

PACE (PAKISTAN) LIMITED
FINANCIAL STATEMENTS

HALF YEARLY ACCOUNTS (UN-AUDITED)

DECEMBER 31, 2024

Pace (Pakistan) Limited

Company Information

Board of Directors

Sikander Rashid Choudry (Chairman)	Independent
Aamna Taseer (CEO)	Executive
Shehryar Ali Taseer	Executive
Shahbaz Ali Taseer	Executive
Shehribano Taseer	Non-Executive
Umair Fakhra Alam	Non-Executive
Shavez Ahmad	Independent

Chief Financial Officer

Muhammad Waheed Asghar

Audit Committee

Shavez Ahmad (Chairman)
Shehribano Taseer (Member)
Sikander Rashid Choudry (Member)

Human Resource and Remuneration (HR&R) Committee

Shavez Ahmad (Chairman)
Aamna Taseer (Member)
Shehribano Taseer (Member)

Risk Management Committee

Umair Fakhra Alam (Chairman)
Aamna Taseer (Member)
Shehryar Ali Taseer (Member)

Company Secretary

Sajjad Ahmad

Auditors

M/s Junaidy Shoaib Asad,
Chartered Accountants

Legal Advisers

M/s. Ibrahim and Ibrahim
Barristers and Corporate Consultants
Lahore

Bankers

Allied Bank Limited
Albaraka Bank (Pakistan) Limited
Faysal Bank Limited
MCB Bank Limited
Silkbank Limited

Registrar and Shares Transfer Office

Corplink (Pvt.) Limited
Wings Arcade, 1-K
Commercial Model Town, Lahore
Tele: + 92-42-5839182

Registered Office

First Capital House
96-B/1, Lower Ground Floor
M.M. Alam Road, Gulberg-III Lahore,
Pakistan
Tele: + 92-42-35778217-18

**Pace (Pakistan) Limited ("the Company" or "Pace")
Directors' Report (Period Ended Dec-2024)**

The Board of Directors is pleased to present a concise overview of the financial and operational performance of the Company for the six months period ended 31st December 2024 is as under:

Financial Highlights

The comparison of the financial results for the six months period ended 31st December 2024, with corresponding period last year is as under:

	Period End Dec 31 2024	Period End Dec 31 2023
	Rupees in '000'	
Revenue	989,891	881,333
Cost of Revenue	<u>(564,386)</u>	<u>(613,091)</u>
Gross Profit	425,505	268,242
Admin & Selling Expenses	(120,764)	(116,547)
Other Income	11,296	5,716
Exchange Gain/(loss) on foreign currency convertible bond	(3660)	91,830
Finance Cost	(82,462)	(97,603)
Gain from change in FV of investment property	2,421	(10,805)
Net profit/(loss) before tax	226,637	135,642
Net profit/(loss) after tax	214,374	124,625
Earnings/(Loss) per share (PKR)	0.77	0.45

During the six months period under review, the revenue of the Company amounted to Rs. 989.891 million as compared to Rs. 881.333 million corresponding period last year. The cost of Revenue is Rs. 564.386 as compare to Rs. 613.091 million last year. The Gross profit is Rs. 425.505 million as compare to Rs. 268.242 million last year. The Administrative & Selling expenses are Rs 120.764 million against Rs116.547 million. Other income of the company is Rs. 11.296 million as compare to Rs. 5.716 million last year. The company earned an exchange gain of Rs. 3.660 million on Foreign Currency Convertible Loan due to appreciation of Pak Rupee against dollars during period under review. The Finance cost is Rs. 82.462 million as compare to Rs. 97.603 million the last corresponding period.

As a result of aforementioned factors, the Profit for the period under review amounted to Rs. 214.374 million as compared to a profit of Rs. 124.624 Million, resulting in Earning Per Share of Rs. 0.77 as compared to Loss per share of Rs. 0.45 in last year for corresponding period.

Sector Review

During the year 2024 the Real Estate Industry faced significant challenges including increase in existing taxes, imposition of new taxes, lower remittances from overseas Pakistanis, and lower appetite from local and foreign investors in Real Estate sector. Increasing cost of construction is badly affecting the development and handing over of finished projects. Cost of running the existing projects has also increased due to higher commodities prices and increased electricity rates. The overall performance of the Company also affected due to the aforesaid factors and overall slump in real estate sector..

Company Performance and Overview

During the period, the Company has sold its plots located at Islamabad region and shops inventory located at Pace Model Town Link Road. Construction of Pace Tower lobby is complete and remaining units mainly on 16th and 18th Floors is in final process. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower and other projects. The proceeds from sale of inventory shall be used for new project.

Employees Stock Option Scheme

Board of Directors and Shareholders of the Company in their meetings held on 14 January 2025 and 10 February 2025, respectively approved Employees Stock Option Scheme. The Company has issued grant options on 11 February 2025 to the extent of 30,986,289 shares 10% of the enhanced capital i.e. 309,862,893 shares.

The Path Forward

Through the delivery of key development projects in 2023-2024 in form of Pace Towers and significant investment in the shares of Pace Barka Properties Limited, we look forward to onboarding significant operating cash flows by successfully converting non-income producing assets to cash flowing operating assets.

While we will continue to focus on converting non-income producing assets to cash flowing operating assets especially the projects of the Company which are currently non-operational.

With best-in-class assets and properties in prime irreplaceable dense cluster locations and a great team, we hope that our investors continue to focus on our fundamentals as a high-quality, innovative company in real estate sector of Pakistan with a unique built-in platform for growth.

Our unparalleled team has done an extraordinary job in a tough environment and we admire their untiring efforts, dedication and commitment to the Company

For and on behalf of Board of directors

26 February 2025



Director



Chief Executive Officer

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pace (Pakistan) Limited

Review Report on Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Pace (Pakistan) Limited (the "Company")** as at **December 31, 2024** and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial Statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated 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 unconsolidated financial information 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 information 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 unconsolidated 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.

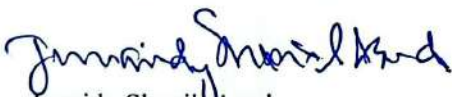
Emphasis of Matter

We draw attention to note 2 to the accompanying condensed interim unconsolidated financial statements which indicates that the Company's current liabilities exceeded its current assets by Rs. 5,792.25 million and accumulated losses of the Company stand at Rs. 4,044.15 million as at 31 December 2024. The Company's equity has eroded and the accumulated losses exceed the share capital, share premium and revaluation surplus by Rs. 935.08 million as at 31 December 2024. As stated in note 2, these conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2024.

The engagement partner on the review resulting in this independent review report is Shoaib Ahmad Waseem.



Junaidy Shoaib Asad
Chartered Accountant
Lahore.

Date: 26 FEB 2025
UDIN: RR202410196mISna6oAj

Pace (Pakistan) Limited
Condensed Interim unconsolidated Statement of Financial Position (Un-audited)
As at 31 December 2024

		Un-audited 31 December 2024	Audited 30 June 2024
EQUITY AND LIABILITIES	<i>Note</i>	--- (Rupees in thousand) ---	
<u>Share capital and reserves</u>			
Authorised capital		6,000,000	6,000,000
Issued, subscribed and paid-up capital	6	2,788,766	2,788,766
Share premium	7	273,265	273,265
Revaluation surplus		47,037	47,037
Accumulated loss		(4,044,149)	(4,258,412)
		(935,081)	(1,149,344)
<u>Non-current liabilities</u>			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability		149,872	149,660
Foreign currency convertible bonds - unsecured	10	-	-
Deferred liabilities		56,272	53,900
		206,144	203,560
<u>Current liabilities</u>			
Contract liability		173,242	254,348
Current maturity of long term liabilities		5,769,150	5,765,448
Creditors, accrued and other liabilities	11	719,370	763,475
Accrued finance cost		1,615,384	1,546,024
		8,277,146	8,329,295
Contingencies and commitments	12	-	-
		7,548,209	7,383,511

ASSETS

Non-current assets

Property, plant and equipment	13	516,757	527,918
Intangible assets		1,745	1,993
Investment property		1,933,091	1,887,815
Lease receivable		-	113,890
Contract asset		-	-
Long term investments		2,598,099	2,598,099
Long term advances and deposits		13,619	13,619
		5,063,311	5,143,334

Current assets


Stock-in-trade	14	1,484,797	1,213,917
Trade debts	15	870,319	859,644
Advances, deposits, prepayments and other receivables		91,538	107,318
Lease Receivable		-	6,336
Income tax refundable - net		17,167	20,552
Cash and bank balances	16	21,077	32,410
		2,484,898	2,240,177

	Un-audited 31 December 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
<i>Note</i>		
	516,757	527,918
	1,745	1,993
	1,933,091	1,887,815
	-	113,890
	-	-
	2,598,099	2,598,099
	13,619	13,619
	5,063,311	5,143,334
	1,484,797	1,213,917
	870,319	859,644
	91,538	107,318
	-	6,336
	17,167	20,552
	21,077	32,410
	2,484,898	2,240,177
	7,548,209	7,383,511

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.

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Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Profit or Loss (Un-audited)

For the six months ended 31 December 2024

	Note	For the half year ended		For the quarter ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	17	989,891	881,333	515,752	820,739
Cost of Revenue	18	(564,386)	(613,091)	(312,920)	(600,502)
Gross Profit		425,505	268,242	202,832	220,237
Administrative and selling expenses		(120,764)	(116,547)	(81,033)	(78,316)
Impairment loss on trade and other receivables		(5,699)	(5,191)	-	-
Other income	19	11,296	5,716	1,593	682
Profit from operations		310,338	152,220	123,392	142,603
Finance cost	20	(82,462)	(97,603)	(42,596)	(61,327)
Exchange gain/ (loss) on foreign currency convertible bonds		(3,660)	91,830	(14,669)	126,884
Gain/ (loss) from change in fair value of investment property		2,421	(10,805)	3,412	(5,372)
Profit before income tax and minimum taxes		226,637	135,642	69,539	202,788
Minimum Tax	21	(12,374)	(11,017)	(6,447)	(10,165)
Profit before income tax		214,263	124,625	63,092	192,623
Taxation	22	-	-	-	-
Profit for the period after taxation		214,263	124,625	63,092	192,623
Profit per share - basic and diluted		0.77	0.45	0.23	0.69

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.


James Iqbal
 Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the six months ended 31 December 2024

	31 December 2024	31 December 2023
	--- (Rupees in thousand) ---	
Profit for the period	214,263	124,625
<u>Other comprehensive income for the period.</u>		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement of net defined benefit liability	-	-
Total comprehensive profit for the period	214,263	124,625

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.


Chief Executive Officer


Director


Chief Financial Officer

Pace (Pakistan) Limited
 Condensed Interim Unconsolidated Statement of Changes In Equity (Un-audited)
 For the six months ended 31 December 2024

	Capital reserve		Revenue reserve	Total	
	Issued, subscribed and paid-up capital	Share premium	Revaluation surplus		
	--- (Rupees in thousand) ---				
As at 01 July 2023 (Audited)	2,788,766	273,265	47,037	(4,786,581)	(1,677,513)
<i>Total comprehensive income for the year ended 30 June 2024</i>					
Profit after taxation	-	-	-	526,690	526,690
Other comprehensive income	-	-	-	1,479	1,479
	-	-	-	528,169	528,169
Balance as at 30 June 2024 (Audited)	2,788,766	273,265	47,037	(4,258,412)	(1,149,344)
Profit after taxation	-	-	-	214,263	214,263
Other comprehensive income	-	-	-	-	-
	-	-	-	214,263	214,263
Balance as at 31 December 2024 (Un-audited)	2,788,766	273,265	47,037	(4,044,149)	(935,081)

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.

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 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited


Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the six months ended 31 December 2024

	Note	Half year ended	
		31 December 2024	31 December 2023
--- (Rupees in thousand) ---			
<u>Cash flows from operating activities</u>			
Cash (used in)/ generated from operations	23	(76,255)	776,231
Finance cost paid		-	-
Taxes paid		(8,989)	(7,491)
Net cash (used in)/ generated from operating activities		(85,244)	768,740
<u>Cash flow from investing activities</u>			
Investment during the period		-	(747,990)
Lease receivable		121,515	-
Addition in investment property		(126,720)	-
Deletion in investment property		78,660	-
Sale proceeds from sale of operating fixed assets		-	-
Income on bank deposits received		456	187
Net cash (used in)/ generated from investing activities		73,911	(747,803)
<u>Cash flow from financing activities</u>			
Long term loan paid during the period		-	-
Payments of lease liability		-	(13,334)
Net cash used in financing activities		-	(13,334)
Net (decrease)/increase in cash and cash equivalents		(11,333)	7,603
Cash and cash equivalents - at beginning of the period		32,410	19,636
Cash and cash equivalents - at end of the period	16	21,077	27,239

The annexed notes from 1 to 28 form an integral part of these condensed interim unconsolidated financial statements.

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Chief Executive Officer



Director



Chief Financial Officer

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

1 The Company and its operations

1.1 Pace (Pakistan) Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/I, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-I Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-I, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

2 Going Concern Assumption

The Company has earned profit before tax of Rs. 226.64 million. The Company has entered into profit in this period mainly because of sale of its inventory located at Islamabad and Pace Model Town Link Road. In addition, the company has also increased service charges rate of First Capital Tower resulting in increase of sale revenue.

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 5,792.25 million (30 June 2024: Rs. 6,089.12 million), and accumulated losses of the Company stand at Rs. 4,044.15 million (30 June 2024: Rs. 4,258.41 million). The Company's equity has eroded and the accumulated losses exceed the share capital, share premium and revaluation surplus by Rs. 935.08 million (30 June 2024: 1149.34). Despite the accumulated losses, Company's liquidity position is getting better during the period ended December 31, 2024. The Company has also started meeting various obligations towards its lenders. The construction activity on the project has also been started.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

Construction of Pace Tower lobby is complete and remaining units mainly on 16th and 18th Floors is in process. The company is actively seeking to complete the remaining units of this project within next 12 months. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. The proceeds from sale of inventory shall be used for new project.

The Company has saleable inventory in the form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory, management is expected to generate Rs. 3,155 million over the period of five years. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Furthermore, the Chief Executive, Mrs. Aamna Taseer and Directors, Mr. Shahbaz Ali Taseer and Mr. Shehryar Ali Taseer have jointly provided a letter of support dated 08 September 2024 to the Company wherein they have committed to support the Company to continue as a going concern.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation / settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

3 Basis of preparation and statement of compliance

These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 31 December 2024 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

These condensed interim unconsolidated financial statements of the Company for the six months ended 31 December 2024 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
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirement of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual unconsolidated financial statements as at and for the year ended 30 June 2024. Comparative condensed interim unconsolidated statement of financial position is stated from annual audited financial statements as of 30 June 2024, whereas comparatives for condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows and related notes are extracted from condensed interim unconsolidated financial statements of the Company for the six months ended 31 December 2023.

These condensed interim unconsolidated financial statements are unaudited and being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange Limited.

These condensed interim unconsolidated financial statements are presented in Pakistan Rupees which is the Company's functional currency and all financial statements presented has been rounded off to the nearest rupee, except otherwise stated.

4 Use of estimates and judgments

In preparing these condensed unconsolidated interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited unconsolidated financial statements for the year ended 30 June 2024.

5 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of the condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2024.

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

	Un-audited 31 December 2024 --- (Rupees in thousand) ---	Audited 30 June 2024	Un-audited 31 December 2024 --- (Number of Shares) ---	Audited 30 June 2024
6 Share capital and reserves				
6.1 Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each fully paid in cash	2,017,045	2,017,045	201,704,516	201,704,516
Ordinary shares of Rs. 10 each issued as bonus shares	<u>771,721</u>	<u>771,721</u>	<u>77,172,088</u>	<u>77,172,088</u>
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>
6.2 Ordinary shares of the Company held by associated undertakings are as follows:				
	Basis of Relationship		Un-audited 31 December 2024 --- (Number of Shares) ---	Audited 30 June 2024
First Capital Securities Corporation Limited	Common Directorship		7,504,915	7,504,915
First Capital Equities Limited	Common Directorship		<u>7,600,000</u>	<u>7,600,000</u>
			<u>15,104,915</u>	<u>15,104,915</u>
6.3 There has been no movement in ordinary share capital issued, subscribed and paid-up during the period ended 31 December 2024.				
			Un-audited 31 December 2024 --- (Rupees in thousand) ---	Audited 30 June 2024
7 Share premium				
Share premium reserve			<u>273,265</u>	<u>273,265</u>
This reserve can only be utilized by the Company for the purpose specified in Section 81(2) of the Companies Act, 2017.				
8 Long term finances - secured	<i>Note</i>		Un-audited 31 December 2024 --- (Rupees in thousand) ---	Audited 30 June 2024
PAIR Investment Company Limited	8.1		58,695	58,695
Less: Current maturity presented under current liabilities			<u>(58,695)</u>	<u>(58,695)</u>
			<u>-</u>	<u>-</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

8.1 PAIR Investment Company Limited

On 28 December 2016, PAIR Investment Company Limited ('PAIR') and the Company entered into Debt Asset Swap / Liabilities Settlement Agreement ('SA') for settlement of entire principal along with accrued mark-up aggregating to Rs. 172.31 million. The settlement was partly made against property situated at mezzanine floor of Pace Tower measuring 5,700 square feet along with car parking area rights for 7 cars in basement No. 2 amounting to Rs. 105.45 million. In accordance with the SA, PAIR purchased the aforementioned properties from the Company. Pursuant to the SA, on 28 December 2016, the Company and PAIR executed sale deed and possession of the property was handed over to PAIR. The Company and PAIR also agreed that PAIR will continue to hold its charge over Pace M.M Alam up till repayment of the balance outstanding amount.

8.1.1 Terms of repayment

In accordance with the settlement agreement, the remaining outstanding mark-up of Rs. 66.86 million has been rescheduled and is payable over a period of 7 years with no mark-up starting from 28 December 2016 after expiry of moratorium period of 3 years, in 16 quarterly instalments. Amortized cost has been determined using effective interest rate of 6% per annum. Movement is as follows:

	Un-audited 31 December 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
As at beginning of the year	58,695	66,860
Adjustment on account of service charges	-	(8,165)
Adjustment on account of default	-	-
As at end of the year	<u>58,695</u>	<u>58,695</u>

8.1.2 Security

The restructured amount is secured by mortgage amounting to the sum of Rs. 142.86 million on the property being piece and parcel of land located at Plot no. 96/B-1, Gulberg III, Lahore measuring 4 kanals and 112 square feet along with structures, superstructures and appurtenances including shops / counters having area measuring 20,433 square feet. The charge ranks parri passu with that of National Bank of Pakistan to the extent of Rs. 66.67 million.

9 Redeemable capital - secured (non-participatory)

Term finance certificates

Less: Current maturity presented under current liabilities

	Un-audited 31 December 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
Term finance certificates	805,118	805,118
Less: Current maturity presented under current liabilities	<u>(805,118)</u>	<u>(805,118)</u>
	<u>-</u>	<u>-</u>

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

9.1 Terms finance certificate

This represents term finance certificates (TFC's) listed on Lahore Stock Exchange before integration of Pakistan Stock Exchange issued for a period of 5 years. On 27 September 2010, the Company completed the restructuring of its term finance certificates. Restructuring was duly approved by majority of TFC holders holding certificates in aggregate of 51.73 %, through extraordinary resolution passed in writing. Consequent to the approval of TFC holders, addendum to the trust deed was executed between the Company and trustee 'IGI Investment Bank Limited' (now 'IGI Holdings Limited') under which the Company was allowed one and a half year grace period along with an extension of four years in the tenure of TFC issue and consequently, the remaining tenure of TFC shall be six and a half years effective from 15 August 2010. The TFC's carry a markup of 6 months KIBOR plus 2% (June 30, 2023: 6 months KIBOR plus 2%) and is payable semi-annually in arrears. The Company could not repay on a timely basis, the instalments due as per the revised schedule of repayment and is not compliant with certain debt covenants which represents a breach of the respective agreement, therefore, the entire outstanding amount has been classified as a current liability under guidance contained in IAS 1 - Presentation of Financial Statements. The Company is in negotiation with the TFC holders and the trustee for relaxation in payment terms and certain other covenants.

During 2020, Pakistan Stock Exchange through its letter (Ref No. PSX/Gen-5683) dated 19 November 2019 instructed the Company to apprise them regarding measures taken for removal of default of payment of principal amount, markup and restructuring of the TFCs by 25 November 2019. Consequently, the Company has submitted its reply to the Pakistan Stock Exchange on 25 November 2019 and has intimated the Exchange that it is currently negotiating with the TFC holders for settlement of outstanding liabilities and for relaxation in payment terms and that a settlement proposal was shared in the meeting held on 18 March 2018 with the TFC holders. However, despite the three reminders sent by the Trustee, response of the TFC holders is still pending.

The TFCs are still in the defaulter segment due to non compliance which could result in delisting of TFCs under Pakistan Stock Exchange Regulations.

Security

The TFC's are secured by a first exclusive charge by way of equitable mortgage on the Company's properties situated at 124/E-1, Main Boulevard Gulberg III, Lahore, 38-A and 39 Block P, Model Town, Lahore, G.T. Road Gujrat, G.T. Road, Gujranwala, and first exclusive hypothecation charge over certain specific fixed assets, to the extent of Rs 2,000 million.



Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

		Un-audited 31 December 2024	Audited 30 June 2024
10 Foreign currency convertible bonds - unsecured	<i>Note</i>	--- (Rupees in thousand) ---	
Opening balance		4,878,519	5,032,036
Mark-up accrued during the period		-	-
		<u>4,878,519</u>	<u>5,032,036</u>
Exchange (gain)/loss for the period	<i>10.2</i>	<u>3,660</u>	<u>(153,517)</u>
		<u>4,882,179</u>	<u>4,878,519</u>
Less: Current portion shown under current liabilities		<u>(4,882,179)</u>	<u>(4,878,519)</u>
		<u>-</u>	<u>-</u>

10.1 On 27 December 2007, BNY Corporate Trustee Services Limited incorporated in United Kingdom with its registered office at One Canada Square, London E14 5AL and the Company entered into an agreement that the Company issue 25,000 convertible bonds of USD 1,000 each amounting to USD 25 million. The foreign currency convertible bonds (FCCB) were listed on the Singapore Stock Exchange and became redeemable on 28 December 2012 at the accreted principal amount. The bonds carry a mark-up of 5.5% per annum, compounded semi-annually, accretive (up till 28 December 2012) and cash interest of 1% per annum to be paid in arrears. The holders of the bonds had an option to convert the bonds into equity shares of the Company at any time following the issue date till the maturity date at a price calculated as per terms of arrangement. As at December 31, 2023, USD 13 million bonds have been converted into the ordinary shares of the Company and remaining USD 12 million bonds along with related interest have not been repaid by the Company.

As the fair value calculated for the financial instrument is quite subjective and cannot be measured reliably, consequently the bonds have been carried at cost and includes accrued mark-up.

10.2 This represents exchange (gain)/ loss arising on translation of foreign currency convertible bonds.

		Un-audited 31 December 2024	Audited 30 June 2024
11 Creditors, accrued and other liabilities	<i>Note</i>	--- (Rupees in thousand) ---	
Trade creditors		111,168	137,920
Provisions and accrued liabilities		362,070	386,466
Payable to statutory bodies		61,158	61,158
Security deposits	<i>11.1</i>	14,516	14,516
Rentals against investment property received in advance		43,995	37,800
Retention money		5,461	5,461
Others		<u>121,002</u>	<u>120,154</u>
		<u>719,370</u>	<u>763,475</u>

11.1 These represent security deposits received against rent of shops rented out in the plazas. Section 217 of Companies Act, 2017 requires that a Company or any of its officers or agents shall not receive or utilize any money received as security or deposit, except in accordance with a contract in writing. Keeping in view the requirements of this section, the Company has entered into agreements with third parties whereby it is expressly stated that the Company shall have the right to utilize the security deposit at its discretion. These amounts are normally utilized to bring the areas rented out for their intended use (upkeep expenditure).

12 Contingencies and commitments

12.1 Contingencies

12.1.1 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 75 million.

Jaw

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the condensed interim financial statements.

- 12.1.2** On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these condensed interim financial statements.

- 12.1.3** In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 31 December 2023, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements.

12.2 Commitments

There is no commitment as at December 31, 2024 (June 2024: Nil)

	Un-audited 31 December 2024	Audited 30 June 2024
Note	--- (Rupees in thousand) ---	
13 Property, plant and equipment		
Operating fixed assets	13.1 364,660	373,436
Capital work in progress	58,847	58,847
Right-of-use assets	13.2 93,250	95,635
	<u>516,757</u>	<u>527,918</u>
13.1 Operating fixed assets		
Net book value at beginning of the period	373,436	380,939
Additions during the period	-	11,123
Disposals during the period	-	-
Transfers	-	-
Depreciation charged during the period	(8,776)	(18,626)
Impairment charge	-	-
Net book value at end of the period	<u>364,660</u>	<u>373,436</u>
13.2 Right-of-use assets		
Net book value at beginning of the period	95,635	100,405
Additions during the period	-	-
Disposals during the period	-	-
Depreciation charged during the period	(2,385)	(4,770)
	<u>93,250</u>	<u>95,635</u>

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

	Un-audited 31 December 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
14 Stock-in-trade		
Land not under development	21,600	21,600
Land purchased for resale	561,600	387,840
Work in progress		
<i>Pace Tower</i>	601,644	651,800
<i>Pace Circle</i>	147,276	-
Completed units - shops	152,677	152,677
	1,484,797	1,213,917
Stores inventory	-	-
	1,484,797	1,213,917
15 Trade debts		
<i>Secured</i>		
Considered good	1,039,983	1,036,434
<i>Unsecured</i>		
	472,935	460,110
	1,512,918	1,496,544
Less: Impairment allowance	(642,599)	(636,900)
	870,319	859,644
16 Cash and bank balances		
Cash in hand	-	-
<i>Cash at banks</i>		
- Current accounts	16.1 20,618	31,626
- Saving accounts	16.2 459	784
	21,077	32,410
	21,077	32,410

16.1 This includes Rs. 17 million (30 June 2024: Rs. 17 million) on which lien is marked against sale of property to MCB for further development charges at Pace Tower.

16.2 This carries profit at the rates ranging from 4.80% to 11.10% (30 June 2024: 19.5% to 20.75%) per annum.

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

	Un-audited 31 December 2024	Un-audited 31 December 2023
	--- (Rupees in thousand) ---	
17 Revenue		
Sale of Shops / plots	865,912	754,671
Display of advertisements	460	2,669
Service charges income- net	95,522	88,861
Revenue from contract with customers	<u>961,894</u>	<u>846,201</u>
Other revenue		
Rental income from lease of investment property	27,997	35,132
Total revenue	<u>989,891</u>	<u>881,333</u>
18 Cost of revenue		
Shops and commercial buildings sold		
- at percentage of completion basis	-	-
- at completion of project basis	524,836	564,161
Stores operating expenses	39,550	48,930
	<u>564,386</u>	<u>613,091</u>
19 Other income		
This represents finance income from lease, scrap sales, mark up on bank accounts and other income.		
	Un-audited 31 December 2024	Un-audited 31 December 2023
	--- (Rupees in thousand) ---	
20 Finance cost		
Interest and mark-up on:		
- Long term finances - secured	4,455	8,199
- Redeemable capital - secured (non-participatory)	64,904	76,744
- Notional interest on lease liability	12,895	12,548
	<u>82,254</u>	<u>97,491</u>
Bank charges and processing fee	208	112
	<u>82,462</u>	<u>97,603</u>
21 Minimum Tax		
Minimum Tax	21.1 <u>12,374</u>	<u>11,017</u>
21.1 This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001(ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		
	Un-audited 31 December 2024	Un-audited 31 December 2023
	--- (Rupees in thousand) ---	
22 Taxation		
Income Tax		
- Current Year	-	-
- Prior Year	-	-
	<u>-</u>	<u>-</u>

The relationship between income tax expense and accounting profit has not been presented in these financial statements as the tax liability is calculated under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

	Un-audited 31 December 2024	Un-audited 31 December 2023
	--- (Rupees in thousand) ---	
23 Cash (used in) / generated from operations		
Profit before tax	226,637	135,642
Adjustment for:		
Exchange (gain)/ loss on foreign currency convertible bonds	3,660	(91,830)
Provision for gratuity and leave encashment	2,372	1,367
Depreciation on property, plant and equipment	11,161	11,562
Amortisation on intangible assets	249	251
Impairment loss on trade debts and other receivables	5,699	5,191
Changes in fair value of investment property	(2,421)	10,805
Non cash income	(4,650)	(5,529)
Finance costs	82,254	97,491
Mark-up income	(456)	(187)
Gain before working capital changes	324,505	164,763
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ decrease in stock-in-trade	(270,880)	559,973
Increase in trade debts	(16,374)	(289,839)
Decrease in contract asset	-	356,817
(Increase)/ Decrease in advances, deposits and other receivables	11,705	(29,080)
Increase/ (Decrease) in contract liability	(81,106)	10,452
Increase/ (Decrease) in creditors, accrued and other liabilities	(44,105)	3,145
	(400,760)	611,468
	(76,255)	776,231

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Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

24 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. All transactions with related parties have been carried out on Arm's length. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	Un-Audited	Unaudited
			31-Dec-24	31-Dec-23
			--- (Rupees in thousand) ---	
Pace Barka Properties Limited	Subsidiary	Further investment	-	747,990
First Capital Investment Company	Common Directorship	Rent income	-	-
Evergreen Water Valley (Private) Limited	Common Directorship	Payment against purchase of property	8,179	4,184
		Advance for purchase of goods and services	-	-
Media Times Limited	Common Directorship	Rental income	2,873	2,534
		Payment received	16,500	-
Rema & Shehrbano	Common Directorship	Service charges	-	-
Co-Natural	Common Directorship	Service charges	-	-
Post employment benefits plan	Employee Fund	Gratuity and leave encashment	2,372	1,367

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

25 Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		31 December 2024 (Un-audited)				
		Carrying amount		Fair value		
	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
<i>Note</i>						
-- (Rupees in thousand) --						
Financial instruments						
31 December 2024						
<u>Financial assets not measured at fair value</u>						
	Long term advances and deposits	13,619	-	13,619	-	-
	Trade debts	870,319	-	870,319	-	-
	Cash and bank balances	21,077	-	21,077	-	-
	Lease Receivable	-	-	-	-	-
25.2		905,015	-	905,015	-	-
<u>Financial liabilities not measured at fair value</u>						
	Long term finances - secured	-	58,695	58,695	-	-
	Redeemable capital - secured (non-participatory)	-	805,118	805,118	-	-
	Lease liability	-	178,014	178,014	-	-
	Foreign currency convertible bonds - unsecured	-	4,887,437	4,887,437	-	-
	Creditors, accrued and other liabilities	-	675,375	675,375	-	-
	Accrued finance cost	-	1,615,384	1,615,384	-	-
25.2		-	8,220,023	8,220,023	-	-

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

25.1 Fair value measurement of financial instruments

		30 June 2024 (Audited)				
		Carrying amount		Fair value		
	Financial assets at amortised cost	Financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3
<i>Note</i>			--- (Rupees in thousand) ---			
Financial instruments						
30 June 2024						
<i>Financial assets not measured at fair value</i>						
	13,619	-	13,619	-	-	-
Long term advances and deposits	859,644	-	859,644	-	-	-
Trade debts	32,410	-	32,410	-	-	-
Cash and bank balances	120,226	-	120,226	-	-	-
Lease Receivable	1,025,899	-	1,025,899	-	-	-
25.2						
<i>Financial liabilities not measured at fair value</i>						
	-	58,695	58,695	-	-	-
Long term finances - secured	-	805,118	805,118	-	-	-
Redeemable capital - secured (non-participatory)	-	172,776	172,776	-	-	-
Lease liability	-	4,878,519	4,878,519	-	-	-
Foreign currency convertible bonds - unsecured	-	725,675	725,675	-	-	-
Creditors, accrued and other liabilities	-	1,546,024	1,546,024	-	-	-
Accrued finance cost	-	8,186,807	8,186,807	-	-	-
25.2						

25.2 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprice over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Pace (Pakistan) Limited

Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months ended 31 December 2024

26 Financial risk management

The Company's financial risk management objective and policies are consistent with that of disclosed in the annual audited financial statements of the Company for the year ended 30 June 2024.

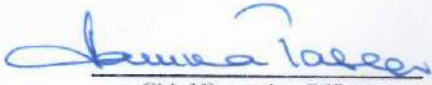
27 Date of authorization for issue

These unconsolidated condensed interim financial statements were authorized for issue on 2-6-02-2025 by the Board of Directors of the Company.

28 General

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure. However, there has been no material rearrangement / reclassification.

Yasir



Chief Executive Officer



Director

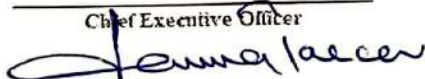


Chief Financial Officer


Pace (Pakistan) Limited
Condensed Interim Consolidated Statement of Financial Position
As at 31 December 2024

		Un-audited December 31, 2024	Audited June 30, 2024
EQUITY AND LIABILITIES	<i>Note</i>	--- (Rupees in thousand) ---	
<u>Share capital and reserves</u>			
Authorised capital	7	6,000,000	6,000,000
Issued, subscribed and paid-up capital	7	2,788,766	2,788,766
Share premium	7	273,265	273,265
Revaluation Surplus		47,037	47,037
Accumulated loss		(3,201,707)	(3,393,058)
		(92,639)	(283,990)
Non-controlling interests		3,045,100	3,071,290
		2,952,461	2,787,300
<u>Non-current liabilities</u>			
Long term finances - secured	8	-	-
Redeemable capital - secured (non-participatory)	9	-	-
Lease liability		149,581	149,660
Foreign currency convertible bonds - unsecured	10	-	-
Deferred liabilities		100,012	97,640
Financial Liabilities		704,242	702,374
Consideration payable to customers		42,659	30,983
Deferred Taxation		31,030	31,030
		1,027,524	1,011,687
<u>Current liabilities</u>			
Contract liability		690,083	764,954
Current maturity of long term liabilities		5,914,623	5,910,798
Creditors, accrued and other liabilities	11	1,041,142	1,073,923
Provision for onerous contracts		287,247	287,247
Accrued finance cost		1,621,701	1,552,341
		9,554,797	9,589,263
Down payment against sale of investment properties classified as held for sale		170,000	170,000
		9,724,797	9,759,263
Contingencies and commitments	12		
		13,704,782	13,558,250

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.

Chief Executive Officer


Director


Chief Financial Officer


		Un-audited December 31, 2024	Audited June 30, 2024
ASSETS	<i>Note</i>	--- (Rupees in thousand) ---	
<u>Non-current assets</u>			
Property, plant and equipment	13	5,203,351	5,222,427
Intangible assets		1,745	12,386
Investment property		2,733,373	2,688,097
Lease Receivable		-	113,890
Goodwill		130	130
Long term advances and deposits	14	14,483	16,113
		7,953,082	8,053,043
<u>Current assets</u>			
Stock-in-trade	15	3,441,882	3,167,556
Trade debts		1,716,823	1,313,832
Advances, deposits, prepayments and other receivables		111,678	128,928
Contract Assets		-	389,829
Lease Receivable		-	6,336
Income tax refundable - net		17,167	20,444
Cash and bank balances		21,660	35,792
		5,309,210	5,062,717
Investment properties classified as held for sale		442,490	442,490
		5,751,700	5,505,207

13,704,782 13,558,250

Pace (Pakistan) Limited

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the six months ended 31 December 2024

	For the half year ended		For the quarter ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	--- (Rupees in thousand) ---		--- (Rupees in thousand) ---	
Revenue	989,891	881,333	513,501	820,739
Cost of Revenue	(566,506)	(613,091)	(304,920)	(600,502)
Gross Profit	423,385	268,242	208,581	220,237
Administrative and selling expenses	(159,381)	(116,547)	(100,215)	(78,316)
Impairment loss on trade and other receivables		(5,191)	-	-
Other income	12,693	5,716	2,073	682
Profit/ (Loss) from operations	276,698	152,220	110,439	142,603
Share of profit/ (loss) from associate	-	(146,401)	-	(138,106)
Finance cost	(97,924)	(97,603)	(42,617)	(61,327)
Exchange (loss)/ gain on foreign currency convertible bonds	(3,660)	91,830	(14,669)	126,884
Loss from change in fair value of investment property	2,421	(10,805)	3,412	(5,372)
Profit / (Loss) before income tax and minimum taxes	177,535	(10,759)	(120,969)	64,682
Minimum Tax	(12,374)	(11,017)	(6,447)	(10,165)
Profit/(Loss) before income tax	165,161	(21,776)	(127,416)	54,517
Taxation	-	-	-	-
Profit/ (Loss) after Taxation	165,161	(21,776)	(127,416)	54,517
Attributable to:				
Owners of the Parent Company	191,351	(21,776)	56,319	54,517
Non-controlling interests	(26,190)	-	(6,201)	-
	165,161	(21,776)	(77,298)	54,517
Loss per share - basic and diluted	0.59	(0.08)	(0.28)	0.20

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)


For the six months ended 31 December 2024

	31 December 2024	31 December 2023
	--- (Rupees in thousand) ---	
<i>Note</i>		
Profit/(Loss) for the year	165,161	(21,776)
<u>Other comprehensive income for the year</u>		
Items that will not be reclassified to statement of profit or loss:		
Remeasurement of net defined benefit liability	-	-
Revaluation Surplus on	-	-
Total comprehensive income/(loss) for the year	<u>165,161</u>	<u>(21,776)</u>
Attributable to:		
Shareholders of the Parent Company	191,351	(21,776)
Non-controlling interests	<u>(26,190)</u>	<u>-</u>
	<u>165,161</u>	<u>(21,776)</u>

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.



 Chief Executive Officer



 Director



 Chief Financial Officer

Pace (Pakistan) Limited
 Consolidated Statement of Changes In Equity
 For the six months ended 31 December 2024

	Capital reserve			Revenue reserve		Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total Equity
	Issued, subscribed and paid-up capital	Share premium	Revaluation Surplus	Share in reserves of associates	Accumulated loss			
— (Rupees in thousand) —								
Balance as at 30 June 2023	2,788,766	273,265	47,037	14,042	(4,387,349)	(1,264,239)	87,030	(1,177,210)
Non-controlling Interests at initial acquisition Reclassified to Revenue reserve				(14,042)	14,042		2,959,104	2,959,104
<i>Total comprehensive income for the year ended 30 June 2024</i>								
Profit/ (Loss) after taxation	-	-	-	-	980,890	980,890	27,097	1,007,987
Other comprehensive income	-	-	-	-	(641)	(641)	(1,941)	(2,582)
	-	-	-	-	980,249	980,249	25,156	1,005,405
Balance as at 30 June 2024 (Audited)	2,788,766	273,265	47,037	-	(3,393,058)	(283,990)	3,071,290	2,787,300
<i>Total comprehensive incomes for the period ended 31 December 2024</i>								
Profit/ (Loss) after taxation	-	-	-	-	191,351	191,351	(26,190)	165,161
Other comprehensive income	-	-	-	-	-	-	-	-
	-	-	-	-	191,351	191,351	(26,190)	165,161
Balance as at 31 December 2024 (Un-audited)	2,788,766	273,265	47,037	-	(3,201,707)	(92,639)	3,045,100	2,952,461

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer


Pace (Pakistan) Limited
 Condensed Interim Consolidated Statement of Cash Flows (Un-audited)
 For the six months ended 31 December 2024

	Note	Half year ended	
		31 December 2024	31 December 2023
		--- (Rupees in thousand) ---	
<u>Cash flows from operating activities</u>			
Cash generated/ (used in) operations	19	(148,403)	776,359
Finance costs paid		(15,462)	-
Taxes paid		(9,295)	(7,491)
Net cash generated/ (used in) from operating activities		(173,160)	768,868
<u>Cash flow from investing activities</u>			
Investment during the year		-	(747,990)
Capital work in progress		(2,004)	-
Lease receivable		121,515	
Addition in investment property		(126,720)	
Deletion in investment property		78,660	
Income on bank deposits received		456	61
Net cash used in from investing activities		145,362	(747,929)
<u>Cash flow from financing activities</u>			
Receipts under financing arrangements		13,667	-
Payments of lease liability		-	(13,334)
Net cash used in financing activities		13,667	(13,334)
Net increase/ (decrease) in cash and cash equivalents		(14,131)	7,604
Cash and cash equivalents - at beginning of the period		35,792	19,656
Cash and cash equivalents - at end of the quarter		21,660	27,259

The annexed notes from 1 to 23 form an integral part of these consolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2024

	2024	2023
1 The Group and its operations	(Direct holding percentage)	
The Group comprises of :		
Parent Company		
Pace (Pakistan) Limited	1.1	
Subsidiary Companies		
Pace Gujrat (Private) Limited	100%	100%
Pace SuperMall (Private) Limited	56.79%	56.79%
Pace Woodland (Private) Limited	52%	52%
Pace Barka Properties Limited	52.21%	0%
Pace Multiplierz (Private Limited)	100%	0%
Associate Company		
Pace Barka Properties Limited	0.00%	24.86%

- 1.1** Pace (Pakistan) Limited ('the Parent Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange. The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related activities in and out of Pakistan. The registered office of the Company is situated at First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore. Furthermore, the Company is managing the following plazas:

Sr. No.	Business Unit	Geographical Location
1	Gulberg Plaza	124/E-1 Main Boulevard Gulberg III, Lahore
2	Model Town Plaza	38, 38/A, 39 & 40, Block P, Model Town Link Road, Lahore
3	Fortress Plaza	Bridge Point Plaza, Fortress Stadium, Lahore Cantt.
4	MM Alam Road Plaza	96-B-1, M.M Alam Road, Gulberg III, Lahore
5	Gujranwala Plaza	Mouza Dhola Zarri, Main GT Road Gujranwala
6	Gujrat Plaza	Mouza Ado-Wal, G.T Road, Tehsil & District, Gujrat
7	Pace Tower	27-H College Road Gulberg II Lahore

- 1.2** **Pace Supermall (Private) Limited**
Pace Supermall (Private) Limited (a subsidiary company) was incorporated on 27 March 2003 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades etc.
- 1.3** **Pace Woodlands (Private) Limited**
Pace Woodlands (Private) Limited (a subsidiary company) was incorporated in Pakistan on 27 July 2004 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 124 E-1, Gulberg III, Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, supper markets, utility stores, plazas, shopping arcades etc.
- 1.4** **Pace Gujrat (Private) Limited**
Pace Gujrat (Private) Limited (the Company) was incorporated on July 8, 2005 as private Limited Company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2007 on May 30, 2017). The registered office of the Company is situated at Pace Plaza Fortress Stadium Lahore. The principal activity of the Company is to acquire by purchase or otherwise land and plots and to sell or consult, lease, hire and manage buildings, shopping mall, super market, utility stores, plazas, shopping arcades etc,
- 1.5** **Pace Barka Properties Limited**

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

Pace Barka Properties Limited (the 'Company') was incorporated in Pakistan on November 22, 2005 as a public company limited by shares under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). The registered office of the Company is situated at First Capital House 96-B/1, M.M. Alam Road, Gulberg III, Lahore. The principal activity of the Company is to acquire, construct, develop, sell, rent out and manage shopping malls, apartments, villas and commercial buildings and to carry on the business of hospitality. The name of the Company's real estate project is Pace Circle, situated at Amjad Chaudhry Road, Lahore Cantonment.

1.6 Pace Multiplierz (Private Limited)

Pace Multiplierz Private limited (the company) was incorporated on June 22, 2016 as Private Limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2007 on May 30, 2017) . The registered office of the Company is situated at Pace Plaza MM Alam Lahore. The principal activity-of the Company is to acquire by purchase or otherwise land and plots and to sell or construct, lease, hire and manage buildings, shopping malls, super markets, utility stores, plazas, shopping arcades.

2 Going Concern Assumption

At the reporting date, current liabilities of the Company have exceeded its current assets by Rs. 4,245.59 million (June 30, 2024: Rs. 4,526.547 million), and accumulated losses of the Company stand at Rs. 3,201.71 million (June 30, 2023: Rs. 3,393.058 million). Due to liquidity issues the Company has not been able to meet various obligations towards its lenders, including repayment of principal and mark-up thereon in respect of its borrowings. Despite the accumulated losses, Company's liquidity position is getting better during the period ended December 31, 2024. The Company has also started meeting various obligations towards its lenders. The construction activity on the project has also been started.

The management has prepared an assessment which covers at least twelve months from the reporting date and believes that the following measures, if implemented effectively, will generate sufficient financial resources for the continuing operations:

Construction of Pace Tower lobby is complete and remaining units mainly on 16th and 18th Floors is in process. The company is actively seeking to complete the remaining units of this project within next 12 months. The management is actively engaged to find buyers for the sale of remaining floors/ apartments in Pace Tower. The proceeds from sale of inventory shall be used for new project.

The Company has saleable inventory in the form of different properties for which the management is actively looking for the buyers and has devised a strategy for sale of the inventory, management is expected to generate Rs. 3,155 million over the period of five years. The proceeds from these sales will help to improve the operating cash flows of the Company and to settle its obligations.

Accordingly, these condensed interim financial statements have been prepared on a going concern basis and do not include any adjustments relating to the realization of assets and liquidation/ settlement of any liabilities that might be necessary should the Company be unable to continue as a going concern.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

3 Basis of preparation

3.1 Consolidated financial statements

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary companies as at 31 December 2024.

3.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards 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; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the following:

- Investment property which is measured at fair value; and
- Retirement benefits at present value.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees ("Rs.") which is the Company's functional currency. All amounts have been rounded off to the nearest thousand, unless otherwise stated.

4 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

4.1 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 19 - Subsidiaries without Public Accountability	January 1, 2027

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2024

IFRS 18 - Presentation and Disclosures in Financial Statements

January 1, 2027

IFRS 17 Insurance Contracts
(Notified by SECP for the period commencing from 1st January 2026)

January 1, 2023

The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

5 Use of estimates and judgments

The preparation of condensed interim financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and 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 circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are 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.

6 Significant accounting policies

The significant accounting policies adopted in the preparation of these condensed interim financial statements are same as presented in latest annual audit. These policies have been consistently applied to all the years presented, unless otherwise stated.

Un-Audited 31 December 2024 --- (Rupees in thousand) ---	Audited 30 June 2024	Un-Audited 31 December 2024 --- (Number of Shares) ---	Audited 30 June 2024
---	----------------------------	---	----------------------------

7 Share capital and reserves

7.1 Authorised capital

Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>	<u>600,000,000</u>	<u>600,000,000</u>
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7.2 Issued, subscribed and paid-up capital

Ordinary shares of Rs. 10 each fully paid in cash	2,017,045	2,017,045	201,704,516	201,704,516
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Ordinary shares of Rs. 10 each issued as bonus shares	<u>771,721</u>	<u>771,721</u>	<u>77,172,088</u>	<u>77,172,088</u>
	<u>2,788,766</u>	<u>2,788,766</u>	<u>278,876,604</u>	<u>278,876,604</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

	Un-Audited 31 December 2024	Audited 30 June 2024
	--- (Rupees in thousand) ---	
7.3 Share premium		
Share premium reserve	273,265	273,265
	-	-
Share premium reserve	<u>273,265</u>	<u>273,265</u>
<p>This reserve can only be utilized by the Company for the purpose specified in Section 81 (2) of the Companies Act, 2017.</p>		
8 Long term finances - secured		
PAIR Investment Company Limited	58,695	66,860
Less: Current maturity presented under current liabilities	<u>(58,695)</u>	<u>(66,860)</u>
Non Current portion	<u>-</u>	<u>-</u>

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2024

	Un-Audited 31 December 2024 --- (Rupees in thousand) ---	Audited 30 June 2024 --- (Rupees in thousand) ---
9 Redeemable capital - secured (non-participatory)		
Term finance certificates	805,118	815,691
Settlement during the year	-	(10,573)
	<u>805,118</u>	<u>805,118</u>
Less: Current maturity presented under current liabilities	<u>(805,118)</u>	<u>(805,118)</u>
Non Current portion	<u>-</u>	<u>-</u>
10 Foreign currency convertible bonds - unsecured		
Opening balance	4,878,519	5,032,036
Mark-up accrued during the year	-	-
	<u>4,878,519</u>	<u>5,032,036</u>
Exchange loss/ (gain) for the year	3,660	(153,517)
	<u>4,882,179</u>	<u>4,878,519</u>
Less: Current portion shown under current liabilities	<u>(4,882,179)</u>	<u>(4,878,519)</u>
Non Current portion	<u>-</u>	<u>-</u>
	Unaudited December 31, 2024	Audited June 30, 2024
	--- (Rupees in thousand) ---	--- (Rupees in thousand) ---
11 Creditors, accrued and other liabilities		
Trade creditors	158,473	197,472
Provisions and accrued liabilities	422,083	414,773
Payable to statutory bodies	172,060	190,954
Advance against sale of investment property	-	292
Security deposits	18,836	18,836
Rentals against investment property received in advance	43,995	37,800
Retention money	10,742	10,742
Token Money	2,248	157
Others	<u>212,706</u>	<u>202,897</u>
	<u>1,041,142</u>	<u>1,073,923</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

12 Contingencies and commitments

12.1 Contingencies

- 12.1.1 On 10 October 2017, the Company filed a petition against Damas (the tenant at the M.M Alam Plaza) in the Rental Tribunal at Lahore on the grounds that the tenant has violated the terms and conditions of the lease agreement including failure to pay rent and denial of the right to entry into the premises. The amount of claim is Rs. 66.60 million.

The petition is pending for hearing. As per legal advisors of the Company, there are reasonable grounds to defend the Company's claim, however no asset has been booked in the financial statements.

- 12.1.2 On 29 November 2012, Shaheen Insurance Company Limited and First Capital Securities Corporation Limited (on behalf of First Capital Group) entered into an agreement whereby, it was agreed that liability pertaining to reverse repo transaction amounting to Rs. 99.89 million along with insurance premium payable amounting to Rs. 88.86 million from First Capital Group shall be settled vide sale of 4.70 million shares of First Capital Equities Limited to Shaheen Insurance Company Limited at a price of Rs. 40. Included in the insurance payable is Rs. 57.96 million pertaining to Pace (Pakistan) Limited. It was agreed that Shaheen Insurance Company Limited will be allowed to sell the share after two years, however, the first right to refusal shall be given to the First Capital Group. Further, First Capital Group guaranteed to buy back the shares at Rs. 40 in case the shares are not saleable in open market. The agreement was subsequently amended on 07 March 2013 to remove restriction of holding period of two years. In addition to that, the guarantee to buy back was also revoked.

On 24 April 2015, Shaheen Insurance Company Limited filed a suit for recovery of Rs. 188.75 million in the Honorable Senior Civil Court. The case is under adjudication and the maximum exposure to the Company is of Rs. 57.96 million. As per legal advisors of the Company there are meritorious grounds to defend the Company's claim and consequently no provision has been made in these financial statements.

- 12.1.3 In view of legal opinion obtained by the legal advisor of the company, the company has stopped charging cash interest of 1% per annum on the outstanding FCCB amounting USD 15.7 Million (Principal plus accumulated markup till maturity). As of 30 June 2024, there is a liability provided amounting USD 1.8 Million with regard to 1% cash coupon. As per balance confirmation received from BNY Corporate Trustee Services Limited the liability outstanding does not include the aforesaid amount of 1% cash coupon. The management of the company is confident that the final liability at the time of settlement would not exceed the amount already provided in these financial statements

- 12.1.4 During the year 2021, the Company received invoices from Athar Marketing Network ('AMN') amounting to Rs 25.248 million in respect of marketing services rendered by it during the previous years. However, the Company's management has raised a dispute with AMN over the aforementioned matter on the grounds that these advertisements were not telecasted/displayed on air as represented by AMN. The management is confident that the dispute will ultimately be settled in the favour of the Company and no outflow of economic resources will be required. Consequently, no provision has been made in this regard in these financial statements.

12.2 Commitments

There is no commitment as at December 31, 2024 (June 2024: Nil)

	Unaudited December 31, 2024	Audited June 30, 2024
Note	---	---
	--- (Rupees in thousand) ---	

13 Property, plant and equipment

Operating fixed assets	3,055,705	3,081,019
Capital work in progress	2,054,395	2,045,773
Right-of-use assets	93,250	95,635
	<u>5,203,351</u>	<u>5,222,427</u>

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2024

14 Long term advances and deposits

These are in the ordinary course of business and are interest free advances and deposits.

15 Stock-in-trade

	Unaudited December 31, 2024	Audited June 30, 2024
	--- (Rupees in thousand) ---	
Land purchased for resale	674,072	500,312
Work in progress		
- Pace Tower	601,644	651,800
- Pace Circle	147,276	-
- Pace Supermall	354,600	354,600
Shopping mall and apartments:		
- Leasehold land	1,045,529	1,045,529
- Building and construction cost	3,285,362	3,285,362
- Borrowing cost	425,197	425,197
- Direct costs	615,046	611,599
Cost incurred to date	5,371,134	5,367,687
Cost of sales to date	(3,859,521)	(3,859,520)
Completed units - shops	152,677	152,677
	3,441,882	3,167,556
Stores inventory	-	-
	3,441,882	3,167,556

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

		Un-Audited	
		31 December 2024	31 December 2023
		--- (Rupees in thousand) ---	
<i>Note</i>			
16	Minimum tax		
	Minimum Tax	<u>(12,374)</u>	<u>(11,017)</u>
16.1	This represents minimum taxes paid under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.		

17 Taxation

Income Tax

- Current Year

-	-
<u>-</u>	<u>-</u>

The provision for current taxation for the year represents the tax liability under Minimum Tax Regime under Section 113 of Income Tax Ordinance, 2001 (31 December 2023: Minimum Tax Regime under section Section 113 of Income Tax Ordinance, 2001).

18 Loss per share - basic and diluted

The calculation of basic and diluted loss per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

		Un-Audited	
		31 December 2024	31 December 2023
		--- (Rupees in thousand) ---	
Profit/(Loss) for the year		<u>165,161</u>	<u>(21,776)</u>
Weighted average number of ordinary shares outstanding during the year		<u>278,877</u>	<u>278,877</u>

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

	Un-audited 31 December 2024	Un-audited 31 December 2023
	--- (Rupees in thousand) ---	
19 Cash generated/ (used in) from operations		
Loss before tax	177,535	(10,759)
Adjustment for:		
Exchange (gain)/ loss on foreign currency convertible bonds	3,660	(91,830)
Provision for gratuity and leave encashment	2,372	1,367
Impairment loss on trade debts and other receivables	5,699	5,191
Depreciation on owned assets	11,161	11,562
Amortisation on intangible assets	249	251
Changes in fair value of investment property	(2,421)	10,805
Finance costs	97,924	97,603
Mark-up income	(456)	(345)
Other non cash items	(4,650)	(5,529)
Share of profit/ (loss) from associate	-	146,401
(Loss) / Gain before working capital changes	291,073	164,717
<i>Effect on cash flow due to working capital changes:</i>		
(Increase)/ Decrease in stock-in-trade	(274,326)	557,348
(Increase)/ Decrease in trade debts	(434,418)	(278,087)
(Increase)/ Decrease in Contract assets	389,829	356,817
(Increase)/ Decrease in advances, deposits and other receivables	17,250	(13,613)
Increase/ (Decrease) in contract liability	(74,871)	10,452
Increase/ (Decrease) in creditors, accrued and other liabilities	(62,941)	(21,275)
	(439,476)	611,642
	(148,403)	776,359

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

20 Transactions with related parties

The related parties comprise of subsidiary companies, associated company, other related companies, directors of the Company and entities under common directorship and post employment benefit plans. Amounts due from and due to related parties are shown under respective notes to these unconsolidated financial statements. All transactions with related parties have been carried out on mutually agreed terms and conditions. Other significant transactions with related parties except those disclosed elsewhere are as follows:

Name of Company	Relationship	Nature of Transactions	Un-Audited	Un-Audited
			31-Dec 2024	31-Dec 2023
			--- (Rupees in thousand) ---	
Ever Green Water Valley (Private) Limited	Common Directorship	Purchase of goods and services	8,179	4,184
Media Times Limited	Common Directorship	Rental income	2,873	2,534
		Payment Received	16,500	-

21 Financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

21.1 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, and arises principally from the Company's receivables from customers and investments in debt securities. As part of these processes the financial viability of all counterparties are regularly monitored and assessed.

21.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 maintains adequate reserves, by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities. Financial liabilities comprise trade and other payables and due to related parties.

21.3 Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices 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 optimizing the return.

Pace (Pakistan) Limited

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended 31 December 2024

21.4 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to foreign currency risk as at the reporting date.

The Company is exposed to currency risk arising from primarily with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to foreign currency convertible bonds. The Company's exposure to currency risk was as follows:

	Un-Audited 31 December 2024	Audited 30 June 2024
	--- (USD in thousand) ---	
Following is the Company's exposure to currency risk:		
Foreign Currency Convertible Bonds - USD	<u>17,527</u>	<u>17,527</u>

21.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The effective interest / mark-up rates for interest / mark-up bearing financial instruments are mentioned in relevant notes to the financial statements.

21.6 Other price risk

Other price risk is 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 currency risk).

Pace (Pakistan) Limited
Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended 31 December 2024

22 Date of authorization for issue


These consolidated financial statements were authorized for issue on 26-2-2025 by the Board of Directors of the Holding Company.

23 Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.



Chief Executive Officer



Director



Chief Financial Officer