

Quantum Data Technologies Limited

Formerly Chakwal Spinning Mills Limited

HALF YEARLY REPORT
DECEMBER 31, 2025



QUANTUM DATA TECHNOLOGIES LIMITED

Formerly Chakwal Spinning Mills Limited

Registered Office:

7/1E-3, Main Boulevard, Gulberg-III, Lahore, Pakistan

Tel: +92 - 42 - 35757108, 35717510 - 17 Mob: 0335 4555380

Email: qtech474@gmail.com

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Formerly Chakwal Spinning Mills Limited

The Directors of Quantum Data Technologies Limited are pleased to present the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2025.

During the period under review, the Company successfully completed a significant strategic transformation. Following approval by the members in the EOGM held on November 21, 2025, the name of the Company was changed from Chakwal Spinning Mills Limited to Quantum Data Technologies Limited, marking a fundamental shift in the Company's business direction from textile manufacturing to Information Technology and related services.

This transition represents a new strategic vision aimed at long-term sustainability, innovation, and value creation. The management worked diligently over the past one and a half years to obtain the confidence of regulators and secure the necessary approvals required for this transformation.

Subsequent to the approval of shareholders and completion of regulatory formalities, the Company has aligned its operational framework, business model, and infrastructure toward its new IT-focused objectives. Necessary arrangements, including organizational restructuring, strategic partnerships, and technical planning, have been substantially completed.

The Company is now positioned to commence operations in its new line of business and expects to formally launch its IT and related service operations very soon.

Financial Overview

During the half year under review, the Company remained focused on restructuring, regulatory compliance, and business realignment. As a result, financial performance primarily reflects transition-related activities rather than full-scale operational revenue from the new business segment.

Future Outlook

The Directors are optimistic that the Company's entry into the IT sector will open new avenues of growth and innovation. With a focused strategy, prudent financial management, and a committed leadership team, the Company aims to:

- Establish a sustainable presence in the IT and digital services market
- Enhance shareholder value through scalable business models
- Improve liquidity and financial stability
- Gradually settle outstanding obligations with financial institutions through improved cash flows and structured negotiations

The auditors in their report have drawn attention to certain matters. The Board of Directors have adequately replies the observation in its report for the period ended June 30, 2025.

The management firmly believes that this strategic redirection will enable the Company to overcome past challenges and build a new success story for its valued shareholders.

The Board of Directors expresses its sincere gratitude to its shareholders for their continued patience, trust, and confidence during this transformational period. The Directors also acknowledge the support extended by regulators, financial institutions, employees, and other stakeholders who have contributed to the Company's revival efforts.

The Board remains committed to transparency, good governance, and safeguarding the interests of all stakeholders.

For and on behalf of the Board of Directors

Lahore

Khawaja Muhammad Kaleem

Khawaja Muhammad Jahangir

February 27, 2026


Director


Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY
CHAKWAL SPINNING MILLS LIMITED)

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim financial position of Quantum Data Technologies Limited (formerly Chakwal Spinning Mills Limited) (the Company) as at December 31, 2025, and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and condensed notes to the financial statements for the six-month period 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.

Basis for Qualified Conclusion

The Company's annual financial statements for the year ended June 30, 2025, were audited by us and we expressed a qualified opinion due to the following matters which remain unresolved as of December 31, 2025:

- **Provision for Contingent Liabilities:** The Company has not provided for a tax liability of Rs. 4,870,776 demanded by tax authorities.
- **Interest Expense and Loan Balances:** Markup/interest on bank borrowings has not been accrued since June 2019, and loan balances remain unconfirmed by the banks.
- **Non-Recognition of Deferred Taxation:** The Company has not recognized the impact of deferred taxation as required by IAS 12, resulting in a material misstatement of the tax expense.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion section, 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1.2 in the condensed interim financial statements, which states that the Company incurred a loss after tax of Rs. 180.330 million during the period, contributing to accumulated losses of Rs. 1,242.638 million. As of the reporting date, the Company's current liabilities exceed its current assets by Rs. 886.423 million. Furthermore, the Company is addressing recovery suits filed by The Bank of Punjab and Habib Metropolitan Bank Limited.

These circumstances indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors, with the assistance of consultants, have developed a business plan for the revival and diversification of operations into the technology sector. The management has committed to implement these plans to restore the Company's going concern status. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is Saeed Ul Hassan.



SAEED UL HASSAN & Co.
Chartered Accountants



Place: Lahore
Date: February 27, 2025
UDIN: RR202510617PfLpK3ch8

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY CHAKWAL
SPINNING MILLS LIMITED)**
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	December 31, 2025	June 30, 2025
Note	(Un-audited) Rupees	(Audited) Rupees
CAPITAL AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital 140,000,000 (2023: 140,000,000) ordinary shares of Rs. 5 each	700,000,000	700,000,000
Issued, subscribed and paid up share capital	607,881,000	607,881,000
Loan from directors	118,776,547	118,776,547
Accumulated loss	(1,242,638,468)	(1,094,486,824)
Surplus on revaluation of property, plant & equipment	1,562,433,957	1,594,611,920
	1,046,453,036	1,226,782,643
Non Current Liabilities		
Deferred liabilities	-	-
Current Liabilities		
Trade and other payables	398,618,792	282,185,432
Accrued mark- up	67,778,697	67,778,697
Short term borrowings	399,730,133	386,984,419
Current Portion of non current liabilities	37,923,139	37,923,139
Unclaimed dividend	384,347	384,347
Provision for taxation	10,232,349	10,232,194
	914,667,457	785,488,228
Contingencies and Commitments	5	-
	1,961,120,493	2,012,270,871
ASSETS		
Non Current Assets		
Property, plant and equipment	1,901,788,256	1,952,938,636
Long term loans	747,766	747,766
Long term deposits	30,339,744	30,339,744
	1,932,875,766	1,984,026,146
Current Assets		
Stores and spares	-	-
Stock in trade	-	-
Trade debts	-	-
Loans and advances	4,316,292	4,316,292
Tax refunds due from the government	23,880,927	23,880,927
Trade deposits, prepayments and other receivables	-	-
Cash and bank balances	47,508	47,507
	28,244,727	28,244,726
	1,961,120,493	2,012,270,871

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY CHAKWAL
SPINNING MILLS LIMITED)**

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees	Rupees	Rupees	Rupees
Sales	-	-	-	-
Cost of sales	(177,350,721)	(55,943,731)	(149,378,854)	(27,971,864)
Gross Loss	(177,350,721)	(55,943,731)	(149,378,854)	(27,971,864)
Distribution cost	-	-	-	-
Administrative expenses	(2,978,886)	(2,098,214)	(1,129,997)	(249,325)
Operating Loss	(180,329,607)	(58,041,945)	(150,508,851)	(28,221,189)
Finance cost	-	(2,028)	-	-
Other Income	-	1,259,870	(760,115)	499,755
Loss before Taxation	(180,329,607)	(56,784,103)	(151,268,966)	(27,721,434)
Taxation	-	-	-	-
Net loss for the period	(180,329,607)	(56,784,103)	(151,268,966)	(27,721,434)
Loss per Share - Basic & Diluted	(1.48)	(0.47)	(1.24)	(0.23)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY
CHAKWAL SPINNING MILLS LIMITED)**
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees	Rupees	Rupees	Rupees
Net loss for the period	(180,329,607)	(56,784,103)	(151,268,966)	(27,721,434)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(180,329,607)</u>	<u>(56,784,103)</u>	<u>(151,268,966)</u>	<u>(27,721,434)</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY CHAKWAL
SPINNING MILLS LIMITED)**

**CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

	Half Year Ended	
	December 31, 2025	December 31, 2024
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(180,329,607)	(56,784,103)
Adjustments for:		
- Depreciation	51,150,380	56,058,227
- Finance cost	-	2,028
Operating profit before working capital changes	<u>51,150,380</u>	<u>56,060,255</u>
	(129,179,227)	(723,848)
(Increase) / decrease in current assets		
- Loans and advances	-	30,000
- Trade deposits, prepayments and other receivables	-	-
Increase / (decrease) in current liabilities		
- Trade and other payables	116,433,360	1,561,565
Cash generated from operations	<u>116,433,360</u>	<u>1,591,565</u>
	(12,745,867)	867,717
Finance cost paid	-	(2,028)
Net cash generated from operating activities	<u>(12,745,713)</u>	<u>865,843</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term loans	-	-
Net Cash generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	12,745,714	(867,000)
Net Cash used in financing activities	<u>12,745,714</u>	<u>(867,000)</u>
Net increase in cash and cash equivalents	1	(1,157)
Cash and cash equivalents at the beginning of the period	47,507	48,665
	<u>47,508</u>	<u>47,508</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY CHAKWAL SPINNING
MILLS LIMITED)**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

Particulars	Share Capital	Accumulated Loss	Loan from Directors	Surplus on revaluation of property, plant & equipment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2024	607,881,000	(979,422,361)	118,776,547	1,597,274,524	1,344,509,710
Net loss for the period	-	(56,784,103)	-	-	(56,784,103)
Reclassification of Directors' Loan from Short term	-	-	-	-	-
Impact of revaluation					
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	33,362,326	-	(33,362,326)	-
	-	-	-	-	-
Balance as at December 31, 2024	607,881,000	(1,002,844,138)	118,776,547	1,563,912,198	1,287,725,607
Balance as at July 01, 2025	607,881,000	(1,094,486,824)	118,776,547	1,594,611,920	1,226,782,643
Net loss for the period	-	(180,329,607)	-	-	(180,329,607)
Impact of revaluation	-	-	-	-	-
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period - net of deferred tax	-	32,177,963	-	(32,177,963)	-
	-	-	-	-	-
Balance as at December 31, 2025	607,881,000	(1,242,638,468)	118,776,547	1,562,433,957	1,046,453,036

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

**QUANTUM DATA TECHNOLOGIES LIMITED (FORMERLY CHAKWAL
SPINNING MILLS LIMITED)**
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2025**

Note 1

The Company and its Operations

1.1

Quantum Data Technologies Limited (formerly Chakwal Spinning Mills Limited) ("the Company") was incorporated in Pakistan on January 31, 1988, as a Public Limited Company. Its shares are quoted on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 7/1, E-III, Main Boulevard Gulberg III, Lahore.

1.1.1 Change of Name and Business Nature

Consequent to the approval of the Securities and Exchange Commission of Pakistan (SECP), the Company's name was changed from Chakwal Spinning Mills Limited to Quantum Data Technologies Limited. Simultaneously, the Company has diversified its principal line of business from textile spinning to the technology sector, focusing on IT-led services and digital infrastructure.

1.2

During the period the Company has incurred loss after tax of Rs. 180.330 million (2024: Rs. 56.782 million) and at period end, its accumulated losses stood at Rs. 1242.638 million (2024: Rs. 1094.487 million). Its current liabilities exceed its current assets by Rs. 886.423 million (2024: Rs. 757.244 million). The Company in order to carry on its business and to meet its current obligation requires generating sufficient cash flows. Further, the banking companies also filed suit against the Company for recovery of outstanding balances and related interest accrued thereon. Accordingly there is a material uncertainty relating to the Company's operation that may cast sufficient doubt on the discharge of its liabilities in the normal course of business. Continuation of the Company as a going concern is dependent on improved cash flows. For this purpose the management of the Company has drawn up plans which include:-

The directors of the Company are fully committed to injecting fresh capital into the business to stabilize our financial position. This capital infusion underscores directors' confidence in the Company's long-term prospects and their unwavering commitment to creating value for our stakeholders. The additional capital will provide us with the necessary resources to navigate through current challenges and capitalize on future opportunities.

The Company has signed a Memorandum of Understanding (MOU) with renowned IT Company having its presence over the globe. This strategic partnership involves a significant investment from the said Company, which will inject much-needed funds into our organization. The infusion of capital will not only bolster our financial health but also enhance liquidity and support our growth initiatives.

In line with our commitment to operational excellence and efficiency, the Company has entered into an agreement to purchase new plant and machinery. This strategic investment is aimed at revamping our production facilities, enhancing productivity, and ensuring that we remain competitive in the market. The modernization of our infrastructure underscores our dedication to innovation and quality excellence.

The management is actively engaged in negotiations with our banking partners to restructure our outstanding liabilities. Our objective is to normalize our banking relationships, alleviate financial pressure, and establish a sustainable repayment framework. The restructuring efforts demonstrate our proactive approach to addressing financial challenges and strengthening our financial footing.

The management has initiated a thorough review of our operational expenses and processes to identify opportunities for cost optimization and efficiency improvement. By streamlining our operations and eliminating unnecessary expenditures, we aim to enhance our profitability and preserve financial resources.

The management believes that with the improvement in current political scenario, our economy will also ameliorate, which will ultimately assist the local industry to cope with on-going financial crisis and to achieve economic stability in long run.

In view of the above, these financial statements have been prepared on going concern assumption.

Note 2
Basis of Preparation

2.1 Statement of compliance

These condensed interim financial information 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 Standard (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.
- The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2025.
- This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3
Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2025.

Note 4
Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2025.

Note 5
Contingencies and Commitments

There is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2025, except that the Company is in negotiation with the banks to reschedule its short term loans for a period of five years along with two years grace period. The Company has already accounted for the mark-up of Habib Metropolitan Bank Limited and Bank of Punjab up to 2017 & 2018 respectively, whereas mark-up for remaining periods can not be determined yet, it will be accounted for at the time of rescheduling/restructuring of loan accordingly.

Note 6

Property, Plant and Equipment

	Half year Ended Dec 31, 2025	Year Ended June 30, 2025
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	1,901,788,256	1,952,938,636
Opening written down value	2,065,055,398	672,820,222
Addition during the period / year (at cost)	-	-
Revaluation adjustment	-	1,515,179,832
Disposal during the period / year (written down value)	-	-
	2,065,055,398	2,188,000,054
Depreciation charge for the period / year	(51,150,380)	(122,944,656)
Closing written down value	2,013,905,018	2,065,055,398

Note 7

Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended	
	Dec 31, 2025	June 30, 2025
	(Un-audited) Rs. In '000'	(Un-audited) Rs. In '000'
Significant transaction with related parties are as follows:		
- Loan repaid to directors - net	12,746	(1,908)

Note 8

Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2025.

Note 9

General

- 10.1 This interim financial information is authorized for issue on February 27, 2025 by the Board of Directors of the Company.
- 10.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. Following rearrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount (Rupees)
Gratuity payable	Current portion of	Trade and other payables	(6,497,903)
Advance from customer	non current	Trade and other payables	28,993,671
Lease liability	liabilities	Short term borrowings	2,431,565


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER