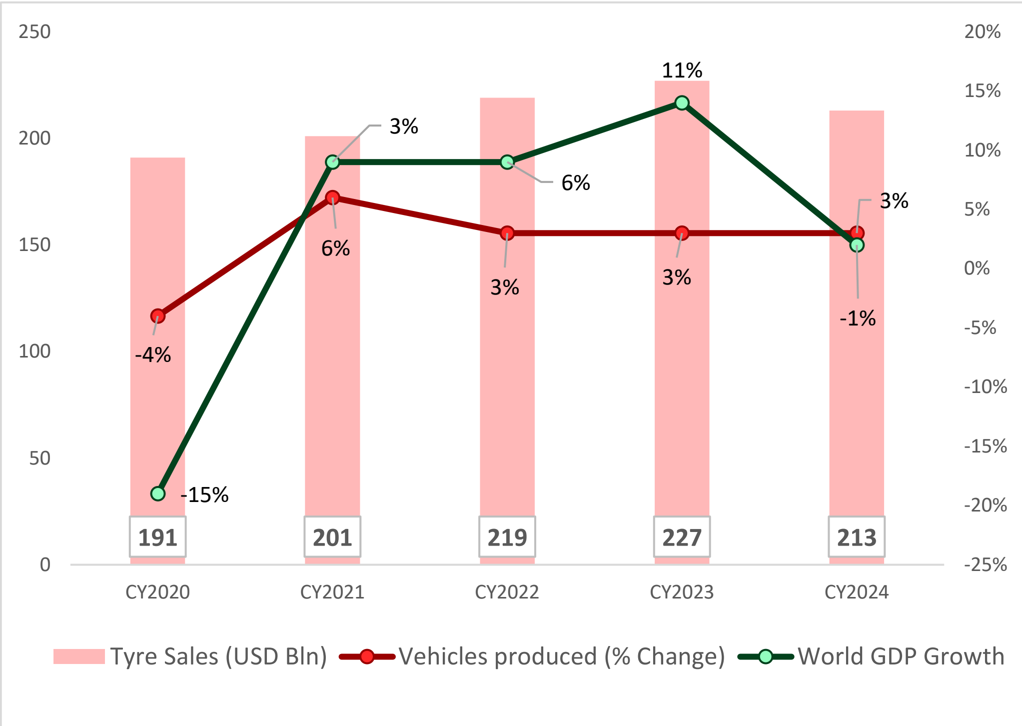
Regional dynamics illustrate distinct consumption patterns. In the United States and Canada, demand is predominantly replacement-driven due to mature vehicle fleets and consistent annual mileage patterns. The Middle East market demonstrates stronger demand for premium and ultra high-performance tyres, reflecting consumer preference for luxury and high engine capacity vehicles. In contrast, African markets emphasize affordability, durability, and resistance to challenging road conditions, with tyres required to perform under higher stress and variable terrain environments. These regional variations necessitate differentiated product strategies and localized distribution models for multinational tyre manufacturers.

In 2024, global automobile production stood at approximately 93 million units, compared to 94 million units in 2023, marking a decline of 1.1%. During the same period, global tyre sales generated revenue of approximately USD 212.9 billion, down 6.2% from USD 227 billion in 2023. The reduction in revenue was largely attributable to elevated interest rates across major economies, including the United States, the United Kingdom, and the European Union, which constrained consumer financing, moderated vehicle purchases, and influenced pricing

[43] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

dynamics within the tyre industry. This parallel movement between vehicle production and tyre revenue underscores the strong structural interdependence between the two industries.[44]

Looking ahead, technological innovation is expected to remain a key growth drive. Advancements in sustainable tyre compounds, green tyre technologies, and smart manufacturing processes are reshaping product development strategies. The accelerating adoption of electric vehicles is particularly significant, with EVs projected to account for approximately 15% to 30% of total global vehicle sales by 2030. This transition is expected to increase demand for specialized tyres engineered to support higher torque loads, reduce rolling resistance, enhanced durability, and improved energy efficiency, thereby reinforcing the close structural relationship between global vehicle production and tyre demand.[45] As electrification advances, tyre manufacturers capable of aligning product innovation with evolving vehicle architectures are likely to capture incremental market share.



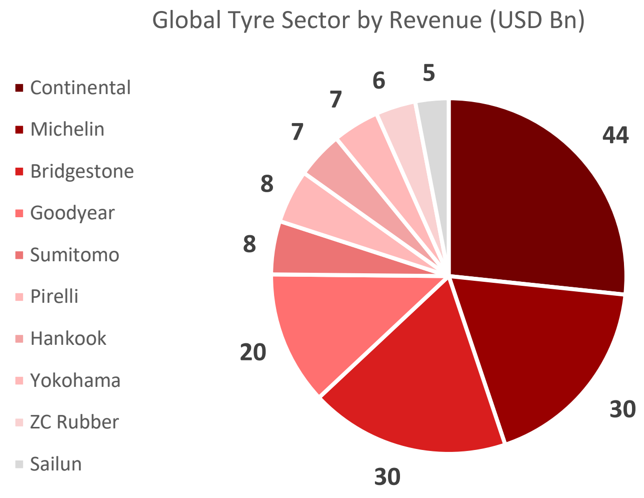
Global economic growth remained stable at approximately 3.2% in 2024 and is projected to moderate slightly to 3.0% in 2025. This marginal slowdown is expected to influence consumer purchasing power, freight activity, and capital expenditure decisions, thereby indirectly impacting vehicle sales and overall tyre demand across both OEM and replacement segments. Nevertheless, steady baseline economic expansion continues to provide an enabling environment for sustained mobility demand and fleet utilization.

From a trade perspective, China maintained its dominant position in global tyre exports, accounting for approximately 39.2% of total exports, reflecting its scale efficiencies, integrated supply chain, and competitive pricing structure. On the demand side, the United States represented approximately 21.5% of global tyre imports, underscoring its large installed vehicle base, strong replacement demand, and reliance on international sourcing to meet domestic consumption requirements. These trade flows highlight the globalized nature of tyre manufacturing and the strategic importance of export competitiveness.[46]

Global Tyre Market Share and Competitors

[44] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[45] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[46] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

In CY2024, global tyre sales were primarily dominated by **Continental**, **Michelin**, **Bridgestone**, **Goodyear**, and **Pirelli**. These companies have consistently maintained market leadership over the past five years (CY2020 to CY2024), collectively commanding a substantial share of global industry revenue. Their dominance is supported by strong brand equity, diversified geographic presence, advanced research and development capabilities, established OEM relationships, and extensive global distribution networks. Such competitive positioning enables these firms to sustain premium pricing power and defend margins across diverse economic environments.



The global tyre market in CY2024 experienced a combination of growth in selected segments and stagnation in others, driven by offsetting macroeconomic and industry-specific factors. Demand in key markets such as Europe and North America was influenced by trade restrictions and cautious consumer spending, which moderated overall sales volumes. However, easing raw material and energy costs provided some relief on the cost side, supporting profitability margins. Strong performance in premium and replacement segments helped sustain revenue stability, particularly in markets with a large installed vehicle base. This balanced interplay between cost moderation and selective demand strength helped prevent a sharper contraction in overall industry performance.[47]

At the same time, price competition remained intense across regions, especially in mid-tier and value segments where manufacturers from Asia continued to expand their presence. As a result, leading producers increasingly focused on product mix optimization, cost rationalization, and operational efficiency improvements to protect margins in a year characterized by largely flat global demand growth. Strategic emphasis on innovation, brand differentiation, and supply chain optimization therefore became central to sustaining competitive advantage.

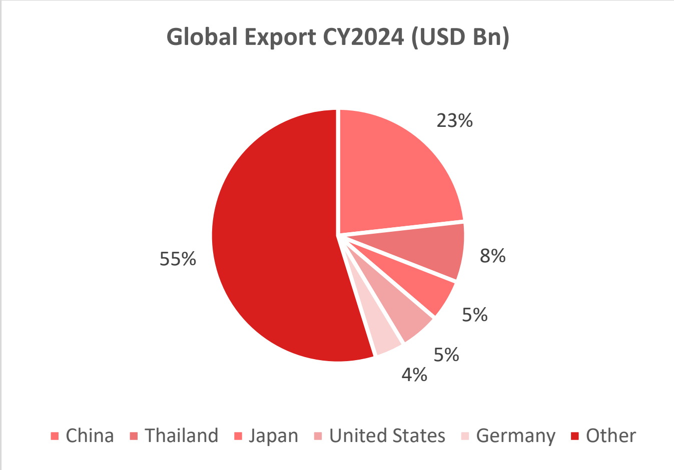
Global Tyre Exports

During CY2024, total global Tyres exports reached approximately 96.0 billion US dollars. This represents a steady expansion compared to prior years, reflecting normalization in global trade flows following pandemic-era disruptions and supply chain bottlenecks. China continued to dominate the export market over the past five years (CY2020 to CY2024), although its market share declined slightly from 24.0% in CY2023 to 23.0% in CY2024. Chinese Tyres exports were valued at approximately 22.3 billion US dollars in CY2024, up from 21.4 billion US dollars in CY2023. Despite a marginal reduction in share, the absolute growth in export value underscores China's sustained competitiveness and its ability to defend global market positioning.

World Exports (USD Bn)	CY2020	CY2021	CY2022	CY2023	CY2024
China	13.3	15.1	18.9	21.4	22.3
Thailand	5.2	6.3	6.6	7.0	7.4
Japan	4.1	5.0	5.5	5.5	5.1
United States	4.0	4.5	4.9	5.2	4.9
Germany	4.9	5.7	5.9	6.3	3.7
Other	38.2	49.6	44.2	45.4	52.6
World Total	69.7	86.2	86.0	90.8	96.0

[47] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

Thailand ranked second in global Tyres exports, with shipments worth around 7.4 billion US dollars in CY2024, compared to 7.0 billion US dollars in CY2023. Japan followed, with exports valued at approximately 5.1 billion US dollars in CY2024, down from 5.5 billion US dollars in CY2023. Regionally, the Asia Pacific accounted for roughly 34.8% of the world's total Tyres exports in CY2024. The concentration of export capacity within Asia Pacific highlights the region's manufacturing depth, cost advantages, and integrated supply ecosystems supporting rubber processing and tyre production.



China's Tyres exports grew by approximately 4.2% in CY2024 despite U.S. tariffs, demonstrating resilient demand and the ability of Chinese firms to adapt by selling to alternative markets. However, in CY2025, with new U.S. duties still in place and trade talks remaining stalled, Chinese exporters may experience slower growth as higher costs and restricted access to the U.S. market could push them to reduce prices and shift a greater portion of production to Southeast Asia.[48] This potential geographic reallocation of manufacturing capacity may gradually reshape regional trade dynamics and intensify competition within emerging export hubs.[49]

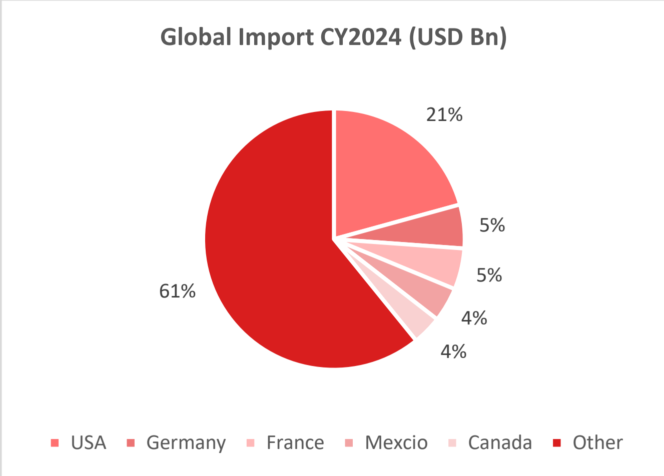
Global Tyre Imports

In terms of Tyres imports, the United States, Germany, and France consistently remained the top three global importers over the past five years (CY2020 to CY2024). In CY2024, the United States' Tyres imports were valued at approximately 19.9 billion US dollars, up from 19.5 billion US dollars in CY2023, representing around 21.5% of global imports. Germany's Tyres imports during the same period were valued at approximately 5.2 billion US dollars, accounting for 9.0% of the global share. Meanwhile, both France and Mexico contributed around 5.0% each to the total global import share. The dominance of these economies reflects their large installed vehicle bases, high per capita vehicle ownership levels, and structurally strong replacement demand.

World Imports (USD Bn)	CY2020	CY2021	CY2022	CY2023	CY2024
USA	14.1	17.2	21.8	19.5	19.9
Germany	6.0	7.2	7.6	7.8	5.2
France	3.1	4.1	4.2	4.7	4.9
Mexico	2.5	3.4	4.2	4.3	4.1
Canada	2.5	3.2	3.6	3.4	3.5
Other	41.5	51.1	44.6	51.1	58.4
World Total	69.7	86.2	86.0	90.8	96.0

[48] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[49] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

The United States, Germany, and France benefit from large and mature domestic automotive markets, underpinned by consistent vehicle ownership levels and stable replacement demand. Strong infrastructure networks, high vehicle utilization rates, and established distribution systems further support sustained import volumes in these countries. Moreover, the presence of extensive aftermarket retail chains and service centers reinforces recurring procurement requirements.



Mexico and Canada are increasingly emerging as significant automobile markets, with expanding vehicle production and growing domestic consumption contributing to higher tyre import requirements. In contrast, demand in certain developing economies has moderated due to economic pressures and currency volatility, although this slowdown has been partially offset by resilience in other regions. At the global level, trade uncertainty, including tariff measures imposed by the United States and other protectionist policies, continues to influence tyre trade patterns, sourcing strategies, and supply chain realignments across key exporting and importing nations.[50] Such policy-driven adjustments are prompting multinational manufacturers to diversify sourcing bases and enhance supply chain flexibility to mitigate geopolitical and regulatory risks.

Local Automotive & Tyre Market Overview

The Tyres Sector in Pakistan continues to be closely linked to the performance of the automobile industry, which includes Passenger Cars, Jeeps, Light Commercial Vehicles, Pickups, Tractors, and 2 and 3 Wheelers. The market is structured into Original Equipment Manufacturer (OEM) and Replacement segments, with the replacement segment typically accounting for around 80% of overall sales. This highlights the critical role of the aftermarket, as fleet replacements and tyre wear drive sustained demand. The predominance of the replacement segment provides structural stability to sector revenues, particularly during periods of volatility in new vehicle sales.

Service Long March Tyres (Private) Limited (SLM) has established itself as a leading domestic player, especially in the Trucks and Buses segment. SLM serves both OEM and replacement markets, holding a strong position alongside Panther Tyres Limited in commercial vehicles. Ghandhara Tyres and Rubber Company primarily serves the Passenger Car segment, reflecting the segmented nature of the local market. Revenue in the Tyres Sector reached approximately PKR 149.9 billion in CY2025, up from PKR 141.9 billion in CY2024, driven by higher production volumes and improved sales performance. This revenue growth indicates a synchronized recovery across both OEM supply and replacement channel activity.

Grey channel procurement continues to account for a notable portion of the market, particularly in four-wheel categories, showing that informal supply channels remain influential. In the first quarter of CY2026, SLM produced around 1.1 million OEM tyre units, up from approximately 0.8 million units during the same period last year. This represents production growth of nearly 39% and a sales increase of 35%, supported by stronger demand for Trucks and Buses, higher vehicle sales, and improved macroeconomic conditions. Inflation declined to approximately 4.2% from 9.2% in the prior year, and the policy rate was reduced to 11% from 19.5%, enhancing financing availability and reducing operational costs for fleet operators.[51] The combined effect of macroeconomic stabilization and improved credit conditions materially strengthened commercial transport activity, thereby reinforcing tyre demand momentum.[52]

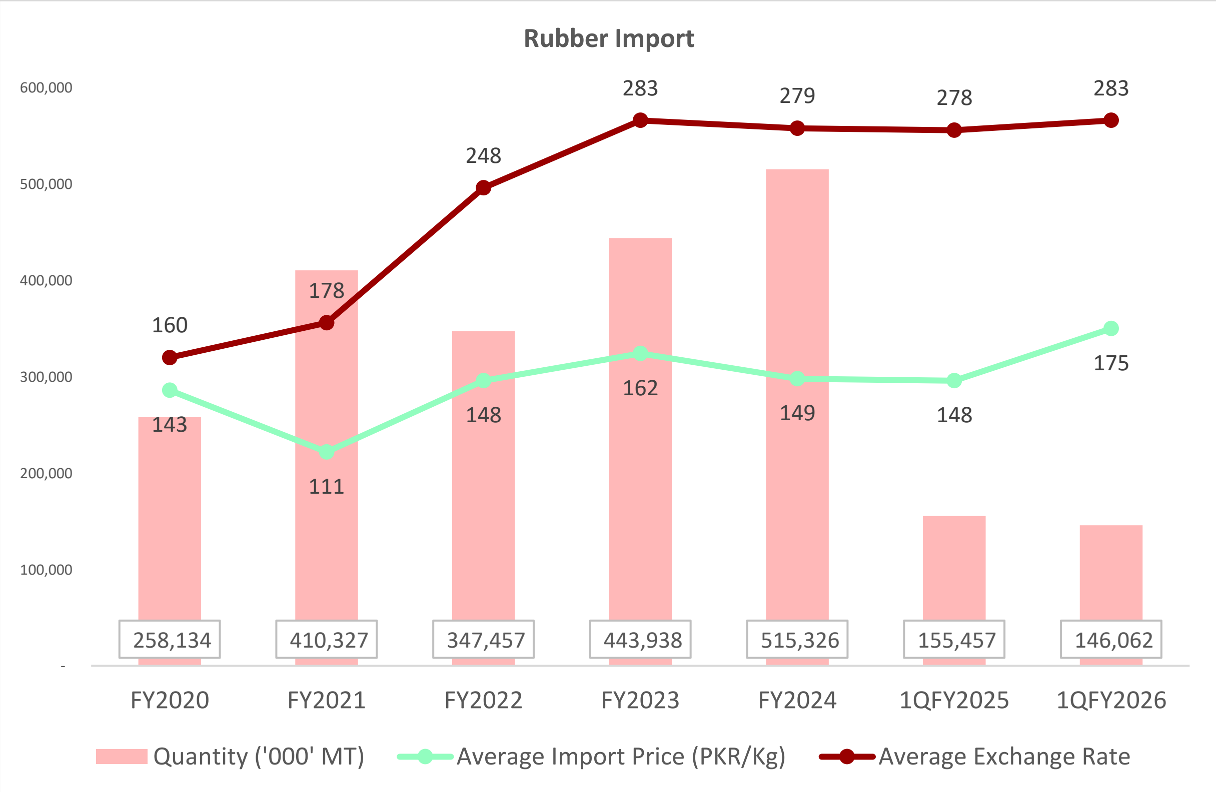
Local Raw Material Supply and Pricing Dynamics

[50] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[51] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[52] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

Rubber, both natural and synthetic, remains the most critical raw material in Tyres production. Pakistan depends heavily on imports from China, Malaysia, and Thailand to meet domestic demand, making the sector sensitive to international market conditions and currency fluctuations.

In CY2025, rubber import volumes rose to approximately 515,326 metric tons, up 16% from 443,938 metric tons in CY2024. This growth was supported by favorable import conditions, improved supply chains, and rising anticipated demand from the expanding automobile and commercial vehicle sectors. During the same period, the Pakistani rupee appreciated slightly by 1.4% against the US dollar, moving from PKR 283.0/USD to PKR 279.0/USD, which helped mitigate some of the cost pressures from global price movements. Additionally, the average import price of rubber declined by 8%, from PKR 162.0/kg in CY2024 to PKR 149.0/kg in CY2025, reflecting softer international rubber prices. These trends contributed to lower raw material costs for domestic tyre manufacturers and supported stronger production margins.

In the first quarter of CY2026, rubber imports declined to approximately 146,062 metric tons, down 6% compared to 155,457 metric tons in the same period last year. Despite lower import volumes, the average import price rose to PKR 175/kg from PKR 148/kg, primarily due to short-term volatility in international markets. The Pakistani rupee depreciated by 1.8% against the US dollar during this period, averaging PKR 283.0/USD compared to PKR 278.0/USD in the previous year. These developments indicate that raw material costs remain a key variable influencing Tyres pricing and profitability, and manufacturers must carefully manage currency and import risks to maintain margins.[53]



Local Vehicle Production & Tyre Output Overview

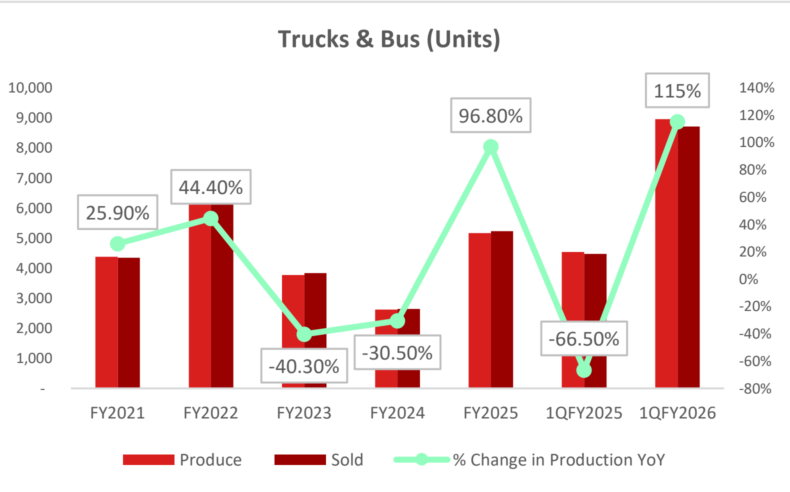
The local automobile sector recorded a strong recovery in CY2025, supported by improved macroeconomic stability and renewed demand across major vehicle categories. Total automobile production reached approximately 1.7 million units, reflecting growth of 30.6% compared to 1.3 million units in CY2024. The recovery was driven by a significant decline in inflation to 4.5% from 23.4% in the previous year, a relatively stable

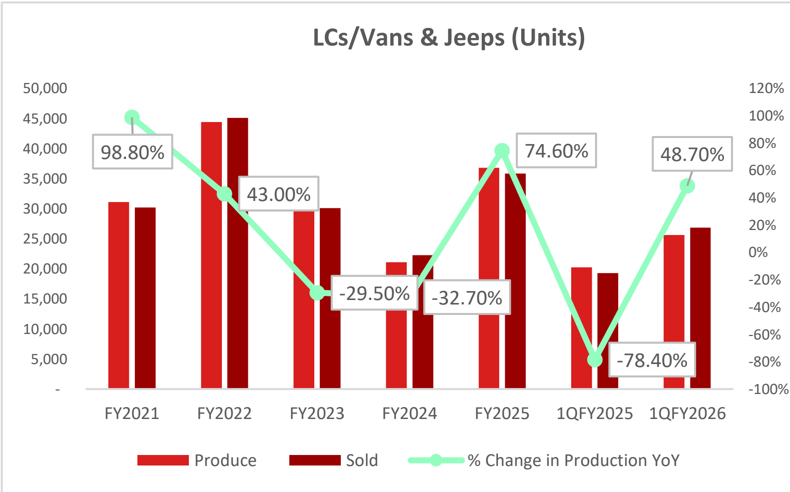
[53] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

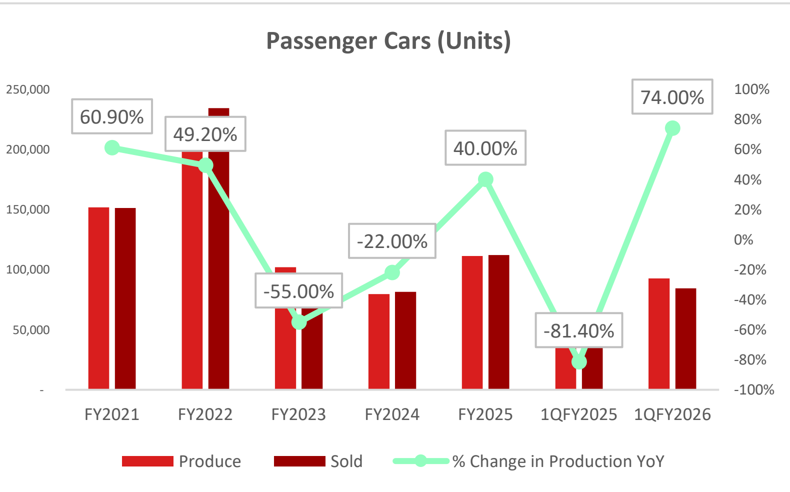
exchange rate averaging USD PKR 278.0, and a reduction in the policy rate to 11%. These factors collectively improved financing availability, strengthened consumer purchasing power, and reduced operational pressures on manufacturers.

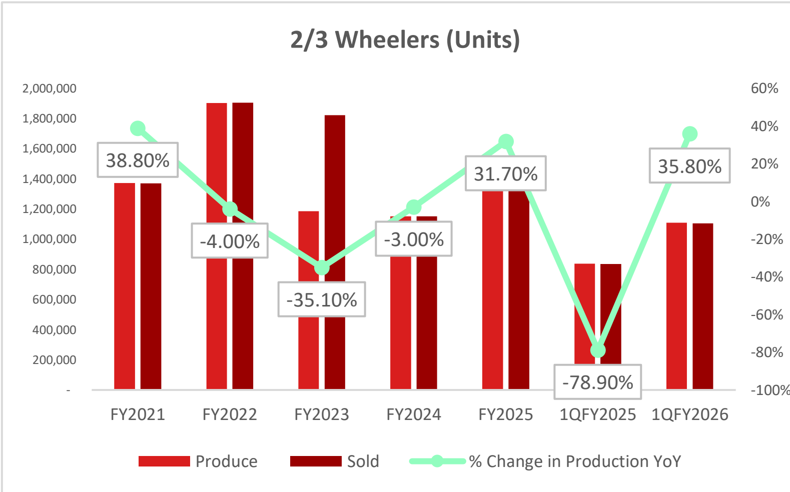
Performance across vehicle segments showed notable variation. Trucks and Buses recorded the strongest expansion, with production increasing by 96.8%, reflecting accelerated fleet replacement and higher commercial transport activity. Jeeps and Light Commercial Vehicles followed with growth of 74.6%, supported by expanding logistics networks and rising demand for delivery services. Passenger Cars grew by 40%, indicating improved private vehicle demand amid strengthening consumer confidence. Production of 2 and 3 Wheelers increased by 31.7%, driven by affordability and continued reliance on urban mobility solutions. In contrast, farm tractor production declined by 37.2%, suggesting slower agricultural investment and weaker rural demand conditions.

Tyre production moved in close alignment with trends in vehicle manufacturing. Output for Trucks and Buses expanded by 96.8%, mirroring the surge in commercial vehicle production. Tyres for Jeeps and Light Commercial Vehicles increased by 74.6%, Passenger Car tyres rose by 40%, and tyres for 2 and 3 Wheelers grew by 32%. These trends reinforce the strong correlation between domestic vehicle production and tyre demand, with commercial and light vehicle segments continuing to account for a significant share of overall industry growth.[54]









Looking ahead into CY2026, economic stability is expected to continue, with inflation projected at 4.2% and a largely stable currency despite a minor depreciation of 1.5% in the first quarter. Policy rates are expected to remain around 11%, supporting continued availability of vehicle financing. These conditions contributed to

[54] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

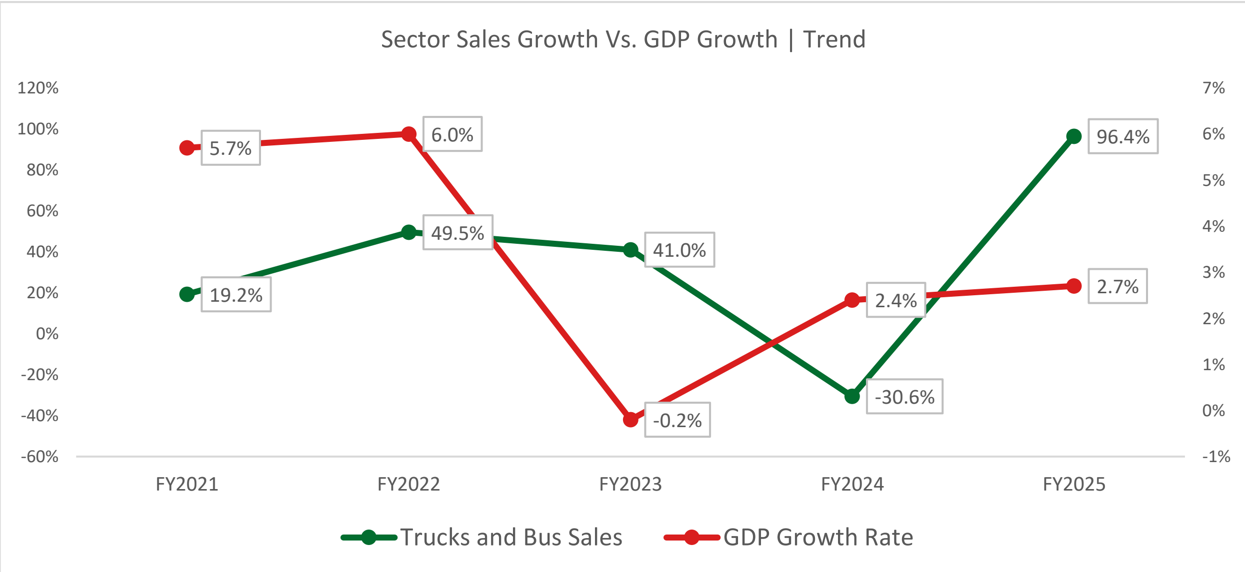
higher automobile production in the first quarter of CY2026, reaching approximately 489,990 units compared to 355,199 units in the same period last year.[55]

Production of Trucks and Buses surged 115% YoY, Passenger Cars grew 74%, Jeeps and LCVs increased 48.7%, and 2 and 3 Wheelers rose 35.8%. Tractor production remained subdued, declining 10.2% to 4,960 units from 5,523 units, reflecting ongoing challenges in the agricultural segment. Tyre production followed similar patterns, particularly in the commercial and light vehicle segments. The Punjab Government's Green Tractor Scheme is expected to provide some support to OEM sales, helping partially offset the decline in tractor production.

Local Commercial Vehicle Demand and Fleet Dynamics

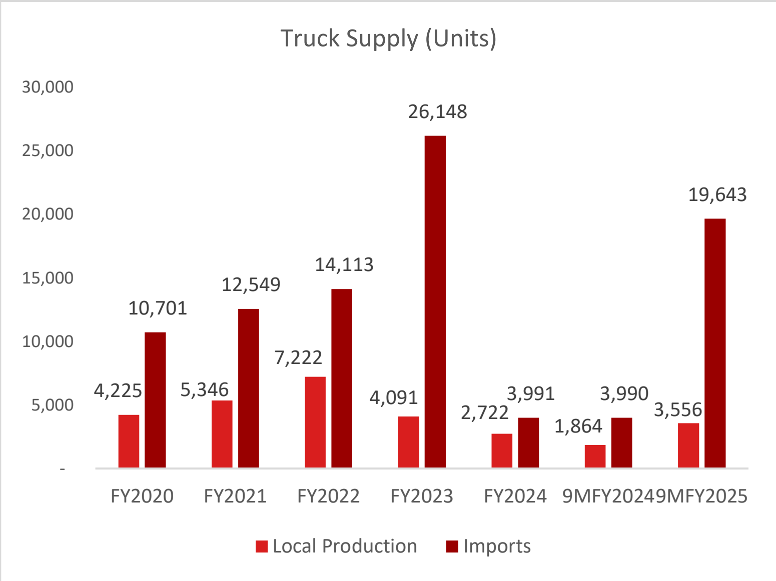
In CY2025, the registered fleet of Trucks in Pakistan increased to approximately 327,719 units, up 1.8% from 321,999 units in CY2024. Registered Buses rose to around 172,000 units, reflecting a modest growth of 0.6% from 169,000 units in the previous year. Truck sales surged 101.1% to 4,444 units compared to 2,210 units in CY2024, while Bus sales increased 73.6% to 788 units from 454 units. While the expansion in the registered fleet remained gradual, the sharp acceleration in annual sales volumes indicates renewed fleet renewal activity rather than merely incremental additions to the vehicle base.

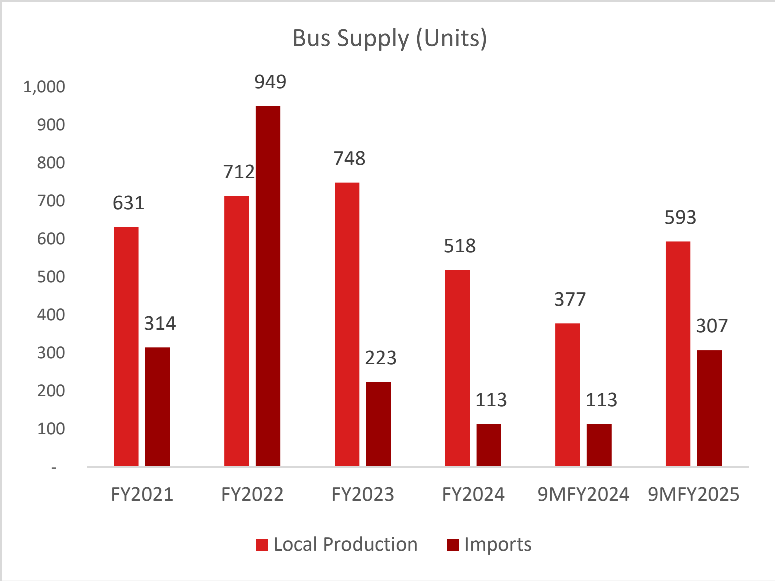
The Trucks and Buses segment demonstrates a strong correlation with macroeconomic conditions and interest rates. Real GDP expanded by 2.7% in CY2025, up slightly from 2.4% in CY2024, while sales in this segment grew sharply by 96.3%, rebounding from a steep decline of 30.6% the previous year. This recovery was supported by a sharp easing of inflation to 4.5% from 23.4% and further improvement to 3.5% in the first two months of CY2026. Monetary policy also played a key role, with the policy rate reduced to 11% by May CY2025 and maintained through September, down from 22% the previous year, providing an environment conducive to financing and fleet expansion. The magnitude of sales growth relative to GDP expansion underscores the high elasticity of commercial vehicle demand to monetary easing and improved credit availability.



Local production and imports of Trucks and Buses were significantly affected in CY2024 by high inflation and elevated interest rates. Truck production fell 33.5% to 2,722 units from 4,091 units, while Bus production declined 30.7% to 518 units from 748 units. Truck imports decreased 7% and Bus imports dropped 49.3%, reflecting constrained market activity and limited investment in new vehicles This contraction phase illustrates how macroeconomic tightening can rapidly suppress capital-intensive transport investment decisions.[56]

[55] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf
[56] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf





The first nine months of CY2025 reflected a pronounced recovery in the commercial vehicle segment. Truck production increased by 90.8%, while Bus production rose by 84%, indicating a broad based revival in transport and logistics activity. This recovery was supported by improved macroeconomic fundamentals, including a reduced policy rate of 11%, a 1.4% appreciation of the Pakistani Rupee against the United States Dollar with the exchange rate averaging PKR 279.3 in CY2025 compared to PKR 283.3 in CY2024, and a sharp decline in inflation to 4.5%, which eased further to 3.5% in early CY2026. These factors strengthened business confidence, improved financing conditions, and supported fleet expansion and replacement activity. The alignment of monetary easing, currency stability, and lower inflation collectively restored investor confidence within the transport sector.[57]

The sector remains closely tied to transportation services across Pakistan. While some Buses are assembled locally, including Yutong Master, ZhongTong, Daewoo, and Hino Pak models with imported components, the majority are imported as Completely Built Units (CBUs) from China, Korea, and other countries. Leading fleet operators include Daewoo Express, Faisal Movers, Niazi Express, Bilal Travels, and Kohistan Express. The market also comprises numerous small private operators, though only a few, such as Daewoo and Faisal Movers, follow a corporate structure. The fragmented structure of the transport industry implies varying procurement capacities, with larger organized operators more likely to engage in structured fleet renewal programs and OEM-aligned tyre sourcing arrangements.

Key operational risks affecting fleet and Bus operators include high fuel costs, potential market share erosion from new entrants, and regulatory challenges such as high import duties, which can impact overall sector growth and profitability. Fluctuations in diesel prices and regulatory taxation policies remain critical variables influencing fleet economics and, by extension, replacement tyre demand patterns.

Local Tyre Sector Outlook and Growth Opportunities

Pakistan's economy demonstrated steady recovery in CY2025, with nominal GDP reaching approximately PKR 114.7 trillion, up 9.1% from PKR 105.1 trillion in CY2024, while real GDP expanded by 2.7% compared to 2.5% previously. Large Scale Manufacturing contributed around 67.5% of total manufacturing value and nearly 8% of real GDP, highlighting its central role in industrial growth. Inflation moderated sharply to 4.5% and further eased to 3.5% in early FY2026, strengthening consumer purchasing power. Foreign exchange reserves improved to USD 19.3 billion, and the policy rate was reduced from 22% to 11% by September CY2025, creating a supportive

[57] https://www.pacra.com/view/storage/app/Trucks%20&%20Buses%20-%20PACRA%20Research%20-%20Oct%2725_1759830902.pdf

environment for financing and investment. The stabilization of key macroeconomic indicators provides a more predictable operating landscape for capital-intensive industries such as automobiles and tyre manufacturing.[58]

The local automobile sector led the industrial recovery. Total production rose to approximately 1.7 million units, a 30.6% increase from 1.3 million units in CY2024, reflecting a robust rebound across most vehicle segments. Trucks and Buses recorded the strongest growth at 96.8%, Jeeps and Light Commercial Vehicles rose 74.6%, Passenger Cars increased 40%, and 2 and 3 Wheelers grew 31.7%. Tractor production declined by 37.2%, reflecting subdued agricultural demand. This broad-based production growth directly translated into higher Tyres demand, particularly within the commercial vehicle segment, where replacement cycles are more frequent. Given the higher tyre consumption intensity per commercial vehicle, growth within this category has a disproportionately positive impact on sector revenues.[59]

The momentum continued into CY2026. In the first quarter, automobile production reached approximately 489,990 units versus 355,199 units in the same period last year. Trucks and Buses production rose 115% year-on-year, Passenger Cars 74%, Jeeps and LCVs 48.7%, and 2 and 3 Wheelers 35.8%. Tractor production remained subdued at 4,960 units (previously 5,523), despite partial support from the Punjab Government Green Tractor Scheme. Tyres production mirrored these trends, reinforcing the sector's strong correlation with vehicle manufacturing. Given the higher tyre consumption intensity per commercial vehicle, growth within this category has a disproportionately positive impact on sector revenues. The continuation of high growth rates into the subsequent year suggests that recovery momentum is broadening rather than tapering off.

The Tyres Sector faces competitive pressures, particularly from increased imports, which grew approximately 80% in unit terms during CY2025. Nevertheless, domestic production growth and higher vehicle volumes drove improved profitability. Net margins rose to 8.1% from 6.5% in CY2024, supported by lower financing costs. Looking forward, sustained vehicle production, stable policy rates, and measures to control informal imports are expected to maintain demand and support sector margins. However, margin sustainability will remain contingent upon disciplined pricing, efficient cost management, and effective regulatory enforcement against smuggled products.

Government initiatives and investment are set to further strengthen the Tyres Sector. The proposed Greenfield Tyres Manufacturing Project in Gharo, Sindh, aims to expand domestic capacity, introduce advanced radial and ultra high-performance tyres, reduce import dependence, and achieve foreign exchange savings of approximately USD 500 million over the coming years. The project also has export potential, although its impact will depend on raw material availability, energy costs, and competitive pressures from smuggled tyres. Successful execution of this project could materially enhance domestic value addition and position Pakistan as a more competitive regional supplier.

Public sector investment will continue to provide moderate support. The FY2026 Public Sector Development Program allocates PKR 4,224 billion, supporting commercial vehicle infrastructure, while private freight demand remains the primary growth driver. The National Electric Vehicle Policy 2025–30 may further stimulate electrification of two and three wheelers, light passenger vehicles, and eventually Buses and Light Commercial Vehicles, creating long-term opportunities for tyre demand. Overall, the sector outlook remains positive, with vehicle production growth as the key driver of Tyres demand, while margins remain sensitive to interest rates, currency movements, and raw material costs. In aggregate, the sector is transitioning from a cyclical recovery phase toward a more structurally anchored growth trajectory, supported by macroeconomic stabilization, infrastructure investment, and evolving mobility trends.

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[58] https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf

[59] *https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Tyres%20-%20Oct%2725_1762158045.pdf*

3A. SHARE CAPITAL AND RELATED MATTERS

3A(i). SHARE CAPITAL

The current Share Capital of SLM Tyres is as follows:

Share Capital	No. of Shares	Face Value Per Share	Premium Per Share	Total
				PKR
Authorized Share Capital				
Ordinary Shares[60]	8,050,000,000	2.00	-	16,100,000,000
Issued, Subscribed & Paid-Up Capital				
Ordinary Shares of PKR 2.00/ each fully paid	7,405,022,725	2.00	-	14,810,045,450
Total	**7,405,022,725**	**2.00**	**-**	**14,810,045,450**
Breakdown of Issued, Subscribed and Paid – up Capital	**No. of Shares**	**Face Value Per Share**	**Premium Per Share**	**Total**
				PKR
Sponsors, Associated Companies, Undertakings and Related Parties				
Service Industries Limited	1,582,698,295	2.00	-	3,165,396,590
Chaoyang Long March Tyre Company Limited	3,152,500,000	2.00	-	6,305,000,000
Service Global Footwear Limited	1,354,858,520	2.00	-	2,709,717,040
Service Tyres (Private) Limited	716,477,275	2.00	-	1,432,954,550
Mr. Shabir Ahmad	377,238,635	2.00	-	754,477,270
Directors, Chief Executive Officer and Members of the Company				
Mr. Omar Saeed	200,000,000	2.00	-	400,000,000
Ms. Lubna Tahir	7,500,000	2.00	-	15,000,000
Mr. Khizr Hayat	7,500,000	2.00	-	15,000,000
Mr. Muhammad Zubair	1,500,000	2.00	-	3,000,000
Mr. Muhammad Abid Aleem	1,250,000	2.00	-	2,500,000
Mr. Hassan Shahid	1,250,000	2.00	-	2,500,000
Mr. Khurram Anwar	1,250,000	2.00	-	2,500,000
Mr. Atif Aziz	1,000,000	2.00	-	2,000,000
Total	**7,405,022,725**	**2.00**	**-**	**14,810,045,450**
New Issue of Ordinary Shares	**No. of Shares**	**Face Value Per Share**	**Premium Per Share**	**Total**
				PKR
New Issuance through IPO	389,738,038	2.00	12.25	5,553,767,042
Post IPO Paid Up Capital	**No. of Shares**	**Face Value Per Share**		**Total**
				PKR
Post IPO Paid Up Capital	7,794,760,763		2.00	15,589,521,526
Allocation of New Issue through IPO	**No. of Shares**	**Face Value Per Share**	**Premium Per Share**	**Total**
				PKR
Allocation to institutions / individual investors through Book Building process at Strike Price	292,303,528	2.00	12.25	4,165,325,274
General Public Portion	97,434,510	2.00	12.25	1,388,441,768
Total Issue Size	**389,738,038**	**2.00**	**12.25**	**5,553,767,042**

[60] *The Authorized Share Capital has been increased from PKR 15,250,000,000 to PKR 16,100,000,000, comprising 8,050,000,000 ordinary shares with a face value of PKR 2.00 each.*

3A(ii). PATTERN OF SHAREHOLDING OF THE ISSUER

Set out below is the current shareholding pattern of SLM as of the date hereof.

Names	Pre-IPO Shareholding		Post-IPO Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Service Industries Limited	1,582,698,295	21.37%	1,582,698,295	20.30%
Chaoyang Long March Tyre Company Limited	3,152,500,000	42.57%	3,152,500,000	40.44%
Service Global Footwear Limited	1,354,858,520	18.30%	1,354,858,520	17.38%
Service Tyres (Private) Limited	716,477,275	9.68%	716,477,275	9.19%
Mr. Shabir Ahmad	377,238,635	5.09%	377,238,635	4.84%
Sub – Total	**7,183,772,725**	**97.01%**	**7,183,772,725**	**92.16%**
Directors, Chief Executive Officer and Members of the Company				
Mr. Omar Saeed	200,000,000	2.70%	200,000,000	2.57%
Ms. Lubna Tahir	7,500,000	0.10%	7,500,000	0.10%
Mr. Khizr Hayat	7,500,000	0.10%	7,500,000	0.10%
Mr. Muhammad Zubair	1,500,000	0.02%	1,500,000	0.02%
Mr. Muhammad Abid Aleem	1,250,000	0.02%	1,250,000	0.02%
Mr. Hassan Shahid	1,250,000	0.02%	1,250,000	0.02%
Mr. Khurram Anwar	1,250,000	0.02%	1,250,000	0.02%
Mr. Atif Aziz	1,000,000	0.01%	1,000,000	0.01%
Sub – Total	**221,250,000**	**2.99%**	**221,250,000**	**2.84%**
Public Offering				
General Public	-	-	389,738,038	5.00%
Sub – Total	**-**	**-**	**389,738,038**	**5.00%**
Total	**7,405,022,725**	**100%**	**7,794,760,763**	**100%**

3A (iii). SPONSORS SHARES TO BE KEPT IN BLOCKED FORM

- **i.** As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- **ii.** As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Post Issue Paid Up Capital of the Company for not less than three years from the last date for the public subscription;
- **iii.** As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (iii) above shall be kept unencumbered in a blocked account with the CDC; and
- **iv.** As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations. Provided that a sale of at least 5% of the post issue paid up capital or PKR. 50 million, whichever is lower, shall constitute a block sale during the lock-in period.

Names of Sponsors	Pre-IPO Shareholding		Post-IPO Shareholding	
	No. Shares Held	%	No. Shares Held	%
Service Industries Limited	1,582,698,295	21.37%	1,582,698,295	20.30%
Chaoyang Long March Tyre Company Limited	3,152,500,000	42.57%	3,152,500,000	40.44%

Service Global Footwear Limited	1,354,858,520	18.30%	1,354,858,520	17.38%
Service Tyres (Private) Limited	716,477,275	9.68%	716,477,275	9.19%
Mr. Shabir Ahmad	377,238,635	5.09%	377,238,635	4.84%
Total	**7,183,772,725**	**97.01%**	**7,183,772,725**	**92.16%**

3A (iv). PRESENT ISSUE

The Offer comprises 389,738,038 Ordinary Shares of SLM having face value of PKR 2/- at Floor Value of PKR 14.25/- each, which constitute 5% of the Post-IPO Paid-up Capital of the Company.

Seventy-five percent (75%) of the entire Issue size i.e., 292,303,528 shares will be offered through Book Building Method at a Floor Price of PKR 14.25/- per share, with a maximum price band of up to 40% (i.e., PKR 19.95/- per share). The Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed under the Book Building process.

The remaining twenty-five percent (25%) of the Issue, i.e., 97,434,510 ordinary shares, will be offered to Retail Investors through the General Public portion at the Strike Price determined through the Book Building process. The Retail Portion shall be fully underwritten, with Dawood Equities Limited, Bank Alfalah Limited, Ismail Iqbal Securities (Private) Limited and Arif Habib Limited acting as the underwriters to the Issue.

The proceeds from the IPO at the Floor Price of PKR 14.25/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#		*PKR*
Book Building	292,303,528	14.25	4,165,325,274
Retail Portion	97,434,510	14.25	1,388,441,768
Public Issue	**389,738,038**	**14.25**	**5,553,767,042**

The proceeds from the IPO at the Cap Price of PKR 19.95/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#		*PKR*
Book Building	292,303,528	19.95	5,831,455,384
Retail Portion	97,434,530	19.95	1,943,818,475
Public Issue	**389,738,038**	**19.95**	**7,775,273,858**

3A (v). BREAKUP OF SHARES ISSUED DURING PRECEDING YEARS

The following table presents a break-up of shares issued by the Company since its inception, including right issues and bonus shares along with corresponding changes in total paid-up.

Sr. No.	Consideration	Date	No. of Shares Issued	Face value per share	Premium per share	Total Value
			#			*PKR*
1.	Against Cash	At the time of Incorporation	150,000,000	10.00	-	1,500,000,000
2.	Right Shares issued against Cash consideration	December 01, 2020	150,000,000	10.00	-	1,500,000,000
3.	Right Shares issued against Cash consideration	March 05, 2021	150,000,000	10.00	-	1,500,000,000
4.	Right Shares issued against Cash consideration	April 30, 2021	300,000,000	10.00	-	3,000,000,000

5.	Right Shares issued against Cash consideration	July 29, 2021	70,000,000	10.00	-	700,000,000
6.	Right Shares issued against Cash consideration	December 31, 2021	125,000,000	10.00	-	1,250,000,000
7.	Right Shares issued against Cash consideration	July 01, 2022	200,000,000	10.00	-	2,000,000,000
8.	Right Shares issued against Cash consideration	October 08, 2022	136,500,000	10.00	-	1,365,000,000
9.	Right Shares issued against Cash consideration	January 27, 2024	151,454,545	10.00	-	1,514,545,450
10.	ESOS shares issued against cash consideration	August 25, 2025	48,050,000	10.00	-	480,500,000
Total			**1,481,004,545**			**14,810,045,450**

STOCK SPLIT

In the Extraordinary General Meeting held on October 13, 2025, the shareholders of SLM approved a stock split, reducing the par value per share from PKR 10.00/- to PKR 2.00/-.

CAPITAL STRUCTURE (POST STOCK SPLIT)

Particulars	Amount	Number of Shares	Face Value
	PKR	*#*	*PKR*
Authorized Share Capital[61]	16,100,000,000	8,050,000,000	2.00
Paid-up Capital	14,810,045,450	7,405,022,725	2.00

The aforementioned capital structure represents the post–stock split position of the Company

3A (vi). EMPLOYEE STOCK OPTION SCHEME

On July 1, 2024, SLM established Employees' Stock Option Scheme, 2024 ("**ESOS 2024**") programmes that entitle key management personnel and senior employees falling under classification level MG2 and above to purchase shares in the Company. Under these programmes, holders of vested options are entitled to purchase shares at the specified exercise price. Currently, these programmes are limited to key management personnel and other senior employees.

The key term and conditions related to the grants under these programmes are as follows:

Option Grant Year	Number of Options	Vesting Period	Exercise Price
			Face Value *(PKR)*
First Option (2024)	81,500,000	31 July 2024 to 31 July 2025	10
Second Option (2024)	10,000,000	31 July 2024 to 31 July 2027	10

[61] The Authorized Share Capital has been increased from PKR 15,250,000,000 to PKR 16,100,000,000, comprising 8,050,000,000 ordinary shares with a face value of PKR 2.00 each.

Note: 48.050 million options/shares were granted under First Option with 1 year vesting period, and all options were exercised and shares allotted and 09 million options/shares were granted under Second Option with 3-year vesting period. The balance options/shares 1.0 million were not granted.

3A (vii). RELATED EMPLOYEES

Related Employees of the Company are as follows:

Sr. No.	Name	Designation
1.	Mr. Omar Saeed	Chief Executive Officer
2.	Mr. Tahir Maqsood	Company Secretary
3.	Mr. Atif Aziz	Chief Financial Officer
4.	Mr. Khizr Hayat	Chief Operating Officer
5.	Mr. Zhang Xingyou	Chief Marketing Officer
6.	Mr. Khurram Anwar	General Manager Sales
7.	Mr. Zia Zahid	Senior Manager Financial Reporting

Related employees of the Consultant to the Issue and/or Lead Manager (Arif Habib Limited) are as follows:

Sr. No.	Name	Designation
1.	Mr. Shahid Ali Habib	Chief Executive Officer
2.	Mr. Farhan Rizvi	Managing Director, Investment Banking
3.	Mr. Malik Harris Rehman	Assistant Vice President, Investment Banking
4.	Mr. Hamza Rehan	Assistant Vice President, Investment Banking
5.	Mr. Raheel Ahmed	Senior Associate, Investment Banking
6.	Mr. Saif Ul Haq	Associate, Investment Banking
7.	Mr. Ismail Memon	Associate, Investment Banking
8.	Mr. Ali Raza	Senior Analyst, Investment Banking
9.	Mr. Faizan Qureshi	Senior Analyst, Investment Banking
10.	Mr. Naveed Said	Senior Analyst, Investment Banking
11.	Mr. Muhammad Ali Bikiya	Analyst, Investment Banking
12.	Mr. Tasweeb Khan	Analyst, Investment Banking
13.	Mr. Sufiyan Khan	Analyst, Investment Banking
14.	Mr. Muhammad Ali Chandio	Analyst, Investment Banking

4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENT

4.1. PRINCIPAL PURPOSE OF THE ISSUE

The Company intends to offer **389,738,038** shares through this Initial Public Offering ("**IPO**") at a Floor Price of **PKR 14.25/-** per share raising proceeds of **PKR 5,553,767,042/-**. The proceeds will be utilized to partially finance the establishment of a Passenger Car Radial ("**PCR**") tyre manufacturing facility, including the procurement of state-of-the-art plant and machinery. The proposed facility forms a key component of the Company's growth strategy, aimed at expanding its product portfolio, enhancing production capabilities, and addressing growing demand in passenger tyre segments.

Upon initial completion of the PCR project, the facility is expected to achieve an annual installed capacity of approximately 2.0 million tyres in FY2028. Its design and layout allow for scalability, providing substantial potential for future expansion in line with market growth. This expansion is expected to significantly increase production capacity, broaden the product range, and strengthen long-term profitability.

In addition to increasing output, the facility will enable the Company to serve a wider customer base, improve competitive positioning, and support sustainable growth. By investing in modern manufacturing infrastructure, the Company aims to reinforce operational efficiency, maintain high-quality standards, and capitalize on emerging opportunities in the tyre industry.

4.2. TOTAL PROJECT COST

A detailed breakdown of the PCR project cost, along with the proposed financing plan, is presented in the table below:

Particulars	Cost *PKR*
Plant & Machinery Cost	
Curing Workshop - Plant & Machinery	3,524,000,000
Component Workshop -	3,048,000,000
Assembly Workshop - Plant & Machinery	2,412,000,000
Utilities & Central Services Equipment	2,256,000,000
Others & Contingency	1,332,000,000
Mixing & Compounding Workshop - Plant & Machinery	1,302,000,000
Quality Control & Lab Equipment	1,072,000,000
Total Plant & Machinery (A)	**14,946,000,000**
Construction Cost	
Civil Works	6,015,000,000
Mechanical, Electrical & Plumbing (MEP) Works	1,599,000,000
Total Construction Cost (B)	**7,614,000,000**
Total Project Cost (A+B) = C	**22,560,000,000**
Breakdown of Project Cost Financing	
Long-Term Loan Facilities	
Curing Workshop - Plant & Machinery	2,269,000,000
Component Workshop -	2,216,000,000
Utilities & Central Services Equipment	2,053,647,100
Assembly Workshop - Plant & Machinery	1,754,000,000

Others & Contingency	1,168,352,900
Quality Control & Lab Equipment	1,072,000,000
Mixing & Compounding Workshop - Plant & Machinery	747,000,000
Total Long-Term Loan (D)	**11,280,000,000**
IPO Proceeds Utilization	
Civil Works	1,751,267,042
Curing Workshop - Plant & Machinery	1,255,000,000
Component Workshop -	832,000,000
Assembly Workshop - Plant & Machinery	658,000,000
Mixing & Compounding Workshop - Plant & Machinery	555,000,000
Utilities & Central Services Equipment	202,352,900
Others & Contingency	163,647,100
MEP Works	136,500,000
Total IPO Proceeds Utilization (E)	**5,553,767,042**
Internal Cash Generation	
Civil Works	4,263,732,958
MEP Works	1,462,500,000
Total Internal Cash Generation based financing of Project Cost (F)	**5,726,232,958**
Grand Total (G) = (D) + (E) + (F)	**22,560,000,000**

4.3. UTILIZATION OF TOTAL PROJECT COST

A. SOURCE OF FUNDING

The total estimated cost for the PCR project expansion is **PKR 22,560,000,000/-**, which will be funded through a balanced mix of IPO proceeds, internally generated cash profits, and long-term financing.

Break-up of Fund Requirement	Funds	Contributions
	PKR	*%*
Long-Term Loan	11,280,000,000	50%
Internal Cash Generation	5,726,232,958	25%
IPO Proceeds*	5,553,767,042	25%
Total	**22,560,000,000**	**100%**

**IPO Proceeds are on the Floor price.*

Long Term Financing

The work on project is expected to commence in the fourth quarter of FY2026. The long-term financing component is planned to be availed in line with the project's implementation schedule, with drawdowns expected to begin in the fourth quarter of FY2027. As of the date of this prospectus, no long-term financing has been drawn, reflecting prudent financial planning and a phased approach to funding aligned with project milestones.

Internal Cash Generation

Internally generated cash flows will contribute to the funding of the project, demonstrating the Company's capacity to self-finance a portion of its expansion. These funds will be allocated strategically to meet capital expenditure requirements as the project progresses.

IPO Proceeds

The Company intends to utilize IPO proceeds to fund a portion of the expansion, ensuring efficient capital allocation and minimizing reliance on external borrowings. These funds will be deployed in accordance with the project timeline.

B. PROJECT COST UTILIZATION BREAKDOWN

Breakdown of the total project cost, showing how funds will be utilized across different project components:

Particulars	Costs (PKR)	% of Subtotal	% of Total Project Cost
Plant & Machinery Cost			
Curing Workshop - Plant & Machinery	3,524,000,000	24%	16%
Component Workshop -	3,048,000,000	20%	14%
Assembly Workshop - Plant & Machinery	2,412,000,000	16%	11%
Utilities & Central Services Equipment	2,256,000,000	15%	10%
Mixing & Compounding Workshop - Plant & Machinery	1,302,000,000	9%	6%
Others & Contingency	1,332,000,000	9%	6%
Quality Control & Lab Equipment	1,072,000,000	7%	5%
Sub – Total	**14,946,000,000**	**100%**	**66%**
Building and Construction Cost			
Civil Works	6,015,000,000	79%	27%
Mechanical, Electrical & Plumbing (MEP) Works	1,599,000,000	21%	7%
Sub – Total	**7,614,000,000**	**100%**	**34%**
Total Utilization	**22,560,000,000**	**100%**	**100%**

4.4. UTILIZATION OF IPO PROCEEDS

The Company intends to utilize the IPO proceeds to fund the PCR project's core infrastructure, including civil construction, mechanical, electrical, and plumbing (MEP) works, procurement and installation of plant and machinery, and payment of the technology fee.

Particulars	Costs (PKR)	% of Subtotal	% of Total IPO Proceeds
Plant & Machinery Cost			
Curing Workshop - Plant & Machinery	1,255,000,000	34%	23%
Component Workshop -	832,000,000	23%	15%
Assembly Workshop - Plant & Machinery	658,000,000	18%	12%
Mixing & Compounding Workshop - Plant & Machinery	555,000,000	15%	10%
Utilities & Central Services Equipment	202,352,900	6%	4%
Others & Contingency	163,647,100	4%	3%
Sub – Total	**3,666,000,000**	**100%**	**66%**
Building and Construction Cost			
Civil Works	1,751,267,042	93%	32%
Mechanical, Electrical & Plumbing (MEP) Works	136,500,000	7%	2%
Sub – Total	**1,887,767,042**	**100%**	**34%**
Total IPO Proceeds Utilization	**5,553,767,042**	**100%**	**100%**

4.5. DETAILS OF PLANT AND MACHINERY

Provided following are the details of total plant and machinery of PKR 14,946 Mn required for expansion project of the Company

Sr. No.	Description	Purpose	Suppliers	Cost
				PKR

1.	Mixing & Compounding Workshop – Plant & Machinery	Internal Mixer	Dalian Rubber & Plastic Machinery Company Limited	1,302
2.		Auto Dosing System	Qingdao Mesnac Machinery and Electric Engineering Company Limited	
3.		Twin Screw Extruder	Dalian Rubber & Plastic Machinery Company Limited	
4.		Open Mill	Dalian Rubber & Plastic Machinery Company Limited	
5.		Batch-Off Cooling Line	Qingdao Mesnac Machinery and Electric Engineering Company Limited	
6.		Chemical Weighing System	Qingdao Mesnac Machinery and Electric Engineering Company Limited	
7.	Components Workshop - Plant & Machinery	4-Roll Calenderine	Comerio Ercole S.p.A	3,048
8.		Open Mill	Dalian Rubber & Plastic Machinery Company Limited	
9.		Dosing Extruder	Tianjin Saixiang Technology Company Limited	
10.		Rubber Extrusion Line	Guilin Rubber Industry R&D Institute Company Limited / Qingdao Mesnac Machinery and Electric Engineering Company Limited	
11.		Bead Wire Winding Machine	Dalian Fu Tai Fu Zee Machinery Company Limited	
12.		Bead Apex Machine	Qingdao Mesnac Machinery and Electric Engineering Company Limited	
13.	Assembly Workshop - Plant & Machinery	Steel Cord Cutting Machine	Guilin Zhonghao Mech & Elec Equipment Company Limited / Tianjin Saixiang Technology Company Limited	2,412
14.		Fabric Cord Cutting Machine	Guilin Zhonghao Mech & Elec Equipment Company Limited / Tianjin Saixiang Technology Company Limited	
15.		Single-Stage Tyre Building Machine (TBM)	Qingdao Mesnac Machinery and Electric Engineering Company Limited	
16.		Two-Stage Tyre Building Machine (TBM)	Beijing Jingyie Mechanical Equipment Company Limited	
17.	Curing Workshop - Plant & Machinery	Tyre Curing Machine	Qingdao Mesnac Machinery and Electric Engineering Company Limited / Sinochem (Fujian) Rubber and Palstics Machinery Company Limited	3,524
18.		Mould Cleaning Equipment	Qingdao Hifortune Rubber Machinery and Mold Company Limited	
19.		Tyre Handling Conveyor System	Suzhou Zetong Automation Equipment Company Limited	
20.		Curing Moulds	Himile Mechanical Science and Technology (Shandong) Company Limited / Mesnac Union Technology Company Limited	
21.	Quality Control and Laboratory Equipment	Tyre Uniformity & Balancing Machine	Kokusai Company Limited / Qingdao Mesnac Machinery and Electric Engineering Company Limited	1,072
22.		Tyre X-Ray Inspection Machine	Liaoning Instrument Research Institute Company Limited / Qingdao Mesnac Machinery and Electric Engineering Company Limited	

23.		Tyre Endurance Machine	Tianjin Jiurong Industry Tech Company Limited	
24.		Other Laboratory Equipment	Norka Instruments Shanghai Ltd. / Alpha Technologies Services, Inc	
25.	Utilities and Central Services Equipment	Central Compressed Air System	Hunan Yuanheng Technology Company Limited / Liaoning Licheng Technology Development Company Limited	2,256
26.		HVAC System	Jinan Teng-An International Trading Company Limited / Shuangliang International (Shanghai) Company Limited / Hunan Yuanheng Technology Company Limited / Liaoning Licheng Technology Development Company Limited	
27.		Power Supply and Power Distribution System	Shenyang Tongyun Power Equipment Project Company Limited / Pakistan Cables Limited, Fast Cables Limited, Newage Cables (Pvt) Limited	
28.		Fixtures, Carts and Trolleys	-	
29.	Other and Contingency	-	-	1,332
Total				**14,946**

4.6. EXPANSION DETAILS

Building on its established operational foundation, SLM intends to develop a new Passenger Car Radial ("**PCR**") tyre facility, which is expected to achieve an installed production capacity of approximately 2.0 million tyres in FY2028 once operational. This capacity will substantially enhance overall manufacturing scale, enabling SLM to serve a larger and higher-volume segment of the automotive market.

The PCR segment represents a significantly larger addressable market compared to the TBR segment, offering the Company opportunities for revenue diversification, reduced market concentration risk, and improved growth visibility. Additionally, Pakistan's PCR tyre market currently exhibits a high dependence on imported products, presenting a strategic opportunity for domestic production supported by modern, technologically advanced plant and machinery.

The new facility is expected to enhance product quality, improve cost efficiencies, and strengthen SLM's competitive positioning in both domestic and export markets. The project has been formally approved by the Board of Directors, with construction anticipated to be completed within approximately one and a half year. The IPO proceeds will form part of the project's financing, directly supporting this strategic expansion initiative. This alignment of investor capital with a clearly defined growth plan is designed to increase production capacity, expand market share, and create long-term shareholder value.

The entire PCR tyre project is currently in the planning and development phase and is not yet operational. The proposed IPO will provide the necessary financing for establishing this state-of-the-art manufacturing facility. Upon completion of the expansion, expected by FY2028, the PCR production line will become operational, with capacity being gradually ramped up in line with market demand. Once fully operational, the facility is projected to achieve an installed production capacity of approximately 2.0 million tyres in FY2028, with substantial potential for further growth, positioning SLM to capture a meaningful share of the domestic and export PCR tyre market.

4.7. INFORMATION RELATING TO LAND

With regards to the overall expansion plan, the Company already has the land available adjacent with their current facilities located at S.I.T.E Nooriabad, Sindh. This will facilitate the Company in enhancing its production capacity and in meeting future needs of incremental warehousing & storage space for materials & finished goods. Brief particulars of the land currently possessed by the Company.

Particular	Location Area	Area	Status
Land	Plot # B-61, Jamtamachi Road, Sindh Industrial Trading Estate, Nooriabad, Sindh	50 Acres	Owned by SLM
Land	Plot # B-62, Jamtamachi Road, Sindh Industrial Trading Estate, Nooriabad, Sindh	15 Acres[62]	Owned by SLM

SLM currently owns approximately total of 50 acres of land, of which around 14 acres area remain vacant. Out of this 14 acres, approximately 9 acres have been earmarked for the development of the PCR plant. This land is already part of the Company's existing 50 acres site, located adjacent to the current TBR facility. The proximity of the site is expected to enable seamless integration and support the efficient expansion of the Company's manufacturing operations.

4.8. DETAILS REGARDING THE COMPLETION OF EXPANSION

The Company currently expects to complete the PCR Project by the end of 2Q FY2028 (December, 2027), with commercial production expected to commence at the beginning of 3Q FY2028 (January , 2028).

4.9. INCREASE IN CAPACITY POST – EXPANSION

Units	FY2026 (F)	FY2027 (F)	FY2028 (F)	FY2029 (F)	FY2030 (F)
PCR Production Line					
Installed Capacity	-	-	1,000,000[63]	2,500,000	3,000,000
Actual Production	-	-	900,000	2,375,000	2,850,000
Capacity Utilization (%)	-	-	90%	95%	95%

[62] SLM acquired an additional 15 acres of land in January 2026, adjacent to its existing 50-acre facility, to support future expansion, including the installation of wind turbines, as well as the development of warehousing and residential (dormitory) infrastructure.
[63] Upon completion as of January 2028, the PCR facility will have an installed capacity of 2.0 million tyres in FY2028 per annum. The 1.0 million figure reflects available capacity for the financial year 2028.

4.10. IMPLEMENTATION SCHEDULE

Sr. No.	Particulars	Start Date	End Date
1.	Planning and Design Works	February 2026	May 2026
2.	Award of Civil & MEP Works	May 2026	June 2026
3.	Groundbreaking	June 2026	
4.	Machinery Operating (Multiple Packages)	May 2026	August 2026
5.	Machinery Lead Time (Overall)	June 2026	May 2027
6.	Phased Machinery Deliveries	April 2027	June 2027
7.	Civil and MEP Works	June 2026	June 2027
8.	Installation & Commissioning	June 2027	September 2028
9.	Trial Production	October 2027	December 2027
10.	Project Completion Date	January 2028	

4.11. UTILIZATION OF EXCESS IPO FUND, IN CASE THE STRIKE PRICE IS DETERMINED ABOVE THE FLOOR

In the event that the Strike Price is determined above the Floor Price, any excess funds raised may be applied towards any of the categories of expenditure outlined in **Section 4.2** of this Prospectus. If utilized for this purpose, the Company may reduce reliance on long-term financing or internal cash generation, accordingly. Alternatively, excess funds may also be allocated to support the working capital requirements of the PCR project, including any potential cost overruns, to ensure operational flexibility and facilitate scale-up beyond the currently stated base-level investments.

4(i). POST ISSUE MATTERS. (REPORTING AND EXIT OPPORTUNITY)

i. POST ISSUANCE REPORTING REQUIREMENTS AS PER REGULATION 16 OF THESE REGULATIONS

The issuer, Service Long March Tyres Limited, upon completion of the public offer shall:

1. Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts (till the fulfilments of the commitments mentioned in the prospectus).
2. submit a: (a) Half yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfilment of the commitments mentioned in the prospectus stating the following:
   - Implementation status of the project/commitment made in the prospectus as per format given below; and
   - Detailed Break-up utilization of the proceeds raised from the issue.
3. Submit a final report reviewed by the auditor after the fulfilment of the commitments mentioned in the prospectus.

ii. EXIT OPPORTUNITY MECHANISM AS PER REGULATION 16(A)OF THESE REGULATIONS

a. The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.

b. In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.

c. Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in non-completion of principal purpose of issue in a timely manner as disclosed in the prospectus.

d. The mechanism for an exit offer opportunity shall be as under:

   i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.

   ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:

      a. Intrinsic value based on the latest available audited accounts;

      b. Weighted average closing price for last six preceding months;

      c. offer price at which the shares were subscribed through IPO.

   iii. The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.

4A. VALUATION SECTION

4A (i). JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND. THE JUSTIFICATION MUST INCLUDE APPROPRIATE VALUATION MODELS, INCLUDING THE DISCOUNTED CASH FLOW (DCF) MODEL, DIVIDEND DISCOUNT MODEL (DDM), AND/OR GORDON GROWTH MODEL (GGM).

Disclaimer:

The offer price/floor price and price band are set by the Issuer and Consultant to the Issue using appropriate valuation models, and that the Commission and the Securities Exchange have neither assessed nor validated the pricing or the underlying valuation model. The Commission and the Securities Exchange do not assess, validate or endorse the price of a transaction, as pricing is purely a function of market forces; whereby minimum price is determined by the Consultant to the Issue/Issuer and final price is set by the investors.

Valuation – Free Cash Flow to Firm ("FCFF")

Cost of Equity	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Risk Free Rate (%)[64]	12.45%	12.00%	11.00%	11.00%	10.00%	10.00%	10.00%	10.00%
Beta[65]	0.79	0.79	0.79	0.79	0.79	0.79	0.79	0.79
Equity Risk Premium (%)[66]	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cost of Equity[67]	**17.16%**	**16.71%**	**15.71%**	**15.71%**	**14.71%**	**14.71%**	**14.71%**	**14.71%**

Cost of Debt	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Average Borrowing Cost (%)	6.6%	7.7%	6.6%	6.2%	6.2%	3.6%	3.8%	9.5%
Cost of Debt (After Tax) (%)[68]	**6.63%**	**7.75%**	**6.64%**	**6.22%**	**6.19%**	**3.63%**	**3.75%**	**5.79%**

Running Weighted Average Cost of Capital ("Running WACC")	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Debt (PKR)	22,621.49	32,184.11	32,479.51	29,563.94	25,004.36	17,158.72	12,308.18	12,308.18
Debt Weight (%)[69]	34.406%	37.110%	31.747%	25.776%	19.206%	11.859%	7.506%	6.909%
Equity (PKR)	43,127.70	54,542.22	69,829.37	85,131.59	105,182.82	127,532.08	151,659.74	165,834.21
Equity Weight (%)	65.594%	62.890%	68.253%	74.224%	80.794%	88.141%	92.494%	93.091%
Sustainable Growth (%) [70]	3.00%							
Running WACC[71]	**13.54%**	**13.39%**	**12.83%**	**13.26%**	**13.07%**	**13.40%**	**13.89%**	**13.94%**

Free Cash Flow to Firm ("FCFF") Valuation	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Free Cash Flows								***PKR'000***
Profit After Tax	13,144.18	17,399.08	23,896.69	30,604.44	40,102.45	44,698.53	48,255.31	28,348.94
Interest	1,397.86	2,123.71	2,147.52	1,930.13	1,687.90	764.79	552.86	1,168.27
Depreciation & Amortization	1,764.80	2,442.95	3,561.84	3,852.81	4,011.86	4,000.06	3,971.74	3,930.99
CAPEX	(11,681.22)	(20,560.00)	(10,338.00)	(11,420.00)	(2,000.00)	(2,000.00)	(2,000.00)	(2,000.00)

[64] 5 Year PIB yield (April 01, 2026)
[65] Market Cap weighted Beta (GTYR, PTL)
[66] Equity Risk Premium has been derived from the implied equity return over the past 20 years, which has averaged approximately 06% above the average long-term Government bond yield.
*[67] Cost of Equity = Risk Free Rate + (Risk Free Rate – Risk Premium) *Beta*
[68] Total Finance Cost for the year / Average Interest-Bearing Debt
[69] Debt / Total Capital
[70] Aligned with Pakistan's long-term historical GDP growth, which has averaged around 3.0% or higher over 20 years, representing a reasonable long-term sustainable growth assumption.
[71] Weighted Cost of Debt + Weighted Cost of Equity

Change in Working Capital	(4,339.61)	(4,350.26)	(5,239.96)	(4,164.04)	(7,285.67)	(2,465.17)	(2,276.68)	(298.07)
FCFF	**286.00**	**(2,944.53)**	**14,028.09**	**20,803.33**	**36,516.54**	**44,998.21**	**48,503.23**	**31,150.13**
Terminal Value	-	-	-	-	-	-	-	**293,334.42**

Discounting								
Year	0.25	1.25	2.25	3.25	4.25	5.25	6.25	7.25
Discounting Factor	0.97	0.85	0.76	0.67	0.59	0.52	0.44	0.39

Present Value ("PV") of FCFF	277.07	(2,516.64)	10,691.31	13,878.03	21,662.70	23,257.21	21,517.45	12,672.89
PV of TV	-	-	-	-	-	-	-	**113,898.60**

Enterprise Value	214,760,985
Cash	4,571,150
Debt	(19,548,893)
Equity Value[72]	199,783,242
Number of Shares	7,794,761
Value / Share	25.63
Floor Price	14.25
Upside %	**79.86%**

Dividend Discount Model:

The Dividend Discount Model ("**DDM**") is typically appropriate for companies with a stable and predictable dividend payout profile. While SLM has made dividend distributions, these have not been consistent or periodic in nature. As a relatively new and growth-oriented company, SLM is currently focused on expansion and reinvestment of earnings to support its ongoing and planned projects. Given this capital allocation approach, dividend payments are not expected to follow a stable or long-term predictable pattern in the near term. Accordingly, the application of the DDM may not reliably capture the Company's intrinsic value at this stage. Therefore, a valuation approach based on Free Cash Flows to the Firm ("**FCFF**") is considered more appropriate, as it better reflects the Company's growth profile and reinvestment strategy.

Justification for the Premium: 40% Upside

Based on the valuation assessment, the FCFF model indicates a fair value of PKR 27.50 per share, reflecting a potential upside of 79.86% over the floor price of PKR 14.25 and 28.47% over the cap price of PKR 19.95. The cap price represents a premium of approximately 40% over the floor price.

In addition, on a relative valuation basis, SLM is being offered at a P/E multiple of 8.32x, compared to the Automobile Parts & Accessories sector average P/E of 8.79x (as detailed in Section 4A(xi)). This implies that SLM is being offered at a discount of approximately 5.35% to the sector, making it an attractive investment opportunity relative to its peers, particularly in light of its growth profile and ongoing expansion plans.

Accordingly, the proposed pricing appropriately balances the Company's intrinsic value, as reflected by the FCFF valuation, while remaining attractive relative to comparable listed companies.

4A (ii). SUCCESSFUL OPERATIONAL HISTORY

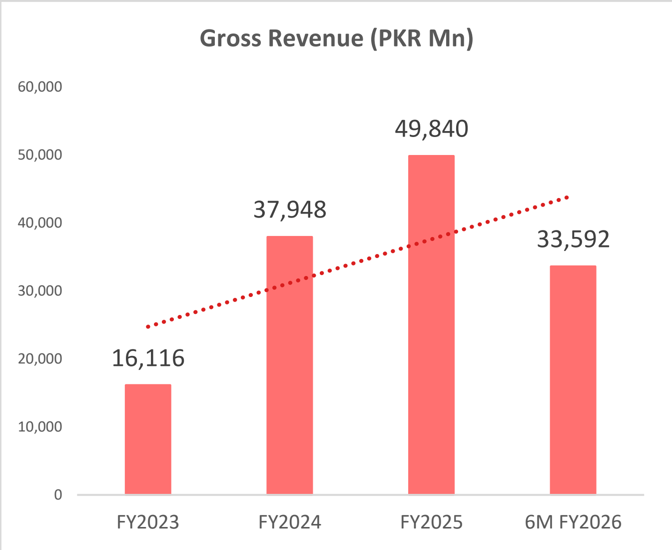
Service Long March Tyres Limited ("**SLM**") was incorporated on January 07, 2020 as a joint venture between Service Industries Limited ("**SIL**") and Chaoyang Long March Tyre Co., Ltd. ("**LM**") with the objective of establishing large-scale tyre manufacturing capabilities in Pakistan and catering to the domestic demand for Truck and Bus Radial ("**TBR**") tyres, a segment that historically lacked a mass-scale local producer.

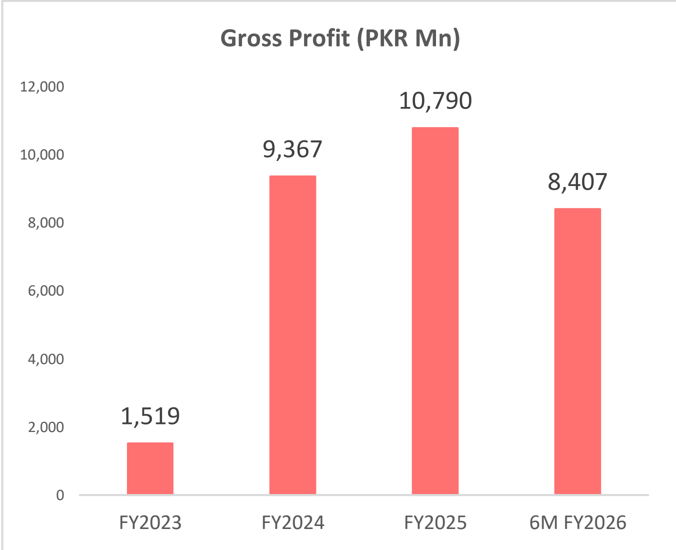
[72] *Equity Value = Enterprise Value + Cash - Debt*

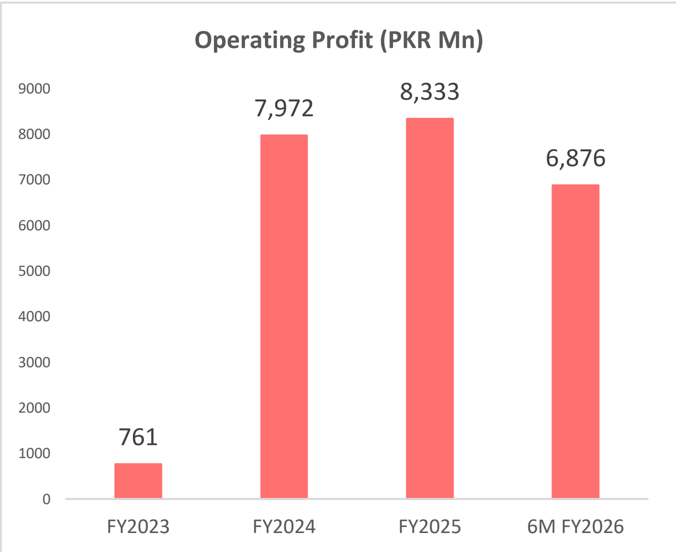
Following the commencement of commercial operations in March 2022, SLM has rapidly established itself as one of the largest producer of TBR tyres in Pakistan. The Company as of 6M FY2026 is operating with an installed annual production capacity of approximately 1.6 million tyres and has demonstrated strong operational efficiency with capacity utilization reaching approximately 98.67% per annum. This strong operational performance reflects the Company's efficient production processes, growing market acceptance of its products, and the increasing demand for locally manufactured TBR tyres within Pakistan's commercial transport and logistics sector.

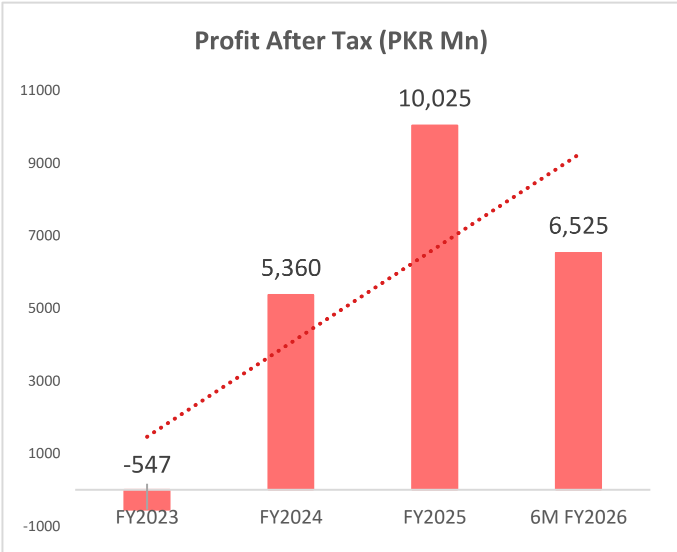
4A (iii). FINANCIAL PERFORMANCE

From a financial performance perspective, the Company has demonstrated strong and accelerating growth momentum since the commencement of operations. Revenues increased from PKR 16,116.02 million in FY2023 to PKR 37,947.62 million in FY2024, and further to PKR 49,840.19 million in FY2025, representing a year-on-year growth of approximately 135.47% in FY2024 and 31.34% in FY2025. Over the period from FY2023 to FY2025, the Company's revenues expanded at a CAGR of approximately 75.86%, reflecting rapid scale-up of operations and strong market acceptance. This robust top-line growth has been complemented by healthy profitability, with PAT reaching PKR 10,025 million in FY2025, underscoring efficient cost management and operational leverage. This growth has been driven primarily by higher sales volumes, improved capacity utilization, and increased penetration in both domestic and export markets. The Company's financial profile is supported by healthy operating cash flows, disciplined cost management, and an efficient working capital cycle. While capital structure reflects leverage associated with capacity expansion and working capital requirements, a meaningful portion of borrowings has been secured under concessionary financing schemes, moderating financing costs and mitigating overall financial risk exposure.









4A (iv). KEY CUSTOMERS

Customer	Country of Origin	Goods / Services Provided	% to Sales FY2023	% to Sales FY2024	% to Sales FY2025	% to Sales 6M FY2026
Local Customers						
City Tyre & Rubber Company	Pakistan	Tyres	3.2%	5.1%	8.3%	12.9%
Z & H Enterprises (Private) Limited	Pakistan	Tyres	0.1%	0.0%	6.7%	4.8%
New Multan Tyre House	Pakistan	Tyres	1.6%	2.1%	4.9%	4.3%
Shah Faisal Trader	Pakistan	Tyres	0.0%	0.0%	4.4%	3.1%
M/s Atif Brothers	Pakistan	Tyres	3.2%	1.7%	3.9%	2.9%
National Logistics Corporation	Pakistan	Tyres	3.1%	2.7%	1.9%	2.4%

Frontier Traders	Pakistan	Tyres	0.0%	0.0%	2.1%	1.8%
M/s Waziristan Tyre Traders	Pakistan	Tyres	0.0%	0.0%	1.5%	1.7%
M/s Cheema Tyre House	Pakistan	Tyres	0.0%	0.0%	1.1%	1.6%
Zabardast Trading Company	Pakistan	Tyres	0.2%	0.4%	1.6%	1.5%
Karachi Tyre House	Pakistan	Tyres	0.4%	0.0%	1.4%	1.3%
BSL (Pvt) Ltd	Pakistan	Tyres	0.2%	1.1%	1.0%	1.2%
M/s New Fancy Tyre House	Pakistan	Tyres	0.0%	0.0%	1.1%	1.0%
Sufi Logistics (Pvt) Ltd	Pakistan	Tyres	1.0%	0.9%	1.3%	0.9%
Myco (Private) Limited	Pakistan	Tyres	0.0%	0.3%	2.3%	0.8%
Seven Star Old & New Tubes & Tyre	Pakistan	Tyres	0.0%	0.0%	1.0%	0.4%
Director General Defence Purchase	Pakistan	Tyres	0.0%	2.0%	1.0%	0.3%
Global Tyre Corporation	Pakistan	Tyres	0.0%	0.3%	2.3%	0.0%
Platinum Trading Company	Pakistan	Tyres	0.0%	0.9%	1.5%	0.0%
M/s Myco Corporation	Pakistan	Tyres	0.0%	0.3%	1.4%	0.0%
International Customers						
Sutong Tyre Resources Inc.	USA	Tyres	36.2%	41.7%	51.7%	38.9%
America Koryo Inc.	USA	Tyres	25.7%	20.7%	22.7%	13.8%
JBC Group Limited	Hong Kong	Tyres	16.3%	4.5%	2.4%	7.8%
Cantu Store Inc.	Brazil	Tyres	0.0%	9.4%	8.5%	4.3%
Organization Emotion International	Mexico	Tyres	1.8%	4.6%	5.3%	3.4%

4A (v). WIDE PRODUCT RANGE

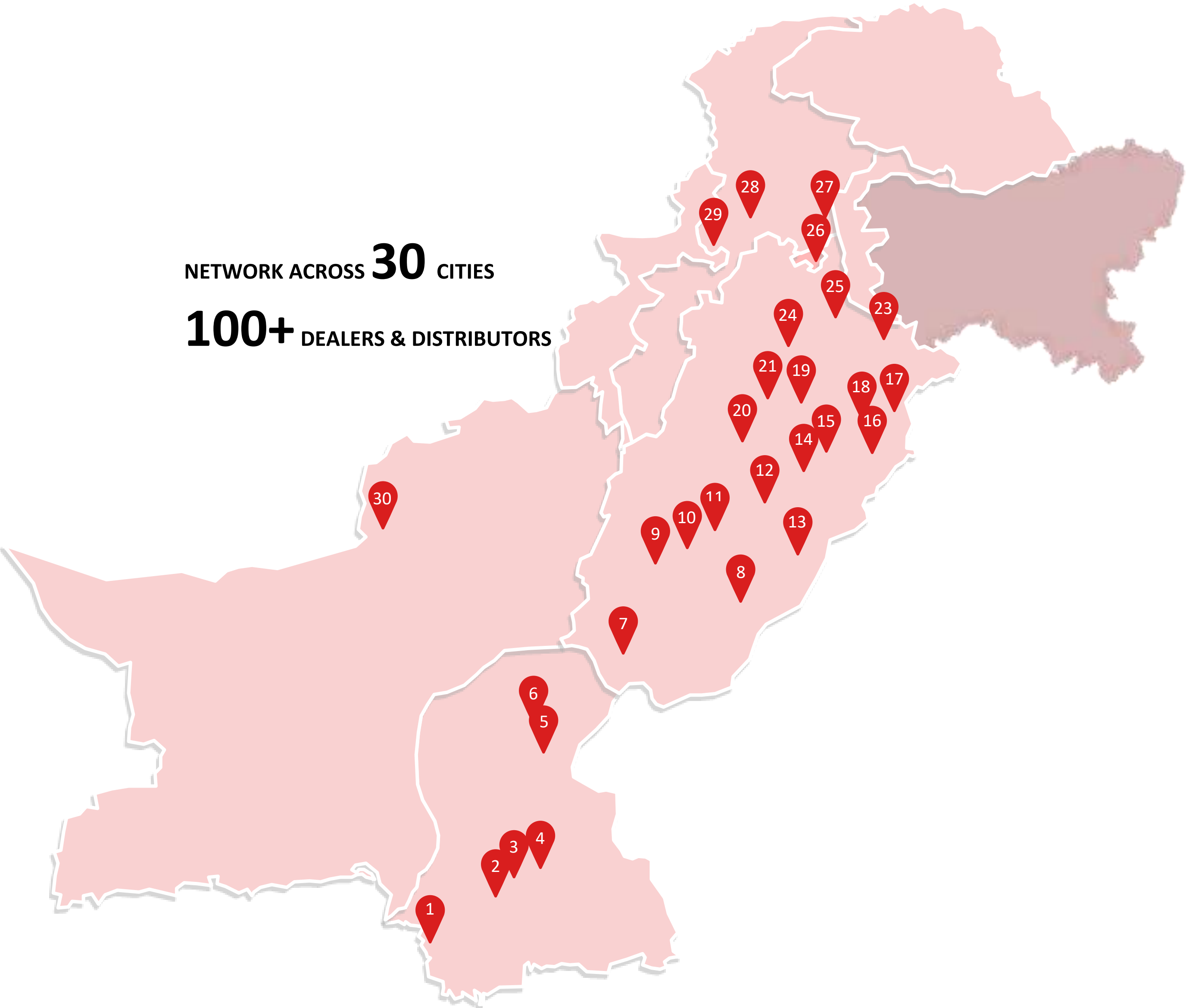
Service Long March Tyres Limited markets its products under its own established brands, including SLM Tires, Starlux, and Roadlux, catering to a diverse range of commercial and consumer segments. The Company's product portfolio is designed to meet varying operational requirements, from heavy-duty transport to passenger vehicles, combining durability, safety, and performance.

Each brand addresses specific market needs, ensuring a strong presence across multiple tyre categories while reinforcing SLM's commitment to quality, innovation, and customer satisfaction. The Company continues to expand its portfolio strategically, aligning product offerings with evolving market demands and emerging automotive trends, The details in relation to the wide range of the products offered by the company are mentioned in section 3.11.

4A (vi). DIVERSIFEID BUSINESS SEGMENTS

While the Company's primary business is the manufacturing of TBR tyres, its revenue is not concentrated in a single customer segment. To strengthen growth and diversify income streams, the Company is actively initiating a PCR tyre project. This strategic expansion, coupled with an increasingly diversified customer base, is expected to provide significant incremental revenue opportunities and enhance the Company's long-term market resilience.

4A (vii). STRONG DISTRIBUTION NETWORK



4A (viii). GEOGRAPHIC PRESENCE

Particulars	Address	Type
Corporate Office	Servis House, 2-Main Gulberg, Lahore, Lahore	Owned by Service Industries Limited
Production Facility / Plant	Plot # B-61, Jamtamachi Road, Sindh Industrial Trading Estate, Nooriabad, District Jamshoro, Sindh,	50 Acres Owned by SLM

Dormitories, Warehouse & Wind Turbine	Plot # B-62, Jamtamachi Road, Sindh Industrial Trading Estate, Nooriabad, District Jamshoro, Sindh.	15 Acres Owned by SLM[73]
Warehouse	Plot # A-1, Survey 1& 5, PAF Base Masroor, M10, Hub River Road, Baldia, Town Karachi.	Rental
Workshop	Plot # 2 Gate No 03 Gali No 01, Quid e Azam Truck Stand, Karachi.	Rental

4A (ix). ACCREDITATION

Certification Name	Awarding Body	Details
ISO 9001:2015	SGS Pakistan	ISO 9001:2015 enables consistent quality, process standardization, risk reduction, and enhanced customer satisfaction, boosting efficiency and business credibility.
E-mark Facility Appraisal	VCA (UK)	E-Mark COP & Facility Appraisal evaluates a manufacturer's production system and facilities to ensure continuous compliance with E-Mark (ECE) regulations.
INMETRO Certification (Brazil)	National Institute of Metrology, Quality, and Technology (CELAC, Brazil)	INMETRO Certification (Brazil) ensures products meet Brazil's safety, quality, and performance standards, enabling legal market access and consumer trust.
DOT Certification (USA)	National Highway Traffic Safety Administration (USA).	DOT Certification (USA) verifies that products meet U.S. safety standards, ensuring legal sale and regulatory compliance.
GSO Certification	GSO	GSO Certification ensures that products meet the Gulf Cooperation Council (GCC) Standardization Organization's safety, quality, and regulatory requirements for legal sale in GCC countries.
NRCS Certification (South Africa)	NRCS	NRCS Certification (South Africa) verifies that products comply with South Africa's safety, quality, and performance standards, ensuring legal market access and consumer protection.

4A (x). DISCLOSURE OF POST ISSUE FREE FLOAT

Post IPO, the share capital of SLM will increase from 7,405,022,725 Ordinary Shares to 7,794,760,763 Ordinary Shares. The free float status of SLM post IPO is provided hereunder:

Current Shareholder	No. of Shares	Shareholding %	Free Float %
Sponsors, Associated Companies, Undertakings and Related Parties			
Service Industries Limited	1,582,698,295	20.30%	-
Chaoyang Long March Tyre Company Limited	3,152,500,000	40.44%	-
Service Global Footwear Limited	1,354,858,520	17.38%	-
Service Tyres (Private) Limited	716,477,275	9.19%	-
Mr. Shabir Ahmad	377,238,635	4.84%	-
Directors, CEO and Members of Directors / CEO of the Company			
Mr. Omar Saeed	200,000,000	2.57%	-
Employees or Members of the Company			
Ms. Lubna Tahir	7,500,000	0.10%	0.10%

[73] SLM acquired an additional 15 acres of land in January 2026, adjacent to its existing 50-acre facility, to support future expansion, including the installation of wind turbines, as well as the development of warehousing and residential (dormitory) infrastructure.

Mr. Khizr Hayat	7,500,000	0.10%	0.10%
Mr. Muhammad Zubair	1,500,000	0.02%	0.02%
Mr. Muhammad Abid Aleem	1,250,000	0.02%	0.02%
Mr. Hassan Shahid	1,250,000	0.02%	0.02%
Mr. Khurram Anwar	1,250,000	0.02%	0.02%
Mr. Atif Aziz	1,000,000	0.01%	0.01%
Public Offering			
General Public	389,738,038	5.00%	5.00%
Total	**7,794,760,763**	**100%**	**5.29%**

4A (xi). PEER GROUP ANALYSIS

The peer group analysis presented below is based on trailing twelve months (TTM) performance.

PKR Mn	SLM	GTYR	PTL	BWHL	AGIL	ATBA
Pricing Comparison						
Number of Shares (Mn)	7,405.02***	121.93	168.00	13.33	36.00	35.02
Number of Shares (Mn) (post-IPO)	7,794.76	-	-	-	-	-
Share price**	14.25	27.32	52.86	189.67	147.41	206.82
EPS[74]*	1.71	(4.54)	5.38	30.45	14.29	(0.62)
EPS (post-IPO)	1.63	-	-	-	-	-
BVPS[75]	4.22	53.93	54.31	181.82	130.26	227.15
BVPS (post-IPO)	4.72	-	-	-	-	-
P/E[76]*	8.32	(0.17)	9.82	6.23	10.23	(335.61)
P/E* (Post-IPO)	8.76	-	-	-	-	-
P/B[77]	3.38	0.46	0.90	0.96	1.07	0.83
P/B (Post-IPO)	3.02	-	-	-	-	-
Industry Average P/E****	8.79					
Industry Average P/B****	1.05					
KSE-100 P/E	7.8					
KSE-100 P/B	1.4					
ROE[78]*	40.61%	(8.42%)	9.91%	16.75%	10.97%	(0.27%)
ROA[79]*	22.16%	(2.54%)	3.47%	14.99%	6.87%	(0.10%)
Free Float – No. of Shares (Mn)	403.49	48.77	42.00	7.33	21.60	8.75
Free Float (%)	5.29%	40%	25%	55%	60%	25%

**Based on the TTM earnings for each company (trailing twelve months) for the period December 31, 2024, to December 31, 2025.*
***LDCP as of April 08, 2026*
****SLM number of shares mentioned here are Post Split which happened in October however, these are not yet reflected in the Financial Statement, further details of share are provided in section 3A(v)*
***** As there are no directly comparable listed companies with a similar business model and scale as SLM, the P/E multiple has been derived with reference to PTL, BWHL, and AGIL, which, in our assessment, provide the closest available benchmarks. Other companies have been included in the broader peer set for completeness of analysis, however, certain differences in business model, scale, and operating characteristics may limit their comparability for valuation purposes. Additionally, certain companies have not been considered deriving the applicable multiple, as their financial performance, mainly due to losses, makes them outliers and less meaningful for valuation comparison.*

Note: Service Long March Tyres Limited is primarily engaged in the mass production of Truck and Bus Radial (TBR) tyres. Accordingly, the companies included in the peer comparison are not direct competitors in terms of product mix and production scale but have been selected from the broader sector to provide an indicative industry comparison. While Ghandhara Tyre and Rubber Company Limited (GTYR) and Panther Tyres Limited

[74] EPS = Total Earnings / Total No. of Shares
[75] BVPS = Total Equity / Total No. of Shares
[76] P/E = Share Price / Earnings Per Share
[77] P/B = Share Price / Book Value per Share
[78] ROE = Profit After tax / Average Equity
[79] ROA = Profit After tax / Average Assets

(PTL) are tyre manufacturers operating in Pakistan, they do not operate mass-scale TBR comparable to those of SLM.

5. RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. BUSINESS RISK

Sales volumes and profitability of SLM Tyres may be adversely affected by a decline in demand for the Company's products or increased competition within the tyre industry. Demand for tyres is derived from both the original equipment manufacturer segment and the replacement market. The original equipment manufacturer segment is influenced by trends in automotive production and vehicle sales, while the replacement market is driven by ongoing vehicle usage, wear and tear, and periodic tyre replacement requirements.

In addition, demand is supported by the transport and logistics sector, including heavy vehicle freight operations, which contributes to consistent tyre consumption due to continuous vehicle utilization. Any slowdown or adverse developments in the automotive sector, reduction in vehicle usage, decline in freight activity, or changes in consumer and business spending patterns may negatively impact the Company's revenues, margins, and overall financial performance.

5.1.2. PROJECT RELATED RISK

SLM Tyres planned projects, including capacity expansions and new product initiatives, are subject to inherent project-related risks. These risks may arise from delays in construction, procurement, or commissioning of new facilities, including the upcoming PCR tyre expansion. Factors such as changes in government regulations, delays in obtaining necessary approvals, logistical challenges, or shortages of key raw materials could impact the project timeline and associated capital expenditure.

Any delays or cost overruns in project execution could affect the Company's ability to ramp up production as planned, potentially leading to lower-than-expected revenues and profits in the near term. Additionally, new projects require integration with existing operations, and operational disruptions during the transition period may temporarily affect manufacturing efficiency or supply chain continuity.

While SLM Tyres has implemented robust project management and risk mitigation practices, including experienced technical oversight and supplier monitoring, investors should note that project execution remains subject to uncertainties that could impact overall performance and growth targets.

5.1.3. CUSTOMER CONCENTRATION RISK

A significant portion of the Company's export revenue is derived from a limited number of customers. In particular, approximately 51.7% of the Company's export sales are concentrated with a single customer. This reflects the Company's ability to establish strong and recurring business relationships with key customers. However, this level of reliance exposes the Company to counterparty and concentration risk, as any adverse change in the financial condition, business strategy, or demand patterns of this customer could impact on the Company's export revenues, profitability, and cash flows.

The Company is actively undertaking initiatives to diversify its customer base and expand its export footprint, including exploring and developing relationships with potential customers in Europe and Africa. These efforts are expected to enhance export revenue resilience and support long-term growth and are likely to reduce the customer concentration over time. However, the extent and timing of such reduction will depend on the successful development and onboarding of new customers.

5.1.4. RAW MATERIAL SUPPLY / PRICE RISK

The cost of sales of SLM Tyres is significantly influenced by fluctuations in international prices of natural rubber, synthetic rubber, and other key raw materials used in tyre manufacturing. Any increase in raw material prices arising from global supply constraints, adverse farming conditions, natural disasters, geopolitical factors, or depreciation of the Pakistani Rupee against major foreign currencies may result in higher production costs and pressure on the Company's profitability margins.

The Company has not entered into long-term exclusive supply agreements with its raw material vendors. Accordingly, any disruption or delay in the availability of raw materials may adversely affect the Company's production schedules, operational efficiency, and profitability.

5.1.5. OPERATIONAL RISK

Operational risk refers to the possibility of losses arising from inadequate or failed internal processes, systems, human resources, or external events. Such risks may adversely affect the Company's operational efficiency, financial performance, reputation, relationships with stakeholders, and shareholder value.

SLM Tyres relies on a skilled and experienced workforce to carry out its manufacturing and operational activities. A high turnover of skilled personnel or the inability to attract and retain qualified staff may disrupt production processes, reduce operational efficiency, and result in increased costs or delays. The staff turnover rates of the Company for the last [Number] years are presented below:

	FY2024	FY2025	6M FY2026
Staff Turnover	1.4%	1.8%	1.6%

5.1.6. FUEL AND POWER RISK

The Company's manufacturing operations are dependent on the uninterrupted supply of electricity and gas from external utility providers. SLM primarily sources electricity from HESCO. Any prolonged, unplanned, or significant interruption in electricity supply could disrupt production processes, reduce operational efficiency, and adversely affect the Company's overall performance and financial results.

In addition, the Company relies on SSGC for the supply of RLNG and natural gas used to fuel its gas-powered generators. Any curtailment, shortage, or interruption in gas supply may constrain production capacity and increase reliance on alternative, potentially higher-cost fuel sources, which could impact operational costs, production schedules, and the ability to meet customer demand. To mitigate these risks, the Company has invested in sustainable energy sources, including a solar power plant and other renewable energy solutions, which provide a partial alternative to grid electricity and enhance energy security. The Company also maintains backup generators and fuel storage systems to ensure continuity operations during temporary supply disruptions.

5.1.7. LIQUIDITY RISK

Liquidity risk refers to the risk that the Company may encounter difficulty in meeting its financial obligations as they fall due. These obligations primarily relate to financial liabilities that require settlement through the delivery of cash or another financial asset. Liquidity risk may arise if the Company is required to settle its liabilities earlier than anticipated or if it faces constraints in accessing sufficient funding to meet its commitments on a timely basis. The Company's exposure to liquidity risk is influenced by factors such as working capital requirements, fluctuations in operating cash flows, financing arrangements, and prevailing market conditions.

To manage this risk, the Company maintains a disciplined liquidity management framework aimed at ensuring the availability of adequate funds under both normal and stressed operating conditions. This includes maintaining sufficient cash and cash equivalents, securing committed credit facilities, monitoring projected and actual cash flows on a regular basis, and aligning the maturity profiles of financial assets and liabilities. Through prudent financial planning and continuous monitoring, the Company seeks to meet its obligations as they fall due without incurring unacceptable losses or compromising its operational stability and reputation.

5.1.8. RISK RELATED TO LEVERAGE

As of June 30, 2025, the Company's total borrowings amounted to PKR 20,364.83 million, resulting in a debt-to-equity ratio of 0.75x and debt-to-total capital of 43**%**. The Company utilizes debt financing primarily to support working capital requirements and operational scale expansion. While leverage enhances return potential and supports business growth, it also increases fixed financial obligations in the form of markup and principal repayments.

During FY2025, the Company incurred total finance costs of PKR 1,117.20 million against operating profit of PKR 8,332.57 million, resulting in a strong interest coverage ratio of 9.40x and EBITDA-to-interest 10.95x. These coverage levels indicate a comfortable ability to service financial obligations from operating earnings. However, sustained increases in borrowing levels, adverse movements in interest rates, foreign exchange volatility on export-linked financing, or unexpected declines in operating performance could affect coverage ratios and cash flow flexibility. A significant portion of the Company's borrowings relates to short-term working capital facilities, which are subject to periodic renewal and prevailing credit market conditions. Any tightening of liquidity in the banking sector or increase in financing costs may impact on funding availability or profitability margins.

The Company actively monitors its capital structure and maintains a balanced financing strategy to ensure that leverage remains aligned with operational cash flow generation and long-term financial stability.

5.1.9. PENDING LEGAL PROCEEDINGS AGAINST THE COMPANY

The Company is currently defending 03 cases and/or orders issued under applicable laws, including the Income Tax Ordinance, 2001, for various tax years. Details of these legal proceedings are disclosed in Section 08 of this Prospectus. Other than those disclosed, there are no material legal proceedings pending against the Company.

The management of SLM Tyres believes that these matters will be resolved favorably and, accordingly, no provision has been made in the financial statements. However, there can be no assurance regarding the outcome of these proceedings, and any adverse decision may have a negative impact on the Company's profitability and financial position.

5.1.10. RISK OF NON – COMPLIANCE WITH REGULATION OF SECP AND PSX

The Company is subject to ongoing compliance requirements under the applicable laws, rules, and regulations of the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX). Any failure to comply with such regulatory requirements may result in penalties, restrictions, or the placement of the Company's shares in the Defaulter Segment of PSX.

Such actions could adversely affect the liquidity and marketability of the Company's shares and may ultimately lead to suspension of trading, thereby negatively impacting investor confidence and shareholder value.

5.2. EXTERNAL RISK

5.2.1. FOREIGN EXCHANGE RISK

A significant portion of the raw materials used by SLM Tyres for the manufacture of tyres is imported. Accordingly, the Company is exposed to foreign exchange risk arising from fluctuations in the exchange rate of the Pakistani Rupee against foreign currencies. Any adverse movement, particularly depreciation of the Pakistani Rupee, may increase the cost of imported raw materials, leading to higher production costs and pressure on the Company's profitability and margins. The Company partially mitigates this risk through export revenues denominated in foreign currencies, which provide a natural hedge against exchange rate movements. Depreciation of the Pakistani Rupee may enhance the competitiveness of the Company's exports and support foreign currency inflows, thereby offsetting a portion of the increased input costs.

In addition, the presence of imported tyres in the local market creates a pricing benchmark, whereby depreciation of the Pakistani Rupee may increase the cost of imported products and improve the relative competitiveness of locally manufactured tyres. This may support the Company's pricing power in the domestic market. Notwithstanding these mitigating factors, any sustained volatility or adverse movement in exchange rates may have an overall negative impact on the Company's financial performance.

5.2.2. REGULATORY AND CUSTOMS DUTIES RISK

The Company operates in a regulated industry and is subject to various laws, regulations, and government policies in Pakistan, including those relating to manufacturing standards, environmental compliance, taxation, import policies, and industrial regulations. In particular, the import of tyres and raw materials is subject to customs duties, regulatory duties, and other government-imposed levies.

Any changes, whether favorable or unfavorable, in applicable laws, regulations, policies, or duty structures may have multiple impacts. These include increased compliance costs, higher production costs, intensified competition from imported tyres, or modifications to the Company's operations. Such changes could adversely affect the Company's operating margins, market share, pricing power, financial performance, and results of operations.

5.2.3. SUPPLY CHAIN

SLM Tyres depends on a complex supply chain for sourcing raw materials, components, and other inputs essential to its manufacturing operations. Any disruption caused by transportation delays, vendor issues, geopolitical factors, or natural disasters could impact production schedules, increase costs, and reduce operational efficiency, thereby affecting profitability.

5.2.4. CREDIT RISK

Credit risk arises from the possibility that counterparties may fail to meet their contractual obligations. The credit exposure of SLM Tyres primarily relates to deposits maintained with banks and financial institutions, as well as receivables from original equipment manufacturers (OEMs) and other customers.

The management of the Company actively monitors credit risk by assessing the financial position, credit history, and past payment behavior of its customers. However, there can be no assurance that such measures will fully mitigate the risk of delayed payments or defaults, which may adversely affect the Company's cash flows and liquidity position.

5.2.5. GREY MARKET RISK

A significant portion of domestic demand for tyres in Pakistan is met through the grey market, including smuggled and undocumented imports. Such products typically avoid applicable duties and taxes, enabling them to be sold at lower prices compared to locally manufactured tyres. As a local manufacturer, SLM Tyres may be adversely affected by the presence of grey market products, which may exert pressure on pricing, reduce sales volumes, and impact on the Company's margins and overall financial performance.

The Government has undertaken various measures to curb illegal trade and improve enforcement of import regulations, which may support a more level playing field for local manufacturers. However, any increase in the availability or market share of grey market products may continue to pose a risk to the Company's business.

5.2.6. INCREASED COMPETITION / NEW ENTRANT RISK

The tyre industry in Pakistan currently comprises a limited number of established local manufacturers along with imported products, and there are presently no significant new entrants in the market. However, given the existing gap between domestic demand and local production capacity in certain tyre segments, there remains a potential risk of entry by new local manufacturers or capacity expansion by existing players.

Any future increase in competition may exert pressure on pricing, reduce the Company's market share, and adversely affect its margins and overall financial performance.

5.2.7. UNDER INVOICING ON IMPORTED TYRES

According to the management of SLM Tyres, under-invoicing and mis-declaration of prices of imported tyres continues to adversely affect the local tyre industry. In such cases, importers declare lower values to reduce applicable duties and taxes, while local manufacturers bear the full incidence of duties and taxes on imported raw materials.

As the cost of manufacturing imported tyres and locally produced tyres is broadly comparable, under-invoicing enables imported tyres to be sold at artificially lower prices, thereby placing local manufacturers at a competitive disadvantage and adversely impacting profitability.

5.2.8. RETREAD TYRE MARKET RISK

Retreading involves replacing the worn tread of used tyres at a cost significantly lower than manufacturing new tyres. The growth and acceptance of retread tyres may limit demand for new tyres, particularly in certain commercial vehicle segments. Any significant development or expansion of the retread tyre market in Pakistan may restrain growth prospects of the local tyre manufacturing industry, including SLM.

5.2.9. DELAY IMPLEMENTATION OF EXPANSION PLAN

The Company's expansion projects may face delays due to regulatory approvals, construction or logistical challenges, or supply chain constraints. Such delays could impact the Company's ability to increase production capacity as planned, affect revenue growth, or increase project costs.

5.2.10. GEOPOLITICAL AND REGIONAL CONFLICT RISK

SLM Tyres operates in a region where geopolitical tensions or conflicts could disrupt business operations, including domestic production and international exports. Such risks may lead to supply chain interruptions, increased logistics costs, trade restrictions, delays in shipments, and currency fluctuations, potentially affecting the Company's ability to meet production schedules, fulfill orders, and achieve projected revenue growth. To mitigate these risks, SLM exports to multiple international markets, reducing dependence on any single country or region, and has strategic plans to further expand its export footprint, enhancing market diversification and strengthening resilience against potential regional disruptions.

5.2.11. ECONOMIC SLOWDOWN RISK

An economic slowdown or recession may reduce disposable income and consumer spending, negatively impacting demand for automobiles and tyres. Such macroeconomic conditions could adversely affect SLM Tyres revenues, growth prospects, and overall financial performance.

5.2.12. INTEREST RATE RISK

A portion of SLM Tyres borrowings is subject to floating interest rates. Any increase in interest rates could raise finance costs, reduce profitability, and affect cash flows. Management actively monitors market rates to manage exposure.

5.2.13. CAPITAL MARKET RISK

Post-listing, the market price of SLM Tyres shares may fluctuate due to economic conditions, investor sentiment, capital and money market trends, and Company performance. Such fluctuations may not always reflect the fundamental value of the Company, potentially impacting shareholder returns.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

SLM TIRES

5.3. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

SLM TIRES

Dated: March 10th, 2026

Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We being the Chief Executive Officer and Chief Financial Officer of Service Long March Tyres Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Service Long March Tyres Limited

Omar Saeed Chief Executive Officer	**Atif Aziz** Chief Financial Officer

SERVICE LONG MARCH TYRES LIMITED

+92-42-35751990-96 www.slmtires.com +92-42-35710593 | 35712109 Service House, 2-Main Gulberg, Lahore-54662, Pakistan.

5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

E-STAMP
(GOVERNMENT OF PUNJAB)

PB-LHR-24BD88E816D103C0
PSID-40172603305321455
Rs 500/-
Five Hundred Rupees Only

Deed Name	: AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(ccc)
First Party	: SERVICE LONG MARCH TYRES LTD [3520202937823]
Second Party	: PAKISTAN STOCK EXCHANGE LTD [3520202937823]
Receipient	: UMAIR [35202-0293782-3]
Issue Date	: 30-Mar-2026, 03:29:42 PM
Stamp Duty Paid by	: SERVICE LONG MARCH TYRES LTD [3520202937823]
Paid Through Challan	: 20267E0CFC537C34

Please Write Below This Line

NOTARY PUBLIC LAHORE

ATTESTED NOTARY PUBLIC LAHORE

ATTESTED OATH COMMISSIONER LAHORE

Date: March 30th, 2026

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi – 74000, Pakistan

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

Service Long March Tyres Limited and its Sponsors undertake that

1) Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
   a. Which had been declared defaulter by the securities exchange or futures exchanges except Mr. Hassan Javed, who is on the Board of Dandot Cement Company Limited and S.S Oil Mills Limited; or
   b. Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
2) Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
3) None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

For and on behalf of **Service Long March Tyres Limited**

Omar Saeed
Chief Executive Officer

SERVICE LONG MARCH TYRES LIMITED

For and on behalf of Sponsors of **Service Long March Tyres Limited**

Arif Saeed Chief Executive Officer & Authorized Representative of Service Industries Limited and Service Tyres (Private) Limited	**Hassan Javed** Chief Executive Officer & Authorized Representative of Service Global Footwear Limited
Jin Yongsheng Chairman & Authorized Representative of Chaoyang Long March Tyre Co., Ltd	**Shabir Ahmad**

For and on behalf of Directors of **Service Long March Tyres Limited**

Jin Yongsheng
Chairman/Non-Executive Director

Omar Saeed
CEO/Executive Director

Chaudhry Ahmed Javed
Non-Executive Director

Arif Saeed
Non-Executive Director

Hassan Javed
Non-Executive Director

Yu Haili
Non-Executive Director

Zhang Xingyou
Executive Director

Sun Xiaoguang
Non-Executive Director

He Xiaomei
Independent Director

Shahid Hafiz Kardar
Independent Director

Nasir Mahmood Khan Khosa
Independent Director

5.5. STATEMENT BY THE ISSUER

Dated: March 10th, 202

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of **Service Long March Tyres Limited** or (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **Service Long March Tyres Limited**

Omar Saeed
Chief Executive Officer

Atif Aziz
Chief Financial Officer

SERVICE LONG MARCH TYRES LIMITED

+92-42-35751990-96 www.slmtires.com +92-42-35710593 | 35712109 Service House, 2-Main Gulberg, Lahore-54662, Pakistan.

5.6. STATEMENT BY THE CONSULTANT TO THE ISSUE AND/OR LEAD MANAGER

ARIF HABIB LIMITED

March 10th, 2026

The Chief Executive,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Being mandated as the Consultant to the Issue to this Initial Public Offering of Service Long March Tyres Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on behalf of **Arif Habib Limited**

ARIF HABIB LIMITED KARACHI

Farhan Rizvi
Managing Director, Investment Banking
Arif Habib Limited

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 9653
Lahore Office: Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore. | Tel: +92 42 3631 3700 - 11, 3631 3741 - 44
Islamabad Office: Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06
Peshawar Office: F16-F17, 1st Floor, The Mall Tower, Peshawar Cantt | Tel: +92 91 5253913
Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kohinoor City, Faisalabad. | Tel +92 41 8531010-3
Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. | Tel: +92 61 4514412
csonline@arifhabibltd.com | www.arifhabibltd.com | www.ahltrade.com
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-050 / 01

6. FINANCIAL INFORMATION

6.1. AUDITORS REPORTS AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

pwc A·F·FERGUSON&Co.

The Board of Directors
Service Long March Tyres Limited
Servis House
2 – Main Gulberg
Lahore

27 February 2026

Our reference: ASR 4343

Dear Sirs

AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS AT 23 FEBRUARY 2026 AS REQUIRED UNDER CLAUSE 14 (i) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on the annexed 'Statement of Issued, Subscribed and Paid-up Capital' (the Statement) of Service Long March Tyres Limited (the Company) as at 23 February 2026 as required under clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed public offer to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(i) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a company under which the management is required to include a certificate from the company's auditor on the issued, subscribed and paid-up capital thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the annexed Statement as at 23 February 2026 prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibility

It is the management's responsibility to prepare the Statement containing details about the issued, subscribed and paid-up capital of the Company as at 23 February 2026. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

pwc A·F·FERGUSON&Co.

Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as at 23 February 2026 as per Clause 14 (i) of section 1 of the First Schedule to the Regulations, in accordance with the *'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms'* issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the following procedures,

1- traced the issued, subscribed and paid-up capital of the Company from it's audited financial statements as at 30 June 2025;

2- traced the issued, subscribed and paid-up capital of the Company from Form A filed with Securities & Exchange Commission of Pakistan (SECP);

3- obtained and reviewed "Form 3" to corroborate figures after the shares allotted under the employee share option scheme; and

4- traced the shares from share record as per members register as at 23 February 2026.

Certificate

Based on the procedures mentioned above, we certify that the issued, subscribed and paid-up capital of the Company as at 23 February 2026 as appearing in the annexed Statement is accurate.

Restriction on use and distribution

This certificate is being issued as per Clause 14 (i) of section 1 of the First Schedule to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and should not be construed as our opinion on the compliance with other requirements of the Regulations.

Yours truly

Chartered Accountants
Karachi

encl

Shareholding as at June 30, 2025

Name of Shareholder	Number of Shares	Amount in Rupees
Service Industries Limited	316,539,659	3,165,396,590
Service Global Footwear Limited	270,971,704	2,709,717,040
Service Tyres (Private) Limited	143,295,455	1,432,954,550
Chaoyang long March Tyre Co. Ltd	630,500,000	6,305,000,000
Mr. Shabir Ahmad	71,647,727	716,477,270
	1,432,954,545	14,329,545,450

Subsequent to June 30, 2025 the company Issue the share to the employees dated August 25, 2025

Shareholding As at August 26, 2025

Name of Shareholder	Number of Shares	Amount in Rupees
Service Industries Limited	316,539,659	3,165,396,590
Service Global Footwear Limited	270,971,704	2,709,717,040
Service Tyres (Private) Limited	143,295,455	1,432,954,550
Chaoyang Long March Tyre Co. Ltd	630,500,000	6,305,000,000
Shabir Ahmad	75,447,727	754,477,270
Omar Saeed	40,000,000	400,000,000
Mr. Badar Ul Hassan	1,500,000	15,000,000
Khizr Hayat	1,500,000	15,000,000
Muhammad Abid Aleem	250,000	2,500,000
Hassan Shahid	250,000	2,500,000
Khurram Anwar	250,000	2,500,000
Muhammad Zubair	300,000	3,000,000
Atif Aziz	200,000	2,000,000
	1,481,004,545	14,810,045,450

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

+92-315-2001836 www.slmtires.com Service Long March Tyres (Private) Limited, B-61, Sindh Industrial Trading Estate, Nooriabad, Distt. Jamshoro, Sindh, Pakistan Postal Code: 73090

Subsequent to June 30, 2025 and shares allotment to employees the company undertook a share split dated October 13, 2025 reducing the par value of its ordinary shares from Rs. 10 per share to Rs. 2 per share, increasing the number of shares proportionally.

Following the share split, the shareholding pattern of the company was revised, keeping the paid-up share capital of the company unchanged. We certify that the issued, subscribed and paid-up capital along with break-up of shareholding of the company as at February 23, 2026 is as follows:

Issued, subscribed and paid-up capital	23-Feb-26
	Rupees
7,405,022,725 ordinary shares of Rs. 2 each fully paid in cash	14,810,045,450

Shareholding As at February 23, 2026

Name of Shareholder	Number of Shares	Amount in Rupees
Service Industries Limited	1,582,698,295	3,165,396,590
Service Global Footwear Limited	1,354,858,520	2,709,717,040
Service Tyres (Private) Limited	716,477,275	1,432,954,550
Chaoyang Long March Tyre Co. Ltd	3,152,500,000	6,305,000,000
Shabir Ahmad	377,238,635	754,477,270
Omar Saeed	200,000,000	400,000,000
Mrs. Lubna Tahir	7,500,000	15,000,000
Khizr Hayat	7,500,000	15,000,000
Muhammad Abid Aleem	1,250,000	2,500,000
Hassan Shahid	1,250,000	2,500,000
Khurram Anwar	1,250,000	2,500,000
Muhammad Zubair	1,500,000	3,000,000
Atif Aziz	1,000,000	2,000,000
	7,405,022,725	14,810,045,450

CHIEF FINANCIAL OFFICER

+92-316-2001836 www.slmtires.com Service Long March Tyres (Private) Limited, B-61, Sindh Industrial Trading Estate, Nooriabad, Distt. Jamshoro, Sindh, Pakistan Postal Code: 73090

6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE AS AT DECEMBER 31ST, 2025

pwc A·F·FERGUSON&Co.

The Board of Directors
Service Long March Tyres Limited
Servis House
2 – Main Gulberg
Lahore

04 March 2026

Our reference: ASR 4446

Dear Sirs

AUDITORS' CERTIFICATE ON BREAK-UP VALUE PER SHARE AS AT 31 DECEMBER 2025 AS REQUIRED UNDER CLAUSE 14(ii) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on the annexed 'Statement of Break- up value per share' (the Statement) of Service Long March Tyres Limited (the Company) as at 31 December 2025 as required under clause 14(ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed initial public offer of shares to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(ii) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a company under which the management is required to include a certificate from the Company's auditor on the break-up value per share thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the breakup value computed in the annexed Statement as at 31 December 2025, prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibility

It is the management's responsibility to compute the break-up value per share of the Company as at 31 December 2025 in accordance with the provisions contained in Technical Release (TR) - 22 issued by the Institute of Chartered Accountants of Pakistan (ICAP) and to prepare the aforementioned Statement. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

pwc A·F·FERGUSON&Co.

Auditor's Responsibility

Our responsibility is to provide the auditor's certificate on the break-up value per share of the Company computed as at 31 December 2025, as appearing in the annexed Statement, in accordance with the '*Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms*' issued by the ICAP. Our verification was limited to the procedures as mentioned below:

1. traced the following as appearing in the Statement from the reviewed unconsolidated condensed interim financial statements for the period ended 31 December 2025:
   a. Number of shares in issue as at that date
   b. Issued, subscribed and paid-up capital
   c. Share premium
   d. Accumulated profit
   e. Share deposit money
   f. Employee share option reserve
2. checked the mathematical accuracy of the break-up value per share of the Company as at 31 December 2025; and
3. reviewed the guidance provided in the TR-22 issued by the ICAP and ensured that the computations were in accordance therewith.

Certificate

Based on the procedures mentioned above, we certify the break-up value per share of the Company as at 31 December 2025, computed in accordance with the TR-22 issued by the ICAP as appearing in the annexed Statement.

Restriction on use and distribution

This certificate is being issued by us upon the request of the Company's management as required under Clause 14(ii) of Section 1 of the First Schedule to the Regulations for the purpose of inclusion in the prospectus and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the annexed Statement.

Yours truly

Chartered Accountants
Karachi

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Page 2 of 2

SERVICE LONG MARCH TYRES LIMITED
STATEMENT OF BREAK-UP VALUE PER SHARE
AS AT 31 DECEMBER 2025

BREAKUP VALUE AS AT 31 DECEMBER 2025 AS PER REVIEWED UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS		December 31, 2025 (Rupees)
Issued, subscribed and paid-up share capital	A	14,810,045,000
Share premium	B	294,104,000
Employee share option reserve	C	21,874,000
Share deposit money	D	18,102,000
Accumulated profit	E	16,095,594,000
Total Shareholder's equity	**F= A+B+C+D+E**	**31,239,719,000**
Number of shares as at 31 December 2025 (Face value Rs. 2 per share)	**G**	**7,405,022,725**
Break-up value per ordinary share of Rs. 2/- each - (Rupees)	**H=F/G**	**4.22**

Chief Financial Officer

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6.3. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE AS AT JUNE 30TH, 2025

pwc A·F·FERGUSON&Co.

The Board of Directors
Service Long March Tyres Limited
Servis House
2 – Main Gulberg
Lahore

04 March 2026

Our reference: ASR 4445

Dear Sirs

AUDITORS' CERTIFICATE ON BREAK-UP VALUE PER SHARE AS AT 30 JUNE 2025 AS REQUIRED UNDER CLAUSE 14(ii) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on the annexed 'Statement of Break- up value per share' (the Statement) of Service Long March Tyres Limited (the Company) as at 30 June 2025 as required under clause 14(ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan. The annexed statement includes recomputed breakup value after incorporating the share split on 13 October 2025. Whereby the Company split 1 ordinary shares of Rs. 10 each into 5 ordinary shares of Rs. 2 each.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed initial public offer of shares to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(ii) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a company under which the management is required to include a certificate from the Company's auditor on the break-up value per share thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the breakup value computed in the annexed Statement as at 30 June 2025, prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibility

It is the management's responsibility to compute the break-up value per share of the Company as at 30 June 2025 in accordance with the provisions contained in Technical Release (TR) - 22 issued by the Institute of Chartered Accountants of Pakistan (ICAP) and to prepare the aforementioned Statement. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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Auditor's Responsibility

Our responsibility is to provide the auditor's certificate on the break-up value per share of the Company computed as at 30 June 2025, as appearing in the annexed Statement, in accordance with the '*Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms*' issued by the ICAP. Our verification was limited to the procedures as mentioned below:

1. traced the following as appearing in the Statement from the audited financial statements of the Company for the year ended 30 June 2025:

    a. Number of shares in issue as at that date
    b. Issued, subscribed and paid-up capital
    c. Accumulated profit
    d. Share deposit money
    e. Employee share option reserve

2. obtained and reviewed the special resolution approving the split of shares from Rs. 10 to Rs. 2 each;

3. obtained and reviewed the attested copies of Form 26 and Form 7 to verify the implementation of the share split to Rs. 2 each;

4. checked the mathematical accuracy of the break-up value per share of the Company as at 30 June 2025; and

5. checked the guidance provided in the TR-22 issued by the ICAP and ensured that the computations were in accordance therewith.

Certificate

Based on the procedures mentioned above, we certify the break-up value per share of the Company as at 30 June 2025, computed in accordance with the TR-22 issued by the ICAP as appearing in the annexed Statement.

Restriction on use and distribution

This certificate is being issued by us upon the request of the Company's management as required under Clause 14(ii) of Section 1 of the First Schedule to the Regulations for the purpose of inclusion in the prospectus and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the annexed Statement.

Yours truly

Chartered Accountants
Karachi

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SERVICE LONG MARCH TYRES LIMITED
STATEMENT OF BREAK-UP VALUE PER SHARE
AS AT 30 JUNE 2025

			June 30, 2025 (Rupees)
1.	**BREAKUP VALUE AS AT 30 JUNE 2025 BASED ON AUDITED FINANCIAL STATEMENTS**		
	Issued, subscribed and paid-up share capital	A	14,329,545,000
	Employee share option reserve	B	283,376,000
	Share deposit money	C	18,102,000
	Accumulated profit	D	12,570,718,000
	Total Shareholder's equity	E= A+B+C+D	**27,201,741,000**
	Number of shares as at 30 June 2025 (Face value Rs. 10 per share)	F	**1,432,954,545**
	Break-up value per ordinary share of Rs. 10/- each - (Rupees)	G=E/F	**18.98**

2. SHARE SPLIT SUBSEQUENT TO 30 JUNE 2025

On 13 October 2025 the Company effected a share split of 5 ordinary shares of Rs. 2 each from 1 ordinary share of Rs. 10 each. The breakup value after incorporating the share split is as follows:

Total Shareholder's equity - (Rupees) as at 30 June 2025 as per audited financial statements	A	**27,201,741,000**
Number of shares as at 30 June 2025 as per audited financial statements	B	**1,432,954,545**
Share split ratio 5 ordinary shares for each 1 ordinary share held	C	**5**
Number of shares after share split on 13 October 2025	D=B*C	**7,164,772,725**
Recomputed break-up value per ordinary share of Rs. 2/- each - (Rupees per share) after share split	E=A/D	**3.80**

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

Chief Financial Officer

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6.4. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

pwc A·F·FERGUSON&Co.

The Board of Directors
Service Long March Tyres Limited
Servis House
2 – Main Gulberg
Lahore

27 February 2026

Our reference: ASR 4344

Dear Sirs

AUDITOR'S CERTIFICATE ON INFORMATION REQUIRED UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on annexed 'Statement of Financial Information' (the statements) of Service Long March Tyres Limited (the Company) for the years ended 30 June 2025 and 30 June 2024 as per Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed public offer of shares to be made by the Company in accordance with the Regulations.

In connection with above, clause 1 of section 2 'Reports to be set out in the prospectus' of the First Schedule to the Regulations requires the management to include within the prospectus a report made by the auditors for each of the two financial years immediately preceding the issue of the prospectus with respect to the following:

a. Profits and losses and assets and liabilities of the company as a whole with combined profits and losses of its subsidiaries, and individually with profits and losses of each subsidiary concern; and

b. The details of dividend (date, rate, class of shares) paid by company during last two financial years immediately preceding the issue of prospectus of the company. If no accounts have been made up in respect of any part of the period of two years ending on a date three months before the issue of the prospectus, containing a statement of that fact.

Accordingly, we have been requested by the management to provide them with certificate on the annexed statements prepared by them which contains the aforementioned information required to be include in the prospectus. The statements have been initialled by us for identification purposes.

Management Responsibility

It is the responsibility of the Company's management to prepare the Statements setting out the information required under the clause 1 of section 2 of the First Schedule to the Regulations and ensure its accuracy and completeness. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

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pwc A·F·FERGUSON&CO.

Auditors' Responsibility

Our responsibility is to provide auditor's certificate on the accuracy of the information as appearing tin the annexed Statements, in accordance with the *'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms'* issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- traced the assets and liabilities of the Company as at years ended 30 June 2025 and 30 June 2024 and the profits and losses of the Company for those years as appearing in the Statements (Annexure 'A' and 'B' respectively) from the audited financial statements of the Company for the respective years;

- traced the details of dividend (date, rate, class of shares) paid by the Company during the years ended 30 June 2025 and 30 June 2024 from the audited financial statements of the Company for the respective years;

Certificate

Based on the procedures mentioned above, we state that:

1. We have audited the financial statements for the year ended 30 June 2025 and 30 June 2024.

2. In terms of the requirement as per Clause 1 of Section 2 of the First Schedule to the Regulations, and based on the audited financial statements, we certify that the assets and liabilities of the Company as at years ended 30 June 2025 and 30 June 2024 and the profits and losses of the Company for the years then ended are accurate.

3. The Company paid final cash dividend of Rs. 2.03 per share amounting to Rs. 3,000 million for the year ended 30 June 2025 and interim cash dividend of Rs. 1.4 per share amounting to Rs. 2,006.14 million for the year ended 30 June 2024.

Restriction on use and distribution

This certificate is being issued as per Clause 1 of Section 2 of the First Schedule to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments and should not be construed as our opinion on the compliance with other requirements of the Regulations.

Yours truly

Chartered Accountants
Karachi

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STATEMENT OF FINANCIAL INFORMATION
PREPARED UNDER CLAUSE 1 OF SECTION 2 OF
THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

Annex A

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	2025	2024
	(Rupees in thousands)	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	29,474,076	22,501,700
Long term loan	-	878
Deferred Tax Asset	1,492,680	-
Long term security deposit	7,748	7,748
	30,974,504	22,510,326
CURRENT ASSETS		
Stock in trade	8,897,170	7,455,827
Stores and spares	428,088	570,305
Trade debts - considered good	6,603,378	3,311,751
Advances, prepayments and deposits	226,094	182,711
Taxation - net	12,650	71,367
Accrued interest	38,029	22,971
Other receivables	1,107,493	1,538,162
Cash and bank balances	4,571,150	1,289,307
	21,884,052	14,442,401
TOTAL ASSETS	52,858,556	36,952,727
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
1,525,000,000 (30 June 2024: 1,500,000,000) ordinary shares of Rs. 10 each	15,250,000	15,000,000
Share capital - Issued, subscribed and paid-up share capital	14,329,545	14,329,545
Capital reserve		
Employee share option reserve	283,376	-
Share deposit money	18,102	18,102
Revenue reserve		
Accumulated profit	12,570,718	4,551,536
TOTAL SHAREHOLDERS' EQUITY	27,201,741	18,899,183
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred income - Government grant	815,939	1,208,272
Deferred tax liability	-	1,515,546
Long term financing	6,789,048	5,413,095
	7,604,987	8,136,913
CURRENT LIABILITIES		
Trade and other payables	4,353,844	3,898,053
Contract liabilities	616,913	115,588
Accrued mark-up	321,226	78,254
Short term financing	10,728,170	4,275,981
Current portion of non-current liabilities	2,031,675	1,548,755
	18,051,828	9,916,631
TOTAL LIABILITIES	25,656,815	18,053,544
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	52,858,556	36,952,727

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

CHIEF FINANCIAL OFFICER

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STATEMENT OF FINANCIAL INFORMATION **Annex B**
PREPARED UNDER CLAUSE 1 OF SECTION 2 OF
THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	(Rupees in thousands)	
Revenue from contracts with customers	49,840,191	37,947,617
Cost of sales	(39,050,288)	(28,580,544)
Gross profit	10,789,903	9,367,073
Distribution cost	(1,187,172)	(760,244)
Administrative expenses	(1,270,157)	(634,330)
Operating profit	8,332,574	7,972,499
Other expenses	(312,533)	(276,238)
Finance cost and other charges	(1,117,197)	(1,137,965)
Other income	197,639	141,680
Profit before taxation	7,100,483	6,699,976
Taxation	2,924,835	(1,340,314)
Profit after taxation	10,025,318	5,359,662

There are no other comprehensive income for the year.

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

CHIEF FINANCIAL OFFICER

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6.5. LATEST AUDITED ACCOUNTS AS AT JUNE 30TH, 2025

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		(Rupees in thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	29,474,076	22,501,700
Long term loan	5	-	878
Deferred Tax Asset	15	1,492,680	-
Long term security deposit	6	7,748	7,748
		30,974,504	22,510,326
CURRENT ASSETS			
Stock in trade	7	8,897,170	7,455,827
Stores and spares		428,088	570,305
Trade debts - considered good	8	6,603,378	3,311,751
Advances, prepayments and deposits	9	226,094	182,711
Taxation - net		12,650	71,367
Accrued interest		38,029	22,971
Other receivables	10	1,107,493	1,538,162
Cash and bank balances	11	4,571,150	1,289,307
		21,884,052	14,442,401
TOTAL ASSETS		52,858,556	36,952,727
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
1,525,000,000 (30 June 2024: 1,500,000,000) ordinary shares of Rs. 10 each		15,250,000	15,000,000
Share capital - Issued, subscribed and paid-up share capital	12	14,329,545	14,329,545
Capital reserve			
Employee share option reserve	13	283,376	-
Share deposit money		18,102	18,102
Revenue reserve			
Accumulated profit		12,570,718	4,551,536
TOTAL SHAREHOLDERS' EQUITY		27,201,741	18,899,183
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income - Government grant	14	815,939	1,208,272
Deferred tax liability	15	-	1,515,546
Long term financing	16	6,789,048	5,413,095
		7,604,987	8,136,913
CURRENT LIABILITIES			
Trade and other payables	17	4,353,844	3,898,053
Contract liabilities	18	616,913	115,588
Accrued mark-up	19	321,226	78,254
Short term financing	20	10,728,170	4,275,981
Current portion of non-current liabilities	21	2,031,675	1,548,755
		18,051,828	9,916,631
TOTAL LIABILITIES		25,656,815	18,053,544
CONTINGENCIES AND COMMITMENTS	22		
TOTAL EQUITY AND LIABILITIES		52,858,556	36,952,727

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in thousands)	
Revenue from contracts with customers	23	**49,840,191**	37,947,617
Cost of sales	24	**(39,050,288)**	(28,580,544)
Gross profit		**10,789,903**	9,367,073
Distribution cost	25	**(1,187,172)**	(760,244)
Administrative expenses	26	**(1,270,157)**	(634,330)
Operating profit		**8,332,574**	7,972,499
Other expenses	27	**(312,533)**	(276,238)
Finance cost and other charges	28	**(1,117,197)**	(1,137,965)
Other income	29	**197,639**	141,680
Profit before taxation		**7,100,483**	6,699,976
Taxation	30	**2,924,835**	(1,340,314)
Profit after taxation		**10,025,318**	5,359,662
		---------- Rupees ----------	
Earnings per share - basic & diluted	31		
Basic earnings per share		**7.00**	3.99
Diluted earnings per share		**6.88**	3.99

There are no other comprehensive income for the year.

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Capital Reserve		Revenue Reserve	Total Equity
		Share deposit money	Employee share option	Accumulated Profit	
	(Rupees in thousands)				
Balance as at July 01,2023	12,815,000	18,698	-	(808,126)	12,025,572
Transactions with shareholders:					
Share deposit money received during the year	-	1,513,949	-	-	1,513,949
Ordinary shares issued against share deposit money	1,514,545	(1,514,545)	-	-	-
	1,514,545	(596)	-	-	1,513,949
Comprehensive income for the year					
Profit for the year	-	-	-	5,359,662	5,359,662
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,359,662	5,359,662
Balance as at June 30, 2024	**14,329,545**	**18,102**	-	**4,551,536**	**18,899,183**
Transactions with shareholders:					
Share deposit money received during the year	-	-	-	-	-
Employee share option scheme note - 13	-	-	283,376	-	283,376
Interim dividend for the year ended June 30, 2024 @ Rs. 1.4 per share	-	-	-	(2,006,136)	(2,006,136)
Ordinary shares issued against share deposit money	-	-	-	-	-
	-	-	283,376	(2,006,136)	(1,722,760)
Comprehensive income for the year					
Profit for the year	-	-	-	10,025,318	10,025,318
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	10,025,318	10,025,318
Balance as at June 30, 2025	**14,329,545**	**18,102**	**283,376**	**12,570,718**	**27,201,741**

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	6,468,546	8,407,383
Finance cost paid-Conventional		(731,184)	(1,228,900)
Finance cost paid-Islamic		(86,313)	(224,613)
Bank Charges paid		(56,727)	(51,451)
Tax paid		(24,674)	(23,259)
Net cash generated from operating activities		5,569,648	6,879,160
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital work-in-progress		(8,175,131)	(3,290,471)
Addition in operating fixed assets other than transfer from capital work-in-progress		(161,472)	(2,411)
Proceeds from sale of operating fixed assets		7,073	13,054
Investment in Term Deposit Receipts		(2,894,230)	(155,600)
Long term loan and receivables		878	3,066
Return on bank deposits and term deposits receipts		128,254	54,957
Net cash used in investing activities		(11,094,628)	(3,377,405)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money received		-	1,513,949
Short term financing obtained		33,145,973	13,278,156
Short term financing paid		(26,528,294)	(14,278,251)
Interim dividend paid		(2,006,136)	-
Long term financing obtained - Islamic		-	47,500
Long term financing repaid - Islamic		(258,566)	(8,180)
Long term financing obtained - Conventional		3,279,597	1,028,105
Long term financing repaid - Conventional		(1,554,491)	(3,103,748)
Net cash generated/(used in) from financing activities		6,078,083	(1,522,469)
Net increase in cash and cash equivalents		553,103	1,979,286
Cash and cash equivalents at the beginning of the year		458,951	(1,520,335)
Cash and cash equivalents at the end of the year	34	1,012,054	458,951

The annexed notes from 1 to 43 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. THE COMPANY AND ITS OPERATIONS

Service Long March Tyres (Private) Limited ("the Company") was incorporated as a private limited Company on January 7, 2020 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 – Main Gulberg, Lahore. The principal activities of the Company are to carry on business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off the road tyres. The Company is a subsidiary of Service Industries Limited (SIL). SIL entered into a Joint Venture Agreement with Chaoyang Long March Tyre Co. Ltd., a Chinese Company and Mr. Shabir Ahmad of Myco Corporation, Pakistan for setting up this Company - a Joint Venture Company in Pakistan for the manufacturing and sale of Truck and Bus radial category of all steel tyres on November 18, 2019. The company started its commercial operations on March 10, 2022.

On June 27, 2024, the Company established a wholly owned subsidiary, SLM International Tyres Trading FZE, in the Jebel Ali Free Zone. The Company has received approval from the State Bank of Pakistan for the equity transfer. The Company has not yet made any equity investment in the subsidiary as at June 30, 2025. Subsequent to the year end on August 05, 2025, an equity investment amounting to AED 1,000,000 has been completed. However, as the equity investment by the Company has been made subsequent to the year ended June 30, 2025, the subsidiary has not been accounted for in these financial statements, and consolidated financial statements have not been prepared. Accordingly the said Investment in subsidiary will be reflected in the unconsolidated and consolidated financial statements for the year ended June 30, 2026.

The Pakistan Credit Rating Company Limited (PACRA) has assigned long term credit rating of 'A+' while short term credit rating of 'A1' dated June 27, 2025.

1.1 GEOGRAPHICAL LOCATIONS

OFFICE AND MANUFACTURING UNIT	ADDRESSES
Registered and head office	Servis House, 2 - Main Gulberg, Lahore
Factory site	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017(the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where the provisions of and directives issued under the Act differ with the requirements of IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant & equipment (note 3.1)
- Stock in trade (note 3.11)
- Taxation (note 3.13)
- Provisions (note 3.19)
- Contingent liabilities (note 3.20)
- Employees' share option scheme (note 3.12)
- Allocation of overheads (note 3.11)

2.5 Changes in accounting standards, interpretations and pronouncements

a) **Standards and amendments to approved accounting standards that are effective**

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements except for:

Amendment to IAS 1 - Non - current liabilities with covenants:

Further, during the year an amendment to IAS 1 'Presentation of Financial Statements' (IAS-1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject covenants that must be complied with within twelve months of the reporting date.

b) **Standards and amendments to approved accounting standards that are not yet effective**

The following amendment and standard are not effective for the accounting periods beginning on or after July 1, 2025 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments:

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

The management is in process of assessing the impact of above changes.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued IFRS 18 - Presentation and Disclosure in Financial Statements with applicability date of July 01,2027, which has not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policies and methods of computations adopted in the preparation of these financial statements are same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2024.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

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Measurement

Property, plant and equipment (except capital work in progress) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the statement of profit or loss as an expense when it is incurred.

Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, rates are given in Note 4.1.

Depreciation on additions is charged from the month in which the assets are available for use up to the month prior to disposal.

Residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the statement of profit or loss in the period the asset is disposed.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.2 Financial assets

Initial Recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;

b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income.

Impairment of financial asset

The Company recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

The Company considers a financial asset in default when it is more than 365 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

3.3 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

3.4 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

3.5 Trade debts, advances and other receivables

Trade receivables and advances are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

3.7 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

All other borrowing costs are recognised in statement of profit or loss and other comprehensive income in the period in which they are incurred.

3.8 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.9 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.10 Stores and spares

Stores and spares are valued at cost using first-in-first-out (FIFO) cost formula, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the statement of profit or loss.

3.11 Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

i) For raw materials: First-in-first-out (FIFO) cost formula

ii) For work-in-process and finished goods: Direct material, labour and appropriate manufacturing overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade is stated at lower of cost and net realizable value.

The management uses certain assumptions and estimates in the allocation of overheads, for the valuation of stock-in-trade.

3.12 Employees' share option scheme

Equity-settled share-based payments to employees are measured at fair value at the grant date. The fair value determined at the grant date of the equity settled share-based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of exercise restrictions.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognized in the statement of profit or loss, is transferred to unappropriated profit from employee share option compensation reserve in the statement of changes in equity.

When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

3.13 Taxation

Income tax expense comprises levies, current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

3.13.1 Current tax

The Company has been granted the status of a 'Greenfield Industrial Undertaking' on 24 November 2020 under section 2, sub-section (27A) of the Income Tax Ordinance, 2001 and section 2, sub-section (12A) of the Sales Tax Act, 1990. In addition to this, the Board of Approvals (BOA) constituted under Section 5 of the Special Economic Zones Act, 2012 in their meeting held on 14 December 2020 approved the Special Economic Zone (SEZ) status of the Company; the formal notification in this respect has been issued on January 15, 2021. As per Clause (126E) of Part-I, Second Schedule to the Income Tax Ordinance, 2001, income derived by the Company is exempt from income tax for a period of ten years starting from the commencement of commercial operations. Further, the Company is also exempt from minimum tax under section 113 of the Income Tax Ordinance, 2001 under Clause (11A) (xliii), Part IV of the Second Schedule to the Income Tax Ordinance, 2001, as the Company has been granted the status of a 'Greenfield Industrial Undertaking' for a period of 10 years.

3.13.2 Deferred tax

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax asset is reviewed at statement of financial position date as reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilized.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.

3.14 Staff retirement benefits

3.14.1 Defined contribution plan

The Company provides provident fund benefits to all its employees. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of gross salary and the same is charged to the statement of profit or loss.

3.15 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the statement of profit or loss.

3.16 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.

- Export sales are recognised as revenue when invoiced with the transfer of control of goods which coincides with the date of bill of lading.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

3.17 Income on bank deposits and finance cost

The Company's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognised using the effective interest rate method.

3.18 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

3.19 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.20 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.21 Dividend and appropriations to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.22 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with Grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.23 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.24 The Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	**2025**	2024
		(Rupees in thousands)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**25,195,233**	21,464,700
Capital work-in-progress	4.2	**4,278,843**	1,037,000
		29,474,076	22,501,700

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4.1 Operating fixed assets

Description	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture, fixture and fittings	Vehicles	Service equipment	Total
	Rupees in thousands						
Year ended June 30, 2024							
Opening net book value	761,999	6,873,840	12,156,218	104,501	55,706	378,332	20,330,596
Additions	-	-	-	-	2,411	-	2,411
Transfer from CWIP	-	287,618	1,620,757	20,420	212,271	138,253	2,279,319
Disposal:							
Cost	-	-	-	-	(17,786)	(443)	(18,229)
Accumulated depreciation	-	-	-	-	6,516	260	6,776
	-	-	-	-	(11,270)	(183)	(11,453)
Depreciation note - 4.1.3	(9,639)	(349,899)	(635,213)	(22,406)	(26,490)	(92,526)	(1,136,173)
Closing net book value	752,360	6,811,559	13,141,762	102,515	232,628	423,876	21,464,700
As at June 30, 2024							
Cost	790,064	7,608,191	14,581,901	154,143	269,717	584,478	23,988,494
Accumulated depreciation	(37,703)	(796,632)	(1,440,139)	(51,629)	(37,089)	(160,602)	(2,523,794)
Closing net book value	752,361	6,811,559	13,141,762	102,514	232,628	423,876	21,464,700
Year ended June 30, 2025							
Opening net book value	752,361	6,811,559	13,141,762	102,514	232,628	423,876	21,464,700
Additions	-	-	-	34,488	42,905	318,489	395,882
Transfer from CWIP	-	430,434	4,255,797	6,774	3,913	1,366	4,698,284
Disposal:							
Cost	-	-	-	-	(10,518)	(368)	(10,886)
Accumulated depreciation	-	-	-	-	4,124	235	4,359
	-	-	-	-	(6,394)	(133)	(6,527)
Depreciation note - 4.1.3	(11,453)	(506,561)	(753,220)	(24,162)	(56,192)	(5,518)	(1,357,106)
Closing net book value	740,908	6,735,432	16,644,339	119,614	216,860	738,080	25,195,233
As at June 30, 2025							
Cost	790,064	8,038,625	18,837,698	195,405	306,017	903,965	29,071,774
Accumulated depreciation	(49,156)	(1,303,193)	(2,193,359)	(75,791)	(89,157)	(165,885)	(3,876,541)
Closing net book value	740,908	6,735,432	16,644,339	119,614	216,860	738,080	25,195,233
Annual rate of depreciation (%)	1.22	5	5	20	20	20-30	

4.1.1 Particulars of leasehold land and building on leasehold land are as follows:

Description	Address	Square feet
Land	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	2,178,000
Buildings (Covered Area)	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	1,522,325

4.1.2 The details of operating fixed assets disposed of during the year having net book value exceeding Rs. 500,000 each are as follows:

Description	Cost	Accumulated Depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold To
	Rupees in thousands						
Vehicles:							
Wagon R	2,594	1,095	1,499	1,499	-	Company policy	Syed Kumail Abbas
Suzuki Swift	3,469	1,346	2,123	2,123	-	Company policy	Muhammad Ahmer Iqbal
Suzuki Swift	4,455	1,683	2,772	2,772	-	Company policy	Adnan Munir
	10,518	**4,124**	**6,394**	**6,394**	**-**		

	Note	2025	2024
		(Rupees in thousands)	
4.1.3 Depreciation for the year has been allocated as follows:			
Cost of sales	24	**1,151,041**	969,570
Administrative expenses	26	**206,065**	166,603
		1,357,106	1,136,173

4.2 Capital work-in-progress

Description	Vehicles	Advance To Vendors	Buildings on leasehold lands	Furniture and IT equipment	Plant and machinery	Service equipment	Total
	Rupees in thousands						
As at 30 June 2023	25,848	-	-	-	-	-	25,848
Additions	190,336	-	489,245	27,194	2,444,077	139,619	3,290,471
Transferred	(212,271)	-	(287,618)	(20,420)	(1,620,757)	(138,253)	(2,279,319)
As at 30 June 2024	3,913	-	201,627	6,774	823,320	1,366	1,037,000
Additions	9,580	349,026	324,556	-	7,491,969	-	8,175,131
Transferred	(3,913)	(235,005)	(430,433)	(6,774)	(4,255,797)	(1,366)	(4,933,288)
As at 30 June 2025	9,580	114,021	95,750	-	4,059,492	-	4,278,843

		Note	2025	2024
			(Rupees in thousands)	
5.	**LONG TERM LOAN**			
	Considered good:			
	Executives	5.1	**902**	3,945
	Current portion shown under current assets	9	**(902)**	(3,067)
			-	878
5.1	**Reconciliation of carrying amount of loan to executives:**			
	Balance as at 1 July		**3,945**	7,011
	Disbursement during the year		**24**	-
	Repayments during the year		**(3,067)**	(3,066)
	Balance as at 30 June		**902**	3,945

5.2 This represents the interest free loan provided to Company's Chief Operating Officer with monthly installment of Rs. 0.2 million. However, The loan disbursed during the year amounting to Rs. 2 million is subject to recovery over a period of 36 installments. The loan will be repaid through monthly deductions from the salary.

Long term loan have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

6. **LONG TERM SECURITY DEPOSIT**

This represents long term deposit held with Hyderabad Electric Supply Company (HESCO). The security deposit is non-interest bearing.

		2025	2024
		(Rupees in thousands)	
7.	**STOCK IN TRADE**		
	Raw materials		
	- in hand	**2,619,055**	2,179,957
	- in transit	**2,886,938**	3,011,749
		5,505,993	5,191,706
	Packing materials	**29,524**	6,692
	Work in process	**701,458**	424,545
	Finished goods	**2,660,195**	1,832,884
		8,897,170	7,455,827

		Note	2025	2024
			(Rupees in thousands)	
8.	**TRADE DEBTS - considered good**			
	Export	8.3 & 8.4	**2,842,748**	1,642,535
	Local	8.3	**3,760,630**	1,669,216
			6,603,378	3,311,751

8.1 Related parties from whom trade receivables are due are as under:

	2025	2024
	(Rupees in thousands)	
Myco Corporation	**-**	6,779
	-	6,779

8.2 The maximum aggregate amount due from the related parties at the end of any month during the year is Rs.118.99 million (2024: Rs. 7.25 million). These balances are neither due nor impaired.

8.3 The ageing of trade debts receivable from other than related parties as at the reporting date is as under:

	Note	2025	2024
		(Rupees in thousands)	
Not yet due		**3,008,433**	2,730,770
Past due but not impaired			
- 1 to 30 days		**3,530,243**	543,036
- 31 to 90 days		**56,662**	27,313
- 91 to 180 days		**6,178**	2,656
- more than 180 days		**1,862**	1,197
		6,603,378	3,304,972

8.4 Foreign jurisdictions of trade debts:

	2025	2024
United States of America	**2,133,767**	1,285,463
Brazil	**708,981**	357,072
	2,842,748	1,642,535

		Note	2025	2024
9.	**ADVANCES, PREPAYMENTS AND DEPOSITS**			
	Advances to staff for expenses		**3,525**	4,294
	Prepayments		**79,072**	50,135
	Advance to suppliers		**38,539**	43,073
	Loan to employees		**-**	9,087
	Current portion of long term loans to executives	5	**902**	3,067
	Advance for letter of credit		**9,231**	4,934
	Security deposits		**94,825**	18,121
	Margin against bank guarantee		**-**	50,000
			226,094	182,711

9.1 These advances and trade deposits are non-interest bearing.

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10. OTHER RECEIVABLES

	Note	2025	2024
		(Rupees in thousands)	
Considered good:			
Sales tax		544,463	1,227,597
FED		16,463	8,463
Custom duty drawback		538,468	302,102
Others	10.1	8,099	-
		1,107,493	1,538,162

10.1 This represents incorporation related expenses incurred in respect of the wholly owned subsidiary as disclosed in note 1 to these financial statements.

11. CASH AND BANK BALANCES

	2025	2024
	(Rupees in thousands)	
Cash at bank		
Conventional		
- On savings accounts		
Local currency - note 11.1	862,255	340
- On current accounts		
Local currency	178,356	575,950
Foreign currency	116	6,438
	178,472	582,388
	1,040,727	582,728
Islamic		
- On savings accounts		
Local currency - note 11.2	41	98,251
- On current accounts		
Local currency	52,365	22,541
Foreign currency	27,159	34,421
	79,565	155,213
Term deposit receipts note		
- Conventional - note 11.3	3,239,330	545,100
- Islamic - note 11.4	200,000	-
	3,439,330	545,100
Cash in hand		
Local Currency	6,778	4,390
Foreign Currency	4,750	1,876
	11,528	6,266
	4,571,150	1,289,307

11.1 The rates of mark-up on PLS savings accounts ranged from 9.5% to 20.5% (2024:15% to 21.5%) per annum.

11.2 The rates of mark-up on PLS savings accounts ranged from 8.1% to 15% (2024: 20.25%) per annum.

11.3 The rates of profit on TDRs ranged from 6.41% to 20.5% (2024: 10.06% to 16.26%) per annum.

11.4 The rates of profit on TDRs ranged from 8.1% to 17% (2024: nil) per annum.

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			2025	2024
			(Rupees in thousands)	

12. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2025	2024			
Number of shares				
1,432,954,545	1,432,954,545	Ordinary shares of Rs. 10 each fully paid-up in cash	14,329,545	14,329,545

12.1 Movement during the period

2025	2024			
Number of shares				
1,432,954,545	1,281,500,000	Balance at the beginning of the year	14,329,545	12,815,000
-	151,454,545	Shares issued during the year	-	1,514,545
1,432,954,545	1,432,954,545		14,329,545	14,329,545

12.2 Ordinary shares of the Company held by the related parties:

	2025	2024
	Number of shares	
Service Industries Limited - Holding Company	316,539,659	316,539,659
Chaoyang Long March Tyre Co. Ltd - Associated Company	630,500,000	630,500,000
Shabir Ahmed of Myco Corporation	71,647,727	71,647,727
Service Global Footwear Limited - Associated Company	270,971,704	270,971,704
Service Tyres (Private) Limited	143,295,455	143,295,455

12.3 The Company in its extra ordinary general meeting held on July 31,2024 increased its authorised share capital for ordinary shares from 15 billion divided into 1500 million ordinary shares to Rs. 15.25 billion divided into 1,525 million ordinary shares of Rs 10 each.

13. EMPLOYEE SHARE OPTION RESERVE

On July 1, 2024 , the Company established share option programmes that entitle key management personnel and (senior employees) employee falling under classification level MG2 and above to purchase shares in the Company.Under these programmes, holders of vested options are entitled to purchase shares at the specified exercise price. Currently, these programmes are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Option Grant Year	Number of Options	Vesting Period	Exercise Price
2024	81,500,000	31-Jul-24	31-Jul-25
2024	10,000,000	31-Jul-24	31-Jul-27

As of 31 July 2024,fair value of employees share options is calculated using Black Scholes pricing model. The fair value of options granted during the year at the date of grant as estimated using the Black Scholes Model was Rs.6.12 and Rs.5.15 per option. The Fair Value measurement for the Employee Stock option Scheme has been categorized as a level 3 fair value based on the inputs to the valuation technique used. The following assumptions were used in calculating the fair value of the options:

	1st Option	2nd Option
- Underlying price	17.46	17.46
- Exercise price	10	10
- Grant Date	31-Jul-24	31-Jul-24
- Expiry Date	31-Jan-27	31-Jan-29
- Expected Life	2.5	4.5
- Historical Volatility	46.66%	46.66%
- Risk free rate	14.07%	14.07%
- Dividend yield	14%	14%

As per Employees stock option scheme,total number of options available under option 1 and option 2 were 81,500,000 and 10,000,000. However, the compensation committee has accorded 48,050,000 options out of 81,500,000 options and 9,000,000 out of 10,000,000 options

In this respect, Employee share option compensation reserve amounting to Rs. 283,376,205 has been recognized with a corresponding charge for the year in respect of related employees services received to the balance sheet date.

		Note	2025	2024
			(Rupees in thousands)	
14.	**DEFERRED INCOME - GOVERNMENT GRANT**			
	Opening balance at the beginning of the year		**1,624,271**	1,784,970
	Add: Recognized during the year		**2,445**	145,200
	Less: Amortized during the year		**(391,100)**	(429,196)
	Reassessment		**(59,015)**	123,297
			1,176,601	1,624,271
	Less: Current portion shown under current liabilities	21	**(360,662)**	(415,999)
	Closing balance at the end of the year		**815,939**	1,208,272

14.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units. The refinance was made available through Banks / DFIs. One of the key feature of the refinance facility is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant.

The Company has obtained these loans as disclosed in note 16 to the financial statements. In accordance with IFRS 9 'Financial Instruments' loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. Finance cost is reported on net basis in statement of profit or loss.

15. DEFERRED TAX ASSET

The deferred tax asset / liability comprises of the timing difference relating to accelerated tax depreciation allowance attributable to income subject to normal tax under the Income Tax Ordinance, 2001:

	Note	Accelerated tax depreciation (Rupees in thousands)
Balance at July 1, 2024		**1,515,546**
Charge to profit or loss and other comprehensive income for the year	15.1	**(3,008,226)**
Balance at June 30, 2025		**(1,492,680)**
Balance at July 1, 2023		208,548
Charge to profit or loss and other comprehensive income for the year		1,306,998
Balance at June 30, 2024		1,515,546

15.1 During the year, the Company after seeking approval from the commissioner revised its income tax returns for the tax years 2022 to 2024 to adjust the tax written down value (WDV) of its property, plant, and equipment back to their original cost.

The income tax returns were revised based on the opinion from the Company's legal consultant, that income earned during an exempt period does not constitute business income chargeable to tax. Consequently, the Company's assets are regarded as not being employed to generate business income chargeable to tax and, therefore, are not considered depreciable assets as per the ITO 2001. The opinion of legal advisor of the Company is based on ruling from the Islamabad High Court in case of other company.

Following this revision, the Company has reversed a deferred tax liability of Rs. 1,515 million that had been recorded in prior years due to difference between the accounting and tax WDV of property, plant, and equipment. Additionally, no deferred tax liability amounting to Rs. 631.21 million has been recognized for the current year.

The revision of income tax returns has resulted in deferred tax asset amounting to Rs. 1,492.68 million as of June 30, 2025. accordingly, the Company has recorded deferred tax income as disclosed in note 30 to these financial statements.

The Company is confident that the tax position being taken by it is permissible under section 22(5) of ITO 2001. Eventual resolution of the matter will however be dependent upon the finalisation of the tax assessment by tax authorities.

15.2 Under the Finance Act, 2020, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2023, companies are liable to pay super tax at specified rates.Therefore, deferred tax asset have been recognised accordingly using the enacted tax rate of 39%.

	2025	2024
	(Rupees in thousands)	
16. LONG TERM FINANCING		
CONVENTIONAL		
Long Term Finance	**2,939,825**	348,690
Temporary Economic Refinance Facility (TERF)	**4,207,567**	4,775,296
Renewable Energy Power Project (REPP)	**100,000**	40,985
ISLAMIC		
Islamic Temporary Economic Refinance Facility (ITERF)	**1,180,898**	1,341,560
Long term musharaka	**31,771**	39,320
	8,460,061	6,545,851
Less: Current portion of long term loan		
CONVENTIONAL		
Long Term Finance	**(537,956)**	-
Temporary Economic Refinance Facility (TERF)	**(871,456)**	(874,268)
ISLAMIC		
Islamic Temporary Economic Refinance Facility (ITERF)	**(250,586)**	(250,418)
Long term musharaka	**(11,015)**	(8,070)
	6,789,048	5,413,095

16.1 Long term finances utilized under mark-up arrangements

	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2025	2024
				(Rupees in thousands)	
Conventional					
i) Long Term Finance					
MCB Bank Limited Assistance for construction of houses and buildings	6 half yearly installments 29-Sep-23	20-Mar-24	3-months KIBOR	-	-
Allied Bank Limited Assistance for plant and machinery	32 quarterly installments 4-Apr-24	26-May-33	3-months KIBOR +0.5%	-	5,831
Habib Bank Limited Assistance for plant and machinery	16 half yearly installments 30-Apr-25	24-Aug-33	6-months KIBOR +0.5%	-	199,834
National Bank of Pakistan Assistance for plant and machinery	20 quarterly installments 30-Jul-25	30-Oct-30	3-months KIBOR +0.5%	**1,939,825**	143,025
Bank Al Falah Limited Assistance for plant and machinery	20 quarterly installments 6-Nov-25	6-Aug-30	3-months KIBOR +0.5%	**1,000,000**	-

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	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2025	2024
				(Rupees in thousands)	
Conventional					
ii) **REPP**					
Habib Bank Limited Assistance for plant and machinery	16 half yearly installments 24-Aug-26	24-Aug-33	0.5% over SBP rate	**100,000**	40,985
iii) **TERF**					
Allied Bank Limited Assistance for plant and machinery	32 quarterly installments 25-Feb-23	26-May-33	0.5% over SBP TERF rate	**1,188,628**	1,345,880
Bank Alfalah limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Apr-32	0.75% over SBP TERF rate	**594,906**	673,383
MCB Bank Limited Assistance for plant and machinery	16 half yearly installments 2-Oct-23	19-Nov-31	0.5% over SBP TERF rate	**633,075**	715,222
Habib Bank Limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Feb-31	0.5% over SBP TERF rate	**1,790,958**	2,040,810
				7,247,392	5,164,970
Islamic					
i) **ITERF**					
Faysal Bank Limited Assistance for plant and machinery	32 quarterly installments 8-Feb-23	10-Aug-23	0.5% over SBP ITERF rate	**1,180,898**	1,341,561
ii) **DIMINISHING MUSHARAKA**					
Bank Islami Pakistan	48 monthly installments 5-Feb-24	5-Feb-28	6-months KIBOR +0.4%	**31,771**	39,320
				1,212,669	1,380,881
				8,460,061	6,545,851

16.1.1 Shariah disclosure - long term borrowings

Conventional borrowings	**7,247,392**	5,164,971
Islamic borrowings	**1,212,669**	1,380,880
	8,460,061	6,545,851

16.1.2 The above loans are secured against joint pari passu charge over present and future fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 19,313 million and corporate guarantees of Service Industries Limited - Holding Company with aggregate carrying amount of Rs. 9,000 million.

16.1.3 In relation to above borrowings, The Company is to comply with financial covenants which includes Debt Service Coverage Ratio (Min - 1x to 2.5x), Current Ratio (Min - 1x to 1.5x), Debt to Equity Ratio (Min 1x- 3x), Interest Coverage Ratio (Min 1.25x - 3.x), Leverage Ratio (Min 2.5 - 3x), Long Term Debt to Equity (Max >1x), Debt to EBITDA (Min <5x -8x), Maximum Funded Leverage (Min 3x - 3.5x). The current ratio of the Company is not in compliance with the requirements outlined in the facility letter of one bank. However, as per the facility letter the compliance of financial covenants does not impact the Company's right to defer the loan payments as per the schedule or does not constitute an event of default.

	Note	2025	2024
		(Rupees in thousands)	
17. TRADE AND OTHER PAYABLES			
Trade creditors		**3,447,284**	3,228,873
Accrued liabilities		**390,115**	299,034
Employees' provident fund payable		**42,663**	105,760
Withholding taxes payable		**78,593**	51,283
Workers' Welfare Fund		**5,007**	2,345
Workers' Profit Participation Fund Payable	17.1	**390,182**	197,355
Advance from scrap customers		**-**	13,403
		4,353,844	3,898,053

17.1 Workers' Profit Participation Fund	2025	2024
Balance at beginning of the year	**197,355**	193
Allocation for the year	**388,471**	341,137
Interest on workers' profit participation fund	**8,162**	-
Payment during the year	**(203,806)**	(143,975)
Balance at end of the year	**390,182**	197,355

18. CONTRACT LIABILITIES

18.1 These represents advances received by the Company from customers in respect of sale of tyres. 100% (2024: 100%) of these advances at the beginning of the year got converted into revenue during the year.

18.1.1 This include advance amounting to Rs. 342.77 million (2024: Nil) from Myco Corporation in the ordinary course of business.

	2025	2024
	(Rupees in thousands)	
19. ACCRUED MARK-UP		
Conventional		
Long term financing	**112,804**	40,481
Short term financing	**202,326**	31,283
	315,130	71,764
Islamic		
Long term financing	**6,096**	6,490
Short term financing	**-**	-
	6,096	6,490
	321,226	78,254

	Note	2025	2024
		(Rupees in thousands)	
20. SHORT TERM FINANCING			
Conventional:			
Short term running finance	20.1 & 20.2	**119,766**	285,256
Export finance scheme	20.2 & 20.3	**2,770,669**	2,344,278
Export refinance scheme	20.2 & 20.4	**4,645,979**	508,000
FE-25 loan against exports	20.2 & 20.5	**3,191,756**	-
Money market	20.2 & 20.6	-	1,138,447
		10,728,170	4,275,981

20.1 The rates of mark-up range from 11.88% to 22.08% per annum during the year on the outstanding balance (2024: 22.56% to 23.64% per annum).

20.2 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets of the Company.These form part of total credit facilities of Rs. 19,600 million (2024: Rs.8,400 million)

20.3 The mark-up rate applicable during the year was 2% per annum (2024: 2% to 2.5%) during the year on outstanding balance.

20.4 The rates of mark-up range from 8% to 19% (2024: 17.5% to 19% per annum) per annum during the year on the outstanding balance.

20.5 The rates of mark-up range from 4% to 8% per annum during the year on the outstanding balance.(2024: 6.5% to 8% per annum).

20.6 The rates of mark-up range from 10% to 19.38% per annum during the year on the outstanding balance (2024: 22.54% to 24.85% per annum).

	Note	2025	2024
		(Rupees in thousands)	
21. CURRENT PORTION OF NON CURRENT LIABILITIES			
Deferred income - Government grant	14	**360,662**	415,999
Long term financing	16	**1,671,013**	1,132,756
		2,031,675	1,548,755

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 The Company imported prefabricated buildings and claimed exemption from the customs duties and sales tax on the ground that these were being imported for the purpose of establishing an industry in the subject industrial economic zone which was denied on the ground that prefabricated buildings do not fall under capital goods or plant and machinery and thereafter these were allowed to be released provisionally against bank guarantee and the matter was referred to Federal Board of Revenue (FBR). Guarantees are given by the banks of the Company to the Collector of Customs, amounting to Rs. 368.70 million (2024: Rs. 368.70 million). The FBR upheld the opinion of customs against which the Company filed constitutional appeal in the High Court of Sindh. The matter is currently pending in the High Court of Sindh. The Company based of the merits of case and favourable judgements passed by the Honourable courts on the similar matter in the past believes that the case will be decided in favour of the Company.

22.1.2 A show cause notice was issued against the Company on account of inadmissible adjustment of input tax on purchase of building material and services for construction of tyre manufacturing facility, amounting to Rs. 363.26 million. The remand-back proceedings under Section 11 of the Act were concluded by the DCIR, vide order dated February 29, 2024, whereby sales tax demand of Rs. 42.36 million (including penalty u/s 33(8) of the Act) was raised. During the year, the Company has paid the said amount under protest. However, the Company filed an appeal before the Commissioner Inland Revenue (CIRA) which was subsequently transferred to the Appellate Tribunal Inland Revenue. The ATIR, through its order dated January 2, 2025, has decided the appeal against the Company and upheld the demand raised by the department. The Company challenged the aforementioned appellate order before the honorable Lahore High Court that remanded the matter back to ATIR for reconsideration. Following a hearing on July 3, 2025, the ATIR has now passed a revised appellate order, substantially reducing the original tax demand from Rs. 42.36 million to Rs. 5.22 million.The Company is still contesting the revised demand and based on the advice of it's consultant and hence no provision has been made in these financial statements.

22.1.3 A Constitutional Petition C.P No. 4294/2021 was filed by the Company on July 26, 2021 to challenge the levy of Sindh Infrastructure Development Cess. On August 31, 2021, the Supreme Court of Pakistan has suspended the judgement passed by the Sindh High Court and stayed the encashment of bank guarantees. As at June 30, 2025, amount involved in the matter is Rs. 1,055 million against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

22.1.4 The Company has disclosed the contingency regarding deferred tax in note 15.1 to these financial statements.

22.2 Guarantees

22.2.1 Guarantees are given by the banks of the Company to the Sui Southern Gas Company Limited amounting to Rs. 310.96 million (2024: Rs. 106.27 million) against gas connection.

22.2.2 Guarantees are given by the banks of the Company to the National Logistics Cell, Controller of Military Accounts and Pakistan State Oil Company Limited amounting to Rs. 99.64 million, Rs. 85.72 million and Rs. 10 million (2024: Rs. 48.87 million, Rs. 50.56 million and Rs. 7 million) respectively.

22.2.3 Guarantees are given by the banks of the Company to the Director Excise and Taxation,and Collector of Customs Karachi amounting to Rs. 1,055 million and Rs. 368.69 million respectively (2024: Rs.112 million) against infrastructure cess.

22.3 Commitments

22.3.1 The facilities for opening letters of credit from banks as at June 30, 2025 amounted to Rs. 11,250 million (2024: Rs. 10,950 million) of which unutilized balance at period end amounted to Rs. 10,886 million (2024: Rs. 2,175 million).

22.3.2 There were no capital expenditure commitments outstanding as at June 30, 2025 (2024: Rs. 435 million).

	2025	2024
	(Rupees in thousands)	
23. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Sale of goods less returns:		
Export	**14,830,311**	12,237,008
Local	**42,326,250**	30,696,082
	57,156,561	42,933,090
Custom duty drawback	**423,376**	392,042
Sales tax	**(6,456,112)**	(4,710,145)
Trade discounts	**(1,283,634)**	(667,370)
	(7,316,370)	(4,985,473)
	49,840,191	37,947,617

23.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets.

	2025	2024
	(Rupees in thousands)	
United States of America	**12,679,832**	9,185,812
Brazil	**2,573,856**	3,084,197
Pakistan	**34,586,503**	25,677,608
	49,840,191	37,947,617

	Note	2025	2024
		(Rupees in thousands)	
24. COST OF SALES			
Raw & packing materials consumed	24.1	**34,875,116**	23,852,652
Manufacturing overheads			
Fuel and power		**1,975,006**	1,632,920
Salaries, wages and other benefits	24.2	**1,269,244**	988,728
Depreciation	4.1.3	**1,151,041**	969,570
Repair and maintenance		**417,662**	318,744
Travelling		**215,093**	161,621
Insurance		**93,807**	86,280
Freight and insurance		**54,615**	63,212
Vehicles running expenses		**60,067**	34,362
Safety & security		**34,078**	31,710
Communication		**6,876**	2,258
Rent, rates & taxes		**1,907**	837
		5,279,396	4,290,242
		40,154,512	28,142,894
Work-in-process			
Opening stock		**424,545**	117,403
Less: closing stock		**(701,458)**	(424,545)
Cost of goods manufactured		**39,877,599**	27,835,752
Finished goods			
Opening stock		**1,832,884**	2,577,676
Less: closing stock		**(2,660,195)**	(1,832,884)
		(827,311)	744,792
		39,050,288	28,580,544

24.1 Raw & packing material consumed

	2025	2024
Opening stock	**2,173,265**	2,612,142
Purchased during the year	**35,350,430**	23,413,775
	37,523,695	26,025,917
Closing stock in hand	**(2,648,579)**	(2,173,265)
	34,875,116	23,852,652

24.2 This includes provident fund amount Rs. 36.87 million (2024: Rs. 17.1 million) in respect of provident fund contribution by the Company.

25.	DISTRIBUTION COST	Note	2025 (Rupees in thousands)	2024
	Freight expense of export sales		**389,577**	285,809
	Carriage outwards of local sales		**442,695**	238,400
	Salaries and other benefits	25.1	**174,905**	143,620
	Advertisement and publicity		**130,804**	80,752
	Travelling and conveyance		**48,087**	11,324
	Communication		**1,104**	339
			1,187,172	760,244

25.1 This includes provident fund amount Rs. 4.86 million (2024: Rs. 4.03 million) in respect of provident fund contribution by the Company.

26.	ADMINISTRATIVE EXPENSES	Note	2025 (Rupees in thousands)	2024
	Salaries and other benefits	26.1 & 26	**744,157**	338,312
	Depreciation	4.1.3	**206,065**	166,603
	Legal and professional charges		**37,110**	27,931
	Travelling and conveyance		**105,215**	23,600
	General		**17,607**	17,048
	Communication		**18,795**	13,865
	Entertainment		**25,061**	12,523
	Miscellaneous		**27,886**	11,134
	Vehicles' running expenses		**45,830**	9,754
	Rent, rates and taxes		**33,770**	7,753
	Training and education		**3,062**	1,676
	Printing and stationery		**4,564**	3,018
	Safety & security		**1,035**	1,113
			1,270,157	634,330

26.1 This includes provident fund amount Rs. 17.4 million (2024: Rs. 12.67 million) in respect of provident fund contribution by the Company.

26.2 This includes proportionate salaries charged by the Group Company.

27.	OTHER EXPENSES	Note	2025 (Rupees in thousands)	2024
	Workers' Profit Participation Fund		**388,471**	341,137
	Auditor's remuneration	27.1	**22,491**	15,300
	Workers' Welfare Fund		**2,613**	2,345
	Exchange gain		**(101,042)**	(82,544)
			312,533	276,238

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		2025	2024
		(Rupees in thousands)	
27.1	**Auditor's remuneration**		
	Statutory audit fee	5,000	4,500
	Special audit fee	2,300	-
	Tax services	12,404	10,350
	Other certifications and other services	100	-
	Out of pocket expenses	2,687	450
		22,491	15,300
28.	**FINANCE COST AND OTHER CHARGES**		
	Interest on long term borrowings		
	- Conventional	720,858	710,051
	- Islamic	113,366	126,568
		834,224	836,619
	Less: amortization of deferred income	(391,100)	(429,196)
		443,124	407,423
	Interest on short term borrowings		
	- Conventional	546,222	538,336
	- Islamic	54,419	137,674
	Bank commission and fees	56,727	51,451
	Interest on Workers' Profit Participation Fund	8,162	-
	Interest On Provident Fund Payable	652	-
	Finance cost on Diminishing Musharaka	7,891	3,081
		1,117,197	1,137,965
28.1	**Shariah Disclosure**		
	- Long term	121,257	126,568
	- Short term	54,419	137,674
		175,676	264,242
29.	**OTHER INCOME**		
	Income from financial assets:		
	Profit on Term deposit receipts		
	- Conventional	85,952	77,145
	- Islamic	18,316	-
	Profit on saving accounts		
	- Conventional	31,575	39,067
	- Islamic	7,469	9,148
	Income from non-financial assets:		
	Scrap sales	54,374	14,718
	Gain/(loss) on disposal of operating fixed assets	(47)	1,602
		197,639	141,680

		Note	2025	2024
			(Rupees in thousands)	
30.	**TAXATION**			
	Current Tax		**37,415**	33,316
	Prior Tax		**45,976**	-
	Deferred tax	15	**(3,008,226)**	1,306,998
			(2,924,835)	1,340,314

30.1 As mentioned in Note 3.13.1 to these financial statements, the Company is exempt from taxation on its income for 10 years from the date of commencement of commercial operations.

31. EARNINGS PER SHARE - BASIC AND DILUTED

	2025	2024
	(Rupees in thousands)	
Basic earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**10,025,318**	5,359,662
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**1,432,955**	1,344,606
Earnings per share - basic and diluted (Rs.)	**7.00**	3.99
Diluted earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**10,025,318**	5,359,662
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**1,457,330**	1,344,606
Earnings per share - diluted (Rs.)	**6.88**	3.99

31.1 There were no convertible dilutive potential ordinary shares outstanding as at June 30, 2024.

32. NUMBER OF EMPLOYEES

	2025	2024
Factory		
Number of employees as at reporting date	**1123**	822
Average number of employees during the year	**980**	783
Total Number of Employees		
Number of employees as at reporting date	**1341**	1019
Average number of employees during the year	**1196**	940

	Note	2025	2024
		(Rupees in thousands)	

33. CASH GENERATED FROM OPERATIONS

	Note	2025	2024
Profit before taxation		**7,100,483**	6,699,976
Adjustment for non-cash charges and other items:			
Profit on bank deposits and term deposits recei[	29	**(143,312)**	(77,145)
Finance cost and other charges	28	**1,117,197**	1,137,965
Exchange gain	27	**(101,042)**	(24,414)
Loss / (gain) on disposal of fixed assets	29	**47**	(1,602)
Employee share option expense	13	**283,376**	-
Depreciation	4.1.3	**1,357,106**	1,136,173
Working capital changes	33.1	**(3,145,309)**	(463,570)
		(631,937)	1,707,407
		6,468,546	8,407,383

33.1 Working capital changes

	2025	2024
(Increase) / Decrease in current assets:		
Stock in trade	**(1,441,343)**	(1,038,992)
Stores and spares	**142,217**	(431,076)
Trade debts	**(3,190,585)**	354,573
Advances, prepayments and deposits	**(43,383)**	128,168
Long term security deposit	**-**	-
Other receivables	**430,669**	(580,964)
Increase / (Decrease) in current liabilities:		
Contract liabilities	**501,325**	107,897
Trade and other payables	**455,791**	996,824
	(3,145,309)	(463,570)

34. CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	11	**4,571,150**	1,289,307
Running finance under mark-up arrangements from banks	20	**(119,766)**	(285,256)
Term deposit receipts	11	**(3,439,330)**	(545,100)
		1,012,054	458,951

35. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to executives of the Company is as follows:

	2025	2024	2025	2024	2025	2024
	Chief Executive Officer		Directors		Executives	
	---------- Rupees in '000 ----------					
Managerial remuneration	**55,281**	25,128	**24,802**	22,619	**369,779**	269,331
Allowances:						
Bonus	-	-	**12,111**	6,206	**95,956**	43,442
Retirement Benefit	**4,146**	1,885	-	-	**15,502**	10,006
Medical, House Rent etc	**11,056**	3,140	**2,480**	2,056	**35,527**	47,786
Total	**70,483**	30,153	**39,393**	30,881	**516,764**	370,565
Number of persons	**1**	1	**2***	2*	**86**	63

** Except for the directors disclosed above, no other director received any remuneration or fees during the year.*

35.1 The Chief Executive and some of the executives of the company are also provided with Company maintained vehicles in accordance with Company's policy.

35.2 There are no transactions with key management personnel other than under the terms of employment.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, joint venturer, directors of the Company, key management personnel and staff retirement funds. Contributions to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions are at agreed terms.

Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements is as follows:

	2025	2024
Service Industries Limited - Holding Company	**(Rupees in thousands)**	
Share deposit money received	-	486,018
Share capital issued against share deposit money	-	486,018
Sale of goods	-	48,700
Proportionate salaries charged	**72,000**	43,722
Guarantee commission paid	**40,500**	40,680
Purchase of goods	**4,468**	154,547
Dividend paid	**443,155**	-
Reimbursement of expenses	**8,459**	7,636

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	2025	2024
	(Rupees in thousands)	
Chaoyang Long March Tyre Co. Ltd - Associated Company		
Share deposit money received	-	665,805
Share capital issued against share deposit money	-	666,400
Dividend paid	882,700	-
Purchase of goods	716,590	287,248
Service Global Footwear Limited - Associated Company		
Share deposit money received	-	286,401
Share capital issued against share deposit money	-	286,401
Dividend paid	379,360	-
Mr. Shabir Ahmad of Myco Corporation - Joint Venturer		
Share deposit money received	-	75,727
Share capital issued against share deposit money	-	75,727
Sale of goods	492,457	-
Trade discounts	19,111	-
Dividend paid	100,307	-
Service Tyres (Private) Limited - Associated Company		
Purchase of goods	336,317	-
Dividend paid	200,614	-
Expenses charged	2,065	-
Sale of Goods	1,621	-
Service Long March Tyres - Staff Provident Funds		
Net charge in respect of staff retirement benefit plan	59,130	35,680
Retirement benefit plans payable	42,663	105,760
Key Management Personnel		
Remuneration	109,876	61,034

36.1 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year / period		Percentage of shareholding in the Company	
		2025	2024	**2025**	2024
Service Industries Limited	Holding Company	Yes	Yes	22%	32%
Chaoyang Long March Tyre Co. Ltd	Common directorship	Yes	Yes	44%	44%
Service Global Footwear Limited	Common directorship	Yes	Yes	19%	19%
Mr. Shabir Ahmad of Myco Corporation	Joint venturer	Yes	Yes	5%	5%
Service Tyres (Private) Limited	Common directorship	Yes	No	10%	Nil
S2 Power Limited	Common directorship	No	No	Nil	Nil
S2 Hydro Limited	Common directorship	No	No	Nil	Nil
Speed (Private) Limited	Common directorship	No	No	Nil	Nil
SBL Trading (Private) Limited	Common directorship	No	No	Nil	Nil
Shahid Arif Investments (Private) Limited	Common directorship	No	No	Nil	Nil
Service Industries Capital (Private) Limited	Common directorship	No	No	Nil	Nil
Service Shoes Lanka (Private) Limited	Common directorship	No	No	Nil	Nil
Service Foundation	Common directorship	No	No	Nil	Nil
JOMO Technologies (Private) Limited	Common directorship	No	No	Nil	Nil
SIL Gulf FZE	Common directorship	No	No	Nil	Nil
Dongguan Service Global Limited	Common directorship	No	No	Nil	Nil
Service Retail (Private) Limited	Common directorship	No	No	Nil	Nil

36.2 Particulars of company incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place is as follows:

Name	Country of incorporation	Basis of association	Percentage of shareholding in the Company
Chaoyang Long March Tyre Co. Ltd	China	Common directorship	44%

36.3 Service Industries Limited - Holding Company has issued cross corporate guarantees of Rs. 9,000 million (2024: Rs. 9,000 million) on behalf of the Company to secure the obligations of Company towards its lenders.

37. PLANT CAPACITY

	Installed capacity		Actual Production	
	2025	2024	**2025**	2024
Number of tyres	**1,300,000**	740,000	**1,184,346**	835,374

38. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

38.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

38.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	(Rupees in thousands)	
- Long term loan	-	878
- Long term security deposit	**7,748**	7,748
- Trade debts	**6,603,378**	3,311,751
- Advances and security deposits	**95,727**	30,275
- Accrued interest	**38,029**	22,971
- Bank balances	**4,559,621**	1,283,041
	11,304,503	4,656,664

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Trade Debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2025	2024
	(Rupees in thousands)	
Domestic	**3,760,630**	1,669,216
Export	**2,842,748**	1,642,535
	6,603,378	3,311,751

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38.1.2 Impairment losses

	2025		2024	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	**3,008,433**	-	2,730,770	-
Past due but not impaired				
- 1 to 30 days	**3,530,243**	-	543,036	-
- 31 to 90 days	**56,662**	-	27,313	-
- 91 to 180 days	**6,178**		2,656	-
- more than 180 days	**1,862**	-	1,197	-
Total	**6,603,378**	-	3,304,972	-

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behavior and review of financial strength of respective customers.

Above balances are unsecured. None of the other financial assets are past due or impaired other than those which have been provided.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating	
		Short term	Long term
Habib Bank Limited	VIS	AAA	A1+
Bank Al Falah Limited	PACRA	AAA	A1+
Industrial and Commercial Bank of China	Fitch rating	A-	F1+
National Bank of Pakistan	PACRA	AAA	A1+
Askari Bank Limited	PACRA	AAA	A1+
Allied Bank Limited	PACRA	AAA	A1+
Faysal Bank Limited	VIS	AA	A1+
Soneri Bank Limited	PACRA	AA-	A1+
The Bank of Punjab	PACRA	AA+	A1+
Meezan Bank Limited	VIS	AAA	A1+
MCB Islamic Bank Limited	PACRA	A+	A1
United Bank Limited	PACRA	AAA	A1+
MCB Bank Limited	PACRA	AAA	A1+
Bank Al Habib Limited	PACRA	AAA	A1+
Bank Islami Pakistan Limited	PACRA	AA-	A1
Al Baraka Bank (Pakistan) Limited	VIS	A+	A1-
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
Standard Chartered Bank	PACRA	AAA	A1+

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

38.2 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

38.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, cash balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily Chinese Yuan, Euro, and U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2025			
	Rs.	US Dollars	CNY	EUR
	(Amounts in '000)			
Financial assets				
Cash balances	3,724	12.70	1.56	0.16
Trade debts	2,842,748	10,006	-	-
Financial liabilities				
Trade creditors	(718,434)	-	(2,531)	(2)
Net exposure	2,128,038	10,019	(2,529)	(2)

	2024			
	Rs.	US Dollars	CNY	EUR
	(Amounts in '000)			
Financial assets				
Cash balances	885	1.03	14.26	0.16
Trade debts	1,642,535	5,913	-	-
Financial liabilities				
Trade creditors	(342,754)	-	(1,236)	(2)
Net exposure	1,300,666	5,914	(1,222)	(2)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2025	2024	2025	2024
	---------- (Rupees) ----------			
US Dollars	279.35	282.55	284.10	277.8
CNY	38.73	39.10	39.66	38.64
EUR	303.97	305.64	332.83	302.06

Sensitivity analysis

	Effect on Statement of Profit or Loss	
	2025	2024
	(Rupees in thousand)	
As at 30 June		
USD	**142,318**	82,141
EUR	**(5,016)**	(2,360)
CNY	**(28)**	(26)

38.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from term deposit receipts, short term borrowings, and long term borrowings from banks.

The Company's interest rate risk arises from term deposit receipts, short term financing and long term financing. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is:

	Carrying amount	
	2025	2024
	(Rupees in thousands)	
Fixed rate instruments		
Financial assets	**3,439,330**	545,100
Financial liabilities	**5,488,465**	6,157,841
Variable rate instruments		
Financial assets	**862,296**	98,590
Financial liabilities	**3,059,591**	348,975

a) **Cash flow sensitivity analysis for variable rate financial instruments**

The Company holds various variable rate financial instruments amounting to Rs.3,921.89 million (2024: Rs.447.57 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at 30 June 2025 would have increased / (decreased) profit after tax and equity by Rs. 21.97 million (2024: Rs. 3.5 million).This analysis assumes that all other variables, in particular foreign currency rates, remain constant

b) **Fair value sensitivity analysis for fixed rate financial instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

38.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2025					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	8,460,061	9,636,663	839,861	839,861	7,399,566	557,375
Short term financing	10,728,170	10,728,170	10,728,170	-	-	-
Accrued mark-up	321,226	321,226	321,226	-	-	-
Trade and other payables	4,275,251	4,275,251	4,275,251	-	-	-
	23,784,708	24,961,310	16,164,508	839,861	7,399,566	557,375

	2024					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	6,545,852	8,189,646	570,367	570,367	5,984,533	1,064,379
Short term financing	4,275,981	4,275,981	4,275,981	-	-	-
Accrued mark-up	78,254	78,254	78,254	-	-	-
Trade and other payables	3,833,367	3,833,367	3,833,367	-	-	-
	14,733,454	16,377,248	8,757,969	570,367	5,984,533	1,064,379

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38.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

38.3.2 Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

38.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	June 30, 2025		
	Long term financing	Short term financing	Share deposit money
	.... (Rupees in thousands)		
Balance at the beginning of the year	6,545,851	4,275,981	18,102
Add: Share deposit money received during the year	-	-	-
Less: Shares issued during the year	-	-	-
Add: Financing obtained - net	-	6,452,189	-
Less: Deferred income - Government grant - net	1,914,210	-	-
Balance at the end of the year	8,460,061	10,728,170	18,102

	June 30, 2024		
	Long term financing	Short term financing	Share deposit money
	.... (Rupees in thousands)		
Balance at the beginning of the year	8,418,395	6,854,800	18,698
Add: Share deposit money received during the year	-	-	1,513,949
Less: Shares issued during the year	-	-	(1,514,545)
Add: Financing obtained-net	(2,156,439)	(2,578,819)	-
Less: Deferred income - Government grant - net	283,895	-	-
Balance at the end of the year	6,545,851	4,275,981	18,102

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity and commodity price risks.

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

38.5 Financial instruments by categories

	At amortized cost	
	2025	2024
	(Rupees in thousands)	
Assets as per statement of financial position		
Long term loan	-	878
Long term security deposit	**7,748**	7,748
Trade debts	**6,603,378**	3,311,751
Advances and deposits	**95,727**	30,275
Accrued interest	**38,029**	22,971
Cash and bank balances	**4,571,150**	1,289,307
	11,316,032	4,662,930
Liabilities as per statement of financial position		
Long term financing	**8,460,061**	6,545,852
Short term financing	**10,728,170**	4,275,981
Trade and other payables	**3,837,399**	3,527,907
Accrued mark-up	**321,226**	78,254
	23,346,856	14,427,994

38.6 Reconciliation to the line items presented in the statement of financial position is as follows:

	2025		
	Financial assets	**Non-financial assets**	**Assets as per statement of financial position**
	----------- (Rupees in thousands)-----------		
Assets			
Property, plant & equipment	-	29,474,076	29,474,076
Deferred Tax Asset	-	1,492,680	1,492,680
Long term loan	-	-	-
Long term security deposit	7,748	-	7,748
Stock in trade	-	8,897,170	8,897,170
Store and spare	-	428,088	428,088
Trade debts - considered good	6,603,378	-	6,603,378
Advances, prepayments and deposits	95,727	130,367	226,094
Taxation - net	-	12,650	12,650
Accrued interest	38,029	-	38,029
Other receivables	-	1,107,493	1,107,493
Cash and bank balances	4,571,150	-	4,571,150
	11,316,032	41,542,524	52,858,556

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	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	8,460,061	-	8,460,061
Short term financing	10,728,170	-	10,728,170
Deferred income - Government grant	-	1,176,601	1,176,601
Deferred income tax liability	-	-	-
Trade and other payables	3,837,399	516,445	4,353,844
Advance from customer	-	616,913	616,913
Accrued mark-up	321,226	-	321,226
	23,346,856	2,309,959	25,656,815

	2024		
	Financial assets	Non-financial assets	Assets as per statement of financial position
	----------- (Rupees in thousands)-----------		
Assets			
Property, plant & equipment	-	22,501,700	22,501,700
Loan term loan	878	-	878
Long term security deposit	7,748	-	7,748
Stock in trade	-	7,455,827	7,455,827
Store and spare	-	570,305	570,305
Trade debts	3,311,751	-	3,311,751
Advances, prepayments and deposits	30,275	152,436	182,711
Taxation-net	-	71,367	71,367
Accrued Interest	22,971	-	22,971
Other receivables	-	1,538,162	1,538,162
Cash and bank balances	1,289,307	-	1,289,307
	4,662,930	32,289,797	36,952,727

	2024		
	Financial liabilities	Non-financial liabilities	Liabilities as per statement of financial position
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	6,545,851	-	6,545,851
Short term financing	4,275,981	-	4,275,981
Deferred income - Government grant	-	1,624,271	1,624,271
Deferred income tax liability	-	1,515,546	1,515,546
Trade and other payables	3,527,907	370,146	3,898,053
Advance from customer	-	115,588	115,588
Accrued mark-up	78,254	-	78,254
	14,427,993	3,625,551	18,053,544

39. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

40. MEASUREMENT OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced. The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

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	Note	2025	2024
		(Rupees in thousands)	
41. DISCLOSURES RELATING TO SHARIAH COMPLIANCE			
Disclosures in relation to the statement of financial position - Liability			
i) Long term financing obtained as per financing mode	16	**1,212,669**	1,380,880
ii) Short term financing obtained as per financing mode	20	**-**	-
iii) Mark-up accrued on any conventional loan or advance	19	**6,096**	6,490
Disclosures in relation to the statement of financial position - Assets			
i) Shariah-compliant bank deposits, bank balances, and TDRs	11	**279,565**	155,213
Disclosures Required in relation to the Statement of Profit or loss and other comprehensive income			
i) Revenue earned from a Shariah compliant business segment	23	**49,840,191**	37,947,617
ii) Profit earned from Shariah compliant bank deposits	29	**7,469**	9,148
iii) Profit earned from Shariah compliant TDRs	29	**18,316**	-
iv) Exchange gain earned from actual currency		**101,042**	43,962
v) Profit paid on Islamic mode of financing		**86,313**	224,613
Break-up of Other income excluding profits in bank deposits and TDRs			
Shariah compliant income:			
- (Loss) / gain on disposal of property, plant and equipment	29	**(47)**	1,602
- Sale of scrap materials	29	**54,374**	14,718
- Government grant	28	**89,756**	99,217
Shariah non-compliant income:			
- Government grant	28	**301,344**	329,979

41.1 Relationship with Shariah-compliant financial institutions

Islamic Banks

The Company has islamic facilities with various banks for running finance,and letter of Credit amounting to Rs.6,850 million, and Rs.5,100.00 million respectively.

42. PROVIDENT FUND RELATED DISCLOSURES

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43. GENERAL

43.1 Non-adjusting events after reporting date

The Board of Directors of the Company in their meeting held on September 19, 2025 has declared and approved a final cash dividend of Rs. 2.03 per share (2024: Interim Dividend Rs. 1.4 per share) amounting to Rs. 3,000 million (2024: Rs. 2,006.14 million) for the year ended June 30, 2025.

The approval of the members of the Company for the final dividend shall be obtained at the Annual General Meeting to be held on October 13, 2025. This would be recognised in the Company's financial statements in the year in which such dividend is declared / approved.

43.2 Date of approval

These financial statements were authorized for issue on September 19, 2025 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

6.6. LATEST REVIEWED ACCOUNTS AS AT DECEMBER 31ST, 2025

pwc A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS
SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Service Long March Tyres (Private) Limited as at December 31, 2025 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The comparative information for the unconsolidated condensed interim statement of financial position is based on the audited financial statements as at June 30, 2025. The comparative information for the unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and related explanatory notes, for the period ended December 31 2024 has not been audited or reviewed.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 4, 2026

UDIN: RR202510073jSIFMzZVe

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	(Unaudited) December 31,2025	(Audited) June 30, 2025
		(Rupees in thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	31,536,741	29,474,076
Long term investment - Subsidiary	6	77,500	-
Deferred Tax Asset		1,798,473	1,492,680
Long term security deposit	7	7,748	7,748
		33,420,462	30,974,504
CURRENT ASSETS			
Stock in trade	8	12,049,177	8,897,170
Stores and spares		369,521	428,088
Trade debts - considered good	9	7,411,593	6,603,378
Advances, prepayments and deposits		376,345	226,094
Taxation - net		21,825	12,650
Accrued interest		41,773	38,029
Other receivables	10	1,392,758	1,107,493
Cash and bank balances	11	2,154,272	4,571,150
		23,817,264	21,884,052
TOTAL ASSETS		57,237,726	52,858,556
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
7,625,000,000 (30 June 2025: 7,625,000,000) ordinary shares of Rs. 2 each		15,250,000	15,250,000
Share capital - Issued, subscribed and paid-up share capital	12	14,810,045	14,329,545
Capital reserve			
Share premium		294,104	-
Employee share option reserve		21,874	283,376
Share deposit money		18,102	18,102
Revenue reserve			
Accumulated profit		16,095,594	12,570,718
TOTAL SHAREHOLDERS' EQUITY		31,239,719	27,201,741
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income - Government grant		663,450	815,939
Long term financing	13	4,314,948	6,789,048
		4,978,398	7,604,987
CURRENT LIABILITIES			
Trade and other payables	14	4,588,766	4,353,844
Contract liabilities		542,621	616,913
Accrued mark-up		126,327	321,226
Short term financing	15	14,290,995	10,728,170
Current portion of non-current liabilities	16	1,470,901	2,031,675
		21,019,609	18,051,828
TOTAL LIABILITIES		25,998,007	25,656,815
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		57,237,726	52,858,556

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 - UNAUDITED

	Note	December 31, 2025	December 31, 2024
		(Rupees in thousands)	
Revenue from contracts with customers	18	**33,592,021**	23,798,926
Cost of sales		**(25,184,692)**	(17,990,140)
Gross profit		**8,407,329**	5,808,786
Distribution cost		**(826,838)**	(502,969)
Administrative expenses		**(704,396)**	(543,584)
Operating profit		**6,876,095**	4,762,233
Other expenses		**(384,998)**	(253,790)
Finance cost and other charges	19	**(341,927)**	(487,664)
Other income	20	**78,100**	93,185
Profit before taxation		**6,227,270**	4,113,964
Taxation	21	**297,606**	(249,218)
Profit after taxation		**6,524,876**	3,864,746
		---------- Rupees ----------	
			(Restated)
Earnings per share - basic & diluted	22		
Basic earnings per share		**0.89**	0.54
Diluted earnings per share		**0.88**	0.53

There are no other comprehensive income for the year.

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 - UNAUDITED

	Share Capital	Share Premium	Capital Reserve: Share deposit money	Capital Reserve: Employee share option	Revenue Reserve: Accumulated Profit	Total Equity
	--	-----	(Rupees in thousands)	-----	-----	--
Balance as at July 01,2024 - Audited	14,329,545		18,102	-	4,551,536	18,899,183
Transactions with shareholders:						
Employee share option scheme	-	-	-	128,978	-	128,978
Interim dividend for the year ended June 30, 2025 @ Rs. 1.4 per share	-	-	-	-	(2,006,136)	(2,006,136)
	-	-	-	128,978	(2,006,136)	(1,877,158)
Comprehensive income for the half year ended December 31, 2024						
Profit for the half year ended December 31, 2024	-	-	-	-	3,864,746	3,864,746
Other comprehensive income for the half year ended December 31, 2024	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2024	-	-	-	-	3,864,746	3,864,746
Balance as at December 31, 2024 - Unaudited	14,329,545	-	18,102	128,978	6,410,146	20,886,771
Balance as at July 1, 2025 - Audited	**14,329,545**	-	**18,102**	**283,376**	**12,570,718**	**27,201,741**
Transactions with shareholders:						
Employee share option scheme	-	-	-	32,602	-	32,602
Ordinary shares issued against Employee share option scheme	480,500	294,104	-	(294,104)	-	480,500
Final cash dividend for the year ended June 30, 2025 @ Rs. 2.03 per share	-	-	-	-	(3,000,000)	(3,000,000)
	480,500	294,104	-	(261,502)	(3,000,900)	(2,486,898)
Comprehensive income for the half year ended December 31, 2025						
Profit for the half year ended December 31, 2025	-	-	-	-	6,524,876	6,524,876
Other comprehensive income for the half year ended December 31, 2025	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2025	-	-	-	-	6,524,876	6,524,876
Balance as at December 31, 2025 - Unaudited	**14,810,045**	**294,104**	**18,102**	**21,874**	**16,095,594**	**31,239,719**

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 - UNAUDITED

	Note	December 31, 2025	December 31, 2024
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	3,152,164	390,607
Finance cost paid-Conventional		(488,250)	(624,619)
Finance cost paid-Islamic		(9,462)	(82,587)
Bank Charges paid		(39,113)	(28,599)
Tax paid		(17,362)	(14,932)
Net cash generated from/(used in) operating activities		2,597,977	(360,130)
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital work-in-progress		(2,822,287)	(4,182,349)
Addition in operating fixed assets other than transfer from capital work-in-progress		(31,299)	41,379
Proceeds from sale of operating fixed assets		4,177	7,073
Investment in subsidiary		(77,500)	-
Encashment / (placement) in Term Deposit Receipts		2,517,000	(688,500)
Long term loan and receivables		-	878
Return on bank deposits and term deposits receipts		56,092	54,893
Net cash used in investing activities		(353,817)	(4,766,626)
CASH FLOWS FROM FINANCING ACTIVITIES			
Ordinary Shares issued against employee share option scheme		480,500	-
Short term financing obtained - net		3,682,591	4,980,939
Interim dividend paid		(3,000,000)	(2,006,136)
Long term financing obtained		2,262,747	2,023,655
Long term financing repaid		(5,450,110)	(722,539)
Net cash (used in)/ generated from financing activities		(2,024,272)	4,275,919
Net increase / (decrease) in cash and cash equivalents		219,888	(850,837)
Cash and cash equivalents at the beginning of the year		1,012,054	458,951
Cash and cash equivalents at the end of the year	24	1,231,942	(391,886)

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SERVICE LONG MARCH TYRES (PRIVATE) LIMITED

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS - UNAUDITED
FOR THE HALF YEAR ENDED DECEMBER 31, 2025 - UNAUDITED

1. THE COMPANY AND ITS OPERATIONS

1.1 Service Long March Tyres (Private) Limited ("the Company") was incorporated as a private limited Company on January 7, 2020 in Pakistan under the Companies Act, 2017. Its registered office is situated at Servis House, 2 – Main Gulberg, Lahore. The principal activities of the Company are to carry on business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off the road tyres. The Company is a subsidiary of Service Industries Limited (SIL). SIL entered into a Joint Venture Agreement with Chaoyang Long March Tyre Co. Ltd., a Chinese Company and Mr. Shabir Ahmad of Myco Corporation, Pakistan for setting up this Company - a Joint Venture Company in Pakistan for the manufacturing and sale of Truck and Bus radial category of all steel tyres on November 18, 2019. The company started its commercial operations on March 10, 2022.

1.2 On June 27, 2024, the Company established a wholly owned subsidiary, SLM International Tyres Trading FZE, in the Jebel Ali Free Zone. The Company has received approval from the State Bank of Pakistan for the equity transfer. During the year on August 05, 2025, an equity investment amounting to AED 1,000,000 has been completed. Accordingly the said Investment in subsidiary has been reflected in these unconsolidated condensed interim financial statements for the period ended December 31, 2025 - refer note 6.

1.3 The Company applied for change in status from private limited company to public limited company, SECP has approved the said conversion into public limited company with effect from January 06, 2026. The name of the Company will be Service Long March Tyres Limited.

1.4 These unconsolidated condensed interim financial statements have been prepared by the Company for the half year ended December 31, 2025 in order to be published in the prospectus for the initial public offering of shares.

1.5 The Pakistan Credit Rating Company Limited (PACRA) has assigned long term credit rating of 'A+' while short term credit rating of 'A1' dated June 27, 2025.

2. BASIS OF PREPARATION

2.1 As stated in note 1.4, these unconsolidated condensed interim financial statements have been prepared for the half year ended December 31, 2025 in order to be published in the prospectus for the initial public offering of shares.

2.2 Statement of compliance

These unconsolidated condensed interim financial statements(herein referred to as unconsolidated condensed interim financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2.1 These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual audited financial statements for the year ended June 30, 2025.

2.3 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2.4 Changes in accounting standards, interpretations and pronouncements

a) Standards and amendments to approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 1, 2025. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements except for:

b) Standards and amendments to approved accounting standards that are not yet effective

The following amendment and standard are not effective for the accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Company:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

The management is in process of assessing the impact of above changes.

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IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027)

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2025. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2025.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of unconsolidated condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

4.2 The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements as at year ended June 30, 2025.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at June 30, 2025.

	December 31, 2025	June 30, 2025
5. PROPERTY, PLANT AND EQUIPMENT	(Rupees in thousands)	
Operating fixed assets - notes 5.1 & 5.2	29,012,958	25,195,233
Capital work-in-progress	2,523,783	4,278,843
	31,536,741	29,474,076

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
5.1	**Additions to operating assets during the period were as follows:**		
	Plant and machinery	**4,494,036**	4,003,485
	Service Equipment	**63,093**	280,624
	Vehicles	**57,624**	29,630
	Furnitures, fixture and fittings	**24,322**	10,437
		4,639,075	4,324,176

5.2 Net book value of disposals during the period is Rs. 1.83 million (December 31, 2024: Rs. 0.47 million)

6. LONG TERM INVESTMENT - SUBSIDIARY

This represents investment in SLM International Tyres Trading FZE, a wholly owned subsidiary. The registered office of the subsidiary is in Jebel Ali free zone, UAE.

7. LONG TERM SECURITY DEPOSIT

This represents long term deposit held with Hyderabad Electric Supply Company (HESCO). The security deposit is non-interest bearing.

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
8.	**STOCK IN TRADE**		
	Raw materials		
	- in hand	**5,622,135**	2,619,055
	- in transit	**2,990,861**	2,886,938
		8,612,996	5,505,993
	Packing materials	**1,209**	29,524
	Work in process	**514,779**	701,458
	Finished goods	**2,920,193**	2,660,195
		12,049,177	8,897,170
9.	**TRADE DEBTS - considered good**		
	Export - Secured	**3,634,417**	2,842,748
	Local - Unsecured	**3,777,176**	3,760,630
		7,411,593	6,603,378

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		(Unaudited) December 31, 2025	(Audited) June 30, 2025
10.	**OTHER RECEIVABLES**	**(Rupees in thousands)**	
	Considered good:		
	Sales tax	**1,041,494**	544,463
	FED	**20,481**	16,463
	Custom duty drawback	**322,591**	538,468
	Others	**8,192**	8,099
		1,392,758	1,107,493
11.	**CASH AND BANK BALANCES**		
	Cash at bank		
	Conventional		
	- On savings accounts		
	Local currency - note 11.1	**839,920**	862,255
	- On current accounts		
	Local currency	**212,171**	178,356
	Foreign currency	**81,262**	116
		293,433	178,472
		1,133,353	1,040,727
	Islamic		
	- On savings accounts		
	Local currency - note 11.2	**-**	41
	- On current accounts		
	Local currency	**53,589**	52,365
	Foreign currency	**38,812**	27,159
		92,401	79,565
	Term deposit receipts note		
	- Conventional - note 11.3	**722,330**	3,239,330
	- Islamic - note 11.4	**200,000**	200,000
		922,330	3,439,330
	Cash in hand		
	Local Currency	**4,743**	6,778
	Foreign Currency	**1,445**	4,750
		6,188	11,528
		2,154,272	4,571,150

11.1 The rates of mark-up on PLS savings accounts ranged from 10.75% to 12.03% (2025: 9.5% to 20.5%) per annum.

11.2 The rates of mark-up on PLS savings accounts is Nil (2025: 8.1% to 15%) per annum.

11.3 The rates of profit on TDRs ranged from 6.16% to 16.25% (2025: 6.41% to 20.5%) per annum.

11.4 The rates of profit on TDRs is 8% (2025: 8.1% to 17%) per annum.

		(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	

12. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

December 31, 2025	June 30, 2025		(Unaudited) December 31, 2025	(Audited) June 30, 2025
Number of shares			(Rupees in thousands)	
7,405,022,725	7,164,772,725	Ordinary shares of Rs. 2 each fully paid-up in cash	14,810,045	14,329,545

12.1 Movement during the period

December 31, 2025	June 30, 2025			
Number of shares				
7,164,772,725	7,164,772,725	Balance at the beginning of the year	14,329,545	14,329,545
240,250,000	-	Shares issued during the year	480,500	-
7,405,022,725	7,164,772,725		14,810,045	14,329,545

12.2 During the year, on October 13, 2025, the members, in their Annual General Meeting, passed a special resolution to subdivide the company's shares by reducing the face value from Rs. 10 to Rs. 2. Accordingly, the existing shares were split into shares having a face value of Rs. 2 each.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	(Rupees in thousands)	
13. LONG TERM FINANCING		
CONVENTIONAL		
- Long Term Finance	-	2,939,825
- Temporary Economic Refinance Facility (TERF)	3,905,704	4,207,567
- Renewable Energy Power Project (REPP)	100,000	100,000
ISLAMIC		
Islamic Long Term Financing Facility (LTFF)		
- Long Term Finance	322,922	-
- Islamic Temporary Economic Refinance Facility (ITERF)	1,096,870	1,180,898
- Long term musharaka	26,656	31,771
	5,452,152	8,460,061

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	Note	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
Less: Current portion of long term loan			
CONVENTIONAL			
- Long Term Finance		-	(537,956)
- Temporary Economic Refinance Facility (TERF)		(875,132)	(871,456)
ISLAMIC			
- Islamic Long Term Financing Facility (LTFF)			
- Islamic Temporary Economic Refinance Facility (ITERF)		(250,586)	(250,586)
- Long term musharaka		(11,486)	(11,015)
		4,314,948	6,789,048

14. TRADE AND OTHER PAYABLES

	Note	December 31, 2025	June 30, 2025
Trade creditors		3,574,881	3,447,284
Accrued liabilities		617,073	390,115
Employees' provident fund payable		34,353	42,663
Withholding taxes payable		69,270	78,593
Workers' Welfare Fund		2,419	5,007
Workers' Profit Participation Fund Payable		290,769	390,182
		4,588,765	4,353,844

15. SHORT TERM FINANCING

	Note	December 31, 2025	June 30, 2025
Conventional:			
Short term running finance	15.1 & 15.2	-	119,766
Export finance scheme	15.2 & 15.3	1,740,996	2,770,669
Export refinance scheme	15.2 & 15.4	4,498,000	4,645,979
FE-25 loan against exports	15.2 & 15.5	5,445,647	3,191,756
Islamic:			
Islamic financing	15.2 & 15.6	2,606,352	-
		14,290,995	10,728,170

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15.1 The rates of mark-up range from 11.22% to 12.14% per annum during the year on the outstanding balance (2024: 16.29% to 19.33% per annum).

15.2 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets of the Company. These form part of total credit facilities of Rs. 25,500 million (2025: Rs.19,600 million).

15.3 The mark-up rate applicable during the year was 2% to 2.5% per annum (2024: 2%) during the year on outstanding balance.

15.4 The rates of mark-up range from 7.5% to 8% (2024: 10% to 19% per annum) per annum during the year on the outstanding balance.

15.5 The rates of mark-up range from 2.90% to 4.90% per annum during the year on the outstanding balance.(2025: 4.49% to 8% per annum).

15.6 The rates of mark-up range from 11.22% to 12.14% per annum during the year on the outstanding balance (2024: 6% per annum).

	Note	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
16. CURRENT PORTION OF NON CURRENT LIABILITIES			
Deferred income - Government grant		**333,697**	360,662
Long term financing	13	**1,137,204**	1,671,013
		1,470,901	2,031,675

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 The Company imported prefabricated buildings and claimed exemption from the customs duties and sales tax on the ground that these were being imported for the purpose of establishing an industry in the subject industrial economic zone which was denied on the ground that prefabricated buildings do not fall under capital goods or plant and machinery and thereafter these were allowed to be released provisionally against bank guarantee and the matter was referred to Federal Board of Revenue (FBR). Guarantees are given by the banks of the Company to the Collector of Customs, amounting to Rs. 368.70 million (2024: Rs. 368.70 million). The FBR upheld the opinion of customs against which the Company filed constitutional appeal in the High Court of Sindh. The matter is currently pending in the High Court of Sindh. The Company based of the merits of case and favourable judgements passed by the Honourable courts on the similar matter in the past believes that the case will be decided in favour of the Company.

17.1.2 A show cause notice was issued against the Company on account of inadmissible adjustment of input tax on purchase of building material and services for construction of tyre manufacturing facility, amounting to Rs. 363.26 million. The remand-back proceedings under Section 11 of the Act were concluded by the DCIR, vide order dated February 29, 2024, whereby sales tax demand of Rs. 42.36 million (including penalty u/s 33(8) of the Act) was raised. During the year, the Company has paid the said amount under protest. However, the Company filed an appeal before the Commissioner Inland Revenue (CIRA) which was subsequently transferred to the Appellate Tribunal Inland Revenue. The ATIR, through its order dated January 2, 2025, has decided the appeal against the Company and upheld the demand raised by the department. The Company challenged the aforementioned appellate order before the honorable Lahore High Court that remanded the matter back to ATIR for reconsideration. Following a hearing on July 3, 2025, the ATIR has now passed a revised appellate order, substantially reducing the original tax demand from Rs. 42.36 million to Rs. 5.22 million. The Company is still contesting the revised demand and based on the advice of it's consultant and hence no provision has been made in these unconsolidated condensed interim financial statements.

17.1.3 A Constitutional Petition C.P No. 4294/2021 was filed by the Company on July 26, 2021 to challenge the levy of Sindh Infrastructure Development Cess. On August 31, 2021, the Supreme Court of Pakistan has suspended the judgement passed by the Sindh High Court and stayed the encashment of bank guarantees. As at December 31, 2025, amount involved in the matter is Rs. 1,055 million against which bank guarantee had been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these unconsolidated condensed interim financial statements.

17.2 Guarantees

17.2.1 Guarantees are given by the banks of the Company to the Sui Southern Gas Company Limited amounting to Rs. 360.96 million (2025: Rs. 310.96 million) against gas connection.

17.2.2 Guarantees are given by the banks of the Company to the National Logistics Cell, Controller of Military Accounts and Pakistan State Oil Company Limited amounting to Rs. 115.56 million, Rs. 85 million and Rs. 10 million (2025: Rs. 99.64 million, Rs. 85.72 million and Rs. 10 million) respectively.

17.2.3 Guarantees are given by the banks of the Company to the Director Excise and Taxation, and Collector of Customs Karachi amounting to Rs. 1,055 million and Rs. 368.69 million respectively (2025: Rs.1,055 million and Rs. 368.69 million) against infrastructure cess.

17.3 Commitments

17.3.1 The facilities for opening letters of credit from banks as at December 31, 2025 amounted to Rs. 14,950 million (2025: Rs. 11,250 million) of which unutilized balance at period end amounted to Rs. 14,620 million (2025: Rs. 10,886 million).

17.3.2 Capital expenditure commitments outstanding as at December 31, 2025 amounted to Rs. 5,062 million (2025: Rs. Nil).

		(Unaudited)	
		December 31, 2025	December 31, 2024
		(Rupees in thousands)	
18.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**		
	Sale of goods less returns:		
	Export	**9,583,062**	7,160,947
	Local	**29,105,231**	20,512,995
		38,688,293	27,673,942
	Custom duty drawback	**283,293**	38,750
	Sales tax	**(4,408,203)**	(3,451,854)
	Trade discounts	**(971,362)**	(461,912)
		(5,096,272)	(3,875,016)
		33,592,021	23,798,926
19.	**FINANCE COST AND OTHER CHARGES**		
	Interest on long term borrowings		
	- Conventional	**168,892**	360,429
	- Islamic	**55,386**	56,683
		224,278	417,112
	Less: amortization of deferred income	**(179,454)**	(238,322)
		44,824	178,790
	Interest on short term borrowings		
	- Conventional	**208,330**	221,691
	- Islamic	**48,127**	54,419
	Bank commission and fees	**39,113**	28,599
	Finance cost on Diminishing Musharaka	**1,533**	4,165
		341,927	487,664
20.	**OTHER INCOME**		
	Income from financial assets:		
	Profit on Term deposit receipts		
	- Conventional	**28,651**	34,381
	- Islamic	**9,158**	18,316
	Profit on saving accounts		
	- Conventional	**22,027**	13,471
	- Islamic	**-**	7,469
	Income from non-financial assets:		
	Scrap sales	**15,920**	19,595
	Gain/(loss) on disposal of operating fixed assets	**2,344**	(47)
		78,100	93,185

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		(Unaudited)	
		December 31, 2025	December 31, 2024
		(Rupees in thousands)	
21.	**TAXATION**		
	Current Tax	**8,187**	14,923
	Deferred tax	**(305,793)**	234,295
		(297,606)	249,218

21.1 As mentioned in Note 3.13.1 to the annual financial statements, the Company is exempt from taxation on its income for 10 years from the date of commencement of commercial operations.

		(Unaudited)	
		December 31, 2025	December 31, 2024
		(Rupees in thousands)	
22.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
			(Restated)
	Basic earnings per share		
	Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**6,524,876**	3,864,746
	Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,364,981**	7,164,773
	Earnings per share - basic and diluted (Rupees)	**0.89**	0.54
	Diluted earnings per share		
	Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**6,524,876**	3,864,746
	Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,384,208**	7,286,649
	Earnings per share - diluted (Rupees)	**0.88**	0.53

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		Note	(Unaudited) December 31, 2025	December 31, 2024
			(Rupees in thousands)	
23.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		**6,227,270**	4,113,964
	Adjustment for non-cash charges and other items:			
	Profit on bank deposits and term deposits receipts	20	**(59,836)**	(73,637)
	Finance cost and other charges	19	**341,927**	487,664
	Exchange gain		**141**	(20,697)
	Loss / (gain) on disposal of fixed assets	20	**(2,344)**	47
	Employee share option expense		**32,602**	128,978
	Depreciation		**789,087**	612,497
	Working capital changes	23.1	**(4,176,683)**	(4,858,209)
			(3,075,106)	(3,723,357)
			3,152,164	390,607
23.1	**Working capital changes**			
	(Increase) / Decrease in current assets:			
	Stock in trade		**(3,152,007)**	(2,090,490)
	Stores and spares		**58,567**	177,922
	Trade debts		**(808,356)**	(2,660,580)
	Advances, prepayments and deposits		**(150,251)**	(851,267)
	Other receivables		**(285,265)**	421,781
	Increase / (Decrease) in current liabilities:			
	Contract liabilities		**(74,292)**	(78,467)
	Trade and other payables		**234,921**	222,892
			(4,176,683)	(4,858,209)
24.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	11	**2,154,272**	1,481,284
	Running finance under mark-up arrangements from banks	15	**-**	(639,570)
	Term deposit receipts	11	**(922,330)**	(1,233,600)
			1,231,942	(391,886)

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25. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, joint venturer, directors of the Company, key management personnel and staff retirement funds. Contributions to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions are at agreed terms.

Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements is as follows:

	(Unaudited)	
	December 31, 2025	December 31, 2024
Service Industries Limited - Holding Company	**(Rupees in thousands)**	
Cost charged by the Group company	**36,000**	36,000
Guarantee commission paid	**18,000**	18,000
Purchase of goods	**1,020**	316
Transfer of fixed assets	**6,659**	-
Dividend paid	**641,199**	443,156
Reimbursement of expenses	**4,048**	6,217
Chaoyang Long March Tyre Co. Ltd - Associated Company		
Dividend paid	**1,277,174**	882,700
Purchase of goods	**519,500**	352,145
Service Global Footwear Limited - Associated Company		
Purchase of goods	**171**	-
Dividend paid	**548,894**	379,360
Mr. Shabir Ahmad of Myco Corporation - Joint Venturer		
Sale of goods	-	507,862
Trade discounts	-	39,148
Dividend paid	**152,831**	100,307
Service Tyres (Private) Limited - Associated Company		
Purchase of goods	**9,058**	207,908
Dividend paid	**290,267**	200,614
Reimbursement of expenses	-	2,011
Sale of Goods	**452**	119
Service Long March Tyres - Staff Provident Funds		
Net charge in respect of staff retirement benefit plan	**41,593**	21,954
Retirement benefit plans payable	**34,353**	42,663

26. MEASUREMENT OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced. The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

	Note	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
27. DISCLOSURES RELATING TO SHARIAH COMPLIANCE			
Disclosures in relation to the statement of financial position - Liability			
i) Long term financing obtained as per financing mode	13	**1,123,526**	1,212,669
ii) Short term financing obtained as per financing mode	15	**2,606,352**	-
iii) Mark-up accrued on any conventional loan or advance		**78,951**	6,096
Disclosures in relation to the statement of financial position - Assets			
i) Shariah-compliant bank deposits, bank balances, and TDRs	11	**292,401**	279,565

	Note	(Unaudited) December 31, 2025	(Audited) June 30, 2025
		(Rupees in thousands)	
Disclosures Required in relation to the Statement of Profit or loss and other comprehensive income			
i) Revenue earned from a Shariah compliant business segment	18	**33,592,021**	23,798,926
ii) Profit earned from Shariah compliant bank deposits	20	-	7,469
iii) Profit earned from Shariah compliant TDRs	20	**9,158**	18,316
iv) Exchange gain earned from actual currency		**11,891**	101,042
v) Profit paid on Islamic mode of financing		**9,462**	86,313
Break-up of Other income excluding profits in bank deposits and TDRs			
Shariah compliant income:			
- Gain/ (loss) on disposal of property, plant and equipment	20	**2,344**	(47)
- Sale of scrap materials	20	**15,920**	19,595
- Government grant	19	**22,728**	89,756
Shariah non-compliant income:			
- Government grant	19	**156,726**	148,566

28. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 03 MAR 2026 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

DIRECTOR

6.7. SUMMARY OF FINANCIAL HIGHLIGHTS OF SERVICE LONG MARCH TYRES LIMITED

The table below presents a consolidated overview of Service Long March Tyres Limited's complete financial statements, encompassing the Profit & Loss, Balance Sheet, and Cash Flow, highlighting the Company's operational performance, financial position, and growth trajectory.

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Statement of Profit or Loss and Other Comprehensive Income				
Revenue	**16,116.02**	**37,947.62**[80]	**49,840.19**	**33,592.02**
Cost of Sales	(14,597.21)	(28,580.54)	(39,050.29)	(25,184.69)
Gross Profit	**1,518.81**	**9,367.07**[81]	**10,789.90**	**8,407.33**
Distribution Cost	(339.18)	(760.24)	(1,187.17)	(826.84)
Administrative Expenses	(418.18)	(634.33)	(1,270.16)	(704.40)
Operating Profit	761.46	7,972.50	8,332.57	6,876.10
Other Expenses	(19.90)	(276.24)	(312.53)	(384.99)
Financial Cost and Other Charges	(1,349.90)	(1,137.97)	(1,117.20)	(341.927)
Other Income	93.09	141.68	197.64	78.10
Profit Before Taxation	**(515.26)**	**6,699.98**	**7,100.48**	**6,227.27**
Taxation	(32.20)	(1,340.31)	2,924.84	297.61
Profit After Taxation	(547.46)	5,359.66[82]	10,025.32	6,524.88
Earnings Per Share - Basic	(0.44)	3.99	7.00	0.89
EBIT[83]	834.64	7,837.94	8,217.68	6,569.20
EBITDA[84]	1,901.34	8,974.11	9,574.79	7,358.28
Depreciation	1,066.70	1,136.17	1,357.11	789.09

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Statement of Financial Position				
Property, Plant and Equipment	20,356.44	22,501.70	29,474.08	31,536.74
Long Term Investment – Subsidiary	-	-	-	77.50
Long Term Loan	3.94	0.88	-	-
Deferred Tax Asset	-	-	1,492.68	1,798.47
Long Term Security Deposit	7.75	7.75	7.75	7.75
Non - Current Assets	**20,368.14**	**22,510.33**	**30,974.50**	**33,420.46**
Stocks in Trade	6,416.84	7,455.83	8,897.17	12,049.18
Stores and Spares	139.23	570.31	428.09	369.52
Trade Debts - Considered Good	3,641.91	3,311.75	6,603.38	7,411.59
Advances, Prepayments and Deposits	310.88	182.71	226.09	376.35
Taxation - Net	81.42	71.37	12.65	21.83
Accrued Interest	0.78	22.97	38.03	41.77
Other Receivables	957.20	1,538.16	1,107.49	1,392.76
Cash and Bank Balances	733.15	1,289.31	4,571.15	2,154.27
Current Assets	**12,281.40**	**14,442.40**	**21,884.05**	**23,817.26**
Total Assets	32,649.54	36,952.73	52,858.56	57,237.73

[80] Revenue increased by 135% in FY2024, primarily attributable to the commencement of commercial production in 2022, with FY2023 representing the Company's initial ramp-up phase. From FY2024 onwards, sales and complete utilization of the available capacity production levels stabilized, which is reflected in the revenue trajectory.
[81] As discussed in the above footnote, following the stabilization of operations from FY2024 onwards, the Company achieved improved operational efficiencies, resulting in higher gross profit and margin expansion compared to FY2023.
[82] The growth in revenue and improvement in gross margins have translated into enhanced profitability, as reflected in the increase in PAT.
[83] (EBIT = Profit Before Tax + Financial Costs)
[84] (EBITDA=EBIT+ Depreciation)

Authorize Share Capital	**12,815.00**	**15,000.00**	**15,250.00**	**15,250.00**
Issued, Subscribed, and Paid-up Share Capital	12,815.00	14,329.55	14,329.55	14,810.05
Share Premium	-	-	-	294.10
Employee Share Option Reserve	-	-	283.38	21.87
Share Deposit Money	18.70	18.10	18.10	18.10
Capital Reserve	18.70	18.10	301.48	39.98
Revenue Reserve - Accumulated Profit	- 808.13	4,551.54	12,570.72	16,095.59
Total Shareholders' Equity	12,025.57	18,899.18	27,201.74	31,239.72
Outstanding Shares (Mn)[85]	6,407.50	7,164.77	7,164.77	7,405.02
Deferred Income - Government Grant	1,552.89	1,208.27	815.94	663.45
Deferred Tax Liability	208.55	1,515.55	-	-
Long Term Financing	6,961.63	5,413.10	6,789.05	4,314.95
Non - Current Liabilities	**8,723.07**	**8,136.91**	**7,604.99**	**4,978.40**
Trade and Other Payables	2,901.23	3,898.05	4,353.84	4,588.77
Contract Liabilities	7.69	115.59	616.91	542.62
Accrued Mark-up	448.33	78.25	321.23	126.33
Short Term Financing	6,854.80	4,275.98	10,728.17[86]	14,291.00
Current Portion of Non-Current Liabilities	1,688.85	1,548.76	2,031.68	1,470.90
Current Liabilities	**11,900.90**	**9,916.63**	**18,051.83**	**21,019.61**
Total Liabilities	20,623.97	18,053.54	25,656.82	25,998.01
Total Equity & Liabilities	32,649.54	36,952.73	52,858.56	57,237.73

PKR Mn	**FY2023**	**FY2024**	**FY2025**	**6M FY2026**
	Audited	***Audited***	***Audited***	***Unaudited***
Statement of Cash Flows				
Cash Generated from / (Used In) Operations	(4,134.46)	8,407.38	6,468.55[87]	3,152.16
Financial Cost Paid - Conventional	(1,025.77)	(1,228.90)	(731.18)	(488.25)
Financial Cost Paid - Islamic	-	(224.61)	(86.31)	(9.46)
Bank Charges Paid	-	(51.45)	(56.73)	(39.11)
Finance Cost and Other Charges	(1,025.77)	(1,504.96)	(874.22)	(536.83)
Tax Paid	(43.00)	(23.26)	(24.67)	(17.36)
Net Cash Generated from Operating Activities	(5,203.23)	6,879.16[88]	5,569.65	2,597.98
Addition in Capital Work - in - Progress	(1,613.11)	(3,290.47)	(8,175.13)[89]	(2,822.29)
Addition in Operating Fixed Assets other than Transfer from Capital Work-in-Progress	(1.19)	(2.41)	(161.47)	(31.30)
Proceeds from Sale of Operating Fixed Assets	2.23	13.05	7.07	4.18
Investment in Subsidiary	-	-	-	(77.50)
Investment in Term Deposit Receipts	(389.50)	(155.60)	(2,894.23)	2,517.00
Long Term Loan and Receivables	1.46	3.07	0.88	-
Return on Bank Deposits and Term Deposits Receipts	75.77	54.96	128.25	56.09
Net Cash Used in Investing Activities	(1,984.34)	(3,377.41)	(11,094.63)	(353.82)

[85] *Outstanding shares have been presented on a post-stock-split basis, reflecting the reduction in par value from PKR 10 to PKR 2 per share, to ensure comparability across all periods.*

[86] *The increase in short-term financing is primarily attributable to the expansion in plant size, leading to higher working capital requirements to support increased sales volumes.*

[87] *The decrease in cash generated from operations is primarily attributable to supply chain disruptions, which extended the working capital cycle, along with increased receivable days resulting in higher utilization of cash.*

[88] *Cash generated increased due to higher profitability generated during the period.*

[89] *Capital expenditure was undertaken to support capacity expansion from 740k tyres to 1.3 million tyres.*

Ordinary Shares Issued against Employee Share Option Scheme	-	-	-	480.50
Share Deposit Money Received	1,374.62	1,513.95	-	-
Short Term Financing Obtained	2,838.09	13,278.16	33,145.97	3682.59
Short Term Financing Paid	-	(14,278.25)	(26,528.29)	-
Interim Dividend Paid	-	-	(2,006.14)	(3,000.00)
Long term financing obtained - Islamic	-	47.50	-	-
Long term financing repaid - Islamic	-	(8.18)	(258.57)	-
Long term financing obtained - Conventional	333.41	1,028.11	3,279.60	2,262.75
Long term financing repaid - Conventional	(229.62)	(3,103.75)	(1,554.49)	(5,450.11)
Net Cash Generated / (Used In) from Financial Activities	4,316.50	(1,522.47)	6,078.08	(2,024.27)
Net Increase in Cash and Cash Equivalent	(2,871.07)	1,979.29	553.10	219.89
Cash and Cash Equivalents at the Beginning of the Year	1,350.74	(1,520.34)	458.95	1,012.05
Cash and Cash Equivalents at the End of the Year	**(1,520.34)**	**458.95**	**1,012.05**	**1,231.94**
Capex	(1,674.30)	(3,292.88)	(8,336.60)	(2,790.99)

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Growth Margins				
Sales Growth (%)	658%	135%[90]	31%	NM
EBITDA Growth (%)	580%	372%	7%	NM
Profit After Tax Growth (%)	(64%)	879%	87%	NM
Profit Margins				
Gross Profit Margin (%)	9%	25%[91]	22%	25%
Operating Margin (%)	5%	21%	17%	20%
EBITDA Margin (%)	12%	24%	19%	22%
Profit Before Tax Margin (%)	(3%)	18%	14%	19%
Net Profit Margin (%)	(3%)	14%	20%	19%
Profitability Ratios				
Earnings Per Share (EPS) Pre-Split (PKR)[92]	(0.37)	3.62	6.77	4.41[93]
Earnings Per Share (EPS) Post-Split (PKR)[94]	(0.07)	0.72	1.35	0.88[95]
Breakup Value Per Share Pre-Split (BVPS) (PKR)[96]	8.12	12.76	18.37	21.09[97]
Breakup Value Per Share Post-Split (BVPS) (PKR)[98]	1.62	2.55	3.67	4.22[99]
Return on Equity (%)	(5%)	28%	37%	NM
Return on Assets (%)	(2%)	15%	19%	NM
Outstanding Shares (Mn)[100]	6,407.50	7,164.77	7,164.77	7,405.02
Balance Sheet Ratios				
Fixed Asset Turnover[101]	0.80x	1.77x	1.92x	2.20x[102]

[90] Primarily attributable to the commencement of commercial production in 2022, with FY2023 representing the initial ramp-up phase, followed by increased sales and full utilization of production capacity.
[91] Increased primarily due to expansion in operations and an increase in sales prices, leading to improved overall profitability.
[92] The EPS is calculated based on the pre-split number of shares i.e., 1,481.00 Mn
[93] EPS for 6MFY2026 reflects actual performance for the six-month period.
[94] The EPS is calculated based on the post-split number of shares i.e., 7,405.02 Mn
[95] EPS for 6MFY2026 reflects actual performance for the six-month period.
[96] The BVPS is calculated based on the pre-split number of shares i.e., 1,481.00 Mn
[97] BVPS for 6MFY2026 reflects actual performance for the six-month period.
[98] The BVPS is calculated based on the post-split number of shares i.e., 7,405.02 Mn
[99] BVPS for 6MFY2026 reflects actual performance for the six-month period.
[100] Outstanding shares have been presented on a post-stock-split basis, reflecting the reduction in par value from PKR 10 to PKR 2 per share, to ensure comparability across all periods.
[101] (Fixed Asset Turnover = Revenue/Avg Net Fixed Assets)
[102] Ratio for 6M FY2026 have been annualized to ensure comparability with full year periods.

Asset Turnover[103]	0.54x	1.09x	1.11x	1.49x[104]
Current Ratio[105]	1.03x	1.46x	1.21x	1.13x
Capex to Total Assets (%)	5%	9%	16%	5%
Receivable Turnover (days)[106]	55	33	36	38[107]
Inventory Turnover (days)[108]	113	89	76	76[109]
Payable Turnover (days)[110]	66	43	39	32[111]
Leverage Ratios				
Debt to Equity	1.42x	0.66x	0.75x	0.66x
Debt to Total Capital (%)	59%	40%	43%	40%
EBITDA / Interest	1.39x	6.35x	6.70x	10.12x
Interest Coverage	0.61x	5.54x	5.75x	9.04x
Debt / EBITDA	8.97x	1.39x	2.13x	2.82x
EBITDA - Capex (PKR Mn)	227.05	5,681.23	1,238.18	4,504.70
EBITDA - CAPEX / Interest	0.17x	4.02x	0.87x	6.20x

6.7.1. COMMENTARY ON SELECTED RATIOS

The following section provides an in-depth analysis of the SLM's financial performance, operational efficiency, and capital structure over the review period. The ratios presented are derived from the audited financial statements for FY2023, FY2024, and FY2025, together with the 6M FY2026. As the Company commenced commercial operations in March 2022, FY2023 reflects the initial scale-up phase of the business. Subsequent periods demonstrate a clear progression in earnings capacity, margin expansion, cash flow generation, and balance sheet strengthening as production volumes increased and market share expanded.

Over the last three financial years, the Company has transitioned from an early-stage operational ramp-up to a position of sustained profitability and improving financial resilience. The trend across key performance indicators reflects enhanced operating leverage, disciplined cost management, stronger working capital control, and a progressively optimized capital structure. Collectively, these developments underscore the Company's ability to convert revenue growth into earnings expansion, improve returns to shareholders, and reinforce financial stability while continuing to invest in capacity expansion and long-term growth initiatives.

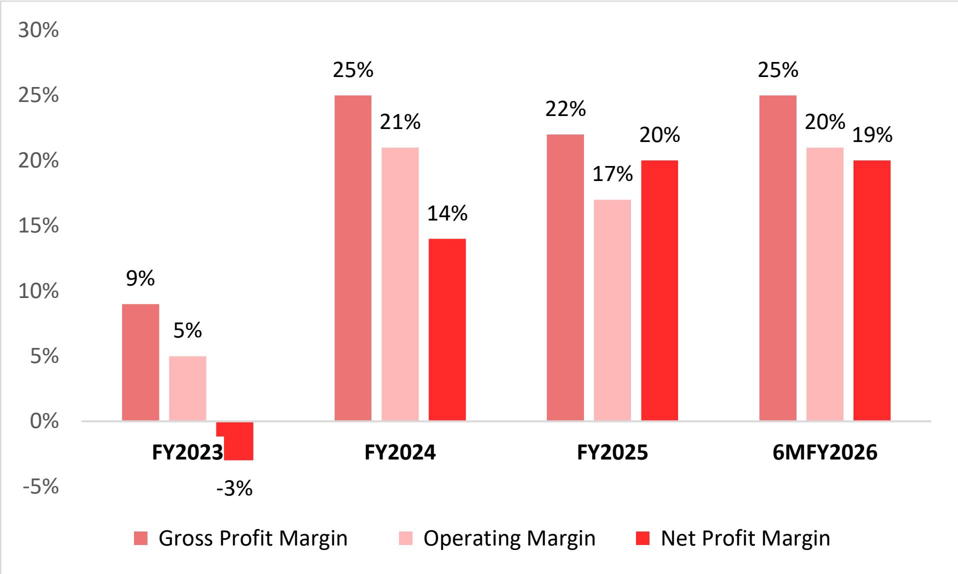
A. PROFITABILITY AND EARNINGS GROWTH

Since commencing commercial operations in March 2022, Service Long March Tyres Limited (SLM) has demonstrated a strong and accelerating profitability trajectory, reflecting the Company's successful operational scale-up, enhanced cost absorption, and disciplined financial management. FY2023 represented the initial stabilization phase of the business, during which ramp-up costs, underutilized production capacity, and higher financing expenses associated with project-related borrowings resulted in a modest net loss margin of 3% and a negative Return on Equity of 5%. Despite these early-stage pressures, the Company achieved a Gross Margin of 9%, indicating the underlying operational efficiency of its manufacturing platform and its ability to generate value from its production base even at initial volumes.

In FY2024, the Company achieved a substantial turnaround in profitability. Gross Profit expanded sharply from PKR 1,519 million in FY2023 to PKR 9,367 million in FY2024, reflecting significant improvements in capacity utilization and operational efficiency. Operating and EBITDA margins improved from 5% and 12% in FY2023 to 21% and 24% in FY2024, respectively, demonstrating enhanced cost absorption and pricing discipline. Net Profit Margin strengthened to 14%, with Earnings Per Share rising from a loss of PKR 0.09 in

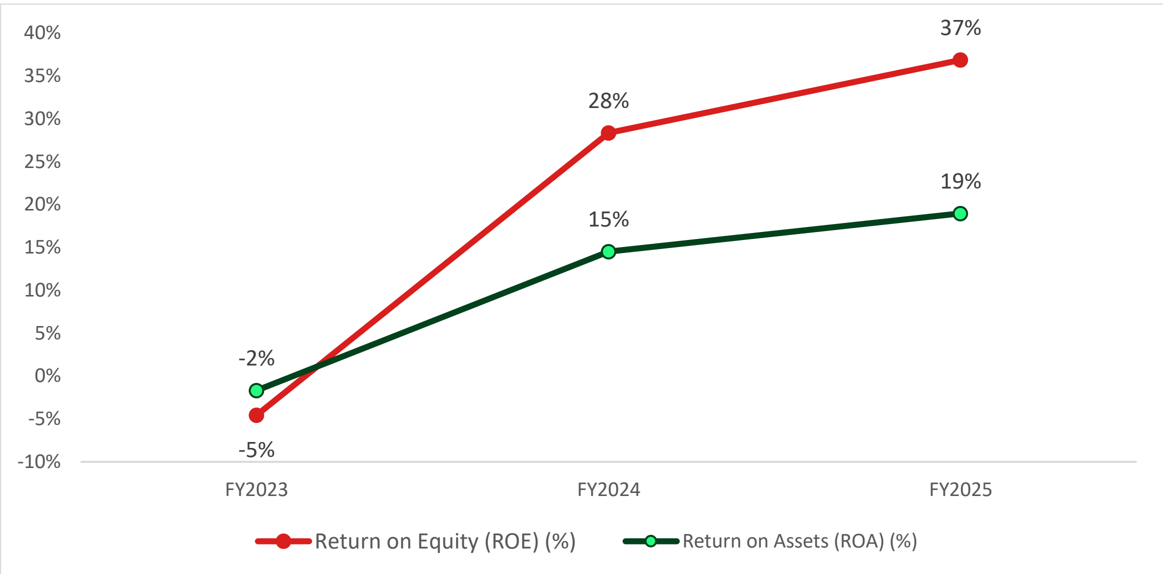
[103] *(Asset Turnover = Revenue/Avg Total Assets)*
[104] *Ratio for 6M FY2026 have been annualized to ensure comparability with full year periods.*
[105] *(Current Ratio = Current Assets / Current Liabilities)*
[106] *Receivable Turnover = (Average Trade Receivables / Revenue) × 365*
[107] *Ratio for 6M FY2026 have been annualized to ensure comparability with full year periods.*
[108] *Inventory Turnover = (Average Inventory / Cost of Goods Sold) × 365*
[109] *Ratio for 6M FY2026 have been annualized to ensure comparability with full year periods.*
[110] *Payable Turnover = (Average Trade Payables / Cost of Goods Sold) × 365*
[111] *Ratio for 6M FY2026 have been annualized to ensure comparability with full year periods.*

FY2023 to PKR 0.75 in FY2024. Return on Equity increased to 28% while Return on Assets reached 15%, highlighting the effective deployment of capital and efficient utilization of the Company's asset base. The sharp improvement in margin and positive net earnings reflect the scalability of SLM's manufacturing operations and the successful conversion of revenue growth into bottom-line performance.



The positive momentum continued into FY2025. Gross Profit further increased to PKR 10,790 million, with Gross Margin at 22%. Operating Margin remained robust at 17%, and Net Profit Margin improved further to 20%, reflecting continued operational leverage, cost management, and optimized financing costs. Earnings Per Share nearly doubled to PKR 1.35, while Return on Equity strengthened to 37% and Return on Assets improved to 19%, demonstrating efficient capital deployment and enhanced shareholder value creation. Breakup Value per Share rose to PKR 3.67, highlighting consistent accumulation of equity value for investors over the three-year period.

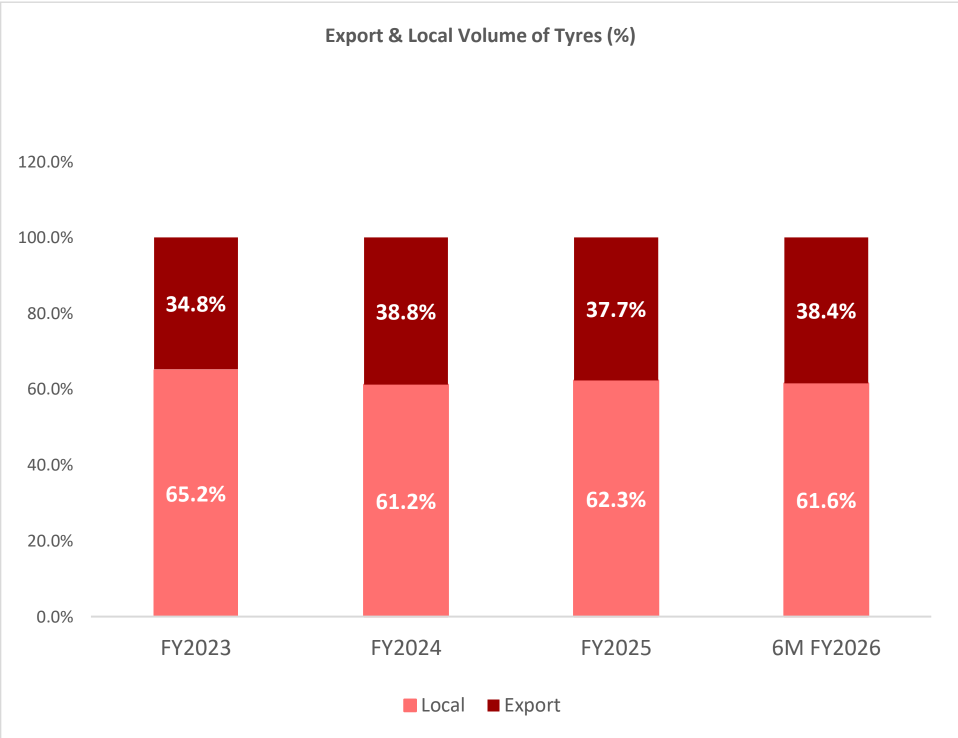
The 6M FY2026 further reinforce SLM's earnings resilience, with Gross Margin returning to 25%, Operating Margin holding at 20%, and Net Profit Margin at 19%. Return on Equity for the period stands at 21%, confirming continued value creation for shareholders amid ongoing capacity expansion and working capital investments.



Overall, SLM's profitability profile illustrates a structural progression from early-stage operational ramp-up to sustainable earnings generation. The expansion of margins, profitability, and shareholder returns between FY2023 and FY2025 demonstrates the Company's ability to translate operational scaling, disciplined cost management, and pricing strategy into tangible financial results. The continued improvement in ROE, ROA, EPS, and Breakup Value per Share underscores the Company's capacity to deliver long-term shareholder value while sustaining high-margin, resilient operations.

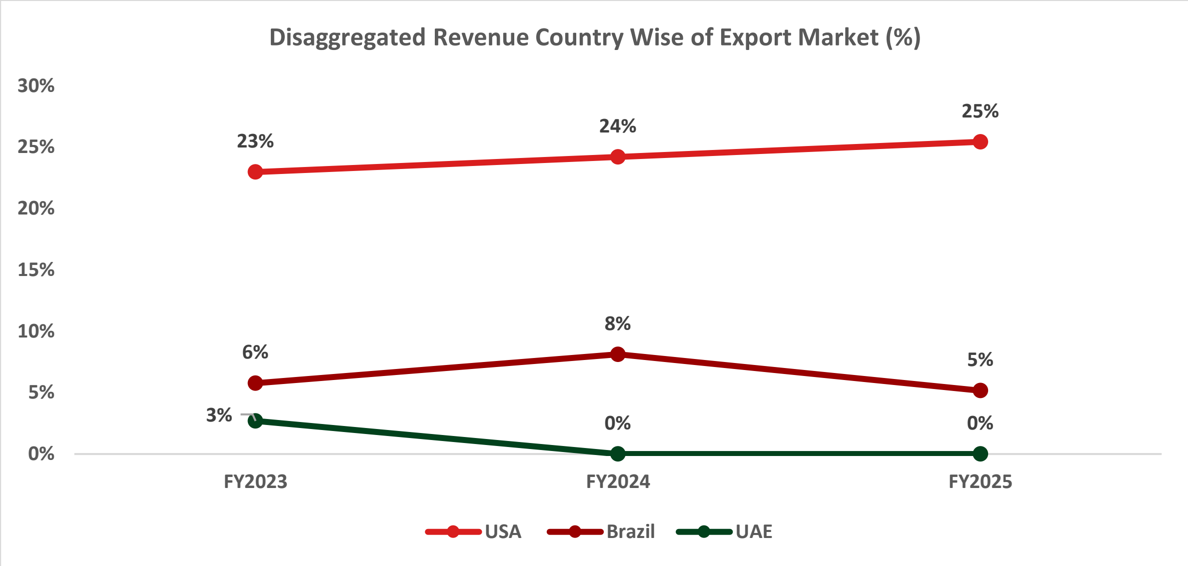
B. REVENUE AND GROWTH DYNAMICS

SLM has exhibited rapid revenue growth over the review period, driven by strong market demand, export expansion, and increasing domestic market penetration. Revenues increased from PKR 16,116 million in FY2023 to PKR 37,948 million in FY2024, and further to PKR 49,840 million in FY2025, representing year-on-year growth of 658%, 135%, and 31%, respectively. The Compound Annual Growth Rate (CAGR) from FY2023 to FY2025 is approximately 75.86%, reflecting the scalability of the Company's manufacturing operations and successful execution of its import substitution strategy.



The growth trajectory is supported by a balanced volume sale mix between domestic and export markets, with export volume contributing approximately 34%–38% of total volume sold from FY2023 until 6M FY2026. This mix generates valuable foreign currency inflows and reduces reliance on domestic demand cycles. Domestic growth is largely driven by the replacement tyre segment for commercial vehicles, where SLM holds a dominant share of approximately 51% in FY2025, providing structural stability to recurring revenues.[112] On the export front, SLM has strategically entered key markets such as the United States and Brazil, leveraging competitive cost structures, operational efficiency, and international quality standards to gain traction against regional competitors.

[112] *The estimates are based on the Company's internal assessment.*



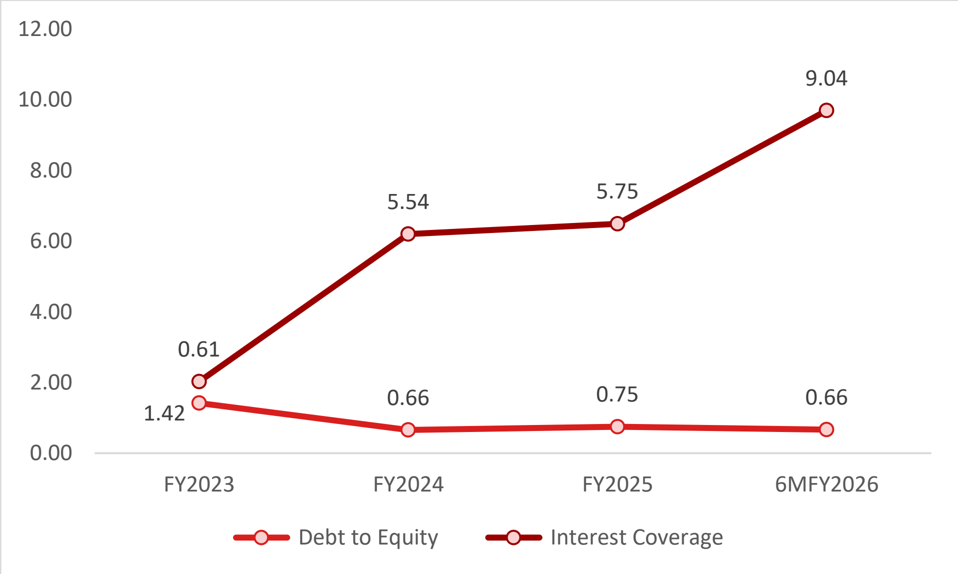
C. CASH FLOW AND OPERATIONAL EFFICIENCY

SLM's operational cash flow has shown marked improvement as the business matured. In FY2023, the Company experienced a negative net cash outflow from operations of PKR 5,203 million, primarily due to working capital buildup during the initial production ramp-up. By FY2024, cash from operations turned positive at PKR 6,879 million, reflecting strong revenue growth, improved collection efficiency, and disciplined inventory management. FY2025 maintained healthy cash generation at PKR 5,570 million, while 6M FY2026 results indicate continued operational cash inflows of PKR 2,598 million.

Receivable turnover days improved significantly from 55 days in FY2023 to 33 days in FY2024, before moderating to 36 days in FY2025, reflecting the Company's active credit management aligned with growing export and domestic volumes. Inventory turnover accelerated from 113 days in FY2023 to 89 days in FY2024 and further to 76 days in FY2025, highlighting operational efficiency gains. The combination of improved working capital management and strong revenue growth has enabled SLM to support its capacity expansion while maintaining healthy cash generation.

D. LEVERAGE, CAPITAL STRUCTURE AND FINANCIAL RESILIENCE

SLM maintains a prudent capital structure that supports growth while mitigating financial risk. Debt-to-Equity ratio improved from 1.42x in FY2023 to 0.66x in FY2024, reflecting repayment of initial project borrowings, before rising slightly to 0.75x in FY2025 due to strategic capacity expansion, and moderating to 0.66x in 6M FY2026. Consistent with this trend, Debt-to-Total Capital declined significantly from 59% in FY2023 to 40% in FY2024, and has since remained stable in the range of 40%–43% through FY2025 and 6MFY2026, indicating a balanced and disciplined capital structure



Interest coverage ratios strengthened significantly from 0.61x in FY2023 to 5.54x in FY2024, reaching 5.75x in FY2025 and 9.04x in 6M FY2026. These ratios underscore the Company's ability to meet financial obligations from operational profits, highlighting financial resilience and the capacity to fund expansion without jeopardizing shareholder value.

E. OPERATIONAL EFFICIENCY AND ASSET UTILIZATION

SLM's operational efficiency has improved in parallel with its scale-up. Fixed Asset Turnover increased from 0.80x in FY2023 to 1.77x in FY2024 and stabilized in FY2025, reflecting effective utilization of production assets. Overall Asset Turnover improved from 0.54x in FY2023 to 1.09x in FY2024 before slightly moderating to 1.11x in FY2025, indicating strong revenue relative to total asset base. These metrics demonstrate efficient deployment of capital and enhance long-term returns to shareholders.

F. SHAREHOLDER VALUE CREATION

SLM's financial performance consistently emphasizes shareholder value creation. From early-stage operational losses to strong earnings, the Company has built a foundation of scalable margins, consistent cash flows, and prudent leverage. Return on Equity increased from (5%) in FY2023 to 37% in FY2025, while Earnings Per Share[113] rose from PKR (0.07) to PKR 1.35 over the same period, highlighting significant wealth creation for shareholders.

The combination of domestic market leadership, export diversification, disciplined cost management, and strategic capital allocation positions SLM as a high-growth, investor-attractive manufacturing company. Its financial resilience, margin expansion, and sustainable cash generation underpin long-term growth potential and reinforce the Company's capacity to deliver superior returns to shareholders while funding ongoing strategic initiatives, including capacity expansion and diversification into new tyre segments.

6.8. SUMMARY OF REVENUE BREAKUP OF SERVICE LONG MARCH TYRES LIMITED

Below is the revenue breakdown of SLM, showcasing the contribution of domestic and export markets to total revenues over the review period

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*

[113] *The EPS is calculated based on the post-split number of shares i.e., 7,405.02 Mn*

Export	5,071.04	12,237.01	14,830.31	9,583.06
Local	13,245.40	30,696.08	42,326.25	29,105.23
	18,316.45	42,933.09	57,156.56	38,688.29
Custom Duty Drawback	-	392.04	423.38	283.29
Sales Tax	(2,022.57)	(4,710.15)	(6,456.11)	(4,408.20)
Trade Discounts	(177.86)	(667.37)	(1,283.63)	(971.36)
	(2,200.43)	(4,985.47)	(7,316.37)	(5,096.27)
Total	**16,116.02**	**37,947.62**	**49,840.19**	**33,592.02**

6.8.1. DISAGGREGATION OF REVENUE

The table highlights the Company's diversified market mix, and increasing penetration across key geographies, reflecting both operational scalability and strategic focus on balancing local demand with international sales.

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*
Pakistan	11,047.65	25,677.61	34,586.50	23,725.67
USA	3,703.22	9,185.81	12,679.83	5,722.86
Brazil	930.19	3,084.20	2,573.86	4,071.39
South Africa	-	-	-	30.86
Puerto Rico	-	-	-	20.65
Egypt	-	-	-	20.59
UAE	434.96	-	-	-
Total	**16,116.02**	**37,947.62**	**49,840.19**	**33,592.02**

6.8.2. IF A MATERIAL PART OF THE REVENUE i.e., 50% OR MORE IS DEPENDENT UPON A SINGLE CUSTOMER OR FEW MAJOR CUSTOMERS THAN THE SAME SHALL BE DISCLOSED

Not Applicable

6.9. SUMMARY OF EXPENDITURE BREAKUP OF SERVICE LONG MARCH TYRES LIMITED

The chart below illustrates the trend in Cost of Sales, reflecting the Company's efficient production scaling and effective cost management throughout the review period.

Cost of Sales	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Raw & Packing Material Consumed	13,090.35	23,852.65	34,875.12	21,943.10
Fuel and Power	1,145.04	1,632.92	1,975.01	1,208.25
Salaries, Wages and Other Benefits	607.48	988.73	1,269.24	837.55
Depreciation	914.16	969.57	1,151.04	675.74
Repair and Maintenance	133.38	318.74	417.66	280.79
Travelling	74.32	161.62	215.09	171.62
Insurance	81.65	86.28	93.81	84.21
Freight and Insurance	31.01	63.21	54.62	8.96
Vehicles Running Expenses	17.12	34.36	60.07	23.32
Safety & Security	31.05	31.71	34.08	19.92
Communication	1.79	2.26	6.88	3.79
Rent, Rates & Taxes	9.05	0.84	1.91	0.77
Manufacturing Overheads	3,046.05	4,290.24	5,279.40	3,314.91
Cost of Goods Manufactured	103.50	(307.14)	(276.91)	186.68
Finished Goods	(1,642.69)	744.79	(827.31)	(260.00)
Total	**14,597.21**	**28,580.55**	**39,050.29**	**25,184.69**

The following chart presents Distribution Costs, highlighting how SLM has optimized its logistics and dealer network while supporting expanding sales volumes.

Distribution Costs	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Freight Expense of Export Sales	186.84	285.81	389.58	182.59
Carriage Outwards of Local Sales	51.89	238.40	442.70	355.25
Salaries and Other Benefits	67.46	143.62	174.91	97.52
Advertisement and Publicity	24.52	80.75	130.80	174.72
Travelling and Conveyance	8.07	11.32	48.09	15.96
Commission on Sales	-	-	-	-
Communication	0.40	0.34	1.10	0.79
Total	**339.18**	**760.24**	**1,187.17**	**826.84**

This chart shows the evolution of Administrative Expenses, demonstrating disciplined overhead management and operational efficiency as the Company grows.

Administrative Expenses	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Salaries and Other Benefits	192.02	338.31	744.16	404.24
Insurance	0.71	-	-	-
Depreciation And Amortization	152.54	166.60	206.07	113.34
Legal and Professional Charges	17.98	27.93	37.11	43.55
Travelling and Conveyance	2.01	23.60	105.22	0.54
General	15.46	17.05	17.61	9.32
Communication	0.99	13.87	18.80	18.52
Entertainment	11.48	12.52	25.06	16.95
Miscellaneous	4.27	11.13	27.89	14.44
Vehicles Running Expenses	11.58	9.75	45.83	27.77
Rent, Rates and Taxes	1.53	7.75	33.77	50.84
Training and Education	0.69	1.68	3.06	2.38
Printing and Stationery	1.84	3.02	4.56	2.36
Safety and Security	5.11	1.11	1.04	0.15
Total	**418.18**	**634.33**	**1,270.16**	**704.40**

The chart below depicts Other Expenses, emphasizing the Company's ability to maintain tight control over ancillary costs while scaling operations.

Other Expenses	FY2023	FY2024	FY2025	6M FY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Unaudited*
Workers' Profit Participation Fund	-	341.14	388.47	314.14
Auditor's Remuneration	2.79	15.30	22.49	13.88
Workers' Welfare Fund	-	2.35	2.61	45.10
Exchange (Gain) / Loss	17.11	(82.54)	(101.04)	11.89
Total	**19.90**	**276.24**	**312.53**	**385.00**

6.10. SUMMARY BREAKDOWN OF THE OTHER INCOME OF THE COMPANY

The table below highlights the summary along with the contribution of other income as a percentage of both operating profit and total revenue over the last three financial years, illustrating its role in supporting the Company's earnings stability.

PKR Mn	FY2023	FY2024	FY2025	6M FY2026
	Audited	*Audited*	*Audited*	*Unaudited*

Income from Financial Assets				
Conventional	29.88	77.15	85.95	28.65
Islamic	-	-	18.32	9.16
Profit on Term Deposits Receipts	29.88	77.15	104.27	37.81
Conventional	12.09	39.07	31.58	22.03
Islamic	18.72	9.15	7.47	-
Profit on Saving Accounts	30.81	48.22	39.04	22.03
Income from Non - Financial Assets				
Scrap Sales	32.40	14.72	54.37	15.92
Gain / (Loss) on Disposal of Operating Fixed assets	-	1.60	(0.05)	2.34
Total	**93.09**	**141.68**	**197.64**	**78.10**
Other Income % of Operating Profit (%)	12.23%	1.78%	2.37%	1.14%
Other Income % of Revenue (%)	0.58%	0.37%	0.39%	0.23%

6.10.1. IN CASE OTHER INCOME CONSTITUTE MORE THAN 25% OF THE OPERATING INCOME OR 10% OF THE REVENUE, THE BREAKUP OF THE SAME ALONG WITH THE NATURE OF THE INCOME

Not Applicable.

6.11. SUMMARY OF MATERIAL PURCHASES

The table below provides a overview of the Company's material procurement, reflecting the scale, composition, and trends of key raw material purchases essential to its manufacturing operations.

Vendors	Country	Products	% of Purchase			
			FY2023	FY2024	FY2025	6M FY2026
			Audited	*Audited*	*Audited*	*Unaudited*
International						
Thai Hua Rubber Public Company Limited	Thailand	Natural Rubber	0.0%	7.9%	20.8%	21.0%
Jiangsu Yingda Steel Tyre Cord Company Limited	China	Steel Cord	16.2%	15.5%	14.9%	13.8%
New Continent Enterprises Private Limited	Malaysia	Natural Rubber	17.8%	19.4%	14.7%	7.0%
Longmarch (Yingkou) International Trade Company Limited	China	Chemical / Additives	6.7%	9.8%	8.0%	6.3%
Jinneng Chemical (Qingdao) Company Limited	China	Carbon Black	0.9%	2.7%	6.5%	6.8%
Total			**41.7%**	**55.3%**	**64.8%**	**55.0%**

Note: Service Long March Tyres Limited has not entered into any formal agreements with the above-mentioned vendors for the procurement of raw materials, except for Thai Hua Rubber Public Company Limited. Further details regarding this agreement are provided in Section 11.3.

6.11.1. IF THE MATERIAL PART OF THE COMPANY'S PURCHASES I.E. 50% OR MORE IS DEPENDENT UPON A SINGLE SUPPLIER OR FEW MAJOR SUPPLIERS, THEN THE SAME SHALL BE DISCLOSED

Not Applicable

6.12. CONTINGENCIES AND COMMITMENTS

6.12.1. CONTINGENCIES

As disclosed under the Legal Proceedings in Section 8 of this Prospectus, the Company does not have any material contingencies requiring immediate financial provision. All potential liabilities under litigation or regulatory matters have been appropriately disclosed in the relevant section to ensure transparency for investors.

6.12.2. GUARANTEES

The Company's banking partners have issued guarantees on behalf of SLM to support operational, regulatory, and infrastructure-related obligations. These guarantees reflect the Company's robust relationships with financial institutions and prudent management of regulatory and operational commitments. Details of the guarantees are as follows:

Beneficiary	FY2023	FY2024	FY2025	Purpose
			PKR Mn	
Sui Southern Gas Company Limited	106.27	106.27	310.96	Gas connection Guarantees
National Logistics Cell	22.55	48.87	99.64	Operational guarantee
Controller of Military Accounts	5.62	50.56	85.72	Operational guarantee
Pakistan State Oil Company Limited	4.00	7.00	10.00	Fuel supply guarantee
Director Excise & Taxation	-	-	1055.00	Sindh Infrastructure Cess
Collector of Customs Karachi	-	112.00	368.69	Custom Duties & Sales Tax

These guarantees ensure uninterrupted business operations, regulatory compliance, and timely fulfillment of infrastructure obligations, reinforcing the Company's operational resilience.

6.12.3. COMMITMENTS

SLM maintains robust control over its capital and operational commitments, ensuring sufficient liquidity to support ongoing operations and strategic business expansion. The key commitments as of June 30, 2025, for the last three years are summarized below:

Commitment Type	FY2023	FY2024	FY2025	Remarks
			PKR Mn	
Letters of Credit Facilities	9,250	10,950	11,250	Unutilized balance: - 10,886 (FY2025) - 2,175 (FY2024) - 3,896 (FY2023)
Capital Expenditure (Capex)	250	435	-	No outstanding Capex commitments in FY2025

The letter of credit facilities highlight the Company's strategic readiness to procure raw materials and ensure uninterrupted production. The reduction in capital expenditure commitments in FY2025 reflects efficient resource allocation in line with current operational priorities and expansion plans. The trend across FY2023 to FY2025 demonstrates SLM's disciplined approach to financial and operational planning, balancing short-term liquidity with long-term investment and growth objectives.

6.13. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

The table below provides a comparative financial perspective of SLM against its key industry peers, showcasing the Company's relative valuation, earnings potential, and book value strength. This analysis underscores SLM's competitive positioning, highlighting its ability to deliver superior returns and create long-term shareholder value within the tyre manufacturing sector.

*Trailing Twelve Month (TTM)**	SLM	GTYR	PTL	BWHL	AGIL	ATBA

						PKR Mn
Operating Performance						
Revenue	59,477.19	17,002.51	33,940.80	2,566.98	14,018.82	33,758.61
Cost of Sales	(46,017.07)	(14,870.93)	(28,957.49)	(1,855.15)	(12,526.17)	(30,289.29)
Gross Profit	13,460.12	2,131.58	4,983.31	711.84	1,492.66	3,469.32
Operating Profit	10,490.24	986.39	2,996.94	565.81	1250.78	1,306.03
Gross Margins (%) *	23%	13%	15%	28%	11%	10%
Operating Margins (%) *	18%	6%	9%	22%	9%	4%
Profitability and Capital Adequacy						
Net Profit	12,685.45	(553.41)	904.52	406.03	514.35	(21.58)
Net Profit Margin (%) *	21%	(3%)	3%	16%	4%	0%
Shareholders' Equity	31,239.72	6,575.53	9,123.80	2,424.45	4,689.28	7,953.95
Average Equity	29,220.73	6,183.96	8,365.48	2,308.11	4,533.28	7,969.09
Total Liabilities	25,998.01	15,197.42	16,961.80	284.57	2,798.13	13,974.53
Total Assets	57,237.73	21,772.95	26,085.60	2,709.02	7,487.41	21,928.48
Pricing Comparison						
No. of Shares	7405.02	121.93	168.00	13.33	36.00	35.02
Share Price**	14.25	24.54	48.85	175.43	139.57	188.25
Earnings Per Share (EPS)*	1.71	(4.54)	5.38	30.45	14.29	(0.62)
EPS (Post IPO)	1.63	-	-	-	-	-
Book Value Per Share (BVPS)*	4.22	53.93	54.31	181.82	130.26	227.15
BVPS (Post IPO)	4.72	-	-	-	-	-
Price to Earning (P/E)*	8.32	(0.17)	9.82	6.23	10.32	(335.61)
P/E (Post IPO)	8.76	-	-	-	-	-
Price to Book (P/B)*	3.38	0.51	0.97	1.04	1.13	0.91
P/B (Post IPO)	3.02	-	-	-	-	-
Return on Equity (ROE) (%)*	40.61%	(8.42%)	9.91%	16.75%	10.97%	(0.27%)
Return on Assets (ROA) (%)*	22.16%	(2.54%)	3.47%	14.99%	6.87%	(0.10%)

**Based on the TTM earnings for each company (trailing twelve months) for the period January 01, 2025, to December 31, 2025.*
***LDCP as of April 08, 2026*
****SLM number of shares mentioned here are Post Split which happened in October however, these are not yet reflected in the Financial Statement, further details of share are provided in section 3A(v)*

Note: Service Long March Tyres Limited is primarily engaged in the mass production of Truck and Bus Radial (TBR) tyres. Accordingly, the companies included in the peer comparison are not direct competitors in terms of product mix and production scale but have been selected from the broader sector to provide an indicative industry comparison. While Ghandhara Tyre and Rubber Company Limited (GTYR) and Panther Tyres Limited (PTL) are tyre manufacturers operating in Pakistan, they do not operate mass-scale TBR comparable to those of SLM.

6.14. SUMMARY OF FINANCIAL PROJECTIONS FOR FIVE YEARS

6.14.1. STATEMENT OF PROFIT & LOSS

PKR Mn	FY2026F	FY2027F	FY2028F	FY2029F	FY2030F	FY2031F	FY2032F	FY2033F
Sales	67,524.70	87,016.38	110,987.30	130,841.09	164,336.00	175,757.27	186,358.55	187,727.38
Cost of Sales	(50,123.67)	(64,478.64)	(81,276.66)	(93,945.31)	(117,237.56)	(124,453.26)	(131,209.85)	(131,788.66)
Gross Profit	**17,401.03**	**22,537.75**	**29,710.63**	**36,895.79**	**47,098.43**	**51,304.01**	**55,148.70**	**55,938.72**
Gross Margin	***25.77%***	***25.90%***	***26.77%***	***28.20%***	***28.66%***	***29.19%***	***29.59%***	***29.80%***
Distribution Expense	(1,789.74)	(2,076.07)	(2,542.87)	(2,832.21)	(3,307.72)	(3,467.44)	(3,627.42)	(3,697.38)
Admin Expense	(1,358.69)	(1,459.50)	(1,608.52)	(1,812.48)	(2,042.30)	(2,301.26)	(2,593.06)	(2,921.86)
Operating Profit	**14,252.60**	**19,002.17**	**25,559.25**	**32,251.10**	**41,748.42**	**45,535.30**	**48,928.23**	**49,319.48**
Operating Margin	***21.11%***	***21.84%***	***23.03%***	***24.65%***	***25.40%***	***25.91%***	***26.25%***	***26.27%***

Other Expenses	(622.80)	(822.32)	(1,125.38)	(1,455.09)	(1,926.89)	(2,156.93)	(2,335.32)	(2,323.68)
Finance Cost	(1,397.86)	(2,123.71)	(2,147.52)	(1,930.13)	(1,687.90)	(764.79)	(552.86)	(1,168.27)
Other Income	223.96	390.18	221.23	235.96	404.20	524.92	666.29	646.15
Profit Before Taxation	**12,455.91**	**16,446.33**	**22,507.58**	**29,101.84**	**38,537.82**	**43,138.50**	**46,706.33**	**46,473.68**
PBT Margins	***18.45%***	***18.90%***	***20.28%***	***22.24%***	***23.45%***	***24.54%***	***25.06%***	***24.76%***
Taxation	688.27	952.75	1,389.12	1,502.60	1,564.63	1,560.02	1,548.98	(18,124.73)
Profit after Tax	**13,144.18**	**17,399.08**	**23,896.69**	**30,604.44**	**40,102.45**	**44,698.53**	**48,255.31**	**28,348.94**
Net Profit Margins	***19.47%***	***20.00%***	***21.53%***	***23.39%***	***24.40%***	***25.43%***	***25.89%***	***15.10%***

6.14.2. STATEMENT OF FINANCIAL POSITION

PKR Mn	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Assets								
Non-Current Assets								
Property, Plant & Equipment	39,390.50	57,507.55	64,283.72	71,850.91	69,839.05	67,838.98	65,867.25	63,936.25
Deferred Tax Asset	2,180.95	3,133.70	4,522.82	6,025.41	7,590.04	9,150.06	10,699.04	10,699.04
Long-term Security deposit	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
	41,579.20	**60,649.00**	**68,814.28**	**77,884.07**	**77,436.83**	76,996.80	76,574.04	74,643.04
Current Assets								
Stock in trade	12,530.92	16,119.66	20,319.17	23,486.33	29,309.39	31,113.32	32,802.46	32,947.16
Stores and spares	974.63	1,253.75	1,580.38	1,826.71	2,279.62	2,419.92	2,551.30	2,562.56
Trade debts - considered good	7,502.74	9,668.49	12,331.92	14,537.90	18,259.56	19,528.59	20,706.51	20,858.60
Advances, prepayments and deposits	237.40	249.27	261.73	274.82	289.93	305.88	322.70	340.45
Taxation - net	16.89	20.15	24.52	27.55	39.84	39.84	39.84	39.84
Accrued interest	47.58	72.29	73.10	65.70	57.46	26.03	18.82	39.77
Other receivables	1,162.87	1,221.01	1,282.06	1,346.16	1,413.47	1,484.15	1,558.35	1,636.27
Cash and bank balances	8,638.16	5,900.33	7,838.00	6,815.64	15,353.14	27,831.63	45,254.83	61,062.22
	31,111.19	**34,504.94**	**43,710.88**	**48,380.82**	**67,002.41**	**82,749.36**	**103,254.81**	**119,486.87**
Total Assets	**72,690.39**	**95,153.94**	**112,525.16**	**126,264.88**	**144,439.24**	**159,746.15**	**179,828.85**	**194,129.91**
Equity And Liabilities								
Share Capital	15,589.52	15,589.52	15,679.52	15,679.52	15,679.52	15,679.52	15,679.52	15,679.52
Share Premium	4,774.29	4,774.29	4,820.62	4,820.62	4,820.62	4,820.62	4,820.62	4,820.62
Employee share option reserve	30.89	46.33	-	-	-	-	-	-
Share deposit money	18.10	18.10	18.10	18.10	18.10	18.10	18.10	18.10
Accumulated profit	22,714.90	34,113.98	49,311.13	64,613.35	84,664.57	107,013.84	131,141.49	145,315.97
Total Shareholders' Equity	**43,127.70**	**54,542.22**	**69,829.37**	**85,131.59**	**105,182.82**	**127,532.08**	**151,659.74**	**165,834.21**
Non-Current Liabilities								
Deferred income - Government grant	832.94	541.29	306.02	133.87	30.45	30.45	30.45	30.45
Deferred tax liability	-	-	-	-	-	-	-	-
Long term financing	8,757.04	18,263.25	17,087.67	12,528.09	8,042.12	4,042.12	-	-
	9,589.98	**18,804.54**	**17,393.69**	**12,661.96**	**8,072.56**	**4,072.56**	**30.45**	**30.45**
Current Liabilities								
Trade and other payables	5,290.83	6,806.08	8,579.20	9,916.45	12,375.08	13,136.73	13,849.93	13,911.02
Contract liabilities	700.94	903.27	1,152.10	1,358.19	1,705.88	1,824.44	1,934.48	1,948.69
Accrued mark-up	116.49	176.98	178.96	160.84	140.66	63.73	46.07	97.36
Short term financing	11,228.17	11,228.17	11,228.17	12,308.18	12,308.18	12,308.18	12,308.18	12,308.18
Current portion of non-current liabilities	2,636.29	2,692.69	4,163.67	4,727.67	4,654.06	808.42	-	-
	19,972.71	**21,807.18**	**25,302.10**	**28,471.33**	**31,183.86**	**28,141.51**	**28,138.67**	**28,265.26**
Total Liabilities	**29,562.69**	**40,611.72**	**42,695.79**	**41,133.29**	**39,256.42**	**32,214.07**	**28,169.11**	**28,295.70**

Total Equity and Liabilities	**72,690.39**	**95,153.94**	**112,525.16**	**126,264.88**	**144,439.24**	**159,746.15**	**179,828.85**	**194,129.91**

6.14.3. STATEMENT OF CASH FLOWS

PKR Mn	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY203F*
Profit before Taxation	12,455.91	16,446.33	22,507.58	29,101.84	38,537.82	43,138.50	46,706.33	46,473.68
Adjustments for non-cash items:								
Add: Depreciation & Amortization	1,764.80	2,442.95	3,561.84	3,852.81	4,011.86	4,000.06	3,971.74	3,930.99
Less: Interest Income	(223.96)	(390.18)	(221.23)	(235.96)	(404.20)	(524.92)	(666.29)	(646.15)
Add: Finance Cost	1,397.86	2,123.71	2,147.52	1,930.13	1,687.90	764.79	552.86	1,168.27
	2,938.70	**4,176.47**	**5,488.13**	**5,546.97**	**5,295.57**	4,239.94	3,858.31	4,453.11
Profit before Working Capital Changes	**15,394.61**	**20,622.80**	**27,995.71**	**34,648.81**	**43,833.39**	**47,378.44**	**50,564.65**	**50,926.79**
Decrease / (Increase) in current assets								
Stock in trade	(3,633.75)	(3,588.74)	(4,199.51)	(3,167.16)	(5,823.06)	(1,803.93)	(1,689.15)	(144.70)
Stores and spares	(546.54)	(279.12)	(326.63)	(246.33)	(452.90)	(140.31)	(131.38)	(11.25)
Trade debts - considered good	(899.37)	(2,165.74)	(2,663.43)	(2,205.98)	(3,721.66)	(1,269.03)	(1,177.92)	(152.09)
Advances, prepayments and deposits	(11.30)	(11.87)	(12.46)	(13.09)	(15.12)	(15.95)	(16.82)	(17.75)
Accrued Markup	(204.74)	60.49	1.98	(18.12)	(20.19)	(76.93)	(17.66)	51.28
Accrued interest	(9.55)	(24.71)	(0.81)	7.40	8.25	31.42	7.21	(20.95)
Other receivables	(55.37)	(58.14)	(61.05)	(64.10)	(67.31)	(70.67)	(74.21)	(77.92)
	(5,360.62)	**(6,067.84)**	**(7,261.91)**	**(5,707.38)**	**(10,091.99)**	**(3,345.39)**	**(3,099.92)**	**(373.38)**
(Decrease) / Increase in current liabilities								
Trade and other payables	936.99	1,515.25	1,773.12	1,337.25	2,458.63	761.66	713.19	61.10
Contract liabilities	84.02	202.33	248.83	206.09	347.69	118.56	110.05	14.21
	1,021.01	**1,717.58**	**2,021.95**	**1,543.34**	**2,806.32**	**880.22**	**823.24**	**75.31**
	(4,339.61)	**(4,350.26)**	**(5,239.96)**	**(4,164.04)**	**(7,285.67)**	**(2,465.17)**	**(2,276.68)**	**(298.07)**
Cash (utilized in)/generated from operations	11,054.99	16,272.54	22,755.75	30,484.77	36,547.72	44,913.27	48,287.97	50,628.72
Interest received	223.96	390.18	221.23	235.96	404.20	524.92	666.29	646.15
Interest paid	(1,397.86)	(2,123.71)	(2,147.52)	(1,930.13)	(1,687.90)	(764.79)	(552.86)	(1,168.27)
Taxation - Net	(4.24)	(3.26)	(4.37)	(3.04)	(12.28)	-	-	(18,124.73)
Stock Options	(252.49)	15.44	(46.33)	-	-	-	-	-
Net cash generated from operating activities	**9,624.37**	**14,551.20**	**20,778.76**	**28,787.57**	**35,251.73**	**44,673.39**	**48,401.39**	**31,981.86**
CASH FLOWS FROM INVESTING ACTIVITIES								
Additions in P&M and building	(11,681.22)	(20,560.00)	(10,338.00)	(11,420.00)	(2,000.00)	(2,000.00)	(2,000.00)	(2,000.00)
Net cash used in investing activities	**(11,681.22)**	**(20,560.00)**	**(10,338.00)**	**(11,420.00)**	**(2,000.00)**	**(2,000.00)**	**(2,000.00)**	**(2,000.00)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Share capital issued	1,259.98	-	90.00	-	-	-	-	-
Share premium	4,774.29	-	46.33	-	-	-	-	-
Dividend paid	(3,000.00)	(6,000.00)	(8,699.54)	(15,302.22)	(20,051.22)	(22,349.26)	(24,127.66)	(14,174.47)
Long Term Financing	1,984.99	9,214.57	(1,410.85)	(4,731.73)	(4,589.40)	(4,000.00)	(4,042.12)	-
Short Term Financing	500.00	-	-	1,080.01	-	-	-	-
Current Portion of LTL	604.61	56.40	1,470.98	564.00	(73.61)	(3,845.64)	(808.42)	-
Net cash generated/ (used in) from financing activities	**6,123.87**	**3,270.97**	**(8,503.08)**	**(18,389.94)**	**(24,714.23)**	**(30,194.90)**	**(28,978.19)**	**(14,174.47)**

Net increase in cash and cash equivalents	**4,067.01**	**(2,737.83)**	**1,937.67**	**(1,022.36)**	**8,537.50**	**12,478.49**	**17,423.20**	**15,807.39**
Cash and cash equivalents at the beginning of the year	**4,571.15**	**8,638.16**	**5,900.33**	**7,838.00**	**6,815.64**	**15,353.14**	**27,831.63**	**45,254.83**
Cash and cash equivalents at the end of the year	**8,638.16**	**5,900.33**	**7,838.00**	**6,815.64**	**15,353.14**	**27,831.63**	**45,254.83**	**61,062.22**

6.14.4. MACRO-ECONOMIC ASSUMPTIONS

PKR Mn	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
Inflation	6.97%	7.42%	10.21%	12.68%	12.68%	12.68%	12.68%	12.68%
3M KIBOR	11.96%	11.56%	11.56%	11.56%	12.56%	12.56%	12.56%	12.56%
USD – PKR Exchange Rate	282	293	305	317	330	343	357	371

6.14.5. OPERATING MARGIN ASSUMPTIONS

PKR Mn	*FY2026F*	*FY2027F*	*FY2028F*	*FY2029F*	*FY2030F*	*FY2031F*	*FY2032F*	*FY2033F*
As of % of Sales								
COGS	(74.2%)	(74.1%)	(73.2%)	(71.8%)	(71.3%)	(70.8%)	(70.4%)	(70.2%)
Other Income	0.3%	0.4%	0.2%	0.2%	0.2%	0.3%	0.4%	0.3%
Admin Expense	(2.0%)	(1.7%)	(1.4%)	(1.4%)	(1.2%)	(1.3%)	(1.4%)	(1.6%)
Distribution Expense	(2.7%)	(2.4%)	(2.3%)	(2.2%)	(2.0%)	(2.0%)	(1.9%)	(2.0%)
Operating Margin	21.1%	21.8%	23.0%	24.6%	25.4%	25.9%	26.3%	26.3%
As of % of Profit before Tax								
Effective Tax Rate	5.5%	5.8%	6.2%	5.2%	4.1%	3.6%	3.3%	(39.0%)

6.15. CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS

ARIF HABIB
LIMITED

March 10th, 2026

The Chief Executive,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Certification of Reasonableness of Financial Projections as per Schedule 1 14(vii):(xiii) of the Public Offering Regulations, 2017**

Dear Sir(s),

We, **Arif Habib Limited**, acting as the Lead Consultant to the Issue in connection with the proposed Initial Public Offering of Service Long March Tyres Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending FY2030 included in the draft Prospectus and submitted to the Exchange.

Based on our sector's expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP).

Disclaimer:

The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected. This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implications involved.

For and on Behalf of **Arif Habib Limited**

ARIF HABIB LIMITED KARACHI

Farhan Rizvi
Managing Director, Investment Banking
Arif Habib Limited

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TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-050 / 01

6(A). REVALUATION OF ASSETS

The Company has not undertaken any revaluation of its property, plant and equipment, investment properties, or other assets during the financial periods presented in this Prospectus. All assets continue to be recorded at historical cost less accumulated depreciation and impairment, where applicable, in accordance with the applicable financial reporting standards.

Accordingly, the carrying values of assets reflected in the financial statements do not incorporate any upward or downward adjustments arising from revaluationF exercises. The Board has maintained a conservative accounting approach, and no revaluation surplus forms part of the Company's equity as of the reporting dates disclosed herein.

6(B). DIVIDEND POLICY

The following table presents the details of dividends declared and/or bonus shares issued by the Company during the last three financial years, reflecting its historical approach to shareholder returns and capital distribution policy.

Particulars	FY2023	FY2024	FY2025	6M FY2026
PKR	***Audited***	***Audited***	***Audited***	***Unaudited***
Dividend Paid in Cash	-	2,006,136,000	3,000,000,000	-
Ordinary Shares Issued as Bonus Share	-	-	-	-
Total Dividend	-	2,006,136,000	3,000,000,000	-
Cash Dividend Per Share (Pre - split)	-	1.40	2.03	-
Cash Dividend as % of Par Value (Pre - split)	-	14%	20%	-
Cash Dividend Per Share (Post - split)		0.28	0.42	-
Cash Dividend as % of Par Value (Post - split)	-	14%	20%	-
Dividend Payout Ratio	-	37%	30%	-

The Company intends to follow a consistent profit distribution policy for its members, with future dividend payments being influenced by factors including profitability, future expansion capex requirement availability of adequate cash flows, the Board's recommendation, and shareholders' approval, where required.

The rights in respect of bonus issues and dividends attached to each ordinary share are and will be the same.

The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

Under Section 242 of the Companies Act, any dividend payable in cash by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".

Covenants / Restriction on Payment of Dividends

The Company is not subject to any restrictions under financing agreements when obtaining funds for its business activities, subject to applicable laws and its financial position and projections.

Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6(B)(i) DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL

Service Industries Limited ("**SIL**") and Service Global Footwear Limited ("**SGFL**") are listed companies within the Servis Group. While the Issuer, Service Long March Tyres Limited ("**SLM**"), does not have any control over these companies, they form part of the broader group ecosystem.

For reference, the table below presents the dividend payout history of SIL and SGFL for the last five years. The historical trend reflects the Group's general approach toward balancing shareholder returns with reinvestment requirements and long-term strategic growth.

Company Name	Type	FY2020	FY2021	FY2022		FY2023		FY2024
		Annual	Annual	Half Year	Annual	3rd Quarter	Annual	Annual
Service Industries Limited	Dividend*	150%	75%	-	50%	-	100%	150%
Service Global Footwear Limited	Dividend*	-	20%	25%	10%	30%	20%	40%

**Percentage is of per share's par value*
**Financial Years of the Associated Companies ends on December 31.*

7. BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS

Sr. No.	Name	Designation	Address	CNIC / Passport No.	Period of Directorship	Directorship in Other Companies
1.	Mr. Jin Yongsheng	Chairman / Non – Executive Director	No. 1, Xiangyang, Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China	EB9556911	May 18, 2022	Chaoyang Long March Tyre Company Limited
2.	Mr. Omar Saeed	CEO / Executive Director	Servis House, 2-Main Gulberg, Lahore	35202-3786183-5	Since Incorporation i.e. January 07, 2020	• Servis Foundation, CEO • Service Industries Limited • Service Global Footwear Limited • Service Industries Capital (Private) Limited, CEO • S2 Hydro Limited • Nestle Pakistan Limited • Systems Limited • Service Tyres (Private) Limited • Service Retail (Private) Limited
3.	Mr. Zhang Xingyou	Executive Director	No. 1, Xiangyang, Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China	EE5689083	Since Incorporation i.e. January 07, 2020	N/A
4.	Mr. Arif Saeed	Non – Executive Director	Servis House, 2-Main Gulberg, Lahore	35202-2835725-9	Since Incorporation i.e., January 07, 2020	• Servis Foundation • Service Industries Limited, CEO • Service Industries Capital (Private) Limited • Shahid Arif Investments (Private) Limited, CEO • SBL Trading (Private) Limited • Service Global Footwear Limited • Sui Northern Gas Pipelines Limited • Pakistan Revenue Automation (Private) Limited • Service Tyres (Private) Limited, CEO • Service Retail (Private) Limited
5.	Mr. Hassan Javed	Non – Executive Director	Servis House, 2-Main Gulberg, Lahore	35202-2936650-7	Since Incorporation i.e., January 07, 2020	• Servis Foundation • Service Industries Limited • Service Industries Capital (Private) Limited • Shahid Arif Investments (Private) Limited • SBL Trading (Private) Limited, CEO • S2 Hydro Limited • Dandot Cement Company Limited • Service Global Footwear Limited, CEO • S.S. Oil Mills Limited • Service Tyres (Private) Limited • Service Retail (Private) Limited

6.	Mr. Ahmed Javed	Non – Executive Director	Servis House, 2-Main Gulberg, Lahore	35202-6319272-5	Since Incorporation i.e., January 07, 2020	• Service Global Footwear Limited • Servis Foundation
7.	Ms. Yu Haili	Non – Executive Director	No. 1, Xiangyang, Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China	ED8108387	August 12, 2025	N/A
8.	Mr. Sun Xiaoguang	Non – Executive Director	No. 1, Xiangyang, Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China	EQ2341032	August 12, 2025	N/A
9.	Ms. He Xiaomei	Independent Director	No. 1, Xiangyang, Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China	EQ7651148	March 04, 2026	N/A
10.	Mr. Shahid Hafiz Kardar	Independent Director	House No. 46, Block – B3, Gulberg III, Lahore	35202-2142046-9	March 04, 2026	N/A
11.	Mr. Nasir Mahmood Khan Khosa	Independent Director	House No. 23, Tipu Block, New Garden Town, Lahore	35202-3042623-1	March 04, 2026	• Pakistan Tobbaco Company • Government Holdings (Private) Limited • Pak Brunei Investment Company

7.2. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board of Directors consists of 11 directors, including the Chief Executive Officer.

7.3. PROFILE OF DIRECTORS

A. Mr. Jin Yongsheng – Chairman Board of Directors / Non – Executive Director

Mr. Jin Yongsheng is a distinguished industrial leader with over three decades of senior management experience in large-scale manufacturing enterprises, particularly within the tyre manufacturing sector. Throughout his career at Chaoyang Long March Tyre Co., Ltd., he has held a succession of senior executive roles, culminating in his appointment as Chairman and Chief Executive. In this capacity, he oversees overall corporate strategy, operational management, financial discipline, and long-term growth planning, while driving technological advancement and market expansion initiatives.

As Chairman of the Board of Service Long March Tyres Limited, Mr. Jin provides strategic leadership and governance oversight. He plays an instrumental role in shaping the Company's long-term vision, aligning the strategic objectives of the joint venture partners, and strengthening cross-border technical, operational, and institutional collaboration between Pakistan and China. His leadership has been central to fostering knowledge transfer, operational excellence, and sustainable capacity development within the organization.

Mr. Jin's professional expertise spans corporate strategy formulation, large-scale industrial operations, financial stewardship, risk management, and institutional governance. His disciplined and forward-looking approach has contributed significantly to organizational stability and sustained growth.

In recognition of his professional achievements and community contributions, Mr. Jin has received several provincial-level honors in Liaoning Province, including the "Top Ten Outstanding Accountants in Liaoning

Province" (2010), the "May 1st Labor Medal" (2016), and the "Most Beautiful Community Caregiver" honorary title (2016).

B. Mr. Omar Saeed – Chief Executive Officer / Executive Director

Mr. Omar Saeed graduated with high honors from Brown University and earned his master's in business administration from Harvard Business School. He currently serves as the Chief Executive Officer of Service Long March Tyres Limited and Servis Foundation.

Mr. Saeed also serves on the Boards of Nestle Pakistan Limited, Systems Limited, Service Industries Limited (SIL), The Hunar Foundation, and Shalamar Hospital. He previously served as the Chief Executive Officer of Service Industries Limited from 2011 to 2018. Under his leadership, SIL received the prestigious Pakistan Stock Exchange Top 25 Companies Award multiple times.

A seasoned entrepreneur, Mr. Saeed, has established multiple businesses for the Servis Group over the past two decades. His international experience includes working in Silicon Valley, setting up a manufacturing company in Sri Lanka, and establishing a retail company in Kenya. He has recently been appointed Chairman of the Export Development Fund, a government entity mandated to support export-oriented industries across the country.

C. Mr. Zhang Xingyou – Executive Director

Mr. Zhang Xingyou is a graduate of Zhengzhou University, Henan, China, where he earned a Bachelor's degree in International Business, providing him with a strong foundation in global trade and cross-border commercial operations. He brings over 25 years of specialized experience in the tyre industry, with a primary focus on the All-Steel Radial segment.

Prior to joining SLM, Mr. Zhang held key leadership positions at Chaoyang Long March Tyre Co. Ltd., China. He served as Head of the International Trading Department, where he played a significant role in expanding the "Long March" brand into more than 140 countries. Earlier in his career, he worked as a Sales Representative, gaining extensive experience in domestic sales operations and supply chain logistics.

Since his appointment as Director and Chief Marketing Officer (CMO) at SLM, Mr. Zhang has played a pivotal role in operationalizing the joint venture. He has contributed to the adaptation of Chinese manufacturing standards to the Pakistani commercial vehicle market, the establishment of SLM's nationwide dealer network, the expansion of export markets, and the successful launch of Truck Bus Radial (TBR) tyres. These efforts have supported SLM's position as the sole domestic manufacturer in these high-value tyre segments.

D. Mr. Hassan Javed – Non - Executive Director

Mr. Hassan Javed is a leather technologist from Nene College, United Kingdom, and a shoe technologist from ISMS School, Czech Republic. He is the Chief Executive Officer of Service Global Footwear Limited.

Mr. Javed has also served Service Industries in various capacities, most notably as the Resident Director, Gujrat, for more than fifteen years. He served as the Chairman of the Board of Directors of Gujranwala Electricity Supply Company. He serves as a Director of Standard Spinning Mills (Private) Limited. He has also served as the Chairman of the Pakistan Footwear Manufacturers Association.

Under his leadership, Service Global has established a joint venture with a leading Chinese company for the export of athletic footwear from Pakistan. He was awarded the Tamgha-i-Imtiaz by the President of Pakistan in recognition of being the largest exporter of footwear in 2024.

E. Mr. Chaudhry Ahmed Javed – Non - Executive Director

Mr. Chaudhry Ahmed Javed received his education from Saint Anthony's School and Forman Christian College, Lahore. He served as Chairman of Service Industries Limited from 2011 to 2023, and as Chief Executive Officer of Service Sales Corporation.

Mr. Javed also has extensive experience in marketing, having worked for a decade at National Fertilizer Marketing Limited in the Marketing Department.

F. Mr. Arif Saeed – Non - Executive Director

Mr. Arif Saeed is a graduate of the University of Oxford. He currently serves as Chairman of Service Global Footwear Limited and Chief Executive Officer of Service Industries Limited and Service Tyres (Private) Limited. He also serves as a Director of Service Long March Tyres Limited, Service Retail (Private) Limited, and Servis Foundation.

He is the founding Chairman of Quaid-e-Azam Solar Power (Private) Limited, Quaid-e-Azam Thermal Power (Private) Limited, and National Power Parks Management Company (Private) Limited, where he oversaw the successful execution of four fast-track public sector power projects. He has previously served as Chairman of the All-Pakistan Textile Mills Association (APTMA) and the Lahore Stock Exchange.

Mr. Arif Saeed is currently the President of the Pakistan Olympic Association. He is also the founder and Chairman of the Pakistan Rugby Union and has served as a Director of the Pakistan Cricket Board.

In addition, he is a member of the Board of Governors of Aitchison College and Divisional Public School, Lahore. He also serves as Chairman of Daanish University Trust and Pakistan Revenue Automation (Private) Limited (PRAL), and as an Independent Director on the Board of Sui Northern Gas Pipelines Limited (SNGPL).

G. Ms. Yu Haili – Non-Executive Director

Ms. Yu Haili is a specialist in Chemical Technology, having graduated from Liaoyang Petrochemical College, China. She has over 30 years of experience in technical management and R&D within the tyre industry, holding senior positions at Liaoning Tyre Group and Chaoyang Long March Tyre Co. Ltd., including Deputy General Manager, Technical Management, and Director of Structural Office.

Ms. Yu began her career as a Formula & Structure Design Engineer, focusing on chemical formulation and structural design for all-steel radial tyres. At SLM, she oversees the technology transfer process, ensuring the facility adheres to rigorous R&D standards and product design optimized for Pakistan's conditions. She has received the National "Ten Thousand Talents Project" award, the National Model Worker title, and other accolades for her contributions to the tyre industry.

H. Mr. Sun Xiaoguang – Non-Executive Director

Mr. Sun Xiaoguang holds a specialized qualification in Fishery Administration and Harbor Superintendence from Dalian Fisheries College, China. He has over 20 years of professional experience across transportation, investment management, industrial operations, and administrative governance.

As a Non-Executive Director of SLM, Mr. Sun provides strategic oversight and contributes to the Company's governance framework. He supports operational alignment between the Chinese facilities and SLM's manufacturing operations, facilitates the transfer of All-Steel Radial tyre technology, and provides guidance on supply chain and logistics optimization. His international experience also enables the adoption of global best practices within the Company's operations. His contributions support SLM's position as a leading manufacturer of Truck Bus Radial (TBR) tyres in Pakistan.

I. Ms. He Xiaomei – Independent Director

Ms. He Xiaomei is an accomplished tyre industry professional with over 30 years of experience in tyre product technology, process engineering, and large-scale EPC project execution. She holds a Bachelor's degree in Mechanical Engineering from Beijing University of Chemical Technology and a Master's degree from the Beijing Rubber Industry Research and Design Institute. Her career encompasses deep technical expertise across passenger car (PCR), truck & bus (TBR), off-the-road (OTR), agricultural, and bias-ply tyres, underpinned by a strong academic and research foundation.

Ms. Xiaomei has led multiple major facility projects, overseeing end-to-end planning, design, construction, product development, and commissioning. Her contributions have been recognized with national and provincial awards, including the National Science and Technology Progress Second Prize, and the State Council Special Government Allowance in 2003.

In addition to her domestic accomplishments, she has significant international experience, serving as a senior technical and management consultant in Thailand and leading EPC turnkey tyre projects across Central and South Asia, including Uzbekistan and Bangladesh. Currently, she is a Technical Consultant at China Chemical Engineering Guilin Engineering Co., Ltd., focusing on rubber industry engineering design and process technology for EPC projects.

J. Mr. Shahid Hafiz Kardar – Independent Director

Mr. Kardar has held several prominent public sector and academic leadership positions. He previously served as Governor of the State Bank of Pakistan and as Minister for Finance, Planning & Development, Excise and Taxation, and Industries & Mineral Development in the Government of Punjab. He was also a Member of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the United Nations Sustainable Development Goals (SDGs) 2030 Agenda, appointed jointly by the Presidents of the UN General Assembly and the United Nations Economic and Social Council (ECOSOC). In academia, he has served as Vice Chancellor of Beaconhouse National University and as Life-long Treasurer of the Human Rights Commission of Pakistan Trust.

During his career, Mr. Kardar has also served as Member of the Board of Governors of Shaukat Khanum Memorial Trust Hospital; Director at Royal Bank of Scotland, Service Industries Limited, and the South Asia Free Media Association; and Chairman of the Punjab Education Foundation, where several internationally recognized programmes were launched during his tenure. He has also served as Member of the National Commission for Government Reform, the Banking Laws Review Commission, the Advisory Board of Kashf Foundation, and various Federal and Punjab Government task forces. He regularly contributes articles to journals and newspapers.

Mr. Kardar is currently serving as Director of the Social and Policy Development Centre and as a member of the Board of Governors of Liaquat National Hospital.

K. Mr. Nasir Mahmood Khan Khosa – Independent Director

Mr. Nasir Mahmood Khan Khosa is a distinguished retired Pakistani civil servant from Dera Ghazi Khan, affiliated with the Pakistan Administrative Service. Over a remarkable career in public service, he has held several of the nation's most senior and influential positions, including Principal Secretary to the Prime Minister of Pakistan, Chief Secretary of Punjab, and Chief Secretary of Baluchistan. He was elevated to the rank of Federal Secretary in 2010. Following his retirement from civil service, Mr. Khosa served as Executive Director at the World Bank from 2013 to 2017, contributing to international development initiatives and policy oversight. Currently, he holds leadership roles in the corporate sector as Chairman of Pakistan Tobacco Company Limited and Government Holdings (Private) Limited and serves as a board member of Pak Brunei Investment Company.

7.4. PROFILE OF SENIOR MANAGEMENT

Profile of the senior management including but not limited to:

A. Mr. Omar Saeed – Chief Executive Officer ("CEO")

Mr. Omar Saeed graduated with high honors from Brown University and earned his master's in business administration from Harvard Business School. He currently serves as the Chief Executive Officer of Service Long March Tyres Limited and Servis Foundation.

Mr. Saeed also serves on the Boards of Nestle Pakistan Limited, Systems Limited, Service Industries Limited (SIL), The Hunar Foundation, and Shalamar Hospital. He previously served as the Chief Executive Officer of Service Industries Limited from 2011 to 2018. Under his leadership, SIL received the prestigious Pakistan Stock Exchange Top 25 Companies Award multiple times.

A seasoned entrepreneur, Mr. Saeed, has established multiple businesses for the Servis Group over the past two decades. His international experience includes working in Silicon Valley, setting up a manufacturing company in Sri Lanka, and establishing a retail company in Kenya. He has recently been appointed Chairman of the Export Development Fund, a government entity mandated to support export-oriented industries across the country.

B. Mr. Atif Aziz – Chief Financial Officer ("CFO")

Mr. Atif Aziz serves as the Chief Financial Officer of SLM Tyres, overseeing the Company's financial strategy, planning, budgeting, costing, compliance, and governance functions. He brings over 15 years of diversified professional experience across manufacturing and professional services sectors.

Throughout his career, he has led key initiatives in working capital optimization, digital finance transformation, ERP-based financial reporting, and the implementation of system-driven decision-making frameworks. His experience includes senior finance roles within large export-oriented textile and apparel manufacturing groups, as well as professional services and audit environments, where he managed multi-billion-rupee operations, statutory reporting, and robust financial governance structures.

Mr. Aziz is a qualified Chartered Accountant and a member of the Institute of Chartered Accountants of Pakistan (ICAP). He is widely recognized for strengthening internal financial controls, enhancing transparency, and supporting sustainable and scalable business growth.

C. Mr. Tahir Maqsood – Company Secretary ("CS")

Mr. Tahir Maqsood is a seasoned Chartered Governance professional with over 15 years of extensive experience in corporate governance, regulatory compliance, and corporate transactions. He has played a key role in executing complex corporate actions, including initial public offerings, de-mergers, and rights issues, and the implementation of comprehensive compliance and governance frameworks.

His professional credentials include affiliate membership of the Chartered Governance Institute, UK & Ireland, fellowship of the Institute of Corporate Secretaries of Pakistan, and certification in internal controls (CICA) from the Institute for Internal Controls, USA. Mr. Maqsood is recognized for his strong command over regulatory affairs, board governance practices, and stakeholder compliance, contributing to effective corporate oversight and regulatory alignment.

D. Mr. Khizr Hayat – Chief Operating Officer ("COO")

Mr. Khizr Hayat brings over 16 years of professional experience in project management, production engineering, supply chain, and finance. He served as Project Manager for SLM, overseeing the project from conceptualization to commercial operations.

Having been part of the Servis Group for over 14 years, Mr. Hayat held leadership roles across footwear and tyre segments, gaining multidisciplinary expertise. As COO of SLM, he has been instrumental in scaling operations, managing the technology transfer from Chaoyang Long March, ensuring the Nooriabad facility meets international standards for all-steel radial TBR tyres, and establishing SLM as Pakistan's sole manufacturer of TBR tyres.

E. Mr. Zhang Xingyou – Chief Marketing Officer ("CMO")

Mr. Zhang Xingyou graduated from Zhengzhou University, Henan, China, with a Bachelor's in International Business, providing a strong foundation in global trade and cross-border operations. He brings over 25 years of experience in the tyre industry, primarily in the all-steel radial segment.

Prior to joining SLM, he held key leadership roles at Chaoyang Long March Tyre Co. Ltd., China, including Head of International Trading Department, expanding the "Long March" brand to over 140 countries. As Director and CMO at SLM, Mr. Zhang has operationalized the joint venture, adapted Chinese manufacturing standards to the Pakistani market, established SLM's nationwide dealer network, driven export growth, and led the launch of TBR tyres.

F. Mr. Xin Guoyi – Chief Technical Officer ("CTO")

Mr. Xin Guoyi serves as the Chief Technical Officer of SLM Tyres, where he leads the Company's technical, production, and research and development functions. He holds a degree in Polymer and Materials Engineering from Shenyang Chemical University and brings over 16 years of comprehensive experience across the full tyre manufacturing lifecycle.

His professional expertise spans compound formulation and development, process optimization, production scale-up, and quality assurance. Mr. Xin has spent more than 15 years in the global tyre manufacturing industry, contributing to technology transfer initiatives, process stabilization, and continuous improvement programs within large-scale industrial environments.

At SLM Tyres, he plays a critical role in maintaining world-class manufacturing standards, enhancing product performance and consistency, and driving technical innovation to support the Company's long-term growth and competitiveness.

G. Mr. Khurram Anwar – General Manager Sales ("GM Sales")

Mr. Khurram Anwar leads the national Sales and Marketing function at SLM Tyres, with responsibility for driving market expansion, brand positioning, and revenue growth across Pakistan. He brings over a decade of experience in building high-performing sales teams, developing robust distribution networks, and executing effective go-to-market strategies to strengthen market presence and customer reach.

Prior to joining SLM Tyres, he held progressive sales leadership roles across the tyre, consumer goods, and distribution sectors, where he managed regional operations, dealer networks, and key accounts. His experience spans both strategic planning and frontline execution within competitive consumer and industrial markets.

Mr. Anwar holds an MBA from the Lahore School of Economics and a Bachelor of Science (Honours) in Operations Management, Accounting, and Finance. He is recognized for translating market insights into scalable and sustainable commercial success.

H. Mr. Hassan Shahid – General Manager Human Resource ("GM HR")

Mr. Hassan Shahid serves as the General Manager – Human Resources at SLM Tyres, with oversight of the Human Resources, Administration, Health, Safety & Environment (HSE), Compliance, and Security functions. He brings over 15 years of progressive professional experience in driving people strategy, organizational development, HR digitization, and governance frameworks to support sustainable growth and a high-performance culture.

Prior to his current role, he gained extensive experience across large-scale manufacturing and retail organizations, where he managed workforce planning, compensation and benefits structures, industrial relations, and end-to-end corporate HR operations. His expertise spans both strategic HR leadership and operational execution within complex organizational environments.

Mr. Shahid holds an MBA in Human Resources and a Bachelor of Business Administration (Honours). He is recognized for effectively aligning human capital strategies with business objectives and operational priorities.

I. Mr. Muhammad Abid Aleem – Head of Supply Chain

Mr. Muhammad Abid Aleem heads the Supply Chain function at SLM Tyres, with responsibility for strategic sourcing, international procurement, logistics, warehousing, and inventory management. He brings over 20 years of extensive experience in project procurement, large-scale imports, customs and trade compliance, and end-to-end supply chain operations.

His professional career spans tyre manufacturing, engineering, EPC, energy, oil and gas, heavy engineering, and industrial manufacturing sectors. Across these industries, he has led supply chain and procurement functions for greenfield projects, plant expansions, and complex technical procurement assignments within large-scale industrial environments.

Mr. Aleem is a PMP-certified professional and holds a degree in Metallurgical Engineering from the University of Engineering and Technology (UET), Lahore. He is recognized for combining strong technical expertise with disciplined execution to deliver resilient and efficient supply chain operations.

7.5. QUALIFICATIONS OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159, 161, and 167 of the Companies Act, 2017, relating to the election, retirement, and removal of Directors and other matters ancillary thereto.

Any casual vacancy on the Board may be filled by the Directors, subject to the requirement that the appointee shall retire at the same time as if he/she had become a Director on the date the predecessor was last elected.

The most recent election of Directors was held on October 28, 2023.

The Company shall have a Chief Executive appointed in accordance with the provisions of the Companies Act, 2017. The Chief Executive shall be deemed a Director for all purposes relating to the rights and privileges of a Director. The Chief Executive may be removed by the Board or by the Company through a special resolution, in accordance with Section 190 of the Act.

The Company will comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 when applicable.

7.7. INTEREST OF DIRECTORS AND PROMOTORS

The Directors and Promoters of the Company may have a direct or indirect interest in contracts, arrangements, or dealings with the Company, in accordance with the provisions of the Companies Act, 2017 and the Articles of Association. In accordance with Section 205 of the Companies Act, 2017, every director who is, in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or proposed to be entered into, by or on behalf of the Company is required to make a disclosure of the nature of such concern or interest at a meeting of the Board. A director shall also be deemed to be concerned or interested in a contract or arrangement if any of his relatives has such interest.

In accordance with Section 207 of the Companies Act, 2017, a director who is directly or indirectly interested in any contract or arrangement with the Company shall not participate in discussions or vote on the matter, and their presence shall not count towards a quorum. In a listed company, a director with a material personal interest shall not be present during consideration of the matter. Where a majority of directors are interested, the matter shall be submitted to the general meeting for approval. All other contracts or arrangements in which Directors or Promoters have an interest are subject to Board approval, ensuring compliance with corporate governance standards and regulatory requirements.

Directors who perform whole-time services in the Company are deemed to have an interest in the remuneration payable to them.

The Directors may also be deemed interested to the extent of fees payable to them for attending Board meetings.

7.8. INTEREST OF THE DIRECTOR AND PROMOTER IN PROPERTY / ASSETS AND PROFITS OF THE COMPANY

Directors do not have any interest in property of the Company. Directors do not have any profit-sharing agreement with the Company, however, when the Company declares a dividend, they will be entitled to receive the payment based on their shareholding in the Company.

7.9. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The following table summarizes the total remuneration and benefits provided to the Executives of the Company. This encompasses all forms of compensation, including salaries, allowances, bonuses, and other benefits, awarded to the Chief Executive Officer, Directors, and other key management personnel. The disclosure reflects the Company's commitment to transparency and provides stakeholders with a clear understanding of the overall compensation framework for its executive leadership.

PKR Mn	Chief Executive Officer			Directors			Executives		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Managerial Remuneration	-	25.13	55.28	-	22.62	24.80	150.08	269.33	369.78
Allowances:	-	-	-	-	-	-	-	-	-
– Bonus	-	-	-	-	6.21	12.11	4.16	43.44	95.96
– Retirement Benefit	-	1.89	4.15	-	-	-	8.86	10.01	15.50
– Medical, Rent, etc.	-	3.14	11.06	-	2.06	2.48	21.12	47.79	35.53
Total	**-**	**30.15**	**70.48**	**-**	**30.88**	**39.39**	**184.22**	**370.57**	**516.76**
Number of Persons	1	1	1	2	2	2	59	63	86

7.10. BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST THREE YEARS

No benefit has been given or is intended to be given by the Company to the sponsors, shareholders and directors of the Company other than remuneration for services rendered by them as full-time executives of the Company.

7.11. VOTING RIGHTS

As per Articles 36 to 42 of the Article of Association ("AoA"), each member of the Company is entitled to vote at meetings. On a show of hands, every member present in person has one vote, except for the election of Directors, which is conducted in accordance with Section 159 of the Companies Act, 2017. On a poll, voting rights are determined based on the number of shares held by the member.

In the case of joint shareholding, the vote of the senior member listed in the register shall be accepted. Members who are legally incapable of managing their affairs may exercise voting rights through their legal guardian.

Members may cast their votes in person, by proxy, or via video link, subject to compliance with the Company's proxy procedures. A valid proxy must be submitted in writing to the Company at least 48 hours prior to the meeting. Votes cast through proxies remain valid even in the event of the principal's death, insanity, or transfer of shares, provided the Company has not received prior written notice of such changes.

7.12. AUDIT COMMITTEE

To strengthen the integrity of its internal control environment, the Company maintains a dedicated internal audit function staffed by suitably qualified and experienced professionals with strong familiarity with the Company's policies, procedures, and operational processes. The internal audit team operates on a full-time basis and is responsible for providing independent assurance on the effectiveness of internal controls, risk management practices, and governance systems. The internal audit function reports directly to the Board Audit Committee, which consists of 03 ("Three") members, including 02 ("Two") independent directors and 01 ("One") non-executive director. The Committee is chaired by an independent director, ensuring objective oversight in line with applicable corporate governance standards. The Audit Committee comprises the following members:

Members	Role
Mr. Shahid Hafiz Kardar (Independent Director)	Chairman
Ms. He Xiaomei (Non – Executive Director)	Member
Mr. Hassan Javed (Non – Executive Director)	Member

7.13. HUMAN RESOURCE AND REMUNERATIONCOMMITTEE

The Board of Directors has instituted a structured and robust Human Resources framework to support the Company's operational and strategic objectives. This function is led by highly qualified and experienced professionals possessing in-depth knowledge of the Company's internal policies, governance framework, and applicable labor regulations. The Human Resources team is engaged on a full-time basis and is responsible for the consistent, transparent, and compliant execution of all HR-related functions. Governance and oversight of the Human Resources function are entrusted to the Ethics, Human Resource, Remuneration, and Nominations\ Committee, which comprises the following members:

Members	Role
Mr. Nasir Mahmood Khan Khosa (Independent Director)	Chairman
Mr. Jin Yongsheng (Non – Executive Director)	Member
Mr. Arif Saeed (Non – Executive Director)	Member

7.14. POWERS OF DIRECTORS

As per Articles 45 to 48 Article of Association ("AoA"), the business of the Company is managed by the Board of Directors, who are empowered to exercise all such powers of the Company as are not specifically reserved for the general meeting of members under the Companies Act, 2017, or the Articles of Association. This includes the authority to incur expenses for promoting and registering with the Company and to make decisions necessary for day-to-day operations.

The Directors are responsible for appointing the Chief Executive Officer in accordance with the provisions of Sections 186, 187, and 188 of the Companies Act, 2017. They are also required to comply with statutory obligations, including the registration of mortgages, charges, or pledges, maintaining the register of directors, submitting annual returns, and notifying the Registrar of any changes in share capital or directorships.

As per Article 48 of Article of Association, the directors subject to any approval or limits required by law, will determine the terms, conditions, and remuneration for:

- Directors performing additional services, including the office of Chairman;

- The Chief Executive; and
- Directors attending Board or Committee meetings.

7.15. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per Article 89 of the Article of Association ("AoA"), every officer or agent of the Company is entitled to be indemnified out of the Company's assets against any liability incurred while defending civil or criminal proceedings related to their duties, except in cases initiated by the Company against them. Indemnity applies where the officer or agent is judgment in their favor, acquitted, or granted relief by the Court under Section 492 of the Companies Act, 2017.

7.16. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS AND OVERDUE LOANS

All outstanding legal proceedings against the issuer (i.e. SLM) at the time of this offering, which could have a material impact on the Company, have been disclosed below:

Sr. No.	Year	Issuing Authority	Brief Case Description	Stage of Case	Amount *PKR Mn*	Management Instance & Current Status
1.	2021	Federal Board of Revenue (FBR)	The Company imported prefabricated buildings and claimed exemption from customs duties and sales tax for establishing an industry in the special economic zone. The claim was denied on the grounds that prefabricated buildings do not qualify as capital goods or plant & machinery	Constitutional appeal filed in High Court of Sindh; matter pending	368.70	Guarantees submitted by the Company's banks to the Collector of Customs. Based on merits and past favorable judgments, management believes the case will be decided in the Company's favor
2.	2024 - 2025	Commissioner Inland Revenue / Appellate Tribunal Inland Revenue (ATIR)	Show cause notice issued for inadmissible adjustment of input tax on building material and services for tyre manufacturing facility. Original demand rose after remand-back proceedings.	ATIR passed revised order on July 3, 2025; Company still contesting	5.22	Amount paid under protest. Appeal filed with Lahore High Court and remand back to ATIR. Based on legal advice, no provision is made in financial statements.
3.	2021-2025	Supreme Court of Pakistan / Sindh High Court	Constitutional Petition C.P No. 4294/2021 filed to challenge levy of Sindh Infrastructure Development Cess. SC suspended High Court judgement and stayed bank guarantee encashment.	Matter pending as of June 30, 2025	1,055	Bank guarantees submitted as security. Management is confident of favorable outcome; no provision made in financial statements.
Total					**1,428.92**	**-**

8.2. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange against the issuer or its associated companies over which the issuer has control.

8.3. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies. The Company, its CEO, its directors and its sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1. UNDERWRITING

Underwriters	Amount Underwritten at PKR 14.25/-
Dawood Equities Limited	535,714,286
Bank Alfalah Limited	450,949,372
Ismail Iqbal Securities (Private) Limited	214,285,714
Arif Habib Limited	187,492,396
Total	**1,388,441,768**

9.2. OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Service Long March Tyres Limited, the resources of the underwriters are sufficient to discharge their underwriting commitments.

9.3. RATE OF UNDERWRITING COMMISSION

Underwriters	Rate of Underwriting
	%
Dawood Equities Limited	0.75%
Bank Alfalah Limited	
Ismail Iqbal Securities (Private) Limited	
Arif Habib Limited	

9.4. STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

The Underwrites nor any of their associates have entered into any buyback or repurchase agreements with the issuers or any other person in respect of this issue.

Also, neither the issuer nor any of their associates have entered into any buy-back/repurchase agreement with the underwriters or their associates. The issuer and their associates shall not buyback/repurchase shares from the underwriters and their associates.

9.5. FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on application received through the e-IPO Systems of PSX and CDC will be paid to PSX and CDC which shall not be more than 0.8% of the total applications. PSX and CDC will share the fee with other participants of the e-IPO System at a ratio agreed amongst them.

9.6. RATE OF COMMISSION TO THE DESIGNATED BANKER OF THE ISSUER

Not applicable

9.7. RATE OF BROKERAGE COMMISSION

The Issuer will pay brokerage commission to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications in the Book Building. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment.

9.8. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 185,836,080/-. The break-up of these preliminary expenses is given below:

Tentative Issue Size in PKR – On Floor		**5,553,767,042**
Particulars	**Rate**	**Expenses *(PKR)***
Lead Manager Fees	2.00%	111,075,341
TREC Holders Commission	1.00%	41,653,253
Underwriting Commission	0.75% of the Retail Portion	10,413,313
Centralized E-IPO Charges	0.80% of the Retail Portion	11,107,534
Advertising, Printing and Publishing of OFSD	Fixed	4,000,000
PSX Initial Listing fee	Capped at PKR 2.2 Mn	2,200,000
Share Registrar, Transfer Agent and Balloting Agent	Fixed	1,000,000
CDC Fresh Issue fee	0.144% of issue size	7,997,425
Fresh Issue Stamp Duty	0.15% of the Face Value	1,169,214
CDC Annual Eligibility Fee	Capped at PKR 1 Mn	1,000,000
SECP Supervisory fee	10.00% of PSX Initial Listing Fee	220,000
SECP IPO Application Processing fee	Fixed	200,000
PSX Book Building Software	Fixed	1,000,000
Miscellaneous Expenses	Fixed	1,000,000
Total		**185,836,080**

Note: All fees are based on the Floor price and are subject to change with the strike price.

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE / CORPORATE OFFICE

Address: Servis House, 2 – Main Gulberg, Lahore
Contact No: 042-35751990-96
Fax No.: 042-35711827
Email: info.IPO@slmtires.com
Website: https://slmtires.com/

10.2. BANKERS TO THE COMPANY

Sr. No.	Name	Address	Contact Person	PTCL No.	Email
1.	Habib Bank Limited	Corporate Center Branch, 102-103 Upper Mall Lahore	Awais Farrukh	0301-8266038	awais.farrukh@hbl.com
2.	Meezan Bank Limited	60 Main Gulberg-II, Lahore	Usman Tahir	0323-3337595	usman.tahir@meezanbank.com
3.	Faysal Bank Limited	Plot # 11-E, Main Market, Gulberg II, Lahore	Khurram Saeed	0321-8808545	muhammadkhurramsaeed@faysalbank.com
4.	The Bank of Punjab	17- Ali Block, New Garden Town Lahore	Ali Babar	0333-4711255	ali.babar@bop.com.pk
5.	National Bank of Pakistan	Corporate Branch M. M. Alam Road Lahore	Hasan Abas	0333-4343121	hasan.abas@nbp.com.pk
6.	Allied Bank Limited	Corporate Branch, 7-E/III, Main Boulevard, Lahore	Rana Iqbal	0342-8885555	rana.iqbal@abl.com
7.	Askari Bank Limited	75/76-D-1-Main Boulevard, Gulberg-III, Lahore	Adnan	0300-4140012	adnan.19321@askaribank.com.pk
8.	Bank Al Habib Limited	New Garden Town (0007) Lahore	Babar Bhatti	0333-1218462	babar.bhatti@bankalhabib.com
9.	Bank Alfalah Limited	Gulberg Branch, 115-E/1 Main Boulevard Gulberg III, Lahore	Sharyar Asgha	0322-6883752	sharyar.agha@bankalfalah.com
10.	Bank Islami Pakistan Limited	11-B, Jail Road Gulberg Lahore	Ahmed Malik	0321-4018375	ahmed.malik@bipl.io
11.	Habib Metropolitan Bank Limited	85, D-1, Main Boulevard, Gulberg-III, G.P.O Box Mo. 54660 Lahore	Quaid Khan	0333-4384829	quaid.khan@habibmetro.com
12.	MCB Bank Limited	1398-Corporate Main Boulevard Branch, Gulberg Lahore	Saqib Imtiaz	0346-6994777	saqib.imtiaz@mcb.com.pk
13.	Soneri Bank Limited	307-Upper Mall Lahore-0110	Nehal Tariq	0300-4113441	nehal.tariq@soneribank.com
14.	Al Baraka Bank (Pakistan) Limited	0312-Hali Road Gulberg II Lahore	Sheeraz Mahmood	0300-4279949	sheeraz.mahmood@albaraka.com.pk
15.	United Bank Limited	UBL Regional Office, 1- Main Gulberg Jail Road, Lahore	Mustafa Nakai	0322-4423339	mustafa.nakai@ubl.com.pk

10.3. AUDITOR OF THE COMPANY

Name: A.F. Ferguson & Company, Chartered Accountants
Address: State Life Building No. 1- C, I.I. Chundrigar Road, Karachi, Sindh, Pakistan.
Name of Engagement Partner: Syed Muhammad Hasnain
Email: syed.mohammad.hasnain@pwc.com
Phone: +92-21-32426682-5

10.4. LEGAL ADVISOR OF THE COMPANY

Name: Mian Muhammad Zulqurnan, Advocate High Court, of M/s. Bokhari Aziz & Karim
Address: 2-A, Block-G, Gulberg-II, Lahore, Pakistan.
Telephone: 042-35757879 - 35761982
Email: bokhariazizkarim@gmail.com

10.5. LEGAL ADVISOR TO THE ISSUE

Name: RS LAW, Advocates and Corporate Consultants
Address: First Floor, Plot No. 62, CCA, Block – T, Phase II DHA, Lahore Cantt, Pakistan.
Telephone: +92 42 35747904
Email: contact@rslaw.pk

10.6. COMPUTER BALLOTERS & SHARE REGISTRAR

Name: CDC Share Registrar Services Limited
Address: CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74400.
Email: info@cdcsrsl.com
Website: www.cdcpakistan.com
Phone: +92-21-111 111 500

10.7. CONSULTANT TO THE ISSUE AND LEAD MANAGER

Name: Arif Habib Limited
Address: Arif Habib Center, 23, MT Khan Road, Karachi.
UAN: +92 21 111 245 111
Fax: +92 21 3242 9653
Email: harris.rehman@arifhabibltd.com
Website: www.arifhabibltd.com

10.8. ELIGIBLE PARTICIPANTS

All the Eligible participants including, Trading Only Securities Brokers, Mutual Funds, Scheduled Banks, and Development Finance Institutions that are clearing members of NCCPL.

11. MATERIAL CONTRACTS

11.1. DETAILS OF SHORT – TERM FINANCING FACILITIES

Bank Name	Facility	Limit PKR Mn	Date Sanctioned	Expiry/Review Date
Allied Bank Limited	ERF II	500	March 16, 2026	March 16, 2027
	RF/MML	200		
	ERF I	500		
	FADD	500		
	LG-Other Govt Agencies	500		
	LC Usance	500		
	LC Sight	300		
	FATR	300		
Askari Bank Limited	LC Sight	1000	October 01, 2025	October 01, 2026
	SG Facility	100		
	LC Usance	500		
	FAPC	1500		
	RF/MML/Running Musharkah	250		
	ERF II/ISTISNA	1500		
	FBP	500		
	ERF I/ISTISNA	1500		
	FATR/ISTISNA Import	250		
	FAFB	250		
	FAPC	500		
Habib Bank limited	EFR II/I, EFS Pre /Post	3000	October 13, 2025	October 13, 2026
	RF/STA	3000		
	FCIF	3000		
	FATR	3000		
	FBP	3000		
	FCF	3000		
	FAFB	3000		
	FAPC	3000		
	LC Usance	1000		
	LC Sight	2000		
Meezan Bank Limited	LC Sight	3000	June 16, 2025	June 16, 2026
	RM	2500		
	IERF I/II/ IERS	2500		
	Murabaha/Musawamah/Tijara	2000		
	Istisna IERF I/II	2000		
	Bai Salam	500		
	LG-Other Govt Agencies	1000		
	LC Usance	1000		
MCB Bank Limited	ERF I/II	1250	December 23, 2025	December 23, 2026
	RF	250		
	FAPC	250		

	Import Finance	250		
	ERF-FCY	1250		
	EFS I	1250		
	LG-Other Govt Agencies	700		
	LC Usance	250		
	LC Sight	250		
Faysal Bank Limited	IERS I/II	800	September 23, 2025	September 23, 2026
	RM	800		
	RM-FE-25	800		
	LC Usance	800		
	LC Sight	800		
	LG-Other Govt Agencies	800		
Bank Alfalah Limited	FAPC	2000	December 16, 2025	December 16, 2026
	MM	500		
	FAPC I/II	1000		
	FBP	1000		
	RF	500		
	LC Sight	1600		
	LC Usance	300		
	LG-Other Govt Agencies	88.51		
Soneri Bank Limited	ERF II/I	1000	December 10, 2025	December 10, 2026
	EFS	750		
	FE-25	1500		
	EXIM II/I	1000		
	FAFB	500		
	RF	1000		
	FBP/FBD	250		
	MM	1500		
	FAPC	500		
	LC Sight	500		
	LC Usance	500		
	SG Facility	500		
	Forward Cover	500		
	LG-Other Govt Agencies	60.125		
National Bank of Pakistan Limited	ERF I/II ,Exim I/II	3000	June 13, 2025	June 13, 2026
	EFS	3000		
	FAPC	3000		
	FE-25/FBPN/FBD	3000		
	RF	500		
	LC Sight	2000		
	Forward Cover	900		
Bank of Punjab Limited	RM	1500	January 09, 2026	January 09, 2027
	RM-FE-25	2000		
	LC Sight	2500		
	LC Usance	500		

	Istisna	1000		
	EXIM II/I	300		
	LG-Other Govt Agencies	150		
Bank Al Habib Limited	FAPC	500	March 26, 2025	June 26, 2026
	FAPC I/II	300		
	EFS Pre/Post	300		
	RF	300		
	FE-25	300		
	FDBP	200		
	LG-Other Govt Agencies	300		
United Bank Limited	RF	1500	October 25, 2024	June 31, 2026
	MM	1500		
	LC Sight/Usance	1500		
	FATR	1500		
	FE-25	1500		
	EFS	1500		
	LG-Other Govt Agencies	500		
	LC Sight	500		
Bank Islami Pakistan Limited	LC Sight	500	March 20 ,2025	June 20, 2026
	FE-25 Pre/Post	2000		
	Export Sahulat Finance	1000		
	Export Bill Purchase	500		
	RM	1000		
	IERF I/II	500		
Albaraka Bank limited	Istisna	450	January 05, 2025	June 31, 2026
	IERS I/II , Exim	450		
	CAD Salam	90		
	LC Sight/Usance	300		
	Istisna-FE-25	450		
	RM	450		
Habib Metropolitan Bank Limited	ERF I/II	2000	July 08, 2025	July 08, 2026
	EFS Pre/Post	2000		
	FE-25 Pre/Post	2000		
	Packing Credit	2000		
	RF	1500		
	MM	1500		
	FEBP	500		
	LC Sight	500		
	LC Usance	500		
	Forward Cover	750		

11.2. DETAILS OF LONG – TERM FINANCING FACILITIES

Bank Name	Facility	Limit PKR Mn	Date Sanctioned	Expiry Date

Allied Bank Limited	TERF	1,572	October 05, 2020	May 31, 2030
Habib Bank Limited	TERF	1,969	August 17, 2020	August 17, 2030
	REPP	100	April 11, 2022	April 11, 2032
	LTFF	1,350	January 15, 2026	January 15, 2031
Meezan Bank Limited	DM-LTFF	1,500	12 August, 2025	April 30, 2026
MCB Bank Limited	TERF	753	December 23, 2025	July 19, 2033
Faysal Bank Limited	TERF	1,328	November 19, 2020	November 19, 2030
	DM	6,000	September 1, 2025	September 01, 2030
Bank Alfalah Limited	TERF	708	December 16, 2025	February 09, 2031
Bank of Punjab	ILTFF	500	January 09, 2026	April 30, 2026
Bank islami Pakistan Limited	ILTFF	500	January 22, 2026	February 28, 2027
MCB Islamic Bank Limited	DM-LTFF	1,350	December 31, 2025	December 31, 2031

11.3. DETAILS OF SUPPLIERS, VENDORS & FREIGHT AGREEMENT

Supplier / Vendor	Country of Origin	Goods / Services Procured	Formal Agreement (Yes / No)	Date of Contract	Date of Expiry	Quantity	Rate	Supply / Services
Thai Hua Rubber Public Company Limited	Thailand	Natural Rubber (STR-20) - CL	Yes	January 01, 2026	January 2027 (Dispatch)	1,612.8 MT / Month	Monthly SICOM based	Monthly Supply of NR
Sri Trang Agro-Industry Public Company Limited	Thailand	Natural rubber (STR-20) - BD10	Yes	Decembe r01, 2025	December 2026 (Dispatch)	1,108.8 MT / Month	Monthly SICOM based	Monthly Supply of NR
Shiv Mondial Trading House DMCC	Ivory Cost	Natural Rubber (EXA-10) - OLAM	Yes	January 01, 2026	December 2026 (Dispatch)	201.6 MT / Month	Monthly SICOM based	Monthly Supply of NR

11.4. DETAILS OF FREIGHT AGREEMENT

Name	Country of Origin	Goods / Services Procured	Formal Agreement (Yes / No)	Date of Contract	Date of Expiry	Quantity	Rate	Supply / Services
DHL Global Forwarding Pakistan Pvt Ltd	China	Sea Freight (Shanghai)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	70-80 Containers / Month	Fixed Rate For 06 Months	Sea Transportation
DHL Global Forwarding Pakistan Pvt Ltd	China	Sea Freight (Qingdao)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	70-80 Containers / Month	Fixed Rate For 06 Months	Sea Transportation

S&S Logistics Services	China	Sea Freight (Qingdao)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	50-60 Containers / Month	Fixed Rate For 06 Months	Sea Transportation
S&S Logistics Services	Thailand	Sea Freight (Thailand)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	20-25 Containers / Month (20 Feet)	Fixed Rate For 6 Months	Sea Transportation
S&S Logistics Services	Thailand	Sea Freight (Thailand)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	47 Containers / Month (40 Feet)	Fixed Rate For 6 Months	Sea Transportation
DHL Global Forwarding Pakistan Pvt Ltd	Thailand	Sea Freight (Thailand)	Yes	February 01, 2026	April 2026 to September 2026 (Dispatch)	100 - 110 Containers / Month (20 Feet)	Fixed Rate For 6 Months	Sea Transportation

11.5. DETAILS OF RENTAL AGREEMENT

Particulars	Ownership Status	Date of Acquisition	Usage	Location	Total Area
B-168, SITE, Nooriabad, Sindh	Rental	May 21, 2025	Solar Panel Installation	Nooriabad	25 Acre
Plot No. A-339, Jam Tamachi Road, SITE, Nooriabad, Sindh	Rental	January 05, 2025	Accommodation For Civil Contractors	Nooriabad	4 Acre
Karachi Warehouse, Dupak Tameer Limited	Rental	January 24, 2025	Warehouse	Karachi	3.01 Acre
Maripur office, Gate No. 2 Near HBL New Quaid -e- Azam Truck Stand Maripur Karachi	Rental	April 12, 2023	After Sales Workshop	Karachi	7.4 Marla

11.6. DETAILS OF SERVICE AGREEMENT

Supplier / Vendor	Country of Origin	Goods / Services Procured	Formal Agreement (Yes / No)	Date of Contract	Date of Expiry	Rate	Supply / Services
Agha Khan Hospital and Medical College Foundation	Pakistan	Medical Facilities	Yes	December 18, 2025	December 31, 2026	Fixed Rate (1 Year)	Health Care Services

11.7. DETAILS OF CIVIL WORK AGREEMENT AND TECHNOLOGY CONSULTANT

Following are the details of agreements relating to civil works construction and consultancy services are currently in place for the TBR expansion project.

Supplier / Vendor	Country of Origin	Goods / Services Procured	Formal Agreement (Yes / No)	Date of Contract	Date of Expiry	Rate	Supply / Services
Qavi Engineers (Private) Limited	Pakistan	Civil Work	Yes	August 15, 2025	December 31, 2026	Fixed Rate	Construction Service – Curing TBR
Ittefaq Building Solutions	Pakistan	Civil Work	Yes	July 01, 2025	January 31, 2026	Fixed Rate	Construction Service – Dormitory
Izhar Engineering (Private) Limited	Pakistan	Civil Work	Yes	September 04, 2025	September 30, 2026	Fixed Rate	Construction Service – PEB Shed TBR

The following table summarizes the current agreement in place for design services related to the PCR building project:

Supplier / Vendor	Country of Origin	Service Procured	Formal Agreement (Yes / No)	Date of Contract	Date of Expiry	Rate
Qingdao Xiangijan Engineering Co. Ltd	China	Design Contract PCR Building	Yes	March 27, 2026	Completion of Work	Fixed Rate

The SLM PCR project is currently in the design and planning phase. The Company has not yet entered into any formal material agreements with a civil works contractor or technology consultant. The appointment of a construction contractor, as well as an independent consultant for supervision and monitoring of civil works, will be finalized at a later stage, upon completion of detailed design, technical specifications, and project planning.

11.8. INSPECTION OF DOCUMENTS AND CONTRACTS

Documents relating to the Issuer (i.e. SLM) and the issue, including copies of all agreements, contracts and reports referred to in the prospectus, will be made available for inspection at the SITE office of the Company at Plot # B-61, Jamtamachi Road, Sindh Industrial Trading Estate, Nooriabad, Sindh, during usual business hours from the date of publication of this prospectus on [•] till the closing of subscription list on [•].

11.9. MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.10. FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on July 01 and ends June 30.

12. BOOK BUILDING PROCEDURE

12.1. IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The Offer comprises 389,738,038 Ordinary Shares of SLM having face value of PKR 2/- at Floor Value of PKR 14.25/- each, which constitute 5% of the Post-IPO Paid-up Capital of the Company.

Of the entire Issue of 389,738,038 Ordinary Shares, seventy-five percent (75%) of the issue i.e. 292,303,528 shares will be offered through the Book Building process at a Floor Price of PKR 14.25/- per share with a price band of 40% above the floor price i.e. PKR 19.95/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size, and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue, i.e. 97,434,510 shares will be offered to retail investors. The retail portion will be fully underwritten, with Dawood Equities Limited, Bank Alfalah Limited, Ismail Iqbal Securities (Private) Limited and Arif Habib Limited acting as the underwriters to the issue. Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriters to the issue.

Within 1 working day of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.2. TYPES OF BIDS AND PROCEDURE FOR MAKING A BID

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the "**Dutch Auction Method**".

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a "**Limit Bid**", or a "**Step Bid**", each of which are explained below:

Limit Bid: Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The bid amount, however, cannot be less than PKR 2,000,000/-.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1.0 Mn shares at PKR 14.25/- per share, based on which the total Application Money would amount to PKR 14.25 Mn. In this case the Bid Amount will also be PKR 14.25 Mn. Since the Bidder has placed a Limit Bid of PKR 14.25/- per share, this indicates that he / she / it is willing to subscribe to the shares at a price up to PKR 14.25/- per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR 2,000,000/-.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR 14.25 per share, 3 Mn shares at PKR 15.75 per share and 2 Mn shares at PKR 17.75 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 153 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

RESTRICTIONS:

(i) AN ELIGIBLE INVESTOR SHALL NOT:

(a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
(b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION;
(c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS;
(d) PLACE CONSOLIDATED BID;
(e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY;
(f) MAKE DOWNWARD REVISION BOTH IN TERMS OF 0BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
(g) WITHDRAW BID.

(ii) IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:

a. The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered though Book Building.
b. The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.

Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.

(iii) RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE OR THE OFFER FOR SALE) ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.

(iv) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.

(v) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

(vi) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE LEAD MANAGER AND THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND THE CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3A (vii).

Once the Bidding Period has lapsed and the book has been built, the Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, be debiting the settling bank accounts of the Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.3. TIME FRAME FOR INTIMATION TO THE SUCCESSFUL BIDDERS AND MECHANISM FOR PAYMENT OF THE BALANCE AMOUNT BY THE SUCCESSFUL BIDDERS

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

12.4. NCSS DESIGNATED TIME SCHEDULE FOR BOOK BUILDING

Activity[114]		Start Time	End Time
Monday to Friday	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	09:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	09:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	09:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	09:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	09:00 AM	12:00 PM

12.5. ELIGIBLE PARTICIPANT(S) FOR BOOK BUILDING

All Eligible participants including trading only securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

i. **Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.**
ii. **Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.**

[114] Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building

iii. **Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member — PCM (EClear Services Limited).**
iv. **Eligible Participant shall collect advance amount/margin money against bids from the bidders.**

12.6. NAME OF THE DESIGNATED INSTITUTION AND ITS ROLES AND RESPONSIBILITIES

PSX, being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

i. **record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;**
ii. **provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;**
iii. **generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;**
iv. **record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;**
v. **display the bids revised, and date and time of upward revision;**
vi. **neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;**
vii. **display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;**
viii. **build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;**
ix. **discover the strike price at the close of the Bidding Period;**
x. **generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and**
xi. **ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;**

The Designated Institution shall ensure that:
- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.7. ROLES AND RESPONSIBILITIES OF THE ISSUER

The Issuer shall ensure that:
1. **The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount., appearing in the report obtained from the credit information bureau;**
2. **The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:**
   i. which had been declared defaulter by the securities exchange or futures exchange; or
   ii. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
   iii. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. **The Consultant to the Issue, Underwriter, Balloter and Share Registrar and Designated Bank of the Issuer, are appointed through separate agreements in writing.**
4. **It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.**

5. The shares shall be issued in book-entry form only.

12.8. OPENING AND CLOSING OF THE REGISTRATION PERIOD

The Registration period shall be for Five (5) working days as under:

REGISTRATION PERIOD	
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 3:00pm

12.9. OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding Period shall be for Two (2) working days as under:

BIDDING PROCESS STARTS ON	[•]
BIDDING PROCESS ENDS ON	[•]

12.10. ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).

12.11. INFORMATION FOR BIDDERS

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of SLM, and AHL (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. http://www.arifhabibltd.com, http://www.psx.com.pk, and https://slmtires.com/.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Eligible Participants at the for registration for submitting their Bids.
4. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.

12.12. PROCEDURE FOR REGISTRATION

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.
4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be

transmitted by the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.

6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.
8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.
14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder.
    Explanation:
    - In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
    - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration shall authorize the Eligible Participant for placing bid on his behalf.
17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (email, name, phone number etc.). Book Building System will share the User ID, PIN and password directly with the bidder via registered email and mobile number.
18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
19. At the end of the bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at B+1 within the time specified in the Joint Procedures.
20. Upon conclusion of the Book Building process and determination of successful bidders, NCCPL shall commence its pay and collect process at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its shortfall management process in accordance with the Joint Procedures.
21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.
23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

12.13. PROCEDURE FOR BIDDING

The following procedure shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.
2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bids for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorize the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. Eligible Participants shall collect the margin money from the bidders and deposit the same with the NCCPL.
8. Individual and institutional investors shall pay 100% of the bid amount as margin money to the Eligible Participant; provided that the Eligible Participant may accept a lower margin from bidders based on its own risk assessment.
9. In the case of undisclosed bidding, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as name, email address, and phone number. The Book Building System shall share the User ID, URL for the bid screen, PIN, and password directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the credentials for participation in the bidding process shall be forwarded by the Book Building System to the user — i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding — via their registered email and mobile number.
11. Eligible Participants may limit the amount of bidding by their bidders, depending on the margin money received and their own risk assessment criteria.
12. In the event of a Trading Only Broker and their clients, the user bidding account must be created through a Professional Clearing Member (PCM).
13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.
14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.
15. NCCPL shall communicate the confirmation of advance/margin money received against the bid amount of Eligible Participants to the Designated Institution in accordance with the Joint Procedures.
16. Based on the information shared by the NCCPL, the Designated Institution (PSX) shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes
17. NCCPL shall continue to share real-time information with the PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.
18. Eligible Participants may bid on behalf of their clients in the case of disclosed bids, whereas users may bid anonymously using their provided credentials during the bidding period, within the maximum participation amount assigned.

19. The Book Building System shall ensure that all bids are submitted within the assigned limits, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.
20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until 4:30 pm on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
21. Bidders may revise their bids upward until 5:00 p.m. on the last day of the bidding period
22. At the close of the bidding period, the Strike Price shall be determined by the Book Building System on the basis of the Dutch Auction Method.
23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by 12:00 pm, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.
27. Bidders who have submitted bids at prices above the Strike Price shall be allotted shares at the Strike Price.
28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the allotment shall be made based on highest bid priority — that is, bids made at the highest price shall be considered first for share allocation.
29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted on a proportionate basis among the bids made at the Strike Price
30. Bidders who have made bids below the Strike Price shall not qualify for allotment of shares.

RESTRICTIONS:

- **a.** The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.
- **b.** The bidder shall not:
  - make bid below the Floor Price and above the upper limit of the Price Band;
  - make bid for more than 10% of the shares allocated under the Book Building Portion;
  - subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
  - make consolidated bid;
  - make more than one bid either severally or jointly;
  - make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same;
  - or
  - withdraw the Bid.
- **c.** No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

12.14. TITLE AND NUMBER OF THE BANK ACCOUNT FOR BOOK BUILDING PORTION OF THE ISSUE AND MECHANISM FOR PAYMENT OF THE MARGIN MONEY INTO THE BOOK BUILDING ACCOUNT.

The margin requirements for Eligible Participants shall be as under:

- **i.** Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.
- **ii.** Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant. provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- **iii.** A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DF! is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- **iv.** The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.
- **v.** For participation with 0% margin money for proprietary trades:
    - **i.** Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
    - **ii.** Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
    - **iii.** If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
    - **iv.** The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.
- **vi.** Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

PAYMENT PROCEDURE

The payment procedures for a **Limit Bid** or a **Step Bid** are explained below:

PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 14.25/- per share, then the total Application Money would amount to PKR 14.25 Mn. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR 14.25/- per share, 3 Mn shares at PKR 15.75/- per share and 2 Mn shares at PKR 17.25/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 153 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

12.15. PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("**SBP**") Foreign Exchange Manual (the "**Manual**") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

- **i.** A Pakistan national resident outside Pakistan,
- **ii.** A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,
- **iii.** A foreign national, whether living in or outside Pakistan and
- **iv.** A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the book-building process for subscription of shares may do so through the Roshan Digital Account ("**RDA**") — an initiative of the State Bank of Pakistan designed to facilitate Non-Resident Individual Pakistanis (NRIPs) in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.

To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorize the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an active Investor Account maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the CDC e-Services Portal at https://csp.cdcaccess.com.pk and complete the e-IPO Subscription Form by entering the CDC Participant ID (03277) and the Investor Account Number to generate a Subscription ID. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the CDC-designated bank account maintained with the same bank.

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to roshandigital@cdcpak.com. Both the payment and the eIPO Subscription Form must reach the CDC no later than 12:00 p.m. (PKT) on the last day of the subscription period. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the refund process, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

12.16. PROCEDURE FOR REJECTION OF BIDS

As per Regulation 9(37) & (38) of the PO Regulations, 2017:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

12.17. TIME FRAME FOR UPWARD REVISION OF BIDS BY THE BIDDERS

The registered investors may revise their Bids upwards at any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period. The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period.

NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED AND PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.

12.18. TEN PERCENT (10%) PRICE VARIATION

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 50% of the Floor Price which is upper limit of Floor Price. Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.

For Example, if the Floor Price is PKR 14.25/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 14.25/- per share, registered bidders may place or revise their bids at/to any price between PKR 14.25/- per share to PKR 15.675/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 14.25/- per share to PKR 15.675/- per share, the registered bidders may place or upward revise their bids at/to between PKR 15.675/- per share to PKR 17.2425/- per share. Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 50% of the floor price i.e. PKR 21.375/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.19. PROCEDURE FOR WITHDRAWAL OF ISSUE

1. In accordance with regulation 8 (16) of the PO Regulations, 2017, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.
2. In accordance with regulation 8 (17) of the PO Regulation, 2017, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).

12.20. MECHANISM FOR DETERMINATION OF STRIKE PRICE

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.

2. Designated Institution shall, through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
3. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
4. As per regulation 9 (27) of the PO Regulation, 2017, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 389,738,038 Ordinary Shares
2. Floor Price: PKR 14.25/- per Ordinary Share with maximum price band of 40% i.e. PKR 19.95/-per share
3. Bidding Period: [•], to [•].
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/Share)	Quantity	Cumulative Number of Shares	Category of Order
Institution A	14.25	15,000,000	15,000,000	Limit Price
Institution B	15.675	20,000,000	35,000,000	Limit Price
HNWI A	17.2425	25,000,000	60,000,000	Step Bid
Institution C	18.9668	30,000,000	90,000,000	Limit Price
Institution D	19.95	35,000,000	125,000,000	Limit Price
Institution E	19.95	40,000,000	165,000,000	Limit Price
HNWI B	18.9668	45,000,000	210,000,000	Limit Price
HNWI A	17.2425	30,000,000	240,000,000	Step Bid
Institution F	17.2425	20,000,000	260,000,000	Limit Price
Institution G	17.2425	25,000,000	285,000,000	Limit Price
Institution H	18.9668	20,000,000	305,000,000	Limit Price
HNWI C	18.9668	15,000,000	320,000,000	Limit Price
Institution I	18.9668	30,000,000	350,000,000	Step Bid
Institution H	18.9668	25,000,000	375,000,000	~~Limit Price~~
Institution J	15.675	14,000,000	389,000,000	Step Bid
HNWI E	14.25	738,038	389,738,038	Limit Price

Strike Price determine through Dutch Auction Method

Bid has been revised upwards and placed at PKR 18.9668

Total shares bid for at and above the Floor Price

At higher bid prices, cumulative demand is less than the total shares available. Therefore, the price is progressively lowered to accommodate the entire issue:

- At PKR 19.95 per share, investors are willing to buy 15,000,000 shares. Since 374,738,038 shares are still available, the price will be set lower.

- At PKR 19.50 per share, investors are willing to buy 20,000,000 shares. Since 354,738,038 shares are still available, the price will be set lower.
- At PKR 19.00 per share, investors are willing to buy 25,000,000 shares. Since 329,738,038 shares are still available, the price will be set lower.
- At PKR 18.50 per share, investors are willing to buy 30,000,000 shares. Since 299,738,038 shares are still available, the price will be set lower.
- At PKR 18.00 per share, investors are willing to buy 35,000,000 shares. Since 264,738,038 shares are still available, the price will be set lower.
- At PKR 17.90 per share, investors are willing to buy 40,000,000 shares. Since 224,738,038 shares are still available, the price will be set lower.
- At PKR 17.50 per share, investors are willing to buy 45,000,000 shares. Since 179,738,038 shares are still available, the price will be set lower.
- At PKR 17.45 per share, investors are willing to buy 30,000,000 shares. Since 149,738,038 shares are still available, the price will be set lower.
- At PKR 17.40 per share, investors are willing to buy 20,000,000 shares. Since 129,738,038 shares are still available, the price will be set lower.
- At PKR 15.675 per share, investors are willing to buy the remaining shares from multiple bidders. After allotting these shares at PKR 15.675 per share, the total supply of 389,738,038 shares is fully sold.

Therefore, the Strike Price is set at PKR 15.675 per share for the entire lot of 389,738,038 shares.

All bidders who placed bids above the Strike Price (i.e., at prices higher than 15.675) will be allotted shares at the Strike Price, and the differential between their bid price and the Strike Price will be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(27) of the PO Regulations, 2017.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

12.21. BASIS OF ALLOTMENT OF SHARES

(a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.

(b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis.

As per regulation 7(3) of the PO Regulation, 2017, maximum of seventy-five percent (75%) of the offer size i.e. 292,303,528 ordinary shares shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%) i.e. 97,434,510 ordinary shares shall be reserved for retail investors. The retail portion of the public offer shall be fully underwritten. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price.

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.

As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall be taken up by the underwriters.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.22. MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

The bid money of bidders who have undertaken to subscribe to the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.23. PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication

13. APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

13.1. ELIGIBLE INVESTORS INCLUDE:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

13.2. OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on [•], and will close on [•], at the close of banking hours. Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [•].

13.3. PROCEDURE FOR PUBLIC SUBSCRIPTION THROUGH CENTRALIZED E-IPO SYSTEM AND OTHER ADDITIONAL ELECTRONIC SYSTEM

i. PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's member banks available for PES.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year.

Registration is free of cost and can be done by:
- the investor himself; or
- the TREC Holder with whom the investor has a sub-account; or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:
- the investor himself; or
- the TREC Holder with whom the investor has a sub-account; or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: +92-111-001-122 or +92-21-35274401-10, or email: itss@psx.com.pk.
Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at midnight on October 03, 2024

ii. Centralized E-PO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone +92-21-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.4. FACILITIES AVAILABLE TO LOCAL, NON-RESIDENT PAKISTANIS AND FOREIGN INVESTORS

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

13.5. APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com. Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.6. APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com. The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.7. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.

6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
   - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
   - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
   - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
   - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
   - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
     - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
     - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
   - First preference will be given to the applicants who applied for 500 shares;
   - Next preference will be given to the applicants who applied for 1,000 shares;
   - Next preference will be given to the applicants who applied for 1,500 shares;
   - Next preference will be given to the applicants who applied for 2,000 shares; and then
   - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.8. REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.9. MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.10. ISSUE AND CREDIT OF SHARES

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.11. TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.12. LIST OF E-IPO FACILITIES

Sr. No.	Name of Facility
1.	PSX E-IPO System
2.	Centralized E-PO System

13.13. INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.14. ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.15. DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.16. TAXATIONS, LIKE APPLICABILITY OF CAPITAL GAIN TAX, WITHHOLDING TAX ON DIVIDENDS, TAX ON BONUS SHARES, FEDERAL EXCISE DUTY AND CAPITAL VALUE TAX & WITHHOLDING TAX ON SALE/PURCHASE OF SHARES.

13.16.1. CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for CY 2025	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	Where the securities are acquired on or after the first day of July, 2022 but on or before the 30th day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:		
	1. Where holding period does not exceed one year	15.0%	30.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	3. Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	5. Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	7. Where holding period exceed six years	0.0%	0.0%
4	Where the securities are acquired on or after the first day of July, 2024 onwards:		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies. Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.

13.16.2. WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only.

13.16.3. TAX ON BONUS SHARES

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

13.17. TAX ON INCOME OF THE ISSUER, SALES TAX

13.17.1. INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001. However, the Company currently benefits from fiscal and regulatory incentives under the SEZ framework, including tax concessions (i.e., which are applicable until June 30, 2032) duty exemptions, and streamlined regulatory procedures.

13.17.2. SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board

13.17.3. SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.17.4. DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

This includes tax credits available to the Company, such as those arising from its listing on the stock exchange and from investments made in the Initial Public Offering (IPO), which are recognized in accordance with applicable tax laws and regulations.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

14. SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS

Jin Yongsheng
Chairman/Non-Executive Director

Omar Saeed
CEO/Executive Director

Chaudhry Ahmed Javed
Non-Executive Director

Arif Saeed
Non-Executive Director

Hassan Javed
Non-Executive Director

Yu Haili
Non-Executive Director

Zhang Xingyou
Executive Director

Sun Xiaoguang
Non-Executive Director

He Xiaomei
Independent Director

Shahid Hafiz Kardar
Independent Director

Nasir Mahmood Khan Khosa
Independent Director

WITNESSES

Atif Aziz
CFO

Babar Ali Khan
Group CFO

Certified by:

Tahir Maqsood
Company Secretary

Dated: March 10th, 2026

SERVICE LONG MARCH TYRES LIMITED

15. MEMORANDUM AND ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)
(COMPANY LIMITED BY SHARES)

MEMORANDUM

OF

ASSOCIATION

OF

SERVICE LONG MARCH TYRES LIMITED

Company Registration Office Lahore
Securities and Exchange Commission of Pakistan
SECP

THE COMPANIES ACT, 2017 (XIX of 2017)
(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

SERVICE LONG MARCH TYRES LIMITED

1. The name of the Company is Service Long March Tyres Limited.

2. The registered office of the Company will be situated in the Province of Punjab.

3. (i) The principle line of business of the Company shall be to carry on the business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and OTR ("Off The Road") tyres and to buy, sell, manufacture, repair, alter, improve, exchange, let out on hire and deal with all factories, works, plant, machinery, tools, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in the business of these tyres which the Company is competent to carry on or required by any customers of or persons having dealing with the Company or commonly dealt in by person engaged in this tyre business and to manufacture, experiment with, render marketable and deal in all products or byproducts, incidental to the business of these tyres carried on by the Company.

   (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the Company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

   (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Modaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

   (iv) It is hereby undertaken that the company shall not:

   (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;

   (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;

   (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

4. The liability of the members is limited.

5. The authorized capital of the company is Rs. 16,100,000,000/- (Rupees Sixteen Billion One Hundred Million Only) divided into 8,050,000,000 (Eight Billion Fifty Million) ordinary shares of Rs. 2/- (Rupees Two Only) each.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a Company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of Shares taken by each subscriber (in figures and words)	Signatures
Service Industries Limited Through Mr. Omar Saeed	0000864 35202-3786183-5	Ahmad Saeed	Pakistani	Business	Servis House, 2 Main Gulberg, Lahore. House No. 10, Gulberg 5, Lahore	76,500,000 (Seventy-Six Million and Five Hundred Thousand Shares Only)	
Chaoyang Long March Tyre Co. Ltd Through Mr. Li Qingwen	91211303744333537N EH2110692	Li Songpu	Chinese	Business	No.1 Xianyang Road, Longcheng District, Chaoyang Liaoning Peoples Republic of China Room 201, Building 22, No. 58 Fourth Duan Chaoyang Avenue, Shuangta District, Chaoyang, Liaoning China	66,000,000 (Sixty-six Million Shares Only)	

Shabir Ahmad	17301-0513698-3	Haji Gul Muhammad	Pakistan	Business	2nd Floor, Sea Castle 1, Flat No 204-A, Clifton Cantt, Karachi	7,500,000 (Seven million five hundred thousand shares only)	
		Total number of shares taken (in figures and words):				150,000,000 (One Hundred and Fifty Million Shares Only)	

Dated the 24th day of December, 2019

CERTIFIED TO BE TRUE COPY
DEPUTY REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE

Securities and Exchange Commission of Pakistan
Company Registration Office
Lahore

THE COMPANIES ACT, 2017 (XIX of 2017)

(Company Limited by Shares)

ARTICLES OF ASSOCIATION

OF

SERVICE LONG MARCH TYRES LIMITED

PRELIMINARY

1. (1) In these Articles-

(a) "Article" means a provision of these Articles;
(b) "Commission" means the Securities and Exchange Commission of Pakistan;
(c) "Section" means section of the Act;
(d) "the Act" means the Companies Act, 2017;
(e) "the seal" means the common seal or official seal of the Company as the case may be;
(f) "the Company" means **Service Long March Tyres Limited**;
(g) "these Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.
(h) "Employees' Stock Option" means the option given to the directors, officers or employees of the company, which gives such directors, officers or employees, the right to purchase or to subscribe for shares of the company at a pre-determined price.

(2) Unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Act; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include feminine, and words importing persons shall include bodies corporate.

(3) The regulations contained in Table A in the First Schedule to the Act shall not apply to the company except as reproduced herein.

PUBLIC COMPANY

2. The Company is a public company as defined under Section 2(1)(52) of the Act.

SHARES

3. In case of shares in the physical form, every person whose name is entered as a member in the register of members shall, with or without payment, be entitled to receive, within thirty days after allotment or within fifteen days of the application for registration of transfer, a certificate under the seal specifying the share or shares held by him and the amount paid up thereon:

Provided that if the shares are in book-entry form or in case of conversion of physical shares and other transferable securities into book-entry form, the Company shall, within ten days after an application is made for the registration of the transfer of any shares or other securities to a central depository, register such transfer in the name of the central depository.

4. The Company shall not be bound to issue more than one certificate in respect of a share or shares in the physical form, held jointly by several persons and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. The Company shall not be bound to recognize more than four persons as the joint holders of any share.

5. If a share certificate in physical form is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred rupees, and on such terms, if any, as to evidence and indemnity and payment of expenses incurred by the Company in investigating title as the directors think fit.

6. Except to the extent and in the manner allowed by the Section 86, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares.

7. The Company is authorized to offer Employees Stock Option Schemes, from time to time and issue shares in terms of Section 83A or other applicable provisions of the Act to the directors, officers or employees of the Company, subject to compliance with applicable law.

TRANSFER AND TRANSMISSION OF SHARES

8. The Company shall comply with the requirements of Section 71, 72, 73 and 74 of the Act with respect to the issuance of share certificates.

9. The instrument of transfer of any share in physical form in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

10. Shares in physical form in the Company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

Form for Transfer of Shares

(First Schedule to the Companies Act, 2017)

I________________________r/o______________ (hereinafter called "the transferor") in consideration of the sum of rupees____________paid to me by______________ s/o_________________ r/o______________ (hereinafter called "the transferee"), do hereby transfer to the said transferee__________ the share (or shares) with distinctive numbers from____________to_____________inclusive, in **Service Long March Tyres Limited**, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this_____day of_____________, 20___

Signature __________________ **Transferor** Full Name, Father's / Husband's Name CNIC Number (in case of foreigner Passport Number) Nationality Occupation and usual Residential Address	Signature__________________ **Transferee** Full Name, Father's / Husband's Name CNIC Number (in case of foreigner, Passport Number) Nationality Occupation and usual Residential Address Cell number Landline number, if any Email address
Witness 1: Signature________________ Date _____________ Name: CNIC Number: Full Address	**Witness 2:** Signature________________ Date _____________ Name: CNIC Number: Full Address

Bank Account Details of Transferee for Payment of Cash Dividend
(Mandatory in case of a listed company)

It is requested that all my cash dividend amounts declared by the company, may be credited into the following bank account:

Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

It is stated that the above mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and concerned Share Registrar as soon as these occur.

____
Signature of the Transferee(s)

11. (1) The directors shall not refuse to transfer any share unless the transfer deed is defective or invalid. The directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days' previous notice in the manner provided in the Act. The directors may, in case of shares in physical form, decline to recognize any instrument of transfer unless—

a) a fee not exceeding fifty rupees as may be determined by the directors is paid to the Company in respect thereof; and

b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

(2) If the directors refuse to register a transfer of shares, they shall within fifteen days after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

Provided that the Company shall, where the transferee is a central depository the refusal shall be conveyed within five days from the date on which the instrument of transfer was lodged with it notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the company.

TRANSMISSION OF SHARES

12. The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognized by the Company to deal with the share in accordance with the law. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the Company to deal with the share in accordance with the law.

13. The shares or other securities of a deceased member shall be transferred on application duly supported by succession certificate or by lawful award, as the case may be, in favor of the successors to the extent of their interests and their names shall be entered to the register of members.

14. A person may on acquiring interest in the Company as member, represented by shares, at any time after acquisition of such interest deposit with the Company a nomination conferring on a person, being the

relatives of the member, namely, a spouse, father, mother, brother, sister and son or daughter, the right to protect the interest of the legal heirs in the shares of the deceased in the event of his death, as a trustee and to facilitate the transfer of shares to the legal heirs of the deceased subject to succession to be determined under the Islamic law of inheritance and in case of non-Muslim members, as per their respective law.

15. The person nominated under Article 14 shall, after the death of the member, be deemed as a member of the Company till the shares are transferred to the legal heirs and if the deceased was a director of the Company, not being a listed company, the nominee shall also act as director of the Company to protect the interest of the legal heirs.

16. A person to be deemed as a member under Articles 12, 13 and 14 to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share and exercise any right conferred by membership in relation to meetings of the Company.

ALTERATION OF CAPITAL

17. The Company may, by Special Resolution:

a) increase its authorized capital by such amount as it thinks expedient;

b) consolidate and divide the whole or any part of its share capital into shares of larger amount than its existing shares;

c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;

d) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.

18. Subject to the provisions of the Act, all new shares shall at the first instance be offered to such persons as at the date of the offer are entitled to such issue in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by letter of offer specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will deem to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the Company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under these Articles.

19. The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital.

20. The Company may, by Special Resolution reduce its share capital in any manner and with, and subject to confirmation by the Court and any incident authorized and consent required, by law.

GENERAL MEETINGS

21. A general meeting, to be called annual general meeting, shall be held, in accordance with the provisions of Section 132, within sixteen months from the date of incorporation of the Company and thereafter once at least in every year within a period of one hundred and twenty days following the close of its financial year.

22. The financial year end of the Company shall be 30th June.

23. All general meetings of the Company, other than the statutory meeting or an annual general meeting as prescribed in Section 131 and 132, shall be called extraordinary general meetings.

24. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by Section 133. If at any time there are not within Pakistan sufficient directors

capable of acting to form a quorum, any director of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors.

25. The Company may provide video-link facility to its members for attending general meeting at places other than the town in which general meeting is taking place after considering the geographical dispersal of its members.

NOTICE AND PROCEEDINGS OF GENERAL MEETINGS

26. Twenty-one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in manner provided by the Act for the general meeting, to such persons as are, under the Act or the Articles of the Company, entitled to receive such notice from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.

27. All the business transacted at a general meeting shall be deemed special other than the business stated in sub-section (2) of Section 134 namely; the consideration of financial statements and the reports of the board and auditors, the declaration of any dividend, the election and appointment of directors in place of those retiring, and the appointment of the auditors and fixing of their remuneration.

28. No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business. The quorum of the general meeting of the Company shall be at least ten members, present personally, through proxy or an appointed representative, or through video-link representing not less than twenty-five (25%) of the total issued and paid-up capital of the Company, either of their own account or as proxies. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum.

29. The chairman of the board of directors, if any, shall preside as chairman at every general meeting of the Company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the directors present may be elected to be chairman, and if none of the directors is present, or willing to act as chairman, the members present shall choose one of their number to be chairman.

30. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

31. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, that resolution.

32. A poll may be demanded only in accordance with the provisions of Section 143.

33. At any general meeting, the company shall transact such businesses as may be notified by the Commission from time to time, only through postal ballot.

34. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in Sections 144 and 145 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

35. A poll demanded on the election of chairman or on a question of adjournment shall be taken at once.

VOTES OF MEMBERS

36. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of directors in which case the provisions of the Section 159 shall apply. On a poll every member shall have voting rights as laid down in the Section 134.

37. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose, seniority shall be determined by the order in which the names stand in the register of members.

38. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll or through video link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

39. On a poll votes may be given either personally or through video-link, by proxy or through postal ballot:

Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of the Act is in force.

40. (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. The proxy must be a member of the Company.

(2) The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

41. An instrument appointing a proxy may be in the following form, or a form as near thereto as may be:

INSTRUMENT OF PROXY

____________________ Limited

"I ____________ s/o ____________ r/o ____________________ being a member of **Service Long March Tyres Limited**, hereby appoint ____________________ s/o ____________ r/o ____________ as my proxy to attend and vote on my behalf at the (statutory, annual, extraordinary, as the case may be) general meeting of the Company to be held on the ____day of____________, 20___ and at any adjournment thereof."

42. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

DIRECTORS

43. The number of directors shall not in any case be less than that specified in Section 154.

44. Save as provided in Section 153, no person shall be appointed as a director unless he is a member of the Company. However, this Article shall not be applicable in the case of a person representing a member which is not a natural person or a whole-time director who is an employee of the Company or a chief executive or a person representing creditors as provided under Section 153 of the Act.

POWERS AND DUTIES OF DIRECTORS AND MANAGEMENT

45. The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these Articles, and such Articles being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no Article made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that Article had not been made.

46. The directors shall appoint a chief executive in accordance with the provisions of Section 186, 187 and 188.

47. The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

48. Subject to any approval or limits required by law, the terms and conditions and remuneration of:

(a) a Director for performing extra services, including the holding of the office of Chairman,

(b) the Chief Executive, and

(c) any Director for attending the meetings of the Directors or a committee of Directors

shall be determined by the Board of Directors.

MINUTE BOOKS

49. The Company shall cause records to be kept and minutes to be made in book or books with regard to:

a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and Committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or Committee of directors shall put his signature in a book to be kept for that purpose;

b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and

c) all orders made by the directors and Committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission which shall be appropriately rendered into writing as part of the minute books according to the said regulations.

THE SEAL

50. The directors shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument except by the authority of a resolution of the board of directors or by a committee of directors authorized in that behalf by the directors and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DISQUALIFICATION OF DIRECTORS

51. No person shall become the director of the Company if he suffers from any of the disabilities or disqualification mentioned in Section 153 or disqualified or debarred from holding such office under any of the provisions of the Act as the case may be and, if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled:

Provided, however, that no director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for, the Company of which he is director, but such director shall not vote in respect of any such contractor work, and if he does so vote, his vote shall not be counted.

PROCEEDINGS OF DIRECTORS

52. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors. Seven (7) days prior notice sent to a director through email whether such director is in Pakistan or outside Pakistan shall be a valid notice, except in the case of emergency meetings, where the notice period may be waived or reduced.

53. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present may choose one of their number to be chairman of the meeting.

54. The quorum for the Board Meeting shall be not less than one-third of number of directors or four whichever is greater.

55. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video- link, each director having one vote.

56. The directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on them by the directors.

57. (1) A committee may elect a chairman of its meetings; but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.

(2) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

58. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

59. A copy of the draft minutes of meeting of the board of directors shall be furnished to every director within fourteen working days of the date of meeting.

60. A resolution in writing approved by majority of the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

FILLING OF VACANCIES

61. At the first annual general meeting of the Company, all the directors shall stand retired from office, and directors shall be elected in their place in accordance with Section 159 for a term of three years.

62. A retiring director shall be eligible for re-election.

63. The directors shall comply with the provisions of Section 154 to 159 and Sections 161, 162 and 167 relating to the election of directors and matters ancillary thereto.

64. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as director.

65. The Company may remove a director but only in accordance with the provisions of the Act.

DIVIDENDS AND RESERVE

66. The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the directors.

67. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

68. Any dividend may be paid by the Company either in cash or in kind. The payment of dividend in kind shall only be in the shape of shares of listed company held by the distributing company. Dividends shall be payable solely out of the Company's available net profits at the time such dividends are declared and no dividends shall be declared or payable at a time when accumulated losses exists or would exist by reason of the declaration and payment of such dividends after making all appropriations against the Company's earnings as may be indicated in accordance with internationally accepted principles and procedures of accounting.

69. Dividend shall not be paid out of unrealized gain on investment property credited to profit and loss account.

70. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares.

71. (1) The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of Company or be invested in such investments (other than shares of the Company) as the directors may, subject to the provisions of the Act, from time to time think fit.

(2) The directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

72. If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share.

73. Any dividend declared by the Company shall be paid to its registered shareholders or to their order. The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction and applicable provisions of the Act.

74. The dividend shall be paid within the period laid down under the Act.

ACCOUNTS

75. The directors shall cause to be kept proper books of account as required under Section 220.

76. The books of account shall be kept at the registered office of the Company or at such other place as the directors shall think fit and shall be open to inspection by the directors during business hours.

77. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account and book or papers of the Company except as conferred by law or authorized by the directors or by the Company in general meeting.

78. The directors shall, as required by Section 223 and 226 cause to be prepared and to be laid before the Company in general meeting the financial statements duly audited and reports as are referred to in those sections.

79. The financial statements and other reports referred to in Article 78 shall be made out in every year and laid before the Company in the annual general meeting in accordance with Sections 132 and 223.

80. A copy of the financial statements and reports of directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

81. The directors shall in all respect comply with the provisions of Sections 220 to 227.

82. Auditors shall be appointed and their duties regulated in accordance with Sections 246 to 249.

83. The Board of Directors may capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, and the Directors shall give effect to such resolution.

NOTICES

84. (1) A notice may be given by the Company to any member to his registered address or if he has no registered address in Pakistan to the address, if any, supplied by him to the Company for the giving of notices to him against an acknowledgement or by post or courier service or through secure e-mail or in any other manner as may be specified by the Commission.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter will be delivered in the ordinary course of post.

85. A notice may be given by the Company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

86. A notice may be given by the Company to the person entitled to a share in consequence of the death or insolvency of a member in the manner provided under Article 84 addressed to them by name, or by the title or representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, supplied for the purpose by the person claiming to be so entitled.

87. Notice of every general meeting shall be given in the manner hereinbefore authorized to (a) every member of the Company and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting, and (c) to the auditors of the Company for the time being and every person who is entitled to receive notice of general meetings.

WINDING UP

88. (1) In the case of members' voluntary winding up, with the sanction of a special resolution of the Company, in the case of creditors' voluntary winding up, of a meeting of the creditors, the liquidator shall exercise any of the powers given by the Act to a liquidator in a winding up by the Court including inter-alia divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

89. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

Company Registration Office Lahore
SECP
Securities and Exchange Commission

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this articles of association, and we respectively agree to take the number of shares in the capital of the Company as set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of Shares taken by each subscriber (in figures and words)	Signatures
Service Industries Limited	0000864				Servis House, 2 Main Gulberg, Lahore.	76,500,000 (Seventy-Six Million and Five Hundred Thousand Shares Only)	
Through Mr. Omar Saeed	35202-3786183-5	Ahmad Saeed	Pakistani	Business	House No. 10, Gulberg 5, Lahore		
Chaoyang Long March Tyre Co. Ltd	91211303744333537N				No.1 Xianyang Road, Longcheng District, Chaoyang Liaoning, Peoples Republic of China.	66,000,000 (Sixty-six Million Shares Only)	
Through Mr. Li Qingwen	EH2110692	Li Songpu	Chinese	Business	Room 201, Building 22, No. 58 Four Duan,Chaoyan		

					g Avenue, Shuangta District, Chaoyang, Liaoning China		
Shabir Ahmad	17301-0513698-3	Haji Gul Muhammad	Pakistan	Business	2nd Floor, Sea Castle 1, Flat No 204-A, Clifton Cantt, Karachi	7,500,000 (Seven million five hundred thousand shares only)	
		Total number of shares taken (in figures and words):				150,000,000 (One Hundred and Fifty Million Shares Only)	

Dated the 24th day of December, 2019

CERTIFIED TO BE TRUE COPY

DEPUTY REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE.

Company Registration Office Lahore • Securities and Exchange Commission • SECP