Half Year Report

For the period ended June 30, 2026 (Un-Audited)

Sustaining Progress, Strengthening Our Legacy

Al-Ghazi Tractors Limited

About the Cover

In a year defined by challenge and change, Pakistan's most prolific tractor manufacturer moved forward with purpose. Al-Ghazi Tractors Limited stands at the heart of the nation's agricultural strength, powering fields, empowering farmers, and engineering solutions that drive rural prosperity.

With a legacy built on resilience and innovation, we continued to deliver performance, reliability, and value to thousands across the country. Every machine reflects precision engineering. Every milestone reflects trust earned over decades. Every partnership reflects our belief in Pakistan's potential.

From advanced manufacturing practices to an unwavering focus on customer satisfaction, 2025 was a year of disciplined growth and operational excellence. We strengthened our foundations, expanded our reach, and reinforced our commitment to sustainable progress.

As Pakistan cultivates its future, we remain proud to power its backbone of agriculture.

Because progress is not accidental. It is designed, built, and driven.

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Company Information

BOARD OF DIRECTORS

Mr. Antoine Barthes
Chairman, Non-Executive Director

Mr. Dmitrii Bogatyrev
Non-Executive Director

Mr. Neil Muncer
Non-Executive Director

Mr. Vincent Delassagne
Non-Executive Director

Mr. Matthieu Séjourné
Non-Executive Director

Mr. Umberto Bucci
Non-Executive Director

Mr. Shahid Toor
Independent Non-Executive Director

Mr. Mirza Malik
Independent Non-Executive Director

Ms. Samiha Zahid
Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Mr. Yasin Seker

CHIEF FINANCIAL OFFICER

Mr. Javed Iqbal

COMPANY SECRETARY

Mr. Mansoor Khan

HEAD OF INTERNAL AUDIT

Mr. Muneeb Ahmed Khan

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

AUDIT COMMITTEE

Mr. Malik Mirza
Committee Chairman

Mr. Umberto Bucci
Member

Mr. Neil Muncer
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Samiha Zahid
Committee Chairperson

Mr. Umberto Bucci
Member

Mr. Neil Muncer
Member

Mr. Yasin Seker
Member

TECHNICAL EXECUTIVE COMMITTEE

Mr. Shahid Toor
Committee Chairman

Mr. Antoine Barthes
Member

Mr. Matthieu Séjourné
Member

Mr. Vincent Delassagne
Member

Mr. Neil Muncer
Member

Mr. Dmitrii Bogatyrev
Member

Mr. Marco Gerbi
Member

TAX ADVISORS

EY Ford Rhodes
Chartered Accountants

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS

Orr, Dignam & Co.
Advocates
Engagement Partner: Mr. Shahzaib Siddiqui

SHARE REGISTRAR

FAMCO Shares Registration Services (Pvt) Limited
8-F, Adjacent to Hotel Faran,
Block 6, P.E.C.H.S., Near Nursery,
Shahrah-e-Faisal, Karachi.
Tel: (92 21) 34380101-5
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REGISTERED OFFICE

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Tel: (92 42) 37306821-28
Email: AGTL.shareholders@alghazitractors.com
www.alghazitractors.com

CORPORATE OFFICE

Askari Corporate Tower
9th Floor, 75/76 D-1, Main Boulevard,
Gulberg–III, Lahore

Plant
Sakhi Sarwar Road,
P.O. Box 38,
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Tel: (92 64) 2463750, 2463812, 2020750-51

Marketing Centres
Dera Ghazi Khan
Lahore
Multan
Islamabad
Sukkur
Karachi

Directors' Report

The Directors are pleased to present the condensed interim financial information of Al-Ghazi Tractors Limited ("the Company") for the half-year ended June 30, 2026.

ECONOMIC ENVIRONMENT

During the period under review, Pakistan's macroeconomic environment transitioned from relative stability to renewed inflationary pressures, primarily driven by the impact of regional geopolitical conflicts on global oil prices. As inflation increased to 11.1% year-on-year in June 2026, the policy rate was raised by 100 basis points to 11.5%, reversing the accommodative monetary stance maintained since December 2025.

The agriculture sector sustained its recovery, registering growth of 2.89% in FY2025–26 compared with 1.53% in FY2024–25, supported by stronger crop output, resilient livestock performance, and continued availability of agricultural inputs.

During the period, government-subsidized Green Tractor Schemes for both high horsepower and medium horsepower tractors concluded. The Company secured bookings for 3,581 high horsepower tractors and 2,030 medium horsepower tractors under these schemes, providing support to order intake and market demand.

FINANCIAL REVIEW

The Company recorded higher sales and revenue compared to the corresponding period last year, driven by improved demand in the tractor industry. During the period under review, the Company produced 5,719 tractors and sold 5,367 units, compared to 3,377 tractors produced and 3,322 units sold in the corresponding period last year.

Operating revenue for the half-year ended June 30, 2026, was recorded at Rs. 13,940 million, an increase from Rs. 7,726 million in the corresponding period last year. Cost of sales increased to Rs. 10,211 million from Rs. 6,374 million. Consequently, gross profit increased to Rs. 3,728 million, compared with Rs. 1,351 million in the same period last year.

Distribution expenses for the period amounted to Rs. 311 million, while administrative expenses stood at Rs. 1,000 million, compared to Rs. 269 million and Rs. 958 million, respectively, in the corresponding period of the previous year.

As a result, the Company recorded a net profit after tax of Rs. 1,448 million for the period under review, compared to a loss after tax of Rs. 75 million in the same period last year. Earnings per share for the half-year ended June 30, 2026, was Rs. 24.99, as compared to a loss per share of Rs. 1.30 in the corresponding period of the previous year.

The Company's annexed financial statements have been recommended by the Audit Committee of the Board and are authorized by the Board for placement on the Company's website.

FUTURE OUTLOOK

The Company remains cautiously optimistic about a gradual recovery in industry demand, supported by the anticipated launch of the next phase of the Government of Punjab's Green Tractor Scheme, which is expected to stimulate demand and support sales.

Although inflation and the policy rate increased during the period under review, reflecting the impact of global oil price volatility arising from ongoing regional geopolitical tensions, the subsequent easing in international crude oil prices is expected to gradually moderate cost pressures. Sales channels also continue to be diversified through strategic banking partnerships, corporate sales, and export market development to mitigate subdued domestic demand.

Notwithstanding the evolving business environment, risks remain from the ongoing monsoon season and potential flooding, particularly in Punjab and Sindh, the Company's key markets, which could adversely affect agricultural activity, farmer liquidity, and supply chain continuity. The Company remains well positioned to manage these risks through operational discipline, prudent execution, and sustained focus on serving customers and creating long-term stakeholder value.

CHANGE IN BOARD OF DIRECTORS

The Board appointed Mr. Antoine Barthes and Mr. Neil Muncer as Directors effective July 10, 2026 to fill the casual vacancies in place of Mr. Robert McAllister and Mr. Paul Wagstaff.

ACKNOWLEDGMENTS

The Board extends its sincere appreciation to the Company's shareholders and all other stakeholders for their continued confidence and support. It is particularly grateful to its valued customers, vendors, suppliers, and business partners, whose continued collaboration has been instrumental to the Company's operations throughout the period. The Board also acknowledges the dedication, resilience, and professionalism of the Company's employees, whose commitment and hard work have been fundamental to the Company's performance.

On behalf of the Board of Directors,

Antoine Barthes
Chairman of the Board

Yasin Seker
Chief Executive Officer

Date: August 21, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Al-Ghazi Tractors Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Ghazi Tractors Limited as at June 30, 2026 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237(1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes thereto for the quarter ended June 30, 2026 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 25, 2026

UDIN: RR202610059IYrSUcDaB

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Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,352,241	2,216,671
Intangible assets		522,395	555,847
Deferred tax asset	6	195,907	188,344
Long-term loans		8,796	11,094
Long-term deposits		12,408	12,565
		3,091,747	2,984,521
CURRENT ASSETS			
Inventories		6,745,923	5,903,075
Trade receivables		587,566	2,756,582
Loans and advances		467,532	466,239
Trade deposits and short-term prepayments	7	61,030	87,463
Interest accrued		22,748	10,882
Other receivables		11,835	30,864
Taxation - payments less provision		52,742	-
Refunds due from Government		5,137,949	5,205,832
Cash and bank balances	8	4,259,397	1,448,824
		17,346,722	15,909,761
TOTAL ASSETS		20,438,469	18,894,282
SHARE CAPITAL AND RESERVES			
Share capital		289,821	289,821
Unappropriated profit		11,693,194	10,244,917
		11,983,015	10,534,738
NON-CURRENT LIABILITIES			
Deferred staff benefits - compensated absences		192,229	170,992
Lease liability		-	11,697
Employee benefit obligations		114,353	83,942
		306,582	266,631
CURRENT LIABILITIES			
Trade and other payables	9	4,667,761	4,895,563
Provision for warranty sevices		64,068	73,080
Customers' advances		919,237	550,376
Taxation - provision less payments		-	78,520
Unclaimed dividend		58,413	58,737
Unpaid dividend	10	2,416,858	2,416,858
Current portion of lease liability		22,535	19,779
		8,148,872	8,092,913
TOTAL LIABILITIES		8,455,454	8,359,544
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		20,438,469	18,894,282

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Director | Chief Executive Officer | Chief Financial Officer

Condensed Interim Statement of Profit or Loss

For the quarter and half year ended June 30, 2026 (Un-Audited)

	Note	Quarter ended		Half year ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		(Rupees in thousand)			
Revenue from contracts with customers	12	6,912,356	4,090,723	13,940,095	7,726,688
Cost of sales	13	(5,087,942)	(3,519,237)	(10,211,107)	(6,374,695)
Gross profit		1,824,414	571,486	3,728,988	1,351,993
Distribution expenses		(124,617)	(135,633)	(311,243)	(269,544)
Administrative expenses		(459,115)	(436,750)	(1,000,756)	(958,475)
Charge for expected credit loss		(62,048)	-	(81,177)	(160,823)
Operating profit / (loss)		1,178,634	(897)	2,335,812	(36,849)
Other income	14	134,855	43,545	210,836	79,728
Other expenses		(75,666)	(11,248)	(182,736)	(17,586)
Finance costs		(273)	(110,399)	(8,016)	(162,515)
Profit / (loss) before income tax		1,237,550	(78,999)	2,355,896	(137,222)
Taxation	15	(467,049)	106,088	(907,619)	62,069
Profit / (loss) after taxation		770,501	27,089	1,448,277	(75,153)
Basic and diluted earnings / (loss) per share - Rupees	16	13.29	0.47	24.99	(1.30)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Director   Chief Executive Officer   Chief Financial Officer

Condensed Interim Statement of Comprehensive Income

For the quarter and half year ended June 30, 2026 (Un-Audited)

	Quarter ended		Half year ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(Rupees in thousand)			
Profit / (loss) after taxation	770,501	27,089	1,448,277	(75,153)
Other comprehensive income:				
Items that will not be subsequently reclassified in profit or loss	-	-	-	-
Total comprehensive income / (loss) for the period	770,501	27,089	1,448,277	(75,153)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Director   Chief Executive Officer   Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the half year ended June 30, 2026 (Un-Audited)

	Share capital	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Total
	(Rupees in thousand)			
Balance as at January 1, 2026	289,821	-	10,244,917	10,534,738
Profit after tax for the half year ended June 30, 2026	-	-	1,448,277	1,448,277
Other comprehensive income for the half year ended June 30, 2026	-	-	-	-
	-	-	1,448,277	1,448,277
Balance as at June 30, 2026	289,821	-	11,693,194	11,983,015
Balance as at January 1, 2025	289,821	-	8,907,092	9,196,913
Loss after tax for the half year ended June 30, 2025	-	-	(75,153)	(75,153)
Other comprehensive income for the half year ended June 30, 2025	-	-	-	-
	-	-	(75,153)	(75,153)
Balance as at June 30, 2025	289,821	-	8,831,939	9,121,760

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Director Chief Executive Officer Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the half year ended June 30, 2026 (Un-Audited)

	Note	Six months period ended June 30, 2026	Six months period ended June 30, 2025
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	17	4,118,628	(843,566)
Income tax and levy paid		(1,046,444)	(580,887)
Finance cost paid		(33,940)	(218,925)
Decrease / (increase) in long-term deposits		157	(1,243)
Deferred staff benefits - compensated absences paid		(12,175)	(18,316)
Employee benefit obligations paid		(92)	-
Decrease in long-term loans		2,298	184
Net cash inflow / (outflow) from operating activities		3,028,432	(1,662,753)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(334,735)	(184,139)
Additions to intangible assets		(247)	(44,227)
Proceeds from disposal of property, plant and equipment		25,783	18,054
Return on bank deposits received		102,803	9,521
Net cash outflow from investing activities		(206,396)	(200,791)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(324)	(2,167)
Short term borrowings obtained		-	1,064,614
Lease rentals paid		(11,139)	(10,126)
Net cash (outflow) / inflow from financing activities		(11,463)	1,052,321
Net increase / (decrease) in cash and cash equivalents		2,810,573	(811,223)
Cash and cash equivalents at beginning of the period		1,448,824	976,090
Cash and cash equivalents at end of the period	18	4,259,397	164,867

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Director Chief Executive Officer Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended June 30, 2026 (Un-Audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 Al-Ghazi Tractors Limited (The Company) was incorporated in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a public limited company in June, 1983 and is quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacture and sale of agricultural tractors, implements and spare parts.

The Company is a subsidiary of Al-Futtaim Industries Company LLC, U.A.E and its ultimate parent is Al-Futtaim Holding Limited, U.A.E.

These condensed interim financial statements are presented in Pak Rupee which is the Company's functional and presentation currency and all amounts have been rounded off to nearest thousands unless otherwise indicated.

1.2 The geographical locations and addresses of the Company's business units, including plant are as under:

- The registered office of the Company is situated at 10 KM Sheikhupura Road Lahore
- Corporate offices are situated at:
  - Askari Corporate Tower, Plot No. 75D, 76D LDA Scheme Gulberg III, District Lahore
  - Tractor House, 102-B, 16th East Street, DHA Phase I, Off. Korangi Road, Karachi
- The assembling plant of the Company is situated at Sakhi Sarwar Road, P.O. Box 38, Dera Ghazi Khan
- The marketing centres of the Company are situated at:
  - 10 KM, Sheikhupura Road, Lahore
  - Office No. B-406, 4th Floor, Fortune Tower, Plot No. 43/1-A, Block No. 6 Razi Road, P.E.C.H.S, Karachi
  - Plot No. 20, Industrial Estate, Near Mill No. 4, Multan
  - Plaza No. 4, 2nd Floor, Sector A, Jinnah Boulevard (East), DHA Phase II, Islamabad
  - House No. B-166, Sukkur Society, 100 FT Road, Opposite JS bank, Sukkur

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements for the year ended December 31, 2025.

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended June 30, 2026 (Un-Audited)

2.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 01, 2026. However, these do not have any material impact on the Company's financial reporting and, therefore, have not been presented in these financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

The following standards or amendments are effective for the accounting periods beginning on or after January 01, 2027 and have not been early adopted by the Company:

(i) IFRS 18 Presentation and Disclosure in Financial Statements (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced are as follows:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company's management at present is in the process of assessing the full impacts of this new standard and is expecting to complete the assessment in due course.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 01, 2026. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2025.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to annual audited financial statements for the year ended December 31, 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2025.

	Note	(Un-audited) June 30, 2026	(Audited) June 30, 2025
		(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	2,170,926	1,762,846
Capital work-in-progress	5.2	181,315	453,825
		2,352,241	2,216,671

5.1 Additions to and disposals from property, plant and equipment during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(Rupees in thousand)			
Building	17,350	-	-	-
Plant and machinery	92,317	12,865	-	-
Furnitures and fixtures	3,477	8,587	-	-
Office equipment	-	1,110	-	-
Computer hardware	20,026	40,878	25 *	-
Vehicles	5,880	19,731	173 *	5,145 *
Factory equipments and tools	28,514	9,203	-	-
	167,564	92,374	198	5,145

* Includes assets disposed off having Nil net book value.

5.2 Additions to capital work in progress and intangibles are Rs. 167.17 million (December 31, 2025: Rs. 593.55 million) and Rs. 0.25 million (December 31, 2025: Nil) respectively.

6. DEFERRED TAX ASSET

6.1 Deferred tax asset comprises (deductible) / taxable temporary differences in respect of the following:

	2026			2025		
	Balance as at January 01	Recognized in profit or loss (Note 15)	Balance as at June 30	Balance as at January 01	Recognized in profit or loss	Balance as at December 31
	Rupees in thousand					
(Taxable) / deductible temporary differences						
- accelerated tax depreciation allowances	(173,379)	6,456	(166,923)	(185,750)	12,371	(173,379)
- deferred staff benefits						
- compensated absences	66,687	4,438	71,125	39,800	26,887	66,687
- provision for slow moving inventories	74,101	(4,366)	69,735	56,153	17,948	74,101
- provision for doubtful receivables	91,851	25,325	117,176	53,830	38,021	91,851
- provision for sales tax	24,950	(1,279)	23,671	24,950	-	24,950
- provision others	11,625	(11,625)	-	1,965	9,660	11,625
- provision for warranty	28,501	(4,796)	23,705	18,268	10,233	28,501
- provision for special excise duty	51,732	(2,652)	49,080	51,732	-	51,732
- lease liabilities	12,276	(3,938)	8,338	18,103	(5,827)	12,276
	188,344	7,563	195,907	79,051	109,293	188,344

6.2 Under the Finance Act, 2019, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2026, companies operating in certain sectors, including automobile, having income above Rs. 500 million are liable to pay super tax at 8% for tax year 2026 and onwards. Accordingly, deferred tax assets and liabilities have been recognized using the expected applicable rate of 37%. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets of the Company.

6.3 Deferred tax asset has been recognised in full as per future financial projections of the Company.

	(Un-audited) June 30, 2026	(Audited) December 31, 2025
	(Rupees in thousand)	
7. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Prepayments	34,588	64,583
Other deposits	26,442	22,880
	61,030	87,463

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
8. CASH AND BANK BALANCES			
With banks in			
Conventional			
- Current accounts		366,405	192,468
- Savings and deposit accounts	8.1	1,491,492	123,509
Islamic			
- Current accounts		101,797	94,316
- Savings and deposit accounts	8.1	2,299,189	1,038,254
Cash in hand		514	277
		4,259,397	1,448,824

8.1 These carry mark-up ranging from 4.50% to 11.50% per annum (2025: 2.54% to 13.50% per annum).

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
9. TRADE AND OTHER PAYABLES			
Creditors	9.1	370,418	903,894
Bills payable to foreign suppliers		799,275	393,793
Payable to associated company			
- Al Futtaim Logistics		-	165,004
- Al Futtaim Automotive		189,273	129,591
- Al Futtaim Private Company LLC EIT		211,794	187,671
Accrued liabilities		2,458,909	2,263,652
Accrued mark up		19	33,844
Deposits		84,801	77,273
Taxes deducted at source		103,660	126,943
Workers' Welfare Fund		107,433	55,145
Workers' Profit Participation Fund		126,505	46,028
Royalty payable to CNH Industrial N.V. - associated company		183,221	478,860
Others		32,453	33,865
		4,667,761	4,895,563

9.1 This include amount payable to a related party, CNH Industrial N.V., amounting to Rs. 10.90 million (December 31, 2025: Rs. 11.04 million) against purchases made in 2019 and 2021.

Notes to and Forming Part of the Condensed Interim Financial Statements
For the half year ended June 30, 2026 (Un-Audited)

10. UNPAID DIVIDEND

This represents dividend payable to Al-Futtaim Industries Company LLC (Parent Company) and CNH Industrial N.V. The Company has submitted duly certified application for remittance to authorized dealer for onward approval of regulator which is still awaited.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingency

11.1.1 In 2021, the Competition Commission of Pakistan ("CCP") initiated proceedings against the Company under Sections 3 and 4 of the Competition Act, 2010, issuing an Enquiry Report and multiple Show Cause Notices. The Company challenged these proceedings before the Islamabad High Court through Petition No. 3376 of 2021. On September 23, 2021, the Court granted interim relief restraining CCP from passing any adverse order against the Company during the pendency of the petition. Subsequently, by Order dated October 25, 2021, the Court clarified that it is implicit in the injunction that no final order shall be passed until the matter is decided. The petition was heard afresh and reserved for orders by the Islamabad High Court. Consequently, no financial impact can be determined or quantified at this stage. Based on the relevant facts, the management believes that there are no grounds which could result in any adverse order against it.

11.1.2 The Competition Commission of Pakistan (CCP) has passed an Order dated January 09, 2025 against the Company, imposing a penalty of Rs. 40 million allegedly for disseminating false and misleading information to the consumers related to the characteristics of their products and misleading comparison of goods in the process of advertising under section 10 (1) and (2) of the Competition Act, 2010 which restricts false advertising and deceptive marketing practices. In addition to the penalty mentioned above, the Company is also liable to pay Rs. 100,000 per day if the amount of penalty is not deposited by the Company within 30 days of the said Order.

The Company appealed against the Order before the Competition Appellate Tribunal, which, after hearing preliminary arguments, suspended the order on June 24, 2025 subject to furnishing of guarantee amounting to Rs. 10 million. Subsequently, the Competition Appellate Tribunal, vide order dated November 5, 2025, set aside the impugned order and remanded the matter to the CCP to be proceeded with afresh from the stage of issuance of the show cause notice, with directions to issue notice to the Agricultural Mechanization Research Institute of Punjab ("AMRI"), on the basis of whose report the Company had made the efficiency-related claims in the advertisement. The Tribunal further directed the CCP to refund the security amount of Rs. 10 million deposited by the Company. Based on the relevant facts, the management believes that there are no grounds which could result in any adverse order against the Company.

11.2 Commitments

11.2.1 Commitments for property, plant and equipment outstanding as at June 30, 2026, amounted to Rs. 400.88 million (December 31, 2025: Rs. 40.17 million).

11.2.2 The facilities for opening of letters of credit and for guarantees as at June 30, 2026 amounts to Rs. 5,550 million (December 31, 2025: Rs. 5,550 million) out of which the amount unutilized was Rs. 2,215.94 million (December 31, 2025: Rs. 4,915.39 million).

11.2.3 The facilities for running musharakah and running finance available from banks as at June 30, 2026 amounted to Rs. 3,500 million (December 31, 2025: Rs. 3,500 million) and Rs. 2,000 million (December 31, 2025: Rs. 2,000 million) out of which the amount unavailed at the period end was Rs. 3,500 million (December 31, 2025: Rs. 3,500 million) and Rs. 2,000 million (December 31, 2025: Rs. 2,000 million).

The above arrangements are secured by 1st Pari-Passu charge against hypothecation of Company's present and future current assets amounting to Rs. 7,335 million (December 31, 2025: Rs. 9,336 million).

	(Un-audited) Half year ended	
	June 30, 2026	June 30, 2025
	(Rupees in thousand)	
12. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Tractors	16,395,374	8,916,674
Trading goods and others	261,650	174,584
	16,657,024	9,091,258
Less: Commission and discounts	(685,662)	(274,911)
Sales tax	(2,031,267)	(1,089,659)
	13,940,095	7,726,688
13. COST OF SALES		
Cost of goods manufactured	10,653,158	6,378,574
Opening stock of finished goods	1,344,637	535,641
Closing stock of finished goods	(1,949,206)	(642,100)
Cost of manufactured goods sold	10,048,589	6,272,115
Cost of trading goods and others sold	162,518	102,580
	10,211,107	6,374,695
14. OTHER INCOME		
Income from financial assets:		
Return on savings and deposit accounts	114,669	9,267
Income from assets other than financial assets:		
Profit on disposal of property, plant and equipment	25,585	12,909
Sale of scrap materials	33,246	36,352
Surcharge on delayed payments	37,336	21,200
	210,836	79,728
15. TAXATION		
Current	915,182	100,023
Deferred	(7,563)	(162,092)
	907,619	(62,069)

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For the half year ended June 30, 2026 (Un-Audited)

	(Un-audited) Half year ended	
	June 30, 2026	June 30, 2025
16. EARNINGS PER SHARE		
Profit / (loss) after taxation attributable to ordinary shareholders	1,448,277	(75,153)
Weighted average number of shares in issue during the period	57,964	57,964
Basic and diluted earnings / (loss) per share - Rupees	24.99	(1.30)

There were no convertible dilutive potential ordinary shares in issue as at June 30, 2026 and 2025.

	(Un-audited) Half year ended	
	June 30, 2026	June 30, 2025
17. CASH GENERATED FROM OPERATIONS		
Profit / (loss) before income tax and levy	2,355,896	(137,222)
Add / (less): Adjustments for non-cash charges and other items		
Depreciation and amortisation	232,666	272,140
Gain on disposal of property, plant and equipment	(25,585)	(12,909)
Return on bank deposits	(114,669)	(9,267)
Interest on lease liability	2,198	3,452
Mark up on running finance	115	157,514
(Reversal) / Provision for slow moving and obsolete inventories	(1,529)	6,251
Provision for gratuity	30,503	33,701
Provision for deferred staff benefit - compensated absences	33,412	48,800
Provision against doubtful receivables	81,177	160,823
	2,594,184	523,283
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets		
Inventories	(841,319)	118,641
Trade receivables	2,087,839	1,085,897
Loans and advances	(1,293)	31,035
Trade deposits and short-term prepayments	26,433	26,802
Other receivables	19,029	(42,418)
Refunds due from Government	67,883	(290,859)
	1,358,572	929,098
(Decrease) / increase in current liabilities		
Trade and other payables	(202,989)	(1,854,056)
Customers' advances	368,861	(441,891)
	1,524,444	(1,366,849)
Cash generated / (used in) from operations	4,118,628	(843,566)

	(Un-audited) June 30, 2026	(Audited) June 30, 2025
	(Rupees in thousand)	
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,259,397	389,623
Short term running finance	-	(224,756)
	4,259,397	164,867

19. TRANSACTIONS WITH RELATED PARTIES

Significant transactions between the Company and the related parties during the period are as follows:

Relationship	Nature of transactions	(Un-audited) Half year ended June 30, 2026	June 30, 2025
i. Associate Company			
CNH Industrial N.V.	Royalty charge	121,614	63,954
	Royalty paid	360,161	209,843
AL Futtaim Automotive	Services rendered	60,590	-
AL Futtaim Logistics Company (LLC)	Payment against services	165,815	-
AL Futtaim Private Company LLC EIT	Services rendered	25,586	-
ii. Other related parties			
Al-Ghazi Tractors Limited Staff Provident Fund	Contribution paid	45,933	43,997
Key management personnel*	Salaries and other employee benefits**	106,068	91,707
	Retirement benefits	10,905	9,369

* Key management personnel includes CEO, CFO and all Head of the Departments.

** This includes an advance against salary amounting to Rs. 2.5 million provided to the Chief Financial Officer (CFO) which was fully settled during the reporting period.

Notes to and Forming Part of the Condensed Interim Financial Statements
For the half year ended June 30, 2026 (Un-Audited)

	Note	(Un-audited) June 30, 2026	(Audited) December 31, 2025
		(Rupees in thousand)	
20. SHARIAH COMPLIANCE STATUS DISCLOSURE			
Statement of financial position - Liability side			
1. Financing obtained as per Islamic mode		-	-
2. Accrued mark-up on islamic loan	9	-	25,885
3. Accrued mark-up on conventional loan	9	19	7,959
Statement of financial position - Asset side			
4. Long-term and short-term Shariah compliant Investments		-	-
5. Bank balances that are Shariah compliant	8	2,400,986	1,132,570
6. Interest Accrued - Islamic		9,177	10,882
7. Interest Accrued - Conventional		13,571	-

	Note	(Un-audited) June 30, 2026	(Un-audited) June 30, 2025
		(Rupees in thousand)	
Statement of profit or loss			
8. Revenue earned from Shariah compliant business segment	12	13,940,095	7,726,688
9. Profit earned from Shariah-compliant bank deposits, bank balances	14	90,517	388
10. Exchange loss on actual currency		8,077	7,264
11. Break-up of late payments or liquidated damages		-	-
12. Gain on disposal of Shariah compliant investments		-	-
13. Dividend on Shariah compliant investments		-	-
14. Exchange gains earned using conventional derivative financial instruments		-	-
15. Profit paid on Islamic mode of financing		25,950	182,853
16. Total interest earned on any conventional loan or advance		-	-
Break-up of Other income excluding TDRs			
(i) Shariah compliant income			
Scrap sales	14	33,246	36,352
Gain on disposal of items of property, plant and equipment	14	25,585	12,909
(ii) Shariah non-compliant income			
Profit on saving account	14	24,152	8,879
Surcharge on delayed payments	14	37,336	21,200

Notes to and Forming Part of the Condensed Interim Financial Statements

For the half year ended June 30, 2026 (Un-Audited)

20.1 Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Meezan Bank Limited for letter of credit and running musharakah amounting to Rs. 1,000 million (December 31, 2025: Rs. 1,000 million) and Rs. 2,000 million (December 31, 2025: Rs. 2,000 million) respectively.

The Company has facilities with Faysal Bank Limited for running musharakah, letter of credit and letter of guarantee amounting to Rs. 1,500 million (December 31, 2025: Rs. 1,500 million), Rs. 1,000 million (December 31, 2025: Rs. 1,000 million) and Rs. 150 million (December 31, 2025: Rs. 150 million) respectively.

Takaful operators

The Company has facilities with Jubilee Life Insurance Company Limited for health insurance and EFU General Insurance Limited for inventory and property, plant and equipment insurance.

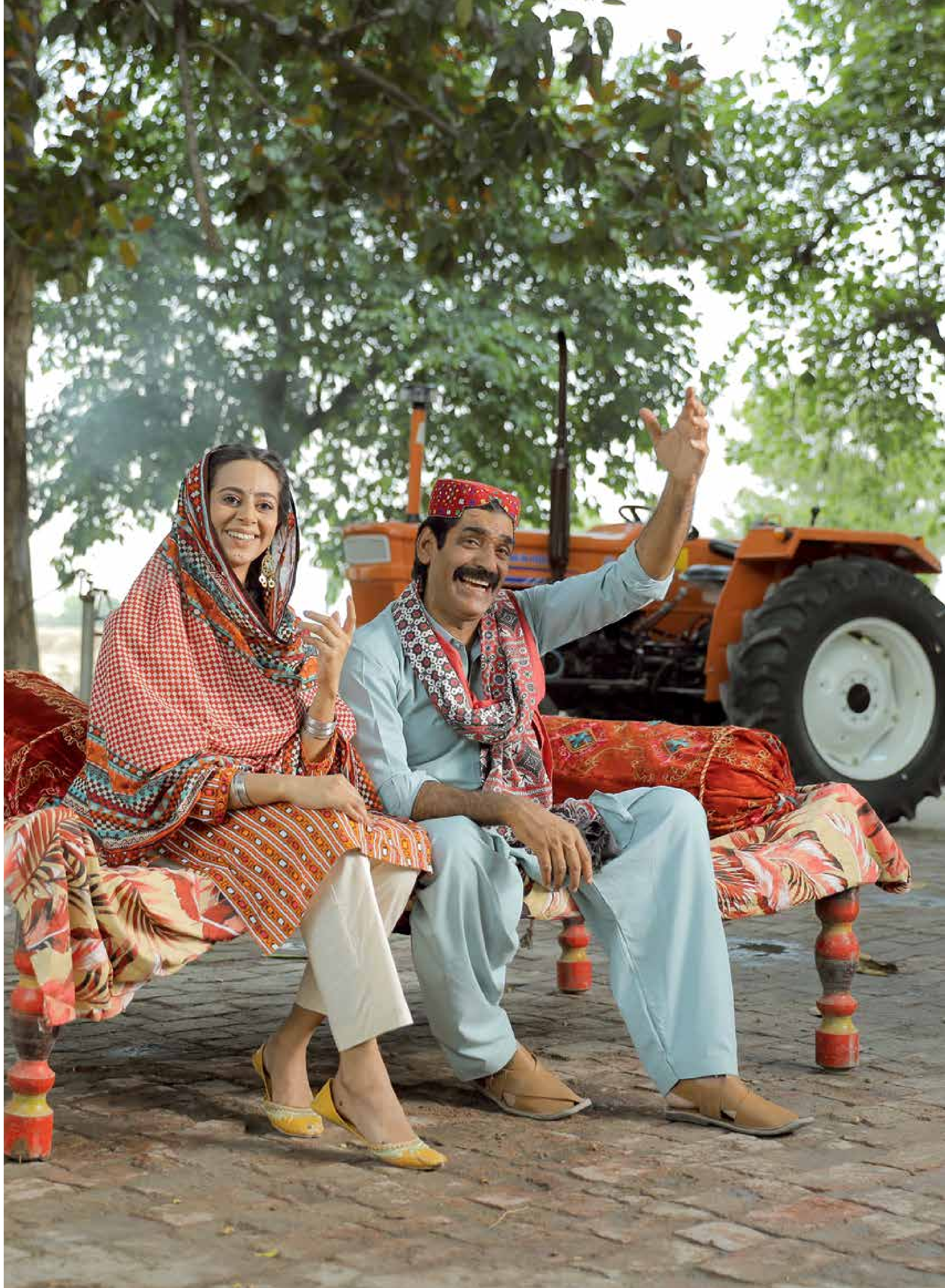
21. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purpose of comparison and better presentation the effect of which is immaterial to the financial statements.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 21, 2026 by the Board of Directors.

Director	Chief Executive Officer	Chief Financial Officer



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