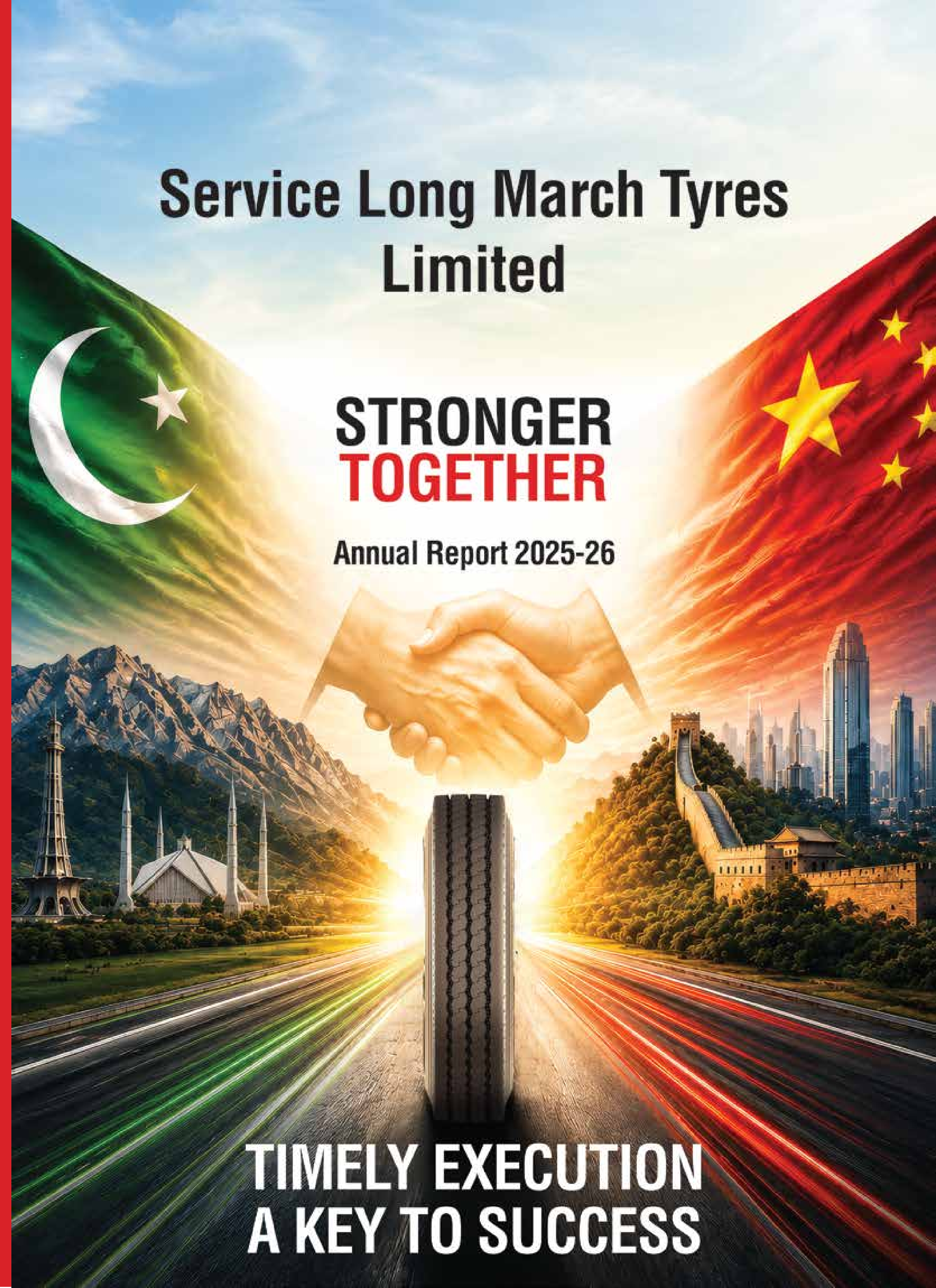
Service Long March Tyres Limited

STRONGER TOGETHER

Annual Report 2025-26



TIMELY EXECUTION
A KEY TO SUCCESS

SLM
TIRES

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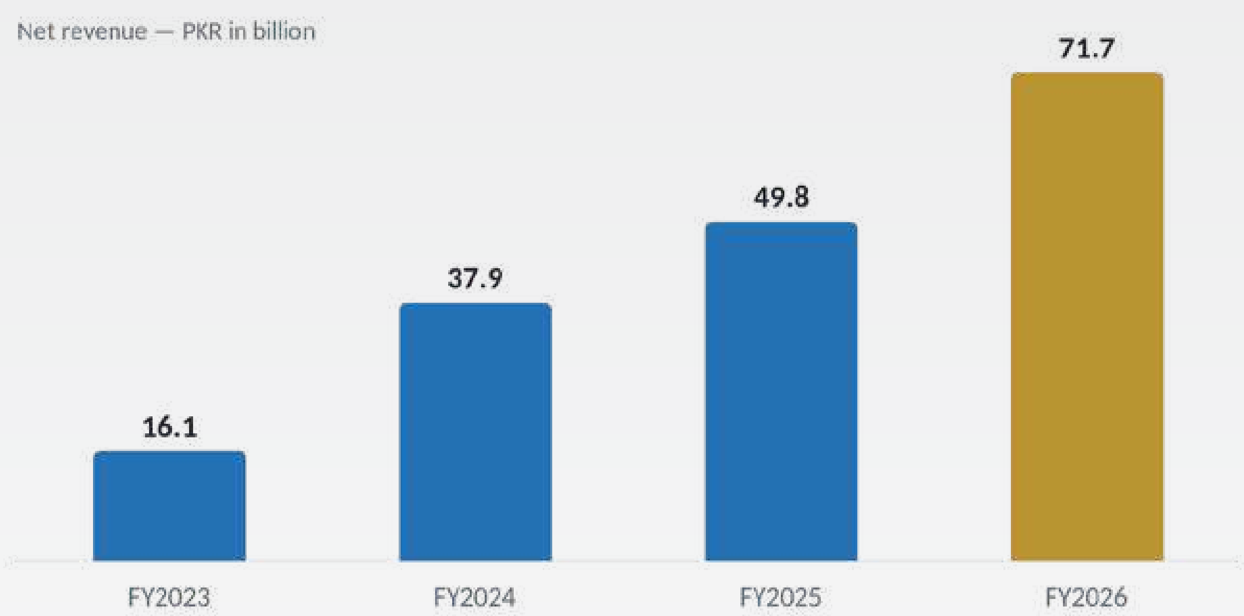
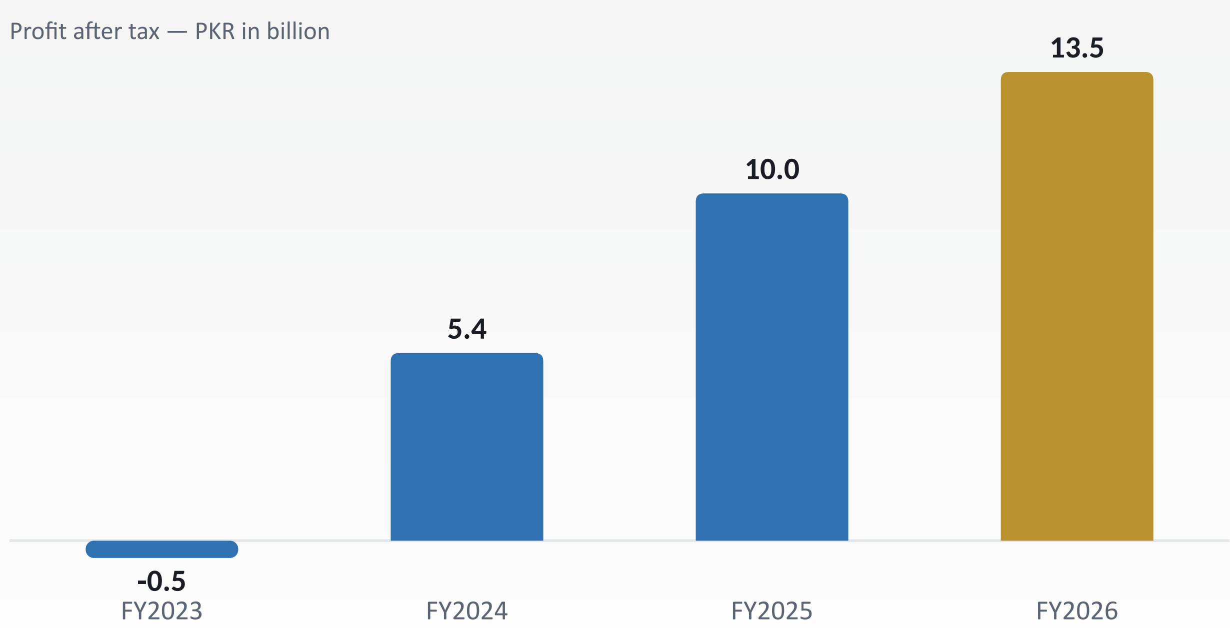
FY2026 at a Glance

71.7 PKR bn NET REVENUE ▲ 43.9% YoY	**13.5 PKR bn** PROFIT AFTER TAX ▲ 34.9% YoY	**1.831 PKR** EARNINGS PER SHARE ▲ 30.9% YoY	**0.83 PKR/sh** FINAL CASH DIVIDEND 41.5% of face value
1.63 mn TYRES SOLD ▲ 42% YoY	**2.0 mn** INSTALLED CAPACITY (TYRES/YR) ▲ from 1.3 mn	**62%** DOMESTIC TBR MARKET SHARE ▲ from 42%	**18.5 PKR bn** EXPORT SALES (GROSS) 5 international markets
25.3% GROSS MARGIN ▲ 3.7 pts	**18.9%** NET MARGIN #1 among global tyre peers	**AA- / A1** PACRA CREDIT RATING ▲ upgraded from A+	**16.7x** IPO OVERSUBSCRIPTION Listed June 15, 2026

Net revenue



Profit after tax



The Year's Milestones

Jul-Sep 2025

Record first quarter; wind power project initiated FY2026 opened with the strongest quarterly volumes in the Company's history. Investment began on a 7.5 MW wind power project to complement 12 MW of operating solar capacity.

Oct-2025

Share split approved Shareholders approved a 5-for-1 split of the ordinary share (face value Rs. 10 to Rs. 2), broadening future investor access ahead of listing.

Jan-2026

Prime Minister's Excellence Award; conversion to public company SLM was recognised as the country's leading exporter. On January 6, 2026 the Company converted to a public limited company - the legal gateway to listing.

Mar-2026

Board strengthened for life as a listed company. Three independent directors joined the Board; the Audit and HR & Remuneration Committees were constituted under independent chairmanship.

Apr-May 2026

PSX and SECP approvals; book building The prospectus was approved on April 30, 2026. Book building on May 18–19 drew bids of PKR 85 billion against the offer — full subscription in five seconds.

Jun-2026

Listed on PSX; 2.0 mn capacity commissioned; PCR ground broken SLM listed on June 15, 2026 at Rs. 19.95 per share, raising PKR 7.78 billion. In the same month, TBR capacity reached 2.0 million tyres a year — on schedule — and civil works began on the PCR facility.

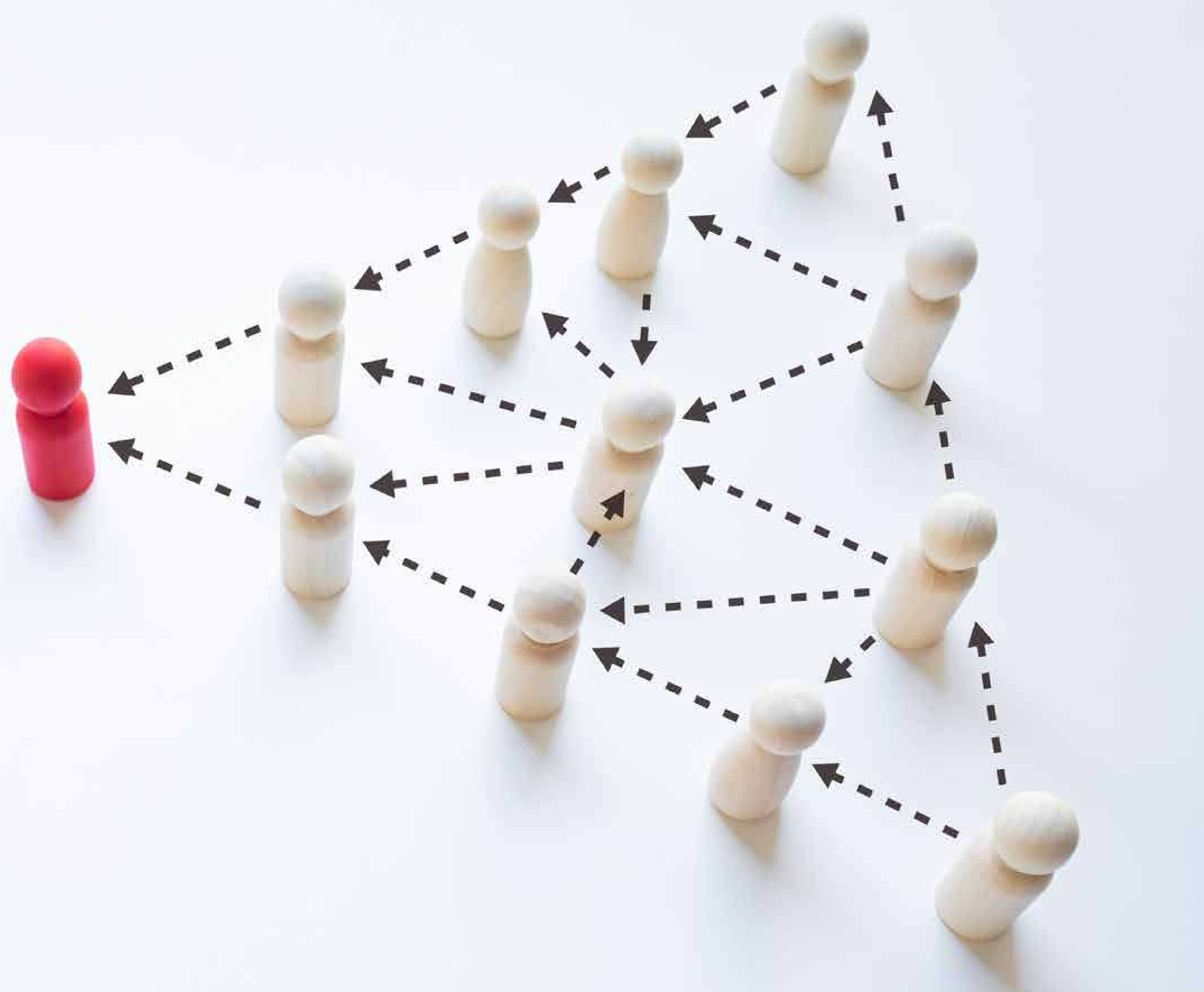
Jun-2026

Credit Rating Upgrade & PSX Listing Trading of SLM's shares on the Pakistan Stock Exchange commenced on June 15, 2026. Subsequently, on June 24, 2026, PACRA upgraded SLM's credit rating to AA- (long-term) / A1 (short-term), reflecting the Company's strengthened balance sheet and market position.

Theme in evidence: **every dated commitment above was met inside the window in which it was promised — the capacity expansion, the listing timetable and the PCR groundbreaking all landed on plan.**

Organizational Overview

Who we are, why we exist, and the platform we have built — Pakistan’s first and largest manufacturer and exporter of truck and bus radial tyres.



Our Vision

To be a world class tyre company with global presence.

Our Mission

To combine cutting-edge technology with rigorous quality standards to produce tyres that our customers can rely on — building a global brand rooted in performance, safety, and sustainable growth.

Core Values

Execution Discipline

We treat an announced date as a commitment. Plans are sequenced, funded and delivered on the calendar on which they are promised.

Quality Without Compromise

Every tyre carries the safety of a vehicle, its cargo and its crew. Our quality systems are certified to the standards of every market we serve.

Partnership

We grow through long term partnerships — with our joint venture sponsors, our dealers, our OEM customers, our lenders and our people.

Integrity & Transparency

As a listed company we report fully, promptly and candidly — verified, not vouched for.

National Contribution

Import substitution and export earnings are why we were founded: every tyre we make saves or earns hard currency for Pakistan.

Sustainable Growth

We invest in renewable energy, responsible operations and our communities, so that growth endures beyond any single year.

Company Profile

Service Long March Tyres Limited ("SLM Tires") is Pakistan's first and largest manufacturer and exporter of all-steel radial truck, bus, light truck and off-road tyres. The Company was incorporated in Lahore on January 7, 2020 as a joint venture — agreed on November 18, 2019 — between **Service Industries Limited**, the Servis Group's PSX-listed flagship; **Chaoyang Long March Tyre Co., Ltd.** of China, a top-15 global TBR producer with a marketing network spanning more than 140 countries.

Commercial production began on March 10, 2022; the Company converted to a public limited company on January 6, 2026 and listed on the Pakistan Stock Exchange on June 15, 2026.

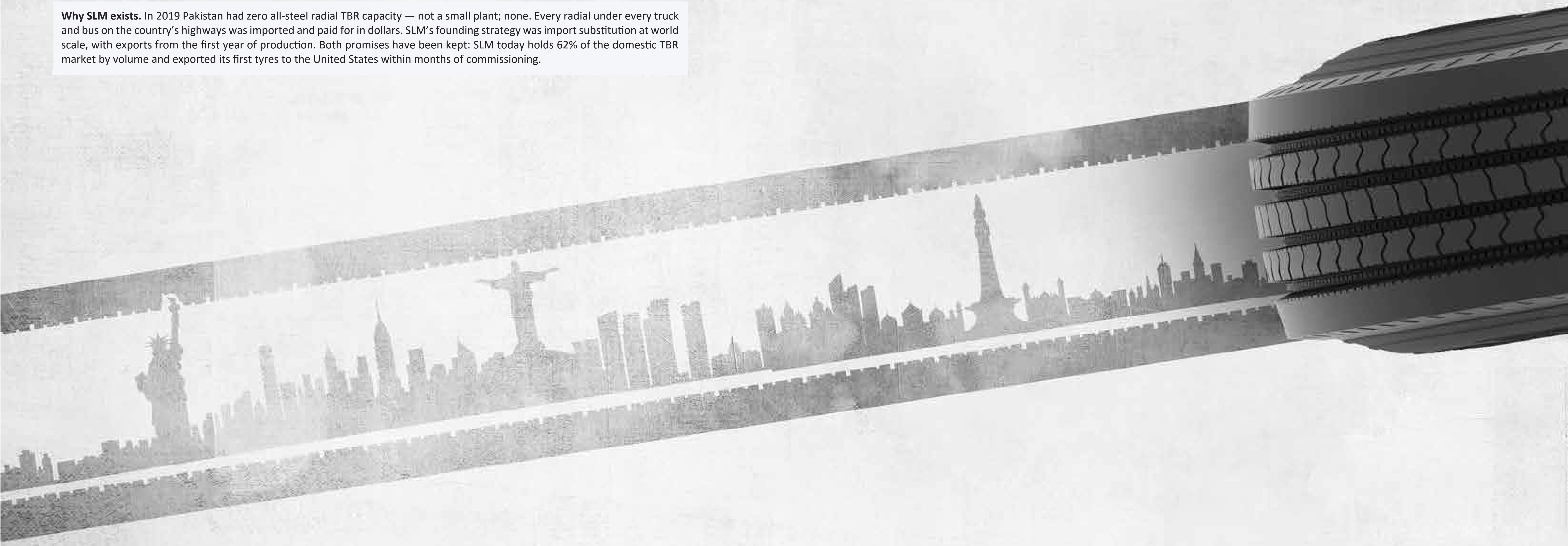
The manufacturing complex occupies 65 acres in the Sindh Industrial Trading Estate at Nooriabad, District Jamshoro — carrying income-tax concessions until 2032. Installed capacity reached **2.0 million tyres a year** in June 2026, produced on technology transferred from Chaoyang Long March and sold under the Company's own brands through more than 100 dealers in over 30 cities, to original equipment manufacturers, to institutional customers, and to export customers across five international markets.

2020	50 acres	PKR 42.72 bn	1,663
INCORPORATED (JV OF 2019)	SEZ MANUFACTURING COMPLEX	INVESTED IN THE PLATFORM	EMPLOYEES AT YEAR END

Why SLM exists. In 2019 Pakistan had zero all-steel radial TBR capacity — not a small plant; none. Every radial under every truck and bus on the country's highways was imported and paid for in dollars. SLM's founding strategy was import substitution at world scale, with exports from the first year of production. Both promises have been kept: SLM today holds 62% of the domestic TBR market by volume and exported its first tyres to the United States within months of commissioning.

Nature of business

Manufacture, marketing, sale, import and export of all-steel radial tyres for trucks, buses, light trucks and off-road applications. The Company's wholly owned subsidiary, **SLM International Tyres Trading FZE** (Jebel Ali Free Zone, UAE, established June 27, 2024), will trade tyres, rims and allied parts in support of the Group's export growth.



Our Journey-Strategy Delivered on Time

- **2019 — The strategy is written**
  Joint venture signed between the Servis Group and Chaoyang Long March — a top-15 global TBR producer. Fifty SEZ acres at Nooriabad followed in 2020.
- **2020 — Company incorporated; construction begins**
  Service Long March Tyres Limited incorporated on January 7, 2020. Site development and technology transfer commence.
- **2022 — First production — and first exports**
  Commercial production begins March 10, 2022 with 740,000 tyres a year of capacity. SLM exports to the United States in its first year of production.
- **2024 — Own brands launched; scale doubles**
  SLM's own brand family launches; sales volume more than doubles to 842,399 tyres; the Company turns decisively profitable.
- **2025 — 1.3 million capacity; renewable energy**
  Capacity reaches 1.3 million tyres; 12 MW of solar power is commissioned; Brazil becomes the second major export market.
- **2026 — 2.0 million capacity, record IPO, PCR ground broken**
  Capacity expands to 2.0 million tyres in mid-June — on schedule. SLM lists on PSX on June 15, 2026 after Pakistan's record-breaking IPO, and ground is broken for the PKR 22.6 billion Passenger Car Radial project.

2019
The strategy is written

AGREEMENT SIGNING CEREMONY of the Joint Venture for Establishing Pakistan's 1st TBR Company 18th NOV

2020
Company incorporated; construction begins

Ground Breaking Ceremony at Project Site, 22nd October

Progress of Structural and Mechanical Transformation

2022
First production and firstexports

Servis Family Witnessing Pakistan's 1st TBR Tire Production Facility

2024
Own brands launched; scale doubles

Chairman Mr.Jin's Official Visit to SLM, 8th May

SLM Brand Launch, 19th pril

2025
1.3 million capacity; renewable energy

Visit of Mr Robert Huibo He , Director Sutong USA 9th April

- Production Capacity Increased to 1.6 M Tires
- Phase-III Expansion Initiated

2026
Record IPO

2.0 million capacity, PCR ground broken

Four years separated first production (2022) from listing (2026). Each stage of capacity

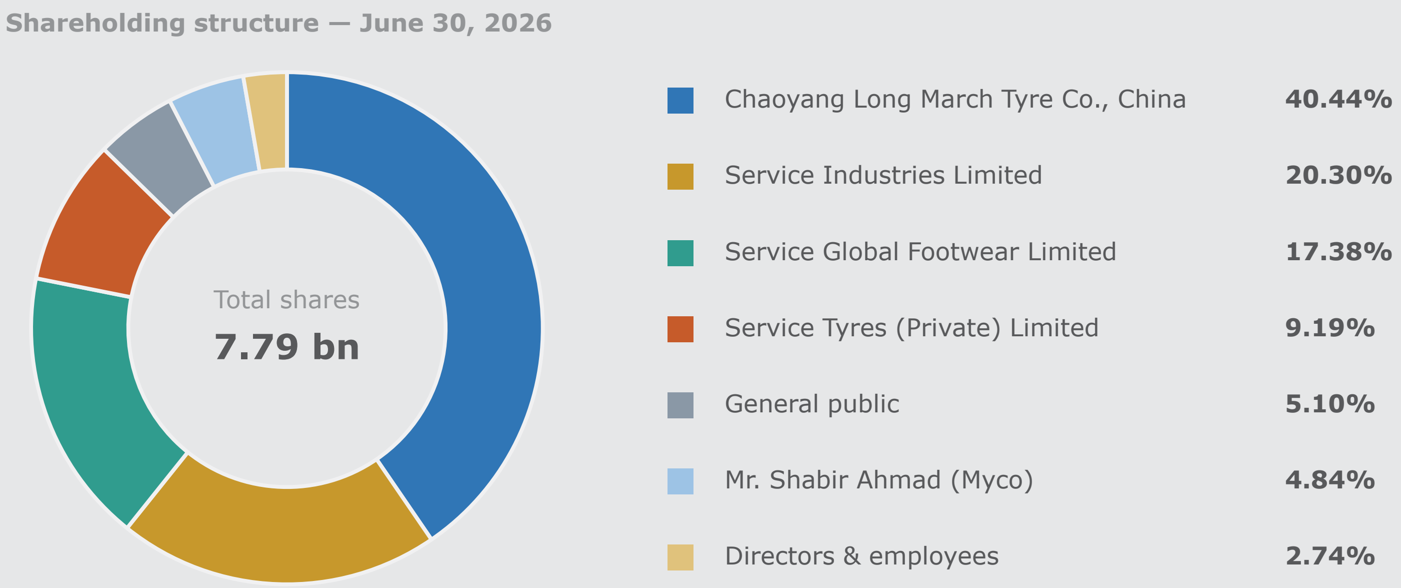
From a joint venture to a listed company in seven years.

Four years separated first production (2022) from listing (2026). Each stage of capacity — 740,000, 1.3 million, 2.0 million — was announced with a date and delivered on that date. That cadence, more than any single number, is the Company's competitive advantage and this report's theme.

Group Structure & Shareholding

SLM is a subsidiary of Service Industries Limited (together with other Servis Group companies) and an associate of Chaoyang Long March Tyre Co., Ltd. Following the initial public offering of 389.7 million new shares (5.0% of enlarged capital), the Company's issued share capital stands at 7,794,760,763 ordinary shares of Rs. 2 each.

Shareholding structure — June 30, 2026



Servis Group (46.9%)

Service Industries Limited, Service Global Footwear Limited and Service Tyres (Private) Limited — Pakistan's leading footwear and tyre house, listed on PSX since 1970, with seven decades of manufacturing and export pedigree.

Chaoyang Long March (40.4%)

A top-15 global TBR producer from China with ~US$ 580 million turnover and distribution in more than 140 countries. Provider of the Company's comprehensive technology transfer and a continuing source of R&D depth.

Public & others (12.7%)

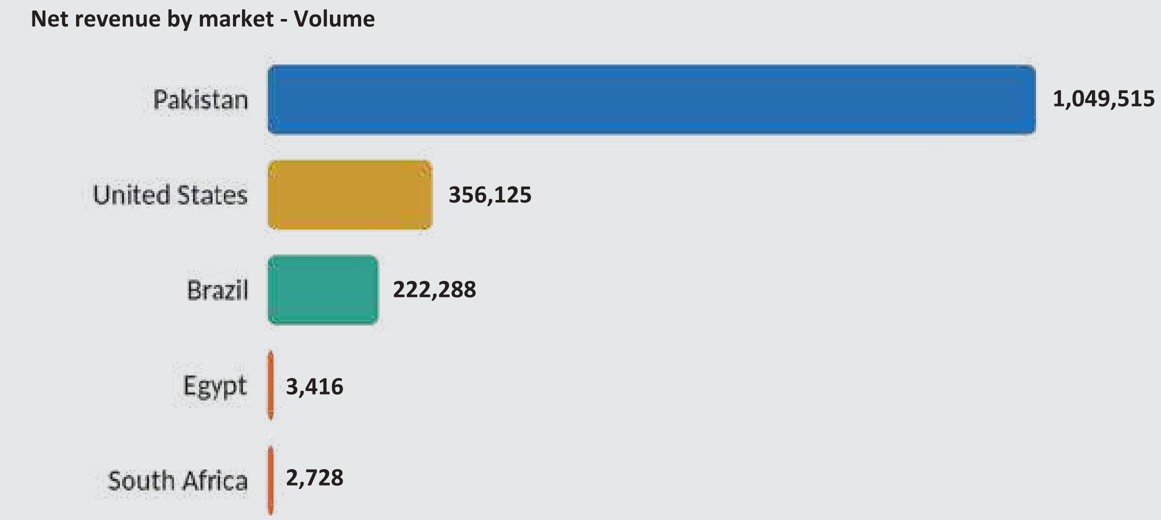
Free float of 5.0% created at listing (35,000+ investors), Mr. Shabir Ahmad of Myco Corporation (4.8%) — the Company's founding distribution partner — and directors and employees, including shares issued under the Employee Share Option Scheme.

Wholly owned subsidiary: SLM International Tyres Trading FZE, Jebel Ali Free Zone, UAE (trading of tyres, rims and auto parts; yet to commence commercial operations at June 30, 2026).

Global Presence

SLM sells in Pakistan and exports across five international markets. Exports contributed 36% of the year's volumes and PKR 18.5 billion of foreign-exchange earnings, making SLM the country's leading tyre exporter — recognised in January 2026 with the Prime Minister's Excellence Award as Pakistan's leading exporter.

Where FY2026 revenue was earned



Export markets

- **United States** — SLM's first export market, entered within months of commissioning in 2022; 356,119 tyres in FY2026.
- **Brazil** — the year's stand-out: volume more than tripled to 222,288 tyres on new distribution.
- **Egypt & South Africa** — maiden shipments during FY2026; distribution ramping in FY2027.
- **Europe** — market entry in evaluation for FY2027, adding a fifth continent to the footprint.

Footprint

- **Manufacturing:** Nooriabad SEZ, Sindh — 50 acres.
- **Warehousing & service:** Nooriabad, Karachi and Lahore.
- **Head office:** Servis House, 2-Main Gulberg, Lahore.
- **Trading subsidiary:** Jebel Ali Free Zone, UAE.
- **Domestic reach:** 100+ dealers in more than 30 cities, OEM and institutional supply nationwide.

Two nations, one platform: Chinese radial technology and Pakistani manufacturing scale, selling on four continents — the joint venture's founding logic, visible on the revenue map above.

Business Model-The Six Capitals

Following the integrated-reporting framework, the table below maps the resources the Company draws on, what it does with them, and the value created for each capital in FY2026.

Capital	Inputs	Business activities	Outputs & outcomes — FY2026
Financial	Equity Rs. 45.7 bn incl. IPO proceeds Rs. 7.5 bn; concessionary borrowings Rs. 21.4 bn at 5.28%	Disciplined capital allocation to dated projects; working - capital management	Revenue Rs. 71.7 bn; PAT Rs. 13.5 bn; ROE 37%; dividend Rs. 0.83/share
Manufactured	50 acre SEZ complex; 2.0 mn tyres/yr capacity; 1.62 mn sq ft covered	Mixing, component preparation, tyre building, curing, 100% final inspection	1.60 mn tyres produced; capacity delivered on schedule; PCR plant under construction
Intellectual	Technology transfer from Chaoyang Long March; product engineering; brand portfolio	Compound development for local load conditions; export specifications; brand building	Certifications across six regimes; SLM brand family; PSL title exposure
Human	1,663 employees; Chinese counterpart engineers; ESOS alignment	Technical training; safety systems; dormitories and welfare	Headcount +24%; gender pay gap in favour of female staff; zero material safety incidents reported
Social & relationship	100+ dealers; OEMs; sponsor groups of two nations; 35,000+ shareholders	Dealer network development; OEM programmes; investor relations	62% domestic volume share; oversubscribed IPO; Rs. 55 mn community donations
Natural	Natural rubber, carbon black, steel cord; energy incl. 12 MW solar	Renewable generation efficient curing; water treatment under SEPA NOCs	12.2 mn solar units (+128%); 7.5 MW wind under construction; import substitution of a dollar-denominated product

The model in one line: convert proven radial technology and low-cost, increasingly renewable energy into tyres that replace imports at home and earn dollars abroad — then reinvest on a published calendar.

Value Chain, Brands & Seasonality

Value chain

Inbound

Natural rubber from Thailand and Malaysia; carbon black, steel cord and chemicals from China and domestic vendors; multi-origin sourcing with forward shipment coverage.

Manufacture & quality

Five-stage radial process at Nooriabad with 100% final inspection; technology and quality systems transferred from Chaoyang Long March.

Route to market

Replacement channel through 100+ dealers; OEM supply to Hino Pak, Master Motors, Ghandhara and Daewoo; institutional and fleet business; exports through certified distributors.

Sales channels — FY2026

64%	22%	14%	<1%
DOMESTIC (OF VOLUME)	UNITED STATES	BRAZIL	NEW MARKETS
1.05 mn tyres, +47%	356k tyres	222k tyres, +235%	Egypt & South Africa

Product range

The portfolio spans three application families — **Long Haul** (ultra-premium all-position highway service), **Regional** (premium 5-rib all-position steer, multi-use) and **On/Off-Road** (super-traction mixed service) — across light-truck and truck/bus sizes including 8.25R16LT, 10.00R20 and 11.00R20, engineered for Pakistani load conditions and export specifications.

Brand family

Products are sold under the Company's registered and applied-for marks led by SLM Tires, with Roadlux and Starlux internationally as well as under customer-owned brands, supported by trademark filings across Pakistan, the EU, UK, USA, Brazil, Saudi Arabia, South Africa and Egypt. Brand investment increased significantly during FY2026, including title sponsorship exposure in the Pakistan Super League, with advertising and publicity expense amounting to PKR 332 million.

Seasonality

Replacement demand firms ahead of the crop-haulage and construction seasons and softens in the monsoon quarter; export shipments are broadly even through the year. The effect on quarterly revenue is modest — production runs continuously and finished-goods inventory is used as the buffer, a discipline visible in the fall of finished-goods days from 21 to 14 during FY2026.

SWOT Analysis

Strengths
Only mass-scale TBR producer in Pakistan; 62% domestic volume share; proven Chinese radial technology; SEZ tax status to 2032; five export markets served; lowest-cost energy mix with 12 MW solar; AA-/A1 credit rating; execution track record.

Weaknesses
Imported raw-material basket remains exposed to global commodity prices, freight costs and currency fluctuations.

Opportunities
Large unserved import/grey-market gap at home; PCR project opens a 2-million-tyre passenger segment from 2028; Europe entry under evaluation; replacement demand growing with the truck fleet.

Threats
Reduction of regulatory duty on imported TBR tyres (20% → 16% in Finance Act 2026); grey-channel imports and under-invoicing; commodity and ocean-freight volatility; geopolitical disruption of shipping lanes; interest-rate and currency cycles.

PESTEL analysis

Political
Tariff policy on tyre imports; SEZ regime stability; Pakistan–China economic cooperation (CPEC Phase 2) as a tailwind.

Economic
Policy rate 11.5%; PKR stability; truck and bus sales +61%; freight and commodity cycles feeding input costs.

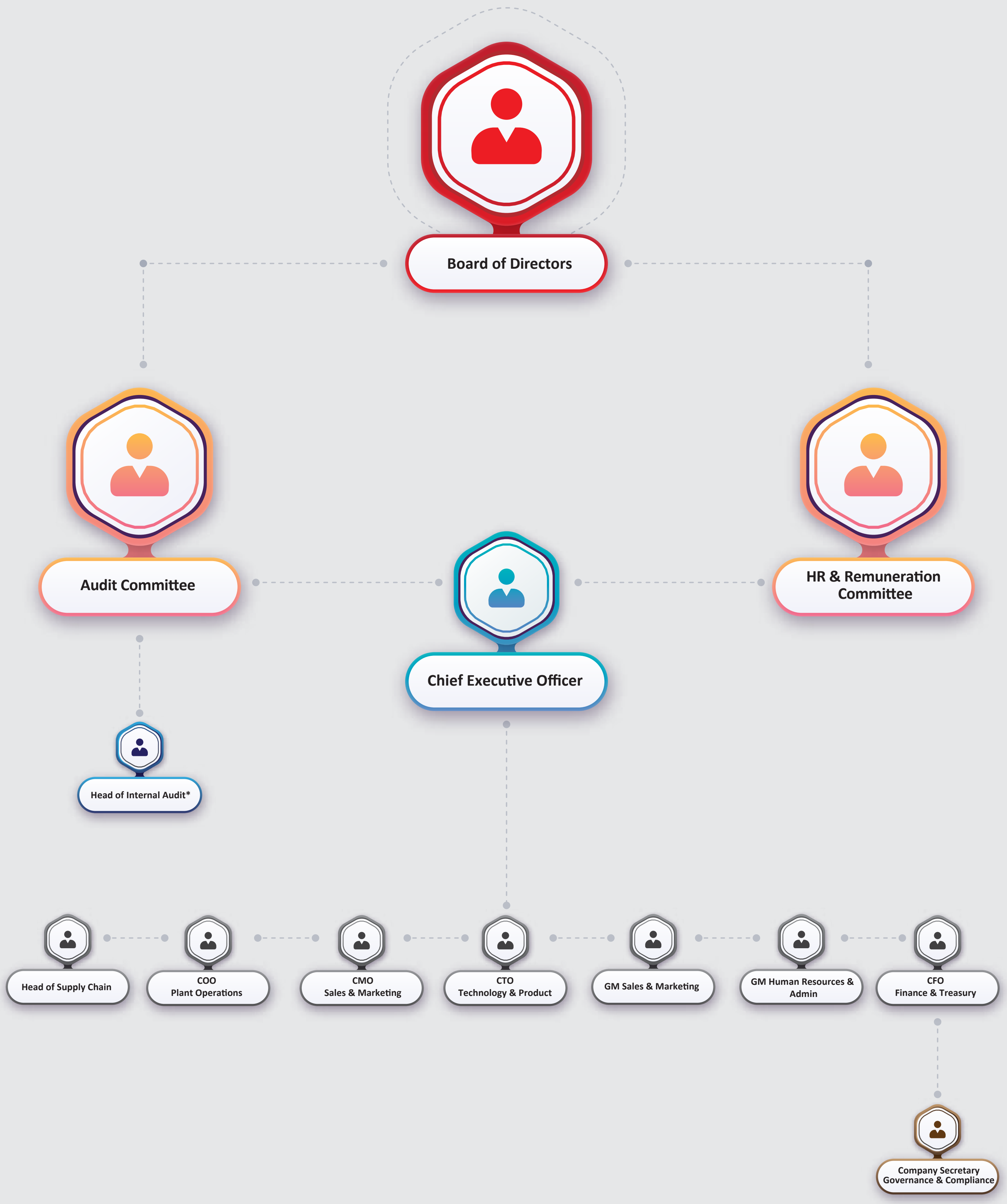
Social
Road-freight dependence of the economy; growing formal-sector preference for documented, warranted products; employment expectations at Nooriabad.

Technological
Radialisation of the truck fleet; production analytics and FBR digital monitoring; PCR technology transfer underway.

Environmental
Customer ESG requirements in export markets; renewable energy economics; SEPA compliance; water stewardship in an arid zone.

Legal
Companies Act 2017 and CCG Regulations post-listing; SEZ Act 2012 concessions; trade-remedy and certification regimes in export markets.

Organization Chart & Calendar of Events



Calendar of major events — FY2026 and beyond

October 13 2025
Annual General Meeting — share split approved (Rs. 10 → Rs. 2)

January 6 2026
Conversion to public limited company

March 4 2026
EOGM — authorised capital increased; independent directors appointed

May 18 - 19 2026
IPO book building — 16.7x oversub-scribed

June 3 - 4 2026
Retail public subscription

June 15, 2026 2026
Formal listing of shares on the Pakistan Stock Exchange

August 17 2026
Board meeting — approval of annual results and final dividend

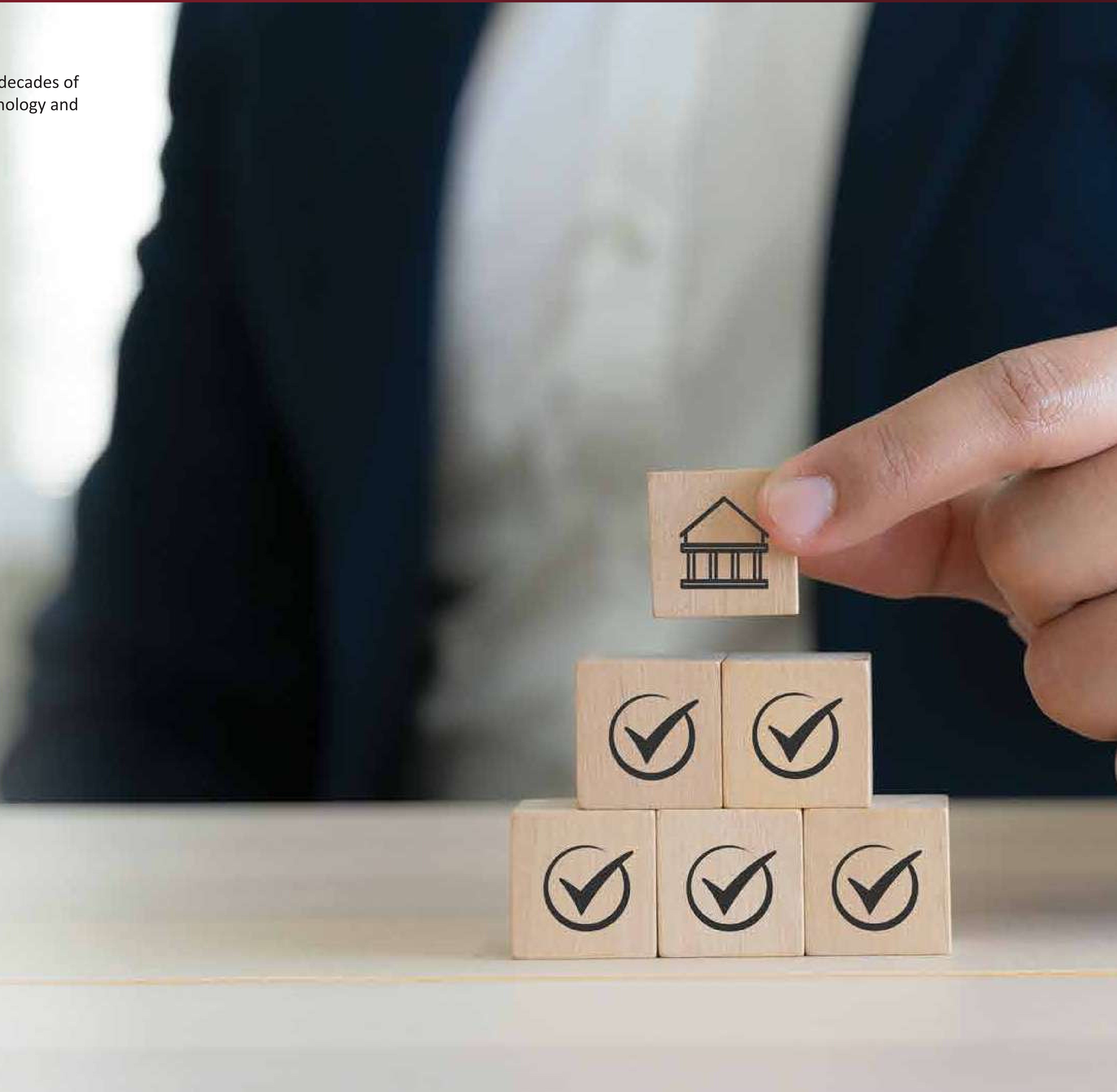
September 19 2026
7th Annual General Meeting, Lahore

Corporate Information

Board of Directors	Jin Yongsheng (Chairman) Omar Saeed (Chief Executive Officer) Zhang Xingyou Arif Saeed Hassan Javed Chaudhry Ahmed Javed Yu Haili Sun Xiaoguang Shahid Hafiz Kardar (Independent) Nasir Mahmood Khan Khosa (Independent) He Xiaomei (Independent)
Audit Committee	Shahid Hafiz Kardar (Chairman) He Xiaomei Hassan Javed
HR & Remuneration Committee	Nasir Mahmood Khan Khosa (Chairman) Jin Yongsheng Arif Saeed
Chief Financial Officer	Atif Aziz
Company Secretary	Tahir Maqsood
External Auditors	A.F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network)
Credit Rating	AA- (long term) / A1 (short term)— PACRA, June 24, 2026
Legal Advisors	Bokhari Aziz & Karim, Lahore
Share Registrar	CDC Share Registrar Services Limited, Karachi
Bankers	Habib Bank · National Bank of Pakistan · Meezan Bank · Bank Al Habib · Allied Bank · MCB · Bank Alfalah · Faysal Bank · The Bank of Punjab · BankIslami · Askari Bank · Habib Metropolitan · Soneri Bank · Al Baraka · UBL
Registered Office	Servis House, 2-Main Gulberg, Jail Road, Lahore Tel: 042-35751990-96
Factory	Plots B-61 & B-62, Jam Tamachi Road, Sindh Industrial Trading Estate, Nooriabad, District Jamshoro, Sindh
Web / Investor contact	slmtires.com · shareholders@slmtires.com
Stock symbol	SLM — Pakistan Stock Exchange

Leadership & Governance

A board built for a listed company — pairing the Servis Group's seven decades of manufacturing pedigree with four decades of Chinese radial-tyre technology and independent oversight.



Board of Directors

Jin Yongsheng
CHAIRMAN — NON-EXECUTIVE DIRECTOR

Chairman and Chief Executive of Chaoyang Long March Tyre Co., Ltd., with more than 30 years in tyre manufacturing. Recipient of Liaoning Province's May 1st Labour Medal (2016) and named among the province's Top Ten Outstanding Accountants (2010).

Omar Saeed
CHIEF EXECUTIVE OFFICER — EXECUTIVE DIRECTOR

Graduate of Brown University (high honours) and Harvard Business School (MBA). CEO of SLM since inception; previously CEO of Service Industries Limited (2011–2018). Serves on the boards of Nestlé Pakistan, Systems Limited and SIL, and chairs the Servis Foundaon.

Zhang Xingyou
EXECUTIVE DIRECTOR & CHIEF MARKETING OFFICER

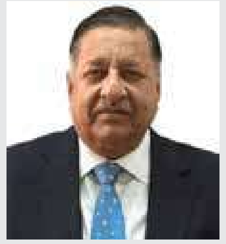
25+ years in all-steel radials; formerly Head of International Trading at Chaoyang Long March, where he expanded the brand to over 140 countries. Architect of SLM's dealer network and TBR launch.

Arif Saeed
NON-EXECUTIVE DIRECTOR

Oxford graduate; CEO of Service Industries Limited and Service Tyres (Private) Limited and Chairman of Service Global Footwear. Former Chairman of APTMA and the Lahore Stock Exchange; President of the Pakistan Olympic Association.

Hassan Javed
NON-EXECUTIVE DIRECTOR

CEO of Service Global Footwear Limited, Pakistan's largest footwear exporter. Awarded the Tamgha-i-Imtiaz in 2024 for export achievement. Leather technologist (Nene College, UK) and shoe technologist (ISMS, Czech Republic).



Chaudhry Ahmed Javed
NON-EXECUTIVE DIRECTOR

Chairman of Service Industries Limited from 2011 to 2023 and former CEO of Service Sales Corporation; a director of the Company since incorporation.

Yu Haili
NON-EXECUTIVE DIRECTOR

30+ years of tyre research and development; former Deputy General Manager of Liaoning Tyre Group / Chaoyang Long March and a national "Ten Thousand Talents Project" awardee. Oversees technology transfer to SLM.

Sun Xiaoguang
NON-EXECUTIVE DIRECTOR

20+ years across transportation, investment and industrial operations; supports operational alignment between the Chinese and Pakistani sides of the joint venture.

Shahid Hafiz Kardar
INDEPENDENT DIRECTOR — CHAIRMAN, AUDIT COMMITTEE

Former Governor of the State Bank of Pakistan and former Punjab Finance Minister; former Vice-Chancellor of Beaconhouse National University and member of the UN FACTI high-level panel.

Nasir Mahmood Khan Khosa
INDEPENDENT DIRECTOR — CHAIRMAN, HR&R COMMITTEE

Former Principal Secretary to the Prime Minister and Chief Secretary of Punjab and Balochistan; Executive Director at the World Bank (2013–17); Chairman of Pakistan Tobacco Company and Government Holdings (Private) Limited.

He Xiaomei
INDEPENDENT DIRECTOR

Mechanical engineer (Beijing University of Chemical Technology) with 30+ years delivering tyre-plant EPC projects across Central and South Asia; Technical Consultant to China Chemical Engineering Guilin Engineering Co.

Board composition: 11 directors — 2 executive, 6 non-executive, 3 independent; 2 female directors. Independent directors joined on March 4, 2026 as part of the listing-readiness programme.

Directorship during the year : Mr. Badar ul Hassan, former Executive Director of the Company, served as a Director during the year until his passing in November 2025.

Management Team

Omar Saeed
CHIEF EXECUTIVE OFFICER

Leads the Company's strategy and its execution cadence — from the first joint-venture negotiation in 2019 through the 2026 listing.

Atif Aziz
CHIEF FINANCIAL OFFICER

Chartered Accountant (ICAP) with 15+ years across manufacturing and professional services; led the IPO financial workstream, treasury build-out and the working-capital programme.

Khizr Hayat
CHIEF OPERATING OFFICER

SLM's project manager from conceptualisation to commercial operations; 16+ years with the Servis Group. Delivered each capacity phase on schedule, including the 2.0-million-tyre expansion of June 2026.

Zhang Xingyou
CHIEF MARKETING OFFICER

Built the 100+ dealer network and the export footprint now spanning five markets.

Xin Guoyi
CHIEF TECHNOLOGY OFFICER

Polymer and materials engineer (Shenyang University of Chemical Technology) with 16+ years in tyre manufacturing; leads product engineering and the PCR technology programme.

Tahir Maqsood
COMPANY SECRETARY

Chartered governance professional with 15+ years' experience; affiliate of the Chartered Governance Institute UK & Ireland and Fellow of ICSP. Steered the corporate conversion, listing compliance and post-listing governance calendar.

Khurram Anwar
GENERAL MANAGER — SALES

MBA (Lahore School of Economics); leads domestic replacement, fleet, tender and OEM channels.

Hassan Shahid
GENERAL MANAGER — HUMAN RESOURCES

MBA (HR) with 15+ years' experience; grew the team to 1,663 people while maintaining the safety and training programmes of an SEZ-scale plant.

Muhammad Abid Aleem
HEAD OF SUPPLY CHAIN

PMP-certified metallurgical engineer (UET Lahore) with 20+ years' experience; manages a raw-material chain spanning Thailand, China, Malaysia and domestic vendors.

Execution is an organisation

Capacity phases delivered on plan, certifications secured ahead of need, a listing completed in six months from conversion — the management team's KPI in FY2026 was the calendar, and the calendar was met.

Governance Framework

SLM listed on June 15, 2026 and, from that date, complies with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The governance architecture was deliberately assembled ahead of listing, so that the Company's first day as a public company was governed to the standard of an established one.

Board committees

Committee	Composition
Audit Committee	Shahid Hafiz Kardar (Chairman, Independent) He Xiaomei (Independent) Hassan Javed (Non-Executive)
HR & Remuneration Committee	Nasir Mahmood Khan Khosa (Chairman, Independent) Jin Yongsheng (Non-Executive) Arif Saeed (Non-Executive)

Statement of compliance

The Statement of Compliance with the Code for the period of applicability (June 15–30, 2026) has been reviewed by the external auditors. The Company complies with the mandatory provisions; the functions of the nomination, risk-management and sustainability committees are, for the present, discharged by the HR&R and Audit Committees respectively, as permitted.

Board meetings — FY2026

Director	Attended / Held*
Jin Yongsheng	4 / 4
Omar Saeed	4 / 4
Zhang Xingyou	4 / 4
Hassan Javed	4 / 4
Yu Haili	4 / 4
Sun Xiaoguang	4 / 4
Arif Saeed	3 / 4
Chaudhry Ahmed Javed	0 / 4
Shahid Hafiz Kardar	1 / 1
Nasir Mahmood Khan Khosa	1 / 1
He Xiaomei	1 / 1

*Held during each director's tenure. Leave of absence was granted to directors unable to attend.

Company Policies & Role of the Chairman and CEO

Role of the Chairman

The Chairman leads the Board: setting its agenda with the Company Secretary, ensuring directors receive accurate and timely information, promoting open debate and the effective contribution of non-executive and independent directors, leading the annual evaluation of Board performance, and representing the joint venture's two sponsor houses at shareholder meetings. The Chairman is a non-executive director and is not involved in day-to-day management.

Role of the Chief Executive Officer

The CEO is responsible for the management of the business within the strategy, budgets and risk appetite approved by the Board: delivering the capacity and project calendar, leading the executive team, ensuring the integrity of internal controls and financial reporting to the Board, and acting as the Company's principal voice to shareholders, regulators and the market. The offices of Chairman and CEO are held by different individuals with a clear division of responsibilities.

Governance policy framework

The Board has approved, and management operates, the policy framework of a listed company.

Policy	Substance
Code of conduct	Ethics, anti-bribery, conflicts of interest; signed by all directors and employees
Related-party transactions	Arm's-length pricing; Audit Committee review; Board approval; shareholder approval where required
Insider trading & closed periods	Dealing prohibited in closed periods around results; disclosure of executives' trades to PSX
Whistle blowing	Confidential reporting channel to the Audit Committee chairman; non-retaliation guaranteed
Dividend policy	Meaningful payout from free cash flow, balanced against the funded capacity roadmap
Communication & disclosure	Fair, timely, PSX-first disclosure of price-sensitive information; investor relations contact published
HR management & anti-harassment	Merit hiring, training, safety, anti-harassment mechanisms under the 2010 Act
Health, safety & environment	Plant HSE systems, SEPA compliance, emergency response and incident reporting
IT & information security	Access control, segregation of duties, backup and disaster recovery
Remuneration of directors	Independent directors receive meeting fees only; no performance pay
Safety of records	Statutory records retention, digital archival and off-site backup

Security clearance of foreign directors is maintained as required; no Board meeting was held outside Pakistan during FY2026.

Chairman's Review

"I have spent thirty years building tyre plants. I have rarely seen a plan of this scale delivered this precisely on its dates."

Dear Shareholders,

It is my privilege to present the first annual report of Service Long March Tyres Limited as a listed company, for the year ended June 30, 2026 — and to welcome the more than 35,000 investors who joined our register in June.

When our two houses — the Servis Group of Pakistan and Chaoyang Long March of China — signed a joint venture in November 2019, we committed to a simple, ambitious strategy: build Pakistan's first all-steel radial truck and bus tyre plant at world scale, substitute imports, and export from the outset. Seven years on, that strategy has produced a company with 2.0 million tyres of annual capacity, 62% of its home market, five export markets, and — this year — revenue of PKR 71.7 billion and profit after tax of PKR 13.5 billion.

The Board's work in FY2026 focused on the two undertakings that will define the Company's next decade. The first was the initial public offering: your Board oversaw the conversion to a public company, the strengthening of governance with three independent directors and new committees, and a listing executed exactly on its announced timetable. The second was capital allocation: approving the PKR 22.6 billion Passenger Car Radial project and its funding mix, and the expansion of TBR capacity to 2.0 million tyres — while still returning PKR 3.0 billion to shareholders during the year and recommending a final dividend of Rs. 0.83 per share for FY2026.

The Board carried out its annual evaluation of its own performance, reviewed the effectiveness of internal controls and risk management, and satisfied itself as to the quality and integrity of financial reporting. The Audit Committee, under independent chairmanship, reviewed the financial statements and recommended their approval; A.F. Ferguson & Co. have issued unmodified opinions.

On behalf of the Board, I thank our customers, dealers, lenders, both sponsor groups, our management and our 1,663 colleagues. Strategy set our direction; their timely execution turned it into the results this report records.

Jin Yongsheng
Chairman of the Board
Lahore: August 17, 2026

CEO's Message

"Fully subscribed in five seconds. The five seconds were earned with seven years of hard work."

Dear Shareholders,

FY2026 was the year our strategy and our execution met in public view. We finished the year with revenue up 43.9% to PKR 71.7 billion, profit after tax up 34.9% to PKR 13.5 billion, and a net margin of 18.9%,--The highest among the tyre industry globally. We sold 1.63 million tyres, 42% more than last year, and finished with a balance sheet transformed: equity of PKR 45.7 billion, cash of PKR 11.4 billion, and debt at just 32% of total capital at an average cost of 5.3%.

Three things made the year.

First, capacity arrived on time — again. The expansion from 1.3 to 2.0 million tyres was commissioned in mid-June, on the schedule we announced. Each phase has landed on its date, volume has compounded at over 60% a year since FY2023, and our domestic market share reached 62%. In a capital-intensive industry, the calendar is a competitive weapon: a quarter's delay is a quarter's margin conceded to imports.

Second, we listed — on our timetable, on our terms. The IPO was fully subscribed in five seconds and oversubscribed 16.7 times, with bids of PKR 85 billion for a PKR 7.8 billion raise. We chose equity deliberately: the PCR project could have been funded entirely with debt. Since listing, the share has returned +19.6% against the market's +2.5%.

Third, the next engines are already under construction. Ground was broken on the PCR plant in June 2026, precisely as our prospectus committed; civil works are contracted, long-lead machinery is on order, and commissioning is targeted for January 2028. Our roadmap takes installed capacity from 2.0 million tyres today to 4.2 million by FY2030.

Export earnings reached PKR 18.5 billion across the United States, Brazil, Egypt and South Africa, with Brazil growing faster and E-Mark certification opening Europe next. We were honoured in January with the Prime Minister's Excellence Award as Pakistan's leading exporter — recognition of a founding promise kept: that this plant would earn hard currency, not just save it.

My thanks go to our people, whose discipline turns plans into dates met; to our dealers and customers, whose trust we measure in market share; and to you, our shareholders — the 35,000 who joined us in June and the sponsors who built this platform. Bow our heads in gratitude to God Almighty for His blessings.

Omar Saeed
Chief Executive Officer
Lahore: August 17, 2026

Report of the Board Audit Committee

The Audit Committee was constituted on March 30, 2026 as part of the Company's listing-readiness programme and reports as follows on its mandate and activities for the period to June 30, 2026.

Composition and meetings

Member	Directorship	Status in Committee	Meetings attended
Shahid Hafiz Kardar	Independent	Chairman	1 / 1
He Xiaomei	Independent	Member	1 / 1
Hassan Javed	Non-Executive	Member	1 / 1

The Chief Financial Officer, the Head of Internal Audit and, on invitation, the external auditors attend Committee meetings; the Committee also met the external auditors without management present.

Terms of reference and key activities

- Reviewed the unconsolidated and consolidated financial statements for FY2026, the significant judgments underlying them, and the external auditors' key audit matter, and recommended the statements to the Board for approval.
- Reviewed the utilisation and placement of IPO proceeds pending deployment on the PCR project, and the framework for half-yearly auditor-reviewed utilisation reporting.
- Reviewed the internal audit plan, internal audit findings and management's remediation, and satisfied itself as to the adequacy of internal controls over financial reporting.
- Reviewed all related-party transactions for arm's-length terms before Board approval.
- Reviewed compliance with the Code of Corporate Governance Regulations from the date of listing, the whistle-blowing mechanism (no reports received), and IT and cybersecurity controls.
- Recommended the re-appointment of A.F. Ferguson & Co. as external auditors for FY2027, having assessed their independence, objectivity and performance.

Conclusion

The Committee has reviewed this Annual Report and considers that, taken as a whole, it is fair, balanced and understandable, provides the information necessary for shareholders to assess the Company's position, performance and strategy, and that the financial statements present fairly the state of the Company's affairs.

Shahid Hafiz Kardar
Chairman, Board Audit Committee
Lahore: August 17, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Service Long March Tyres Limited

pwc

A·F·FERGUSON&Co.

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Service Long March Tyres Limited for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 28, 2026

UDIN: CR202610073agKe6ntjC

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Service Long March Tyres Limited (the "Company")
For the period from 15 June 2026 to 30 June 2026

The Company was listed on the Pakistan Stock Exchange Limited on 15 June 2026. Accordingly, the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the "Regulations") became applicable to the Company from that date, and this statement of compliance covers the period from 15 June 2026 to 30 June 2026. The disclosures below should be read in the context of this first, 16-day period of applicability.

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors is 11 as per the following:

   a. Male: 9
   b. Female: 2

2. The composition of the Board is as follows:

Category	No.	Names
Independent Directors	3	Ms. He Xiaomei (Female Director) Mr. Shahid Hafiz Kardar Mr. Nasir Mahmood Khan Khosa
Non-Executive Directors	6	Mr. Jin Yongsheng Mr. Arif Saeed Mr. Hassan Javed Mr. Ahmed Javed Ms. Yu Haili (Female Director) Mr. Sun Xiaoguang
Executive Director	2	Mr. Omar Saeed Mr. Zhang Xingyou

The number of independent directors determined under Regulation 6 is 3.66 based on eleven (11) directors. The fraction has not been rounded up because the three (3) independent directors possess the requisite competencies, skills, knowledge and experience to discharge the responsibilities of independent directors under the Regulations.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and Regulations;

7. No meeting of the Board was held during the period from 15 June 2026 to 30 June 2026. Accordingly, the requirements relating to the presiding of, frequency of, recording and circulation of minutes of meetings of the Board did not arise during the period;

8. The Board has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and the Regulations;

9. Three out of eleven Directors have attained the Directors' Training Program certification. One Director meets the exemption criteria of a minimum of fourteen years of education and fifteen years' experience on the boards of listed companies and is therefore exempt from the Directors' Training Program;

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and has complied with the relevant requirements of the Regulations. No appointment to any of these positions was made during the period from 15 June 2026 to 30 June 2026;

11. No interim or annual financial statements fell due for preparation and presentation to the Board during the period from 15 June 2026 to 30 June 2026;

12. The Board has formed Committees comprising of members given below:

a) Audit Committee:

Mr. Shahid Hafiz Kardar (Independent Director)	Chairman
Ms. He Xiaomei (Independent Director)	Member
Mr. Hassan Javed (Non-Executive Director)	Member

b) Human Resource and Remuneration Committee:

Mr. Nasir Mahmood Khan Khosa (Independent Director)	Chairman
Mr. Jin Yongsheng (Non – Executive Director)	Member
Mr. Arif Saeed (Non – Executive Director)	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. No meeting of the Audit Committee or the Human Resource and Remuneration Committee fell due during the period from 15 June 2026 to 30 June 2026;

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with the Audit Oversight Board of Pakistan; that they and all their partners are in compliance with the International Federation of Accountants' guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan; and that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent or non-dependent child) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 32, 33 and 36 of the Regulations have been complied with. In respect of Regulation 27, no Audit Committee meeting fell due during the period from 15 June 2026 to 30 June 2026; and

19. Explanation for non-compliance with the requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36, is given below:

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
1	**Requirement to attain certification:** All Directors have obtained DTP certification by June 30, 2022.	As at 30 June 2026, three out of eleven Directors had obtained Directors' Training Program certification and one Director met the exemption criteria. The Company intends to arrange the requisite certification for the remaining Directors and relevant executives in accordance with the Regulations.	19
2	**Nomination Committee:** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The Board has not constituted a separate Nomination Committee. The functions of the Nomination Committee have been assigned to the Human Resource and Remuneration Committee.	29(1)
3	**Risk Management Committee:** The Board may constitute the risk management committee, of such number and class of Directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The Board has not constituted a separate Risk Management Committee. Oversight of risk management matters has been assigned to the Audit Committee, and the Board reviews the key business risks annually.	30(1)
4	**Sustainability Committee:**	The Board has not established a separate Sustainability Committee. Oversight of	10(A)

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
	Role of the Board and its members to address sustainability risk and opportunities. The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	sustainability-related matters has been assigned to the Audit Committee.	
5	**Disclosure of significant policies on website:** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	The relevant policies and committee terms of reference have been circulated to the concerned employees and Directors. The Board will consider placing the key elements of the significant policies, brief synopsis of the terms of reference of the Board committees and key elements of the Directors' remuneration policy on the Company's website.	35

Omar Saeed
Chief Executive Officer

Jin Yongsheng
Chairman

Karachi
Date: August 12, 2026

Gender Pay Gap Statement

Following is the gender pay gap calculated for the year ended June 30, 2026, as required under SECP Circular 10 of 2024:

(5.1)%
MEAN GENDER PAY GAP

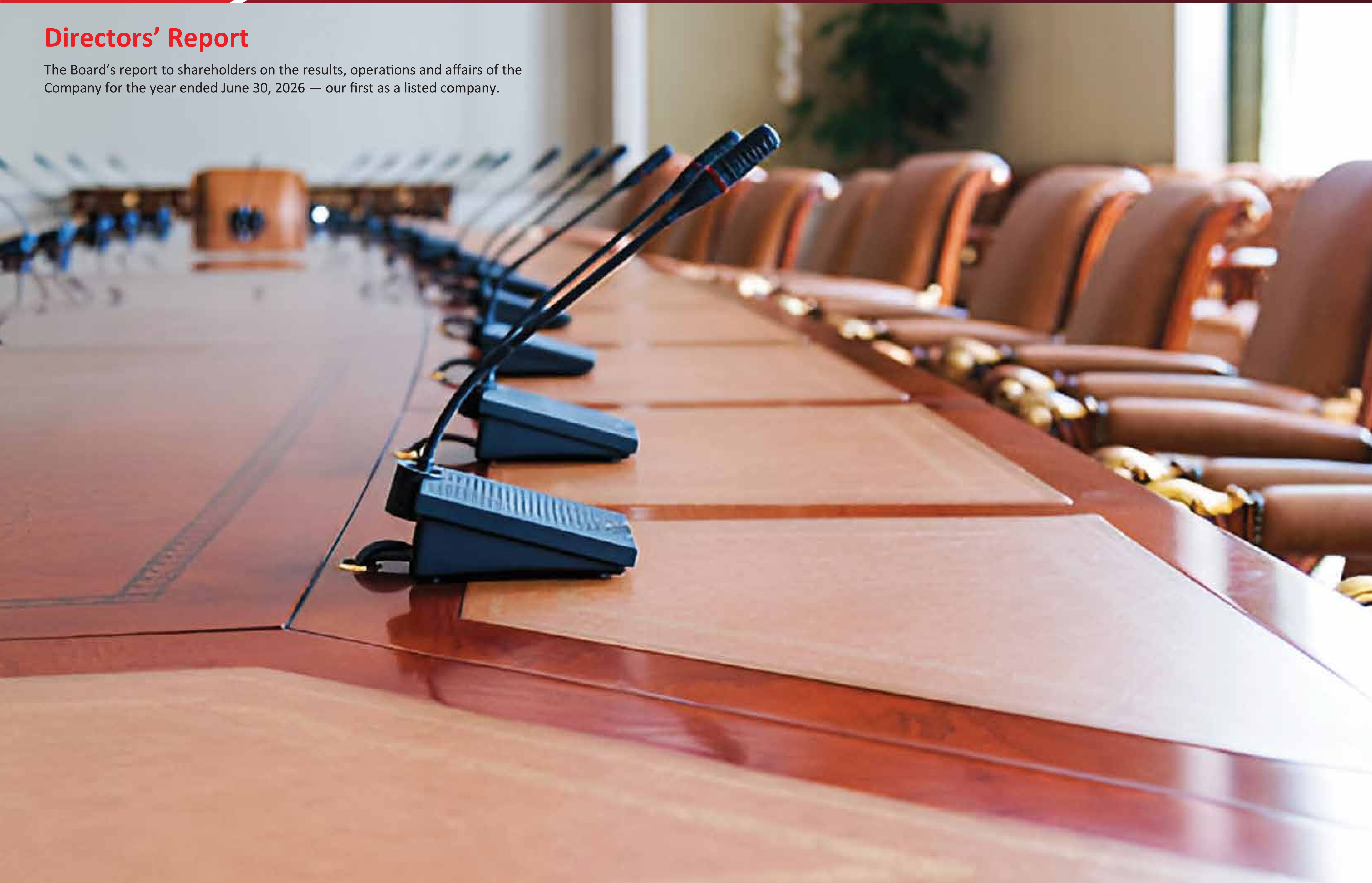
(60.7)%
MEDIAN GENDER PAY GAP

Negative gaps indicate that, on average, female employees earn more than male employees. This reflects the composition of the Company's workforce: female colleagues are concentrated in professional, technical and managerial roles, while the large factory workforce — where pay scales are competitive for the sector but lower in absolute terms — is predominantly male. The Company remunerates on merit and responsibility, irrespective of gender, and continues to widen female participation across functions, supported by anti-harassment mechanisms, safe transport and facilities at the plant.

Omar Saeed
Chief Executive Officer
Lahore: August 17, 2026

Directors’ Report

The Board’s report to shareholders on the results, operations and affairs of the Company for the year ended June 30, 2026 — our first as a listed company.



Directors’ Report to the Shareholders

Introduction

The Directors of Service Long March Tyres Limited (“SLM” or the “Company”) are pleased to present this Directors' Report together with the Company's audited unconsolidated and consolidated financial statements for the year ended June 30, 2026 (“FY2026”) — the consolidated financial statements being presented for the first time, following the Company's investment in a wholly owned subsidiary — along with the auditors' report(s) thereon. This Directors' Report has been prepared in accordance with Sections 226 and 227 and other applicable provisions of the Companies Act, 2017.

Business Portfolio

Service Long March Tyres Limited is principally engaged in the manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off-road tyres, from its plant at the Sindh Industrial Trading Estate, Nooriabad, District Jamshoro, with warehouses and workshops also located in Nooriabad, Karachi and Lahore. The Company is a subsidiary of Service Industries Limited and operates in strategic partnership with Chaoyang Long March Tyre Co., Ltd. of China, a joint venture partner and associated company. SLM converted from a private limited company to a public limited company with effect from January 6, 2026, and was admitted to listing on the Pakistan Stock Exchange Limited (“PSX”) on June 15, 2026 — this is accordingly the Company's first Directors' Report as a listed entity. In line with its strategic direction, the Company has also announced an expansion into the Passenger Car Radial (“PCR”) tyre segment, to be partly financed from the net proceeds of its initial public offering.

Pakistan's Economic Review

Pakistan's economy recorded GDP growth of 3.7% in FY2026, its fastest pace in four years and an improvement on FY2025's 3.18%, though short of the government's 4.2% target. Growth was broad-based: large-scale manufacturing rebounded strongly at 6.1% (a four-year high), construction grew 5.73%, services grew 4.09%, and agriculture grew 2.89% despite monsoon flooding during the year. Per capita income rose to approximately US$1,901 from US$1,751, and the fiscal deficit narrowed sharply to 0.7% of GDP from 2.6% a year earlier, with a primary surplus of 3.2% of GDP.

Inflationary pressures picked up during the year, with inflation averaging 6.2% between July and April and rising to 10.9% in April 2026 amid the escalation of Middle East tensions. Inflation increased further to 11.7% in May before easing to 11.1% in June and 9.2% in July. In response, the State Bank of Pakistan raised its policy rate by 100 basis points to 11.50% in April 2026, holding it steady through its June and July meetings as the outlook stabilised, and expects inflation to ease gradually toward its 5%–7% target range by June 2027. Foreign exchange reserves stood at approximately US$22.4 billion as at July 2026, after touching multi-year highs earlier in the year, while the Rupee traded in a relatively narrow range, around Rs. 278–279 to the US Dollar in early August 2026. Workers' remittances remained a key support for the external account, rising 8.2% to US$30.3 billion during the 9 months ended March 2026 in FY 2026.

Global Economic Review

The global economy is estimated to have grown by approximately 3.1% in 2026, moderating from around 3.4% in 2024–25, according to the International Monetary Fund's April 2026 World Economic Outlook, which projects growth of 3.2% in 2027. Global headline inflation is expected at 4.4% in 2026, easing to 3.7% in 2027. The IMF's outlook has been dominated by the escalation of conflict in the Middle East from late February 2026, which has disrupted shipping through critical chokepoints such as the Strait of Hormuz, driven up sea freight rates and global fuel prices, and added to input cost pressure for manufacturers dependent on imported raw materials such as natural rubber. Additional risks flagged by the IMF include renewed trade disputes over critical supply chains such as rare earth elements, and financial stability concerns arising from elevated fiscal deficits and volatility in technology-sector valuations. Central banks globally continue to balance the need to guard against these supply-side shocks against the risk of over-tightening amid otherwise moderating inflation.

Financial Performance for FY2026

Revenue from contracts with customers increased by 43.9% to Rs. 71,708.9 million (FY2025: Rs. 49,840.2 million). Gross profit rose by 68.8% to Rs. 18,151.5 million (FY2025: Rs. 10,753.0 million), with gross margin improving to 25.3% from 21.6% a year earlier. Distribution costs increased by 97.7% to Rs. 2,347.6 million (FY2025: Rs. 1,187.2 million) and administrative expenses increased by 25.1% to Rs. 1,543.2 million (FY2025: Rs. 1,233.3 million). Operating profit increased by 71.1% to Rs. 14,260.7 million (FY2025: Rs. 8,332.6 million).

Finance cost declined by 32.6% to Rs. 752.6 million (FY2025: Rs. 1,117.2 million). Profit before taxation increased by 83.9% to Rs. 13,059.6 million (FY2025: Rs. 7,100.5 million). The Company continues to benefit from its 'Greenfield Industrial Undertaking' and Special Economic Zone status, under which its income remains exempt from income tax for ten years from the commencement of commercial operations; the resulting net deferred tax credit was Rs. 469.4 million in FY2026, smaller than the Rs. 2,924.8 million credit recognised in FY2025. Profit after taxation grew by 35.0% to Rs. 13,529.0 million (FY2025: Rs. 10,025.3 million).

Financial Highlights

Rs. million	FY2026	FY2025	% Change
Revenue	71,708.9	49,840.2	+43.9%
Gross Profit	18,151.5	10,753.0	+68.8%
Operating Profit	14,260.7	8,332.6	+71.1%
Profit Before Tax	13,059.6	7,100.5	+83.9%
Profit After Tax	13,529.0	10,025.3	+35.0%
EPS – basic (Rs.)	1.831	1.399	+30.86%

Consolidated Financial Highlights

For FY2026, the Company has for the first time prepared consolidated financial statements, incorporating the results of its wholly owned subsidiary, SLM International Tyres Trading FZE . The subsidiary had not commenced trading during the year, so its own FY2026 result consisted only of a net loss of approximately Rs. 30.5 million, comprising incorporation and set-up costs. Consolidation accordingly reduces the Group's profit and net assets by broadly this amount relative to the Company's unconsolidated results shown above, with no other material adjustment:

Rs. million	FY 2026
Profit before taxation	13,029.1
Profit after taxation	13,498.5

Earnings Per Share

Basic and diluted earnings per share for FY2026 were Rs. 1.831, compared with Rs. 1.399 (basic) and Rs. 1.376 (diluted) for FY2025 — an increase of 30.86% on a basic per-share basis. This improvement reflects the Company's strong underlying earnings growth, moderated by the increase in the weighted average number of shares in issue following the Company's initial public offering during the year.

Subsidiary Company

The Company has one wholly owned subsidiary, SLM International Tyres Trading FZE, incorporated on June 27, 2024 and registered with limited liability in the Jebel Ali Free Zone, Dubai, United Arab Emirates (License No. 98845966), with its registered office at Premises No. FZJOA1001, Jebel Ali Free Zone, Dubai. Its principal activity is the trading of auto spare parts and components, including tyres and rims, in support of the Company's international trading activities. The Company completed its equity investment of Rs. 77.5 million (AED 1,000,000) in this subsidiary on August 5, 2025, following approval from the State Bank of Pakistan for the equity transfer. The subsidiary had not commenced trading as at June 30, 2026.

Dividends and Appropriations

The Board of Directors of the Company has recommended final cash dividend of Rs. 0.83 per share (2025: 2.03 per share (face value Rs. 10 at the time of declaration) in their meeting held on August 17, 2026.

The movement in the Company's accumulated profit during the year was as follows:

Particulars	Unconsolidated Rs. million	Consolidated Rs. million
Accumulated profit as at July 1, 2025	12,570.71	12,570.71
Final dividend for FY2025, paid during the year	(3,000.0)	(3,000.0)
Profit after taxation for FY2026	13,529.0	13,498.46
Accumulated profit as at June 30, 2026	23,099.7	23,069.68

Key Operating and Financial Data of the Last Six Years

An overview of the Company's key operating and financial data for the last six years is annexed to the Annual report.

Evaluation of Company Performance

The Board has established a mechanism for the regular evaluation of the Company's performance. Management reports business performance to the Board and its committees at regular intervals, with actual results measured against approved budgets so that corrective action can be taken on a timely basis. Performance is assessed with reference to industry conditions, the Company's own historical performance, and the broader macroeconomic environment described above. The Company has not defaulted on any debt obligation during the year.

Cash Flows and Capital Expenditure

The Company's working capital requirements are met through internal cash generation and short-term borrowing facilities from banks and financial institutions, while its capital expenditure programme — including the ongoing expansion into Passenger Car Radial tyre manufacturing — is financed through a combination of long-term financing (conventional and Islamic), internally generated cash flows, and the net proceeds of the Company's initial public offering during the year. During FY2026, the Company incurred capital expenditure of approximately Rs. 10,591.7 million (FY2025: Rs. 8,336.6 million), comprising additions to capital work-in-progress and operating fixed assets.

Risk Management Framework

The Company's activities expose it to a variety of financial, operational, strategic and compliance risks, including credit risk, liquidity risk, market risk (including currency and interest rate risk), and risks associated with the price and availability of key raw materials such as natural rubber. The Company's risk management framework is overseen by the Board of Directors, with the Audit Committee assisting in the oversight of financial, compliance and risk-related matters, as described under "Nomination and Risk Management" below. Disclosures regarding the nature and management of the Company's financial risks are provided in the notes to the financial statements.

Disclosures Regarding the Assessment of Sustainability Related Risks

The Company recognises the importance of identifying and managing sustainability-related risks alongside its financial and operational risks. In accordance with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, oversight of sustainability-related risks has been assigned to the Audit Committee, which considers these matters as part of its ordinary review of risk and compliance.

Environment, Social and Governance (ESG)

The Board is committed to the highest standards of governance, ethical business conduct, and fair treatment of the Company's employees. The Board includes two female directors and three independent directors among its eleven members, as set out under "Directors" below. The Company has prepared and disseminated a Code of Conduct throughout the organisation, as described under "Code of Conduct" below.

Corporate Social Responsibility (CSR)

During the year, the Company donated Rs. 45.0 million to Servis Foundation, an associated entity through which the Group conducts its corporate social responsibility initiatives, and a further Rs. 10.0 million to the Welfare of Troops & Shuhada (Families), as disclosed in note 30.2 to the financial statements.

Future Outlook

The Company enters FY2027 with strong operational and financial momentum, having recorded broad-based growth in revenue, profitability and its balance sheet during FY2026, alongside its successful listing on the Pakistan Stock Exchange. The Company's planned expansion into the Passenger Car Radial tyre segment, to be partly financed from the net proceeds of its initial public offering, is expected to broaden its product range and revenue base over the medium term.

The domestic operating environment shows early signs of stabilisation, supported by a moderating interest rate environment and improving fiscal indicators, though input costs for manufacturers remain sensitive to global commodity prices, freight rates and currency movements — factors made more acute in 2026 by the disruption to global shipping arising from the conflict in the Middle East, as noted under "Global

Economic Review" above. The Company will continue to monitor these developments closely and manage its raw material sourcing, pricing and financing accordingly, while pursuing its capacity expansion plans and export market development, in order to sustain profitable growth and deliver long-term value to shareholders.

Adherence to Best Practices of Corporate Governance

The Company is committed to meeting, and wherever possible exceeding, the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, and to conducting its business according to high professional and ethical standards. The Company has established an internal audit function, as described under "Internal Audit" below, to support fair financial reporting, compliance with applicable laws, and adherence to the Company's internal control systems.

Directors' Statement on Corporate and Financial Reporting Framework

The Board and management are committed to full compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. As this is the Company's first year as a listed entity — SLM was admitted to listing on the Pakistan Stock Exchange on June 15, 2026, only fifteen days before the close of the financial year — a number of the Code's procedural requirements, such as Board and committee meetings, had not yet fallen due within the reporting period, as explained in the Company's separate Statement of Compliance with the Code of Corporate Governance. Following is the Directors' Statement on Corporate and Financial Reporting Framework:

a) the financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
b) proper books of account of the Company have been maintained;
c) appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment;
d) IFRS Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements;
e) the system of internal control is sound in design and has been effectively implemented and monitored;
f) there are no significant doubts upon the Company's ability to continue as a going concern;
g) there is no material departure from the best practices of corporate governance, as detailed in the Listing Regulations; and
h) the key operating and financial data for the last six years is annexed to this report.

Responsibility Regarding Adequacy of Internal Financial Controls

The Directors are responsible for the adequacy of the Company's internal financial controls and for reviewing their effectiveness. The Company has established a system of internal financial controls to safeguard its assets, prevent and detect fraud, and ensure compliance with applicable statutory and legal requirements. This system is regularly reviewed and monitored through the Company's internal audit function, and the Audit Committee reviews the adequacy of the internal control system in accordance with its terms of reference.

Related Party Transactions

All related party transactions are presented before the Audit Committee and the Board of Directors for their review and approval, in compliance with the Listing Regulations. Details of related party transactions and balances during the year, including with the Holding Company (Service Industries Limited), the joint venture partners (Chaoyang Long March Tyre Co. Ltd and Mr. Shabir Ahmad of Myco Corporation), and other associated companies, are set out in note 39 to the unconsolidated financial statements and note 38 to the consolidated financial statements.

Directors' Remuneration

In compliance with regulatory requirements, a transparent and formal process has been established for determining the remuneration of Directors. Independent Directors are entitled to remuneration for attending Board and Committee meetings, together with reimbursement of related expenses. Aggregate remuneration charged in the financial statements for the year, as disclosed in note 38 to the unconsolidated financial statements.

During the year ended June 30, 2026, the following amounts were charged in the financial statements for remuneration including benefits to Chief Executive Officer and Executive Directors:

Rs. 107.3 million (2025: Rs. 302.1 million) was paid to the Chief Executive Officer (Details given in Note 38 to the audited financial statements).
Rs. 29.54 million (2025: Rs. 50.1 million) was paid to Executive Director (Details given in Note 38 to the audited financial statements).

During the year ended 30 June 2026, meeting fee of Rs. 1.1 million (2025: Nil) was paid to non-executive directors.

Directors

The Board comprises eleven directors — three Independent Directors, six Non-Executive Directors and two Executive Directors — including two female directors. As the Company was listed on June 15, 2026, there has been no change in the composition of the Board between the date of listing and June 30, 2026.

Name	Category
Mr. Jin Yongsheng	Chairman – Non-Executive Director
Mr. Omar Saeed	Chief Executive Officer – Executive Director
Mr. Zhang Xingyou	Executive Director
Ms. He Xiaomei	Independent Director
Mr. Shahid Hafiz Kardar	Independent Director
Mr. Nasir Mahmood Khan Khosa	Independent Director
Mr. Arif Saeed	Non-Executive Director
Mr. Hassan Javed	Non-Executive Director
Mr. Ahmed Javed	Non-Executive Director
Ms. Yu Haili	Non-Executive Director
Mr. Sun Xiaoguang	Non-Executive Director

Composition of Board and Committees

The composition of the Board and its Committees, as required under Regulation 34(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, is set out above and in the Company's Statement of Compliance with the Code of Corporate Governance, annexed to this report.

Audit Committee

The objective of the Audit Committee is to assist the Board in ensuring transparency and accountability by focusing on financial, regulatory and compliance matters; its terms of reference have been determined in accordance with the Code of Corporate Governance. There has been no change in the composition of the Audit Committee since its constitution. Its members are:

Name	Category	Role
Mr. Shahid Hafiz Kardar	Independent Director	Chairman
Ms. He Xiaomei	Independent Director	Member
Mr. Hassan Javed	Non-Executive Director	Member

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee assists the Board on matters relating to remuneration, performance evaluation and succession planning for the Company's key executives. There has been no change in the composition of the Committee since its constitution. Its members are:

Name	Category	Role
Mr. Nasir Mahmood Khan Khosa	Independent Director	Chairman
Mr. Jin Yongsheng	Non-Executive Director	Member
Mr. Arif Saeed	Non-Executive Director	Member

Board and Committee Meetings and Attendance

The Company was listed on the Pakistan Stock Exchange on June 15, 2026, and no meeting of the Board of Directors, the Audit Committee, or the Human Resource and Remuneration Committee was held between that date till June 30, 2026.

During the year under review, four (4) meetings of the Board of Directors of the Company were held from 1st July 2025 till 15 June 2026 and the attendance position is as follows:

Name	Attendence
Mr. Jin Yongsheng	4/4
Mr. Omar Saeed	4/4
Mr. Zhang Xingyou	4/4
Ms. He Xiaomei	1/1
Mr. Shahid Hafiz Kardar	1/1
Mr. Nasir Mahmood Khan Khosa	1/1
Mr. Arif Saeed	3/4
Mr. Hassan Javed	4/4
Mr. Ahmed Javed	0/4
Ms. Yu Haili	4/4
Mr. Sun Xiaoguang	4/4

Leave of absence was granted to the Directors who could not attend the Board meetings.

External Auditors

The present auditors M/s A.F. Ferguson & Co. a member of Price Water House Coopers Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for their re-appointment as auditors of the company,

Statement as to the Value of Investment of Provident Fund

The Company maintains retirement benefits plans for its employees, investments out of the fund have been made in accordance with Section 218 of the Companies Act, 2017 and the rules made thereunder which are regulated through the respective Board of trustees. The value of investments of this fund as per its respective un-audited financial statement, is as follows:

	June 30, 2026(Un-audited)	June 30, 2025(Audited)
	(Rupees in thousands)	
Provident Fund	**280,797**	157,861
Total	**280,797**	157,861

Gender Pay Gap Statement

Information about the Company's gender pay gap, as required under the Securities and Exchange Commission of Pakistan's Circular No. 10 of 2024 dated April 17, 2024, is as follow:

	Head Count	Mean	Median
Male	**1600**	**65,406**	**42,000**
Female	**4**	**68,750**	**67,500**
Ratio	**1604**	**-5.11%**	**-60.71%**

Statement of Compliance

The Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, in the prescribed format, is annexed to this report. It has been reviewed by the Company's external auditors and is approved by the Board of Directors.

Post Balance Sheet Event

Other than the matter referred to under "Dividends and Appropriations" above, no material changes or commitments affecting the financial position of the Company occurred between June 30, 2026 and the date of authorisation of these financial statements.

Acknowledgement

The Directors would like to express their appreciation to the shareholders for the trust they have placed in the Company, particularly in its first year as a listed entity. The Directors also place on record their appreciation for the continued efforts, dedication and commitment of all employees of the Company, and thank its customers, suppliers, bankers and other stakeholders for their continued support.

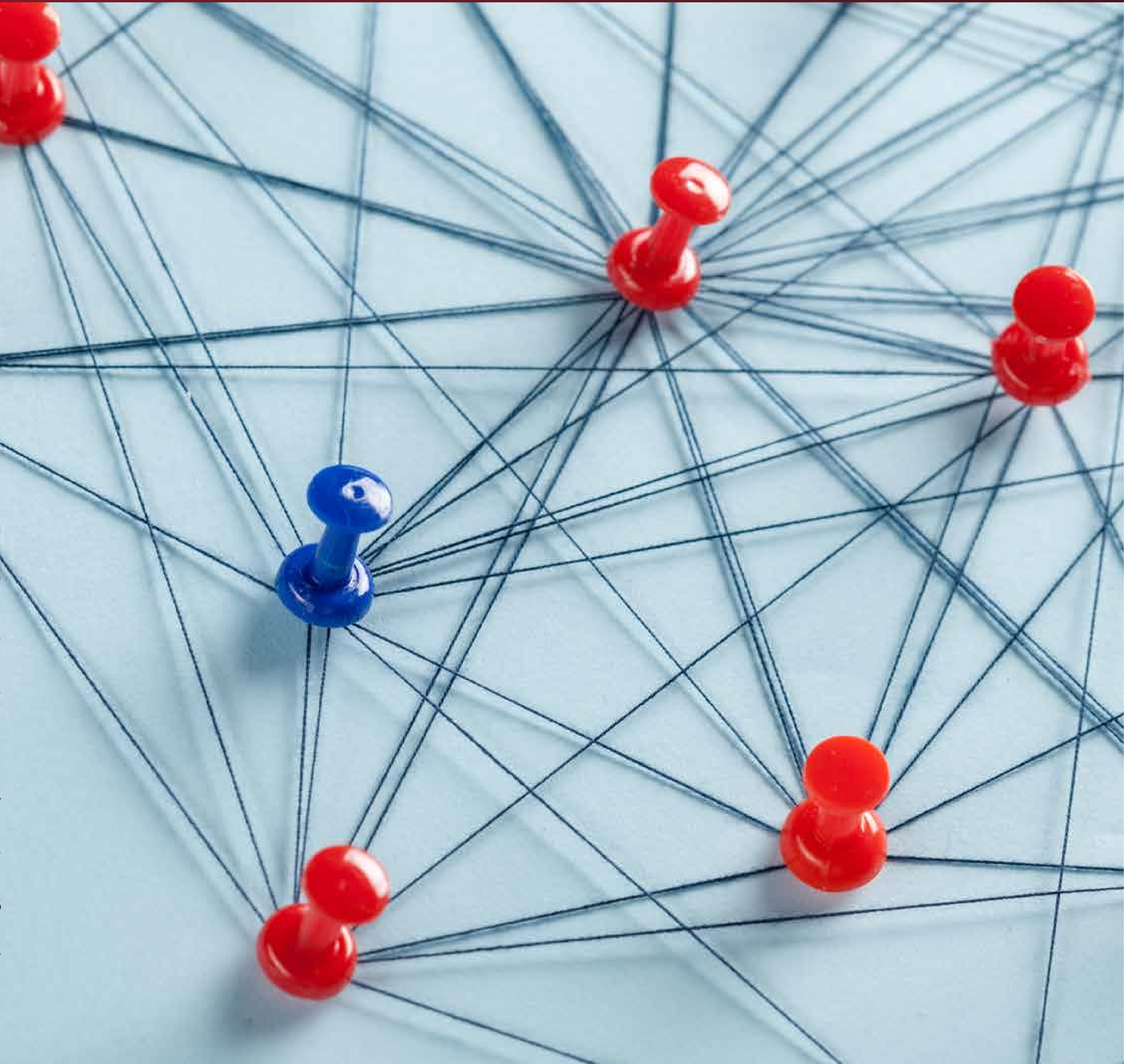
For and on behalf of the Board

Chief Executive Officer

Chairman

Strategy & Resource Allocation

The theme of this report, in evidence: what we planned, what we delivered, and the funded, dated roadmap for what comes next.



Strategic Objectives

Six objectives organise the Company's strategy. Each carries owners, resources and dated milestones — because an objective without a date is an aspiration, not a plan.

Short–medium term

1 Lead the domestic TBR market

Consolidate leadership through dealer coverage, OEM programmes and brand investment.

KPI: volume share · FY26: **62% (target met)**

Continuous

4 Cost leadership through energy & scale

Renewables to 19.5 MW; concessionary financing; per-unit cost convergence with Chinese benchmark plants.

KPI: energy self-generation · FY26: **12.2 mn solar units, +128%**

Continuous

2 Grow export earnings

Deepen the USA and Brazil; scale Egypt and South Africa; enter Europe on E-Mark certification.

KPI: export revenue · FY26: **PKR 18.5 bn, 5 markets**

Delivered FY26

5 Institutionalise through listing

Convert, govern and list the Company to secure permanent access to capital markets.

KPI: listing · FY26: **listed June 15, 2026 — 16.7x oversubscribed**

Medium term

3 Diversify into passenger radials

Deliver the PKR 22.6 bn PCR facility — 2.0 mn tyres a year — commissioning January 2028.

KPI: project milestones · FY26: **ground broken on schedule**

Continuous

6 Return capital with discipline

Fund growth while paying meaningful dividends from free cash flow.

KPI: payout · FY26: **Rs. 0.83/share final — 47.8% of profit**

Linkage to vision: objectives 1–3 build the "world-class tyre company"; objectives 4–6 fund it and keep it "rooted in performance, safety and sustainable growth." Every objective is expressed with a measurable KPI and a date — the operating definition of this year's theme.

Execution Scorecard — Said vs. Delivered

The clearest test of execution is to put past commitments beside outcomes. The left column is what the Company said — in board papers, the prospectus and public statements. The right column is what happened.

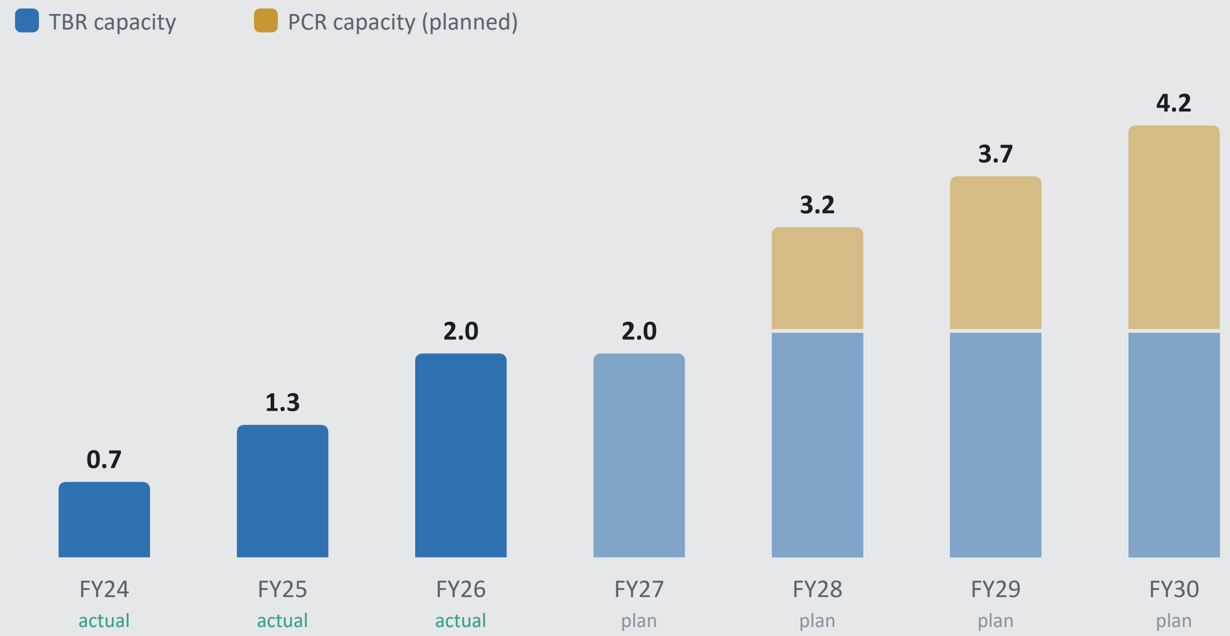
WE SAID	DELIVERED
TBR capacity will reach 2.0 million tyres a year by mid-2026 (from 1.6 million at January 2026).	**DELIVERED** New capacity commissioned mid-June 2026. Year-end installed capacity: 2,000,000 tyres. *On time.*
SLM will list on the Pakistan Stock Exchange in FY2026 (prospectus timetable: book building May, subscription early June, listing June).	**DELIVERED** Book built May 18–19; retail subscription June 3–4; formal listing June 15, 2026. *On time, 16.7x covered.*
PCR project groundbreaking June 2026; civil works through FY2027; commissioning January 2028 (prospectus implementation schedule).	**DELIVERED / ON TRACK** Ground broken June 2026; Phase-IV civil packages awarded long-lead calender line ordered; technology-transfer agreement at signing stage.
Certifications will open new export markets — INMETRO for Brazil, E-Mark for Europe, NRCS for South Africa.	**DELIVERED** Brazil volume +235% to 222,288 tyres; maiden shipments to Egypt and South Africa; E-Mark secured December 2025 — Europe entry in evaluation.
Renewable energy will scale — 12 MW solar operating, 7.5 MW wind to follow.	**ON TRACK** Solar generation +128% to 12.2 million units; wind project under construction (PKR 643 million invested), commissioning targeted December2026.

Score: six for six. Every dated, public commitment tracked above was met inside its window or is running on schedule.

Capacity Roadmap to FY2030

Installed capacity has grown from 740,000 tyres at commissioning to 2.0 million today. The funded roadmap — TBR debottlenecking and the PCR plant — takes the platform to 4.2 million tyres by FY2030, of which 2.2 million TBR and 2.0 million PCR.

Installed capacity — actual and planned (million tyres/year)



TBR — 2.0 → 2.2 mn

Debottlenecking of the Nooriabad complex lifts TBR output further as demand grows at home and in export markets.

PCR — 0 → 2.0 mn

“The second growth engine”: 2.0 million passenger radials a year on nine acres already owned at Nooriabad, commissioning January 2028, ramping to full output by FY2030.

Energy — 19.5 MW renewable

12 MW solar operating and 7.5 MW wind under construction hold per-tyre energy cost down as volume compounds.

Forecast capacities reflect the Board-approved investment plan and the prospectus implementation schedule; they are targets, not assurances, and are subject to the risk factors as described in "Risks Analysis" section of the report.

The PCR Project

22.56 PKR bn	2.0 mn/yr	Jan 2028	9 acres
TOTAL PROJECT COST	INSTALLED PCR CAPACITY	COMMISSIONING TARGET	ON LAND ALREADY OWNED

Pakistan’s passenger-car radial market is roughly 2 million tyres a year and predominantly import-served — the same gap, one segment over, that SLM was founded to close in truck and bus radials. The PCR facility applies the identical playbook: proven technology from our Chinese partners, an SEZ cost base, certifications planned ahead of need, and phased capacity with dates attached.

Funding — a deliberate structure

The project is financed 50% by long-term loans (PKR 11.3 billion), 16% by internal cash generation and 34% by the IPO proceeds of PKR 7.5 billion. The Company could have funded the project entirely with debt; it chose not to.
A quarter funded by equity means nothing to repay, no interest, and no risk in a bad year — a capital structure built to survive cycles, not merely to minimise cost in good ones.

Status at the date of this report

- **Civil works:** ground broken June 2026, exactly as scheduled in the prospectus. Phase-IV packages — the PCR workshop and Mixing Workshop 2 — awarded competitively
- **Plant and machinery:** the long-lead calender line has been ordered; the machinery programme draws on established suppliers including Mesnac, Dalian Rubber & Plastic, Himile and Comerio Ercole.
- **Technology:** the technology-transfer agreement with our partners is in the signing stage.
- **Schedule:** machinery deliveries and installation through FY2027; trial production late 2027; commercial production from January 2028 — ramping from 1.0 million tyres available in FY2028 to 2.0 million by FY2030.

Why it compounds

At full ramp, the PCR plant expands the Company’s addressable market, diversifies revenue across two product cycles, and reuses the same land, utilities, management systems and dealer relationships — capital discipline through adjacency, on a timetable already being met.

Energy Transition & Responsible Operations

Energy transition

12 MWp
SOLAR — OPERATING
12.2 mn units generated FY26

7.5 MW
WIND — UNDER CONSTRUCTION
PKR 643 mn invested to date

19.5 MW
RENEWABLE CAPACITY COMMITTED

Energy is a tyre plant's second-largest controllable cost. Solar generation more than doubled during the year to 12.2 million units and contributed PKR 193 million of savings; at full annual run-rate the 12 MWp installation generates approximately 18.2 GWh. The 7.5 MW wind project will roughly treble renewable output when commissioned in Dec 2026 Beyond cost, the renewable programme insulates production from grid volatility and supports customers' supply -chain ESG requirements in export markets.

Responsible operations

The plant operates under SEPA environmental NOCs with engineered water treatment and waste handling; safety systems and training cover a workforce of 1,663 including on-site dormitories; and the Company's community programmes run through Servis Foundation (PKR 45 million in FY2026) alongside PKR 10 million for the Welfare of Troops & Shuhada fund.

Resource Allocation & Liquidity Strategy

How capital is allocated

The Board allocates capital in a strict order: first, maintenance and efficiency of the existing 2.0-million-tyre platform; second, the committed growth projects — the PCR facility (PKR 22.6 billion) and the 7.5 MW wind plant; third, shareholder distributions from free cash flow. Every project is approved with a cost, a funding mix and a commissioning date, and is tracked against all three at each Board meeting.

Repayment of debt and liquidity management

The financing book is deliberately concessionary and term-matched: long-term LTFF/TERF and renewable-energy facilities amortise against the assets they funded, while short-term export refinance revolves with shipments. During FY2026 the Company repaid PKR 4.1 billion of long-term facilities on schedule, held total borrowings flat while the balance sheet grew 48%, and finished with cash of PKR 11.4 billion, unused lines of PKR 14.2 billion and debt at 32% of total capital. The blended borrowing cost of 5.28% sits 6.2 points below the policy rate — a structural advantage the treasury protects by keeping headroom in every concessionary scheme.

Capabilities providing sustainable competitive advantage

The only platform of its kind

Pakistan's sole mass-scale all-steel TBR complex, with SEZ tax status to 2032 and freight advantage over imports in a bulky, low-value-density product.

Technology partnership

Full technology transfer from a top-15 global TBR producer, with counterpart engineering and a PCR programme drawing on the same well.

Execution culture

Four capacity phases, an IPO and a groundbreaking — all delivered on announced dates. In a capital-intensive industry, the calendar itself is the moat.

Significant plans and decisions

- Complete PCR civil works and machinery installation through FY2027; commission January 2028.
- Commission the 7.5 MW wind plant in December 2026 taking renewable capacity to 19.5 MW.
- Evaluate European market entry as the next leg of export diversification.

The IPO Story — Five Seconds, Seven Years

16.7x	**5** sec	**85** PKR bn	**35,000+**
OVERSUBSCRIPTION	TO FULL SUBSCRIPTION	BIDS RECEIVED	INVESTORS

On June 15, 2026, Service Long March Tyres Limited listed on the Pakistan Stock Exchange — the country's largest-ever private-sector IPO. The book, opened on May 18, was fully covered in five seconds and closed 16.7 times oversubscribed, with bids of PKR 85 billion (US$ 300 million) against a raise of PKR 7.78 billion at the cap price of Rs. 19.95. The Company was valued at approximately PKR 155 billion (US$ 550 million) on listing day.

The offer sold 5% of the Company — new shares only, so every rupee raised went into the business, earmarked for the PCR project. Sponsors retained 95%, locked in under the Public Offering Regulations. Listing brought more than capital: a market price for the business every day, quarterly reporting discipline — verified, not vouched for — and access to institutional capital that structurally cannot reach private companies.

Listing Day in Pictures

The gong ceremony at the Pakistan Stock Exchange, June 15, 2026 — marking the listing of Service Long March Tyres Limited.

Sponsors, management and market officials at the ceremony.

Corporate Social Responsibility, Sustainability & Environment

Responsible operations inside the plant, welfare beyond it, and the Company's contribution to the national economy.

Statement on the Implementation of IFRS Sustainability Disclosure Standards

Service Long March Tyres Limited ("SLM" or "the Company") is implementing the IFRS Sustainability Disclosure Standards: IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), issued by the International Sustainability Standards Board (ISSB) and adopted by the Securities and Exchange Commission of Pakistan (SECP) for phased application by listed companies in Pakistan.

Ahead of the close of its first financial year as a listed company, the Company assessed its status against the SECP's criteria and confirmed that it falls within Phase I of the implementation roadmap, which applies to annual reporting periods beginning on or after 1 July 2025. With SLM's shares listed on the Pakistan Stock Exchange on 15 June 2026 and its scale well in excess of the Phase I thresholds, the financial year ended 30 June 2026 is the Company's first reporting period under the Standards.

Applying the transition relief available to first-year preparers, the Company will publish its sustainability-related financial disclosures after its annual financial statements, within the permitted period of up to nine months from the financial year-end. Accordingly, SLM's first Sustainability Report, prepared in compliance with IFRS S1 and IFRS S2, will be published together with the Company's half-yearly interim financial statements for the period ending 31 December 2026. This Statement forms part of the Annual Report for the year ended 30 June 2026 and communicates the Company's implementation approach, its governance, its sustainability progress to date, and the basis on which its first Sustainability Report will be prepared.

Basis of Preparation

The following sets out the basis on which SLM will prepare its first Sustainability Report under IFRS S1 and IFRS S2, applying the first-year transition relief.

Reporting Entity and Period

The Company's sustainability-related financial disclosures will be prepared for the same reporting entity as its financial statements, namely Service Long March Tyres Limited, on a standalone basis. Accordingly, the sustainability reporting boundary will be aligned with the financial reporting boundary, thereby ensuring consistency and enabling users to clearly connect the sustainability-related financial information with the Company's financial statements. The disclosures will cover the same reporting period as the Company's financial statements, i.e., the year ended 30 June 2026.

Primary Users

The disclosures will be prepared to meet the information needs of the Company's primary users of general purpose financial reports, including existing and potential investors, lenders and other creditors. The disclosures will provide information about the sustainability-related risks and opportunities that could reasonably be expected to affect the Company's prospects, enabling users to assess their potential implications for the Company's cash flows, access to finance and cost of capital over the short, medium and long term, and their relevance to the Company's ability to create value.

Fair Presentation and Connectivity

The disclosures will be prepared on a fair presentation basis, providing complete, neutral and accurate information about the Company's sustainability-related risks and opportunities. Information will be presented in a manner that is relevant, faithfully represented, comparable, verifiable, timely and understandable. Where relevant, the disclosures will be connected with information presented in the Company's financial statements, including the underlying data and assumptions used in their preparation.

Materiality and Sources of Guidance

The Company will apply judgement in identifying material sustainability-related information, taking into consideration the Company's business model and value chain and the potential effects of relevant risks and opportunities on its prospects. In identifying and assessing sustainability-related risks and opportunities and their associated metrics, the Company will refer to the requirements of IFRS S1 and IFRS S2, as applicable, together with relevant industry-based guidance and other applicable sources of guidance. Where relevant and appropriate, the Company may also consider the SASB Standards, other relevant sustainability reporting frameworks, the United Nations Sustainable Development Goals (UN SDGs) and the UN Global Compact.

Judgements, Assumptions and Estimation Uncertainty

The preparation of the disclosures requires management to exercise judgement and make assumptions and estimates using all reasonable and supportable information available at the reporting date. Where outcomes are subject to estimation uncertainty, the Company will apply appropriate methodologies and controls to develop reasonable estimates. Key judgements, assumptions and estimates, including those relating to periods and significant judgements, and the sources of estimation uncertainty that could reasonably be expected to result in a material adjustment, will be appropriately disclosed in the relevant sections of the Sustainability Report.

Statement of Compliance

The Company's First Sustainability Report will be prepared in compliance with IFRS S1 and IFRS S2 as adopted by the SECP, applying the first-year transition relief.

Transition Relief Applied in First Year

As this is the Company's first year of sustainability reporting under the IFRS Sustainability Standards, SLM is applying the following reliefs, and discloses the fact that it has used them, as required by IFRS S1:

Relief	Description
Timing of Reporting	Sustainability disclosures will be published after the annual financial statements, with the half-yearly interim accounts (period ending 31 December 2026), within nine months of the year-end.
Comparative Information	No comparative information will be presented for this first reporting period.
Scope 3 GHG Emissions	Scope 3 (value-chain) greenhouse-gas emissions will not be disclosed in the first year, they will be introduced from the second year.
External Assurance	The first-year disclosures will be unassured, external assurance will be introduced from the second year, in line with SECP requirements.

Governance and Oversight

The Board of Directors retains ultimate responsibility and accountability for oversight of the Company's sustainability and climate-related risks and opportunities, sustainability strategy, and related disclosures. This includes overseeing how these risks and opportunities are identified, assessed, managed and monitored, and how they are integrated into the Company's strategy, decision-making and risk management processes.

To support effective oversight of sustainability and climate-related risks and opportunities, the Board has delegated specific responsibilities to its Audit Committee for the oversighting of sustainability and climate-related risks and opportunities and the related controls and processes. The Committee provides focused oversight of the implementation of the oversighting processes, the quality and integrity of sustainability-related information and data, and the preparation and review of the Company's sustainability-related financial disclosures.

The Audit Committee works closely with executive management, under the leadership of the Chief Executive Officer, to support the establishment of appropriate processes and controls for identifying, assessing and monitoring sustainability and climate-related risks and opportunities and for ensuring that the resulting disclosures are prepared in accordance with the applicable requirements of IFRS S1 and IFRS S2.

Priorities Ahead – The Four Pillars

What SLM's first sustainability Report will cover, structured around the four pillars of IFRS S1 and IFRS S2.

01 | Governance

Board and management oversight roles, responsibilities and reporting lines for sustainability and climate-related risks and opportunities, and how governance supports monitoring and strategic decision-making.

02 | Strategy

Material sustainability and climate risks and opportunities identified through our first materiality assessment, and their anticipated effects on our business model, strategy and financial planning across short, medium and long-term horizons.

03 | Risk Management

Processes for identifying, assessing and managing sustainability and climate-related risks, and how these are integrated into our enterprise risk-management framework.

04 | Metrics and Targets

Our first Scope 1 and Scope 2 greenhouse-gas emissions baseline, and sustainability and climate KPIs, with measurable targets to follow as data and processes mature.

Responsible Operations & Our People

Internal company initiatives

- **Employment at scale:** 1,663 direct jobs (up 24% in the year), the large majority at Nooriabad — one of the largest industrial employers in District Jamshoro — plus the indirect employment of 100+ dealers, transporters and vendors.
- **Skills transfer:** structured technical training with Chinese counterpart engineers has built a Pakistani radial-tyre workforce from a standing start in 2020 — a national capability that did not previously exist.
- **Welfare at the plant:** subsidised meals, transport, and dormitory facilities being expanded on the newly acquired 15 acres; anti-harassment mechanisms and safe facilities supporting female participation.
- **Health & safety:** plant-wide HSE systems, emergency response drills and incident reporting; no material safety incident was reported during FY2026.

- **Fair pay:** the gender pay gap runs in favour of female employees (mean −5.1%); wages at the plant are competitive for the sector and paid through documented banking channels.

Environment

- **Renewable energy:** 12 MWp of solar generated 12.2 million units in FY2026 (+128%), the 7.5 MW wind project takes committed renewable capacity to 19.5 MW.

- **Compliance:** operations under SEPA environmental NOCs with engineered water treatment and waste handling; water stewardship disciplines suited to an arid industrial zone.
- **Product effect:** every locally made radial displaces an imported one — cutting the shipping emissions and dollar cost embedded in the products it replaces.

Community, Philanthropy & National Contribution

Rs. 45 mn	**Rs. 10** mn	**Rs. 10.5** bn	**US$ 66** mn
DONATED TO SERVIS FOUNDATION	FUND FOR WELFARE OF TROOPS & SHUHADA	TAXES, DUTIES & LEVIES TO THE EXCHEQUER	EXPORT EARNINGS FOR PAKISTAN

Institutional philanthropy through Servis Foundation

The Company channels its structured giving through **Servis Foundation**, the Servis Group's philanthropic trust with four decades of work in education, healthcare and physical rehabilitation — including school programmes for workers' children, scholarship schemes, clinics, and clubfoot and disability rehabilitation across Pakistan. SLM's FY2026 contribution of Rs. 45 million supports these programmes; the donation is disclosed as a related-party transaction and made under the Board-approved donations policy (no director has a personal interest other than trusteeship of the Foundation).

Community at Nooriabad

Beyond structured giving, the plant supports its host community through local hiring and vendor development, road and utility improvements around the SEZ, and assistance to local institutions. The dormitory and welfare investments on the adjacent 15 acres extend this commitment to the workforce itself.

Contribution to the national economy

SLM's largest social contribution is structural. In FY2026 the Company contributed approximately Rs. 10.5 billion to the national exchequer in sales tax, duties, levies and withholding taxes; earned US$ 66 million of export revenue; and substituted imports across 62% of the domestic TBR market — foreign exchange saved and earned by a single platform, in a country where the external account is the binding constraint on growth. The PCR project will extend the same arithmetic to the passenger-car segment from 2028.

Theme in evidence: the CSR programme follows the same discipline as the capital programme — commitments with owners and dates: wind power by Dec 2026, dormitories with the FY2027 welfare budget, and giving routed through an audited institutional channel.

Risks Analysis

The Company's risk management framework, key sources of uncertainty, and the principal risks and opportunities on the way to our objectives — with their mitigations.

Risk Management Framework

Risk oversight rests with the Board; the Audit Committee reviews the risk register, internal controls and the internal audit programme; executive management owns identification, measurement and mitigation within Board-approved appetite. The register is refreshed for each Board cycle and stress-tested against scenario events — this year, most prominently, the regional conflict's impact on freight, currency and inputs.

Geopolitics & shipping lanes

External · Operational · Probability: Medium · High impact

The 2026 regional conflict disrupted Hormuz shipping, raising freight and input costs.

Mitigation: higher safety stocks, routing flexibility, insurance, local sales strength as a buffer.

Import competition & grey channel

External · Strategic · Probability: Medium. Medium impact

Regulatory duty on TBR imports cut to 16%; smuggling and under-invoicing persist.

Mitigation: cost and freight advantage, dealer coverage, warranty and service, brand investment, documented-sector advocacy; FBR production monitoring levels the field.

Raw material prices

External · Financial · Probability: High · High impact

Natural rubber ~40% of the purchase basket; carbon black, steel cord and chemicals largely imported.

Mitigation: multi-origin sourcing (Thailand, China, Malaysia), forward coverage of shipments, pricing pass-through in the replacement channel.

Currency

External · Financial · Probability: Medium · Medium impact

Imported inputs against PKR revenue; net USD asset exposure of US$ 12.8 million at year end.

Mitigation: natural hedge from exports; forward bookings of US$ 20.7 million against EFS/FE-25 facilities; a 5% PKR move alters profit by ±PKR 178 million.

Export customer concentration

External · Commercial · Probability: Medium · Medium impact

A small number of US distributors take a large share of export volume.

Mitigation: Brazil tripled, Egypt and South Africa opened, Europe next on E-Mark; secured (LC-backed) export receivables.

Interest rates

External · Financial · Probability: Medium · Low impact

Variable rate financial asset of PKR 1.9 billion.

Variable rate financial liabilities of PKR 4.5 billion.

Mitigation: concessionary fixed-spread facilities (blended 5.28%); ±100bps moves profit by only ±PKR 26 million.

Principal Risks & Mitigations (continued)

PCR project execution

Internal · Strategic · Probability: Medium · High impact

A PKR 22.6 billion build with new-to-company processes; delay or overrun would defer the second growth engine.

Mitigation: the team that delivered four TBR phases on time; competitive EPC awards technology transfer from partners; milestone-based Board oversight and auditor-reviewed proceeds reporting.

Receivables & counterparty credit

Internal · Financial · Probability: Low · Low impact

Trade debts of PKR 7.8 billion at year end.

Mitigation: export receivables LC-secured; local book spread across 100+ dealers; 94% of the book current or under 30 days; no expected-credit-loss charge required.

Energy supply & grid levies

External · Operational · Probability: Medium · Medium impact

Grid volatility and the Captive Power Levy raise energy cost uncertainty.

Mitigation: 12 MW solar + 7.5 MW wind; RLNG and backup generation; PKR 43.7 million prudential provision recognised while the levy is contested.

Technology & product quality

Internal · Operational · Probability: Low · High impact

Product failure in demanding load conditions would damage brand and warranty cost.

Mitigation: full technology transfer, 100% final inspection, certifications in six regimes, warranty analytics fed back into compound design.

Litigation & tax matters

Internal/External · Compliance · Probability: Low · Medium impact

Pending customs, input-tax and cess matters largely guarantee-backed.

Mitigation: strong legal positions per counsel; guarantees in place; no material lawsuit filed in FY2026.

Talent & key people

Internal · HR · Probability: Medium · Low impact

Execution cadence depends on a deep technical and commercial bench.

Mitigation: ESOS alignment, counterpart training with Chinese engineers, dormitories and welfare investment, succession planning via the HR&R Committee.

Key sources of estimation uncertainty

Preparation of the financial statements requires judgments and estimates, principally: useful lives and residual values of plant; recoverability of deferred tax assets against the post-exemption tax horizon; net realisable value of inventories; expected credit losses on trade debts; measurement of share-based payments; and the outcome of pending tax and cess litigation. Estimates are reviewed each reporting period and were not revised materially during FY2026.

Board's statement on internal controls: the system of internal controls is sound in design and has been effectively implemented and monitored through the year. No material control weakness came to the Board's attention.

Stakeholder Relationship & Engagement

Who our stakeholders are, how we engage them,
and the investor-relations disciplines adopted with listing.

Stakeholder Identification & Engagement

The Company engages with key stakeholder groups whose decisions most affect and are most affected by its operations, through defined engagement channels, with clear management responsibility for each stakeholder relationship.

Stakeholder	Nature of relationship	Frequency	Engagement process	Owner & value
Shareholders & investors	Providers of equity capital; 35,000+ holders since listing	Continuous; quarterly reporting	PSX disclosures, quarterly accounts, AGM, corporate briefing session, IR mailbox	CFO / Company Secretary — fair valuation, access to capital
Customers & dealers	100+ dealers, OEMs, fleets and institutional buyers	Daily; annual dealer conference	Dealer network programme, SLM Connect events, warranty service, OEM technical liaison	CMO / GM Sales — demand, market intelligence
Suppliers & partners	Raw-material vendors across four countries; technology partner Chaoyang Long March	Continuous	Long-term supply agreements, counterpart engineering, vendor development	Supply Chain / CTO — continuity, technology depth
Lenders	15 banking relationships; concessionary facilities	Quarterly and at facility events	Covenant reporting, rating reviews (PACRA AA-/A1), site visits	CFO — liquidity at lowest cost
Regulators	SECP, PSX, FBR, SEZA, SEPA, State Bank schemes	Per filing calendar	Statutory filings, inspections, industry consultation on tariff policy	Company Secretary / CFO — licence to operate
Employees	1,663 direct employees	Continuous	Training, ESOS, welfare programmes, recognition events, grievance and anti-harassment channels	GM HR — capability and retention
Community & media	Host community at Nooriabad; business media and analysts	Ongoing / event-driven	Local hiring and welfare, Servis Foundation programmes, press engagement at milestones	CEO office — social licence, reputation

Issues raised by stakeholders during the year centred on IPO allocation and refunds (resolved through the banker and registrar within the regulatory timetable) and dealer supply allocation during the pre-expansion months (resolved as the new capacity commissioned).

Investor Relations & Corporate Briefings

Investor relations since listing

- **Disclosure-first:** all price-sensitive information reaches the market through PSX before any other channel.
- **IR contact:** shareholders@slmtires.com, answered by the Company Secretary's office; an investor-relations section on slmtires.com hosts financial reports, notices and the prospectus.
- **Corporate briefing session:** the Company will hold its first annual corporate briefing session for analysts and investors in autumn 2026 under PSX regulations, presenting FY2026 results and the capacity roadmap.
- **Minority participation:** AGM by video-link as well as in person; proxy facility; e-dividend mandates; complaints procedure published — no investor complaint was outstanding at the date of this report.

Whistle blowing

A confidential channel to the Audit Committee chairman is open to employees, dealers and vendors; no reports were received during FY2026.

Engagement, executed: the IPO itself was the year's largest engagement exercise — a nationwide investor roadshow, a pre-IPO conference, book building open to institutions and high-net-worth individuals, and a retail offer that brought 35,000+ shareholders onto the register in three weeks.

IT Governance & Cybersecurity

The systems that run a two-million-tyre platform, the controls that protect them, and the digital roadmap.

IT Governance, Cybersecurity & Digital Transformation

Governance and oversight

Responsibility for IT governance and cybersecurity risk rests with the Board, exercised through the Audit Committee, which reviews the information-security posture, control testing results and incident reports. Management operates an IT steering forum that prioritises systems investment against the business plan — the same owner-and-date discipline applied to capital projects.

The digital backbone

A company-wide ERP platform integrates procurement, production, inventory, sales, treasury and financial reporting on a single database, with role-based access control and segregation of duties enforced at the application layer. Production systems capture batch-level quality data through the five-stage radial process, and the FBR's digital production-monitoring regime is fully implemented — a compliance investment the Company welcomes as a documented manufacturer.

Business continuity and disaster recovery

Critical systems are backed up on defined cycles with off-site replication between the plant and head office; recovery procedures are documented and tested. During the year's regional disruptions, no loss of systems availability occurred.

Cybersecurity programme

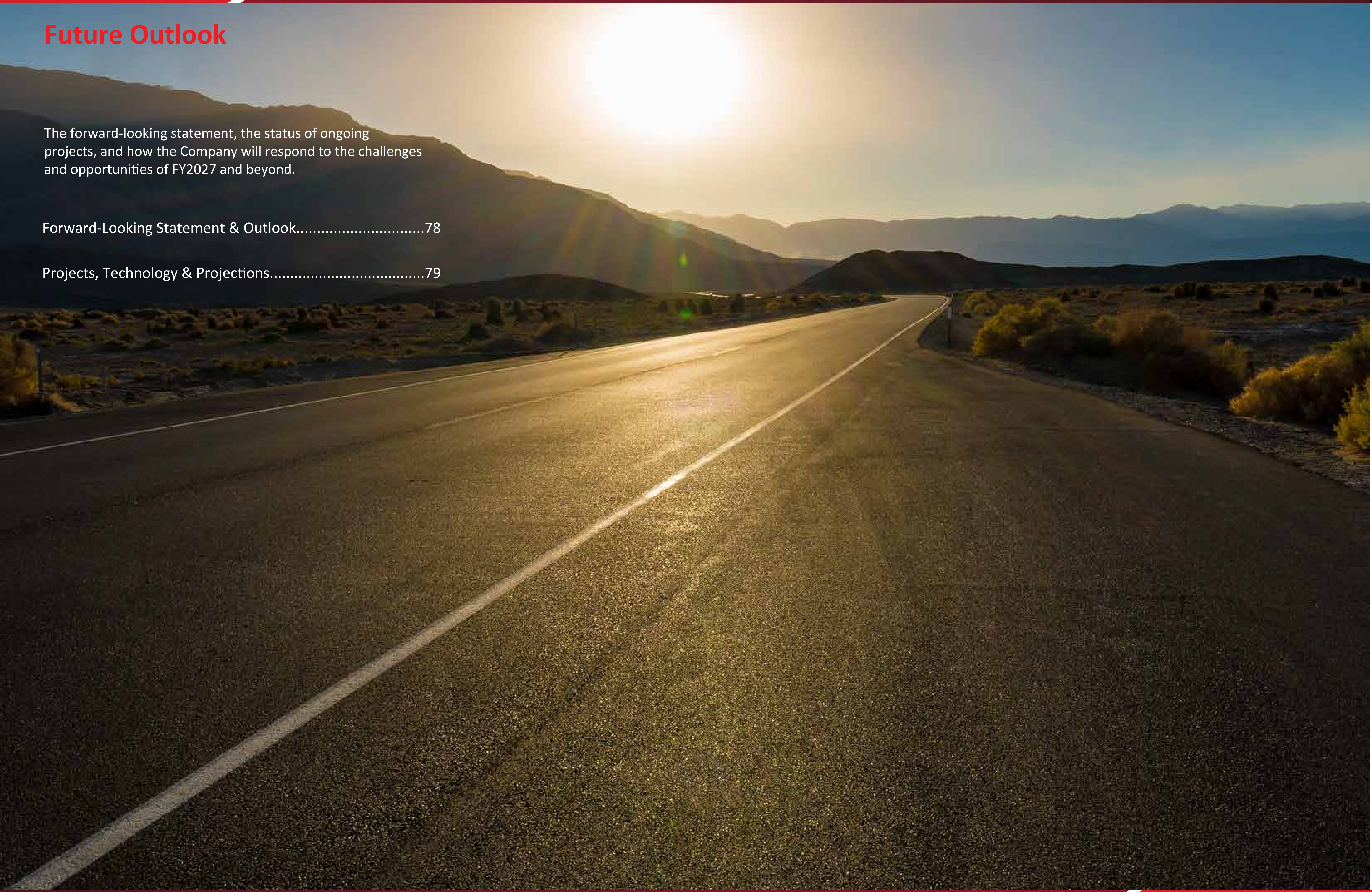
- **Preventive controls:** perimeter and endpoint protection, e-mail filtering, patch management and privileged-access management over financial and production systems.
- **Detection and response:** monitored alerts, defined incident-response ownership, and escalation to the Audit Committee for material events. No material cybersecurity incident occurred during FY2026.
- **Independent assessment:** periodic third-party review of the technology environment, with findings tracked to closure through internal audit.
- **People:** security awareness training for system users, phishing simulation, and joiner–mover–leaver access reviews.

Digital roadmap

- Analytics dashboards over production, quality and sales data to shorten decision cycles as the PCR plant adds a second product stream.
- A dealer portal for ordering, claims and inventory visibility across the 100+ dealer network.
- Evaluation of machine-level analytics and AI-assisted quality inspection with our technology partners as part of the PCR programme.

Future Outlook

The forward-looking statement, the status of ongoing projects, and how the Company will respond to the challenges and opportunities of FY2027 and beyond.



Forward-Looking Statement & Outlook

Forward-looking statement

This section, which should be read with the Chairman's Review and the Directors' Report, contains the Company's expectations for the future. Such statements are based on management's current plans and assumptions about economic conditions, demand, input costs and project execution; actual outcomes may differ materially for the reasons described in Section 06. The macro backdrop assumed for FY2027: GDP growth sustained near 4%, the policy rate easing as the FY2026 inflation spike unwinds, a broadly stable Rupee, and continued recovery in truck and bus sales from a low base.

Demand outlook

FY2027 opens with 2.0 million tyres of capacity available for a full year against FY2026's average of roughly 1.65 million. Domestic replacement demand grows with the truck fleet and the documentation of the economy; OEM demand is recovering sharply; and the unserved import and grey-channel segment remains the largest single opportunity at home. Abroad, Brazil, Egypt and South Africa are still early in their ramps, and Europe is under evaluation as the next entry.

Margin outlook

Two headwinds are in plain view: the cut in regulatory duty on imported tyres from 20% to 16%, and soft export pricing in a competitive dollar market. Against them stand scale economics from a full year of expanded capacity, a growing renewable-energy share, softer raw-material costs, and mix management toward higher-margin domestic replacement volume. The Board expects these forces to broadly offset, with volume driving earnings growth.

Response to challenges likely to arise

- **Import competition at lower duty:** answer with availability, freight advantage, warranty service and brand — the sources of the 62% share — while continuing documented-sector advocacy.
- **Input-cost or freight shocks:** multi-origin sourcing, forward shipment coverage and safety stocks, with replacement-channel pricing as the release valve.
- **Execution risk on the PCR programme:** a dedicated owner, budget and date for each milestone, tracked at every Board meeting; civil works already contracted below budget.
- **Rate and currency cycles:** concessionary fixed-spread funding, a 32% debt-to-capital ratio and a natural export hedge limit sensitivity in both directions.

Projects, Technology & Projections

Status of ongoing projects

Project	Scale / cost	Status at report date	Target
PCR manufacturing facility	2.0 mn tyres/yr · PKR 22.56 bn	Civil works underway calender line ordered; technology agreement at signing stage	Commissioning January 2028
Wind power plant	7.5 MW · PKR 0.64 bn invested to date	Under construction	Commissioning December 2026
Dormitories & welfare facilities	15 acres adjacent to plant	Land acquired; design phase	FY2027 budget

Technology, AI and R&D

Product development continues with Chaoyang Long March on compounds and constructions for Pakistani load conditions and export specifications, with PCR patterns entering the programme as the plant is built. Digitally, the Company is extending production analytics, evaluating AI-assisted quality inspection with its technology partners, and building the dealer portal — each initiative owned, budgeted and dated.

Financial projections and their basis

The Board approves an annual budget and a five-year plan aligned to the capacity roadmap: volume-led revenue growth as 2.0 million TBR capacity utilises through FY2027, a step-change from PCR volumes in FY2028–30, margins defended through the cost programme, and leverage held conservative through the build. Specific numeric forecasts are not published; the capacity roadmap in "Strategy & Resource Allocation" section is the published quantitative guide.

Sources of information used for the outlook

State Bank of Pakistan statistics and monetary policy statements; Pakistan Economic Survey and PBS data; PAMA vehicle production data; IMF World Economic Outlook; industry benchmarking and internal market intelligence; and the Company's project management reporting.

The short version: more capacity in the year ahead than in any year of the Company's history, two funded projects on published dates, and headwinds that are identified, priced and answered — the outlook is the strategy, scheduled.

Analysis of Financial Information

The forward-looking statement, the status of ongoing projects, and how the Company will respond to the challenges and opportunities of FY2027 and beyond.

Four-Year Summary

PKR in million (unconsolidated)	FY2023	FY2024	FY2025	FY2026
Profit or loss				
Net revenue	16,116.0	37,947.6	49,840.2	71,708.9
Gross profit	1,518.8	9,367.1	10,753.0	18,151.5
Operating profit	761.5	7,972.5	8,332.6	14,260.7
EBITDA	1,901.3	8,974.1	9,574.8	15,478.5
Finance cost and other charges	(1,349.9)	(1,138.0)	(1,117.2)	(752.6)
Profit / (loss) before taxation	(515.3)	6,700.0	7,100.5	13,059.6
Profit / (loss) after taxation	**(547.5)**	**5,359.7**	**10,025.3**	**13,529.0**
Financial position				
Property, plant and equipment	20,356.4	22,501.7	29,474.1	38,374.2
Total assets	32,649.5	36,952.7	52,858.6	78,073.3
Shareholders' equity	12,025.6	18,899.2	27,201.7	45,732.9
Total borrowings	17,058.2	12,446.1	20,364.8	21,375.4
Cash and bank balances	733.2	1,289.3	4,571.2	11,401.0
Cash flows				
Net cash from / (used in) operations	(5,203.2)	6,879.2	5,569.6	11,321.8
Capital expenditure	1,674.3	3,292.9	8,336.6	10,591.7
Operations and per-share (restated for 5-for-1 split)				
Tyres sold — units	389,267	842,399	1,149,726	1,634,072
Installed capacity — tyres/year	740,000	740,000	1,300,000	2,000,000
Earnings per share — Rupees	(0.09)	0.80	1.40	1.83
Breakup value per share — Rupees	1.88	2.64	3.67	5.87
Cash dividend per share — Rupees*	—	0.28	0.41	0.83

*In respect of the year; historic per-share amounts restated for the October 2025 share split (Rs. 10 → Rs. 2 face value). FY2026 dividend as recommended by the Board on August 17, 2026, subject to AGM approval. FY2023 reflects the first full year of commercial operations.

Key Ratios

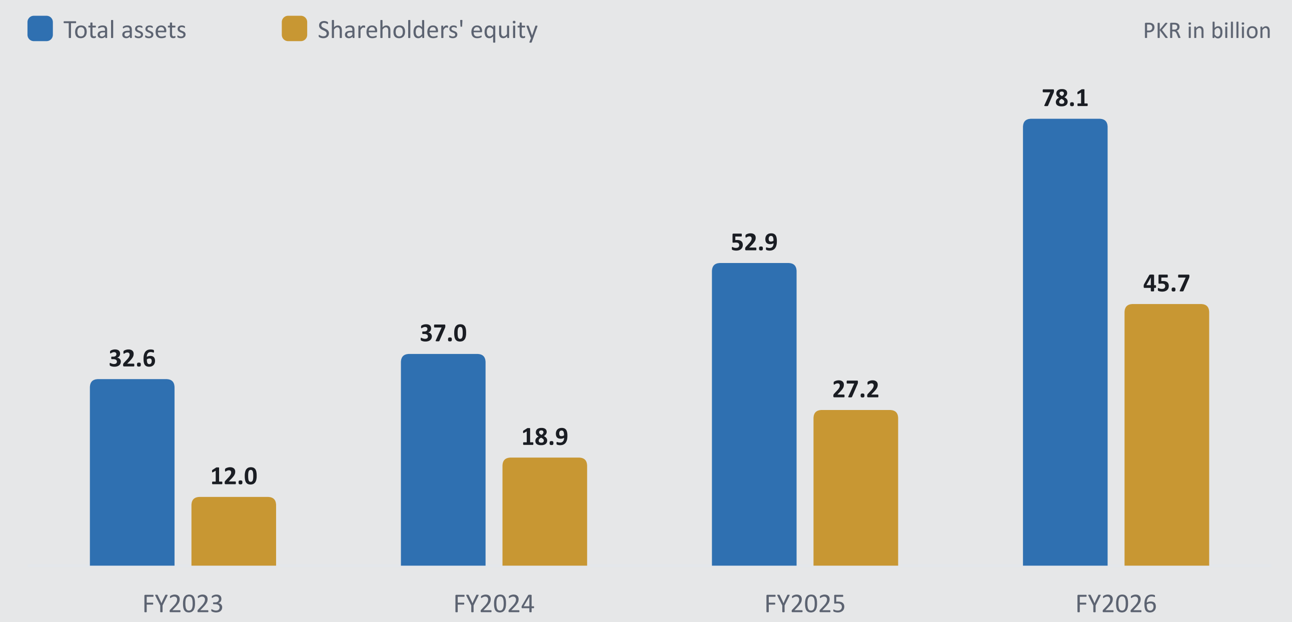
Profitability	FY23	FY24	FY25	FY26
Gross margin — %	9.4	24.7	21.6	25.3
Operating margin — %	4.7	21.0	16.7	19.9
EBITDA margin — %	11.8	23.6	19.2	21.6
Net margin — %	(3.4)	14.1	20.1	18.9
Return on equity — %	(5)	35	43	37
Return on assets — %	(2)	15	22	21

Liquidity & activity	FY23	FY24	FY25	FY26
Current ratio — times	1.03	1.46	1.21	1.57
Asset turnover — times	0.54	1.09	1.11	1.10
Fixed asset turnover — times	0.80	1.77	1.92	2.11
Cash conversion cycle — days	n/a	79	73	77

Capital structure	FY23	FY24	FY25	FY26
Debt : equity — times	1.42	0.66	0.75	0.47
Debt as % of total capital	59	40	43	32
Interest cover — times	0.62	6.89	7.36	18.35
Total debt / EBITDA — times	8.97	1.39	2.13	1.38

Investment / market	FY23	FY24	FY25	FY26
EPS — Rupees (restated)	(0.09)	0.80	1.40	1.83
Breakup value / share — Rs.	1.88	2.64	3.67	5.87
Dividend payout — %	—	37	30	48
Price / earnings — times (at Aug 7, 2026)	—	—	—	13.9

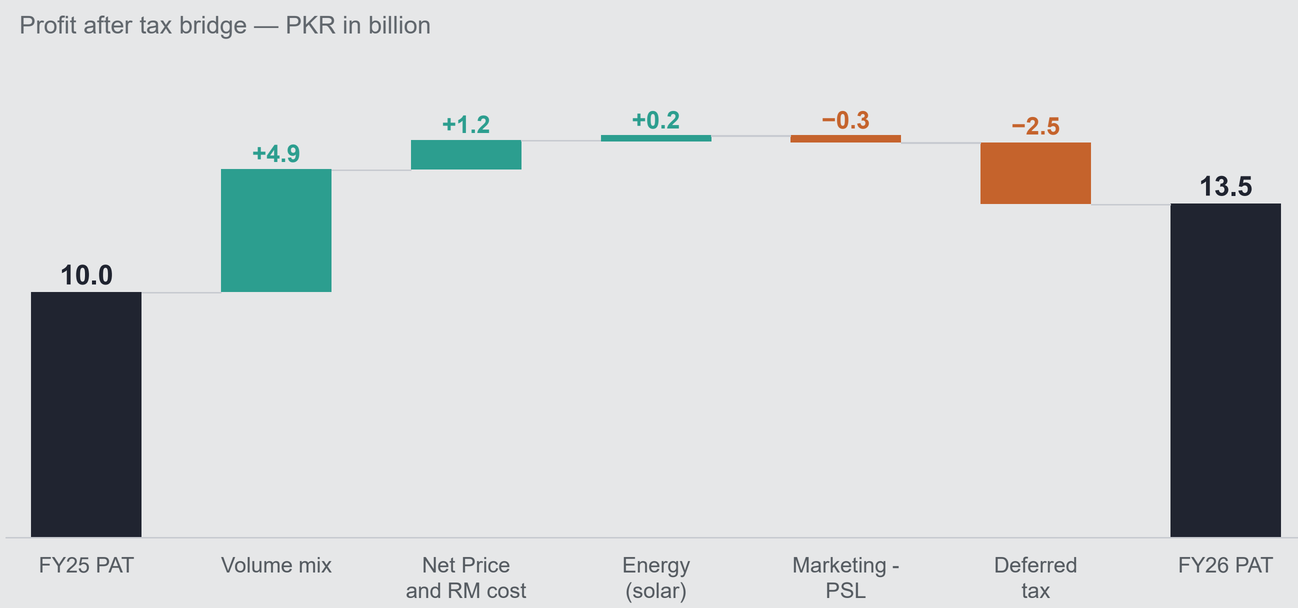
Balance sheet growth



Drivers of FY2026 Profit

The bridge below decomposes the PKR 3.5 billion increase in profit after tax. Volume — the direct product of on-time capacity — contributed roughly PKR 5.0 billion; raw-material deflation and solar savings added PKR 2.6 billion; export price softness and a smaller deferred-tax credit than last year worked the other way.

Profit after tax — FY2025 to FY2026



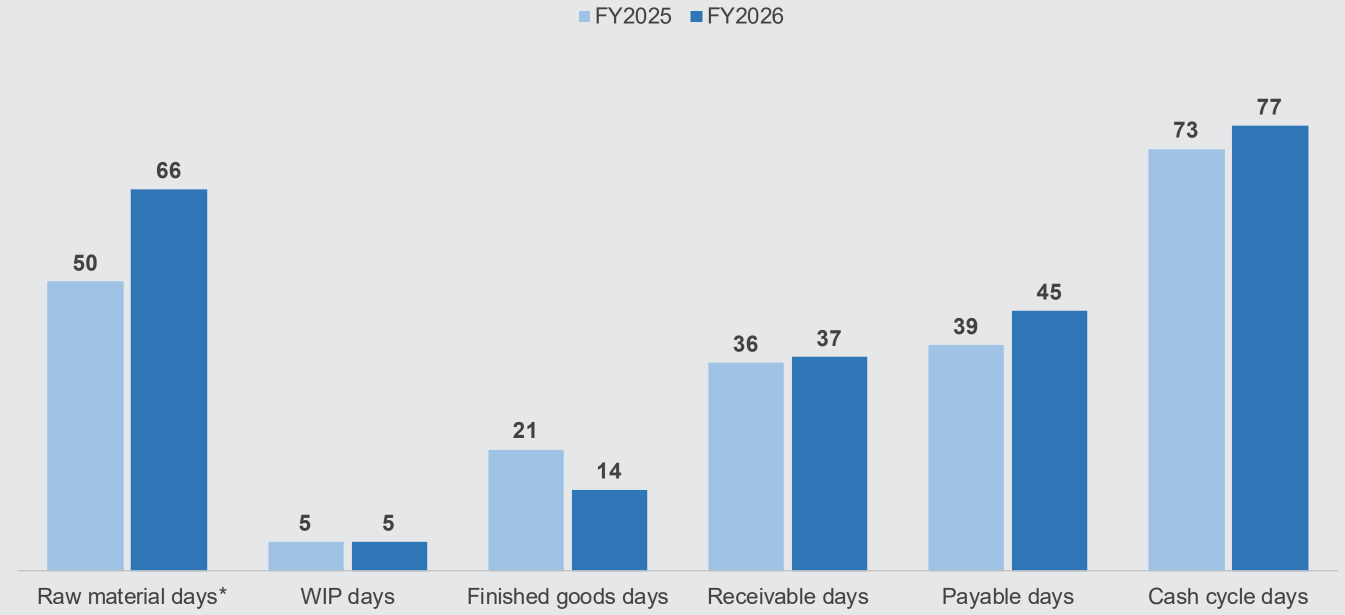
- **Volume and mix (+5.0 bn):** 42% more tyres sold, weighted towards the higher-margin domestic replacement channel.
- **Raw materials (+1.2 bn):** the per-kilogram material cost fell 5.4% to US$ 1.67 on softer rubber and better buying.
- **Energy (+0.2 bn):** solar units up 128%, displacing grid and gas.
- **Deferred tax (−2.5 bn):** FY2025 included recognition of prior-year deferred-tax credits; FY2026's credit is the smaller, recurring kind. Profit *before* tax rose 83.9%.

Quality of earnings: 79% of EBITDA converted to gross operating cash flow; profit growth was volume- and cost-led rather than price-led; and the largest single driver — capacity — was a management action, not a market gift.

Working Capital & Leverage

Scale usually bloats working capital; in FY2026 it did the opposite. The cash conversion cycle shortened by 20 days as finished-goods inventory more than halved in day terms — demand absorbing production as fast as the new lines released it — and receivable days tightened despite 44% revenue growth.

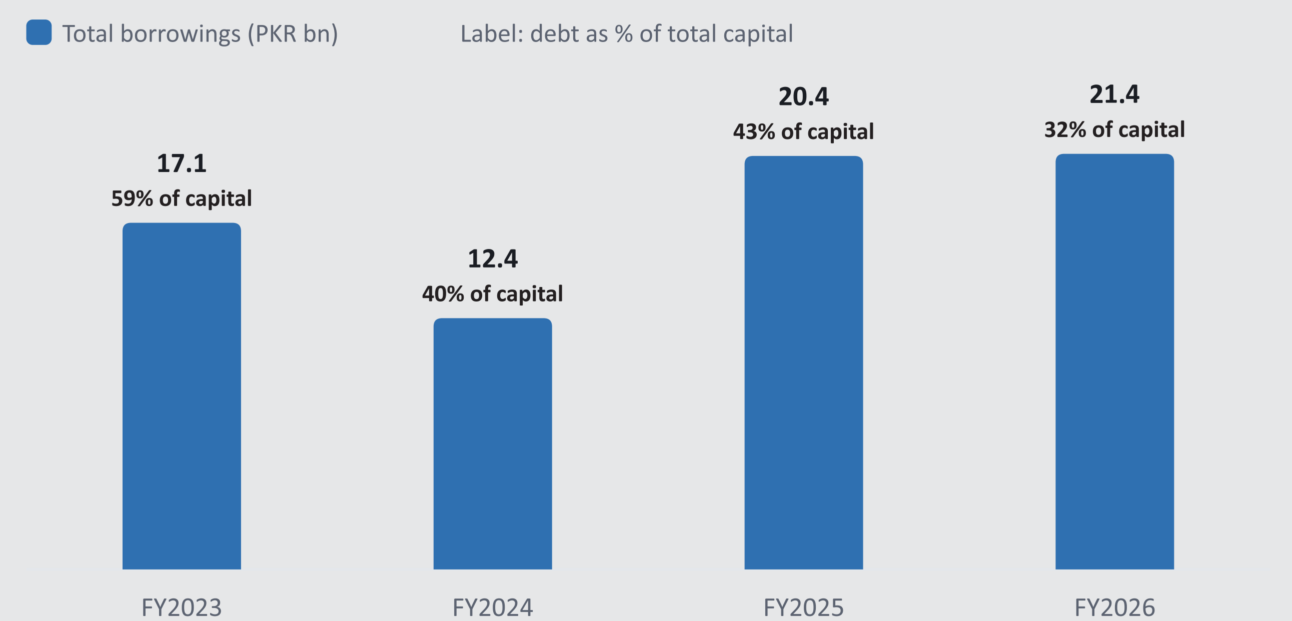
Cash conversion cycle components



Borrowings were essentially flat year-on-year while equity grew 68%, cutting leverage to 32% of total capital. The book is deliberately concessionary: export refinance, LTFF and TERF facilities hold the blended cost at 5.28% against a policy rate of 11.5%. Unused credit lines of PKR 14.2 billion and cash of PKR 11.4 billion give the PCR build a deep liquidity cushion.

** Raw materials include goods shipped to the Company but not yet physically received at the reporting date.*

Borrowings and leverage



Horizontal, Vertical & DuPont Analysis

Horizontal — year-on-year growth (%)

	FY24	FY25	FY26
Net revenue	+135.5	+31.3	+43.9
Gross profit	+516.7	+14.8	+68.8
Profit after tax	n/m	+87.1	+34.9
Total assets	+13.2	+43.0	+47.7
Shareholders' equity	+57.2	+43.9	+68.1

Vertical — % of net revenue

	FY25	FY26
Cost of sales	78.4	74.7
Gross profit	21.6	25.3
Distribution & administration	4.9	5.4
Operating profit	16.7	19.9
Finance cost	2.2	1.0
Profit after tax	20.1	18.9

Vertical — % of total assets (FY26)

	FY25	FY26
Property, plant and equipment	55.8	49.2
Stock in trade	16.8	20.6
Trade debts	12.5	9.9
Cash and bank	8.6	14.6
Shareholders' equity	51.5	58.6
Borrowings	38.5	27.4

DuPont — the anatomy of 37% ROE

FY2026	
Net margin	18.9%
× Asset turnover	1.10x
× Financial leverage (assets/equity)	1.71x
= Return on equity	**37.1%**

ROE held at 37% even as equity grew 68% during the year — margin quality and asset productivity replaced leverage, which fell from 1.94x to 1.71x on average assets. Return is being generated by operations, not balance-sheet gearing.

Cash Flow Analysis & Direct Method

Operating cash flow has funded an ever-larger share of the investment programme: in FY2026 it covered the year's entire capital expenditure with room to spare, for the first time in the Company's history.

Cash flows by activity

Commentary

FY2023's operating outflow reflects the working-capital build of the first full year of operations. Since FY2024, operations have generated cash every year, doubling in FY2026 to PKR 11.3 billion as profit scaled Investing outflows track the capacity programme — peaking with the FY2025–26 expansions — while financing inflows in FY2026 combine the IPO with concessionary project debt, net of PKR 3.0 billion of dividends and PKR 4.1 billion of scheduled repayments.

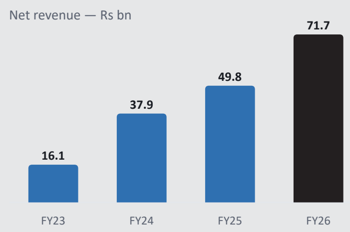
Direct-method summary — FY2026 (Rs. million)

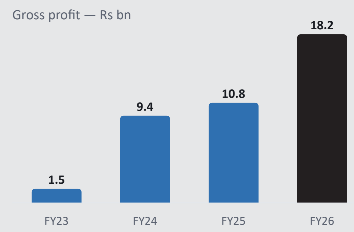
Cash received from customers (gross)	81,579
Cash paid to suppliers, employees and for expenses	(69,301)
Cash generated from operations	**12,278**
Finance cost, bank charges and taxes paid	(957)
Net cash from operating activities	**11,322**

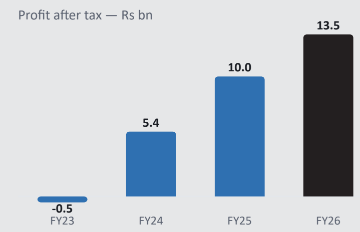
Derived from the indirect-method statement: receipts comprise gross invoiced sales including sales tax, adjusted for movements in trade debts and contract liabilities.

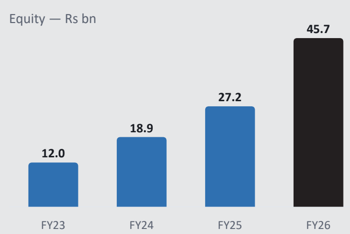
Free cash flow: operating cash flow of PKR 11.3 billion less capital expenditure of PKR 10.6 billion gives free cash flow of PKR 0.7 billion in a peak-investment year — turning decisively positive from FY2027 as the TBR expansion earns for a full year before the PCR spend crests.

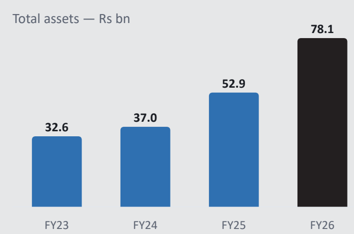
Graphical Review & Balance Sheet Composition

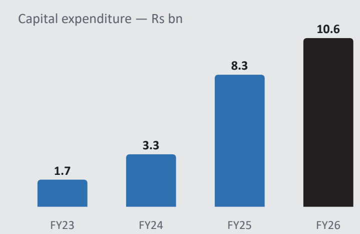




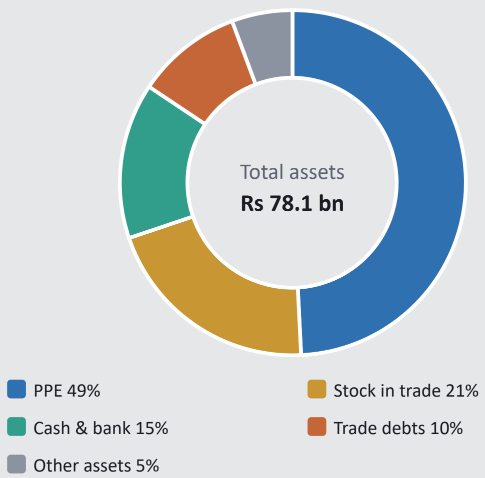


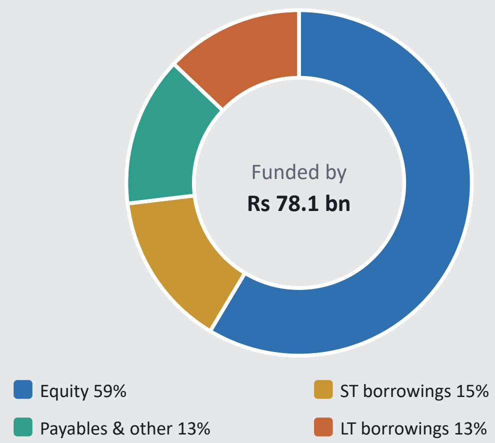






Balance sheet composition — June 30, 2026





Value Added, EVA, Sensitivity & Segments

Wealth generated and distributed — FY2026

Rs. in million		%
Gross revenue (incl. sales tax) and other income	81,838	
Bought-in materials and services	(52,484)	
Wealth generated	**29,354**	**100.0**
To employees — remuneration and benefits	2,855	9.7
To government — taxes, duties and levies	10,551	35.9
To providers of finance — finance cost	753	2.6
To shareholders — proposed dividend	6,470	22.0
Retained in the business (incl. depreciation)	**8,725**	**29.7**

Economic value added

Using a cost of equity of 15%, an after-tax cost of debt of 5.3% and average invested capital of Rs. 56.9 billion (WACC ≈ 11.5%), EVA for FY2026 is approximately **Rs. 7.7 billion**: net operating profit after tax of Rs. 14.3 billion less a capital charge of Rs. 6.6 billion. The Company earned well above its cost of capital in only its fifth year of production.

Share price sensitivity

The share responds chiefly to: quarterly volumes and margins (capacity utilisation being the market's principal KPI); tariff policy on tyre imports; PCR project milestones; raw-material and freight cycles; interest-rate expectations (both for demand and for market multiples); and index inclusion or free-float events. A one-rupee move in the share changes market capitalisation by approximately Rs. 7.8 billion.

Segment reporting

The Company operates a single reportable segment — the manufacture and sale of all-steel radial tyres — as the chief operating decision-maker reviews the business as one unit. Geographic disaggregation of revenue is disclosed in the Selected Notes (Pakistan 73.4%, United States 15.8%, Brazil 10.5%, other markets 0.3%). The PCR plant will introduce a second product line from FY2028, and segment reporting will be re-assessed at that point.

Quarterly rhythm

Volumes built through the year as capacity phased in, with the strongest quarter the last — exit-rate momentum that carries into FY2027. Quarterly financial statements are published on the corporate website and PSX from FY2027 onwards under the listing regulations.

Wealth distribution: government includes sales tax collected on domestic invoices, WPPF/WWF and minimum levies; the proposed FY2026 dividend is shown as distribution to shareholders. EVA assumptions are management estimates for analytical purposes.

Financial Statements

Audited separate (unconsolidated) and consolidated financial statements of Service Long March Tyres Limited for the year ended June 30, 2026. The complete audited financial statements with all notes are annexed at the end of this report, and are filed with PSX and SECP and available at slmtires.com.

Financial Statements
For the year ended June 30, 2026
Unconsolidated

INDEPENDENT AUDITOR'S REPORT

To the members of Service Long March Tyres Limited

A·F·FERGUSON&Co.

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Service Long March Tyres Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** *(Refer note 3.17 & 26 to the unconsolidated financial statements)* The Company recognised revenue of Rs. 71.71 billion from the sale of tyres to domestic as well as export customers during the year ended June 30, 2026. Revenue is recognised when the performance obligation is satisfied by transferring control of a promised good to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures amongst others included the following: • Obtained understanding and evaluated the accounting policy with respect to revenue recognition; • Tested revenue on a sample basis by inspecting underlying documentation including gate pass, delivery order and invoices; • Performed cut-off procedures including circulisation of confirmation to ensure that sales have been recorded in the correct period; • Verified on sample basis, credit notes issued after the financial year end date to determine whether they were recognised in the appropriate financial reporting period; and • Assessed the adequacy of the related disclosures made in the unconsolidated financial statements with respect to the applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 28, 2026

UDIN: AR202610073CtH2An7ky

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**38,374,205**	29,474,076
Long term loan	5	**-**	-
Long term investment - Subsidiary	6	**77,500**	-
Deferred tax asset	7	**2,022,003**	1,492,680
Long term security deposit	8	**7,748**	7,748
		40,481,456	30,974,504
CURRENT ASSETS			
Stock in trade	9	**16,061,549**	8,897,170
Stores and spares	10	**796,577**	428,088
Trade debts - considered good	11	**7,752,620**	6,603,378
Advances, prepayments and deposits	12	**223,917**	226,094
Taxation - net		**10,284**	12,650
Accrued interest		**87,589**	38,029
Other receivables	13	**1,258,314**	1,107,493
Cash and bank balances	14	**11,400,997**	4,571,150
		37,591,847	21,884,052
TOTAL ASSETS		**78,073,303**	52,858,556
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
8,050,000,000 (June 30, 2025: 7,625,000,000) ordinary shares of Rs. 2 each		**16,100,000**	15,250,000
Share capital - Issued, subscribed and paid-up share capital	15	**15,589,521**	14,329,545
Capital reserve			
Share premium	16	**6,995,878**	-
Employee share option reserve	17	**29,715**	283,376
Share deposit money		**18,102**	18,102
Revenue reserve			
Accumulated profit		**23,099,695**	12,570,718
TOTAL SHAREHOLDERS' EQUITY		**45,732,911**	27,201,741
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income - Government grant	18	**526,423**	815,939
Long term financing	19	**7,863,218**	6,789,048
		8,389,641	7,604,987
CURRENT LIABILITIES			
Trade and other payables	20	**8,954,457**	4,353,844
Contract liabilities	21	**1,835,667**	616,913
Accrued mark-up	22	**174,890**	321,226
Short term financing	23	**11,346,964**	10,728,170
Current portion of non-current liabilities	24	**1,638,773**	2,031,675
		23,950,751	18,051,828
TOTAL LIABILITIES		**32,340,392**	25,656,815
CONTINGENCIES AND COMMITMENTS	25		
TOTAL EQUITY AND LIABILITIES		**78,073,303**	52,858,556

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
Revenue from contracts with customers	26	**71,708,895**	49,840,191
Cost of sales	27	**(53,557,383)**	(39,087,182)
Gross profit		**18,151,512**	10,753,009
Distribution cost	28	**(2,347,591)**	(1,187,172)
Administrative expenses	29	**(1,543,199)**	(1,233,263)
Operating profit		**14,260,722**	8,332,574
Other expenses	30	**(777,362)**	(413,622)
Finance cost and other charges	31	**(752,633)**	(1,117,197)
Other income	32	**328,870**	298,728
Profit before taxation		**13,059,597**	7,100,483
Taxation	33	**469,380**	2,924,835
Profit after taxation		**13,528,977**	10,025,318
		---------- Rupees ----------	
			(Restated)
Earnings per share - basic & diluted	34		
Basic earnings per share		**1.831**	1.399
Diluted earnings per share		**1.826**	1.376

There are no other comprehensive income for the year.

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER   CHIEF FINANCIAL OFFICER   DIRECTOR

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Note	Share Capital	Share Premium	Capital Reserve: Share deposit money	Capital Reserve: Employee share option	Revenue Reserve: Accumulated Profit	Total Equity
		-------------------	-------------------	---(Rupees in thousands)---	-------------------	-------------------	-------------------
Balance as at July 01,2024		14,329,545	-	18,102	-	4,551,536	18,899,183
Transactions with shareholders:							
Employee share option scheme	17	-	-	-	283,376	-	283,376
Interim dividend for the year ended June 30, 2024 @ Rs. 1.4 per share having face value of Rs. 10		-	-	-	-	(2,006,136)	(2,006,136)
Ordinary shares issued against share deposit money		-	-	-	-	-	-
		-	-	-	283,376	(2,006,136)	(1,722,760)
Total Comprehensive income for the year							
Profit for the year		-	-	-	-	10,025,318	10,025,318
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	10,025,318	10,025,318
Balance as at June 30, 2025		**14,329,545**	**-**	**18,102**	**283,376**	**12,570,718**	**27,201,741**
Transactions with shareholders:							
Employee share option scheme	17	-	-	-	40,443	-	40,443
Ordinary shares issued against Employee share option scheme		480,500	294,104	-	(294,104)	-	480,500
Issuance of 389,738,038 ordinary shares each fully paid in cash		779,476	6,995,799			-	7,775,275
Write off of expenses on account of issue of shares through Initial Public Offering		-	(294,025)	-	-	-	(294,025)
Final dividend for the year ended June 30, 2025 @ Rs. 2.03 per share having face value of Rs. 10		-	-	-	-	(3,000,000)	(3,000,000)
		1,259,976	6,995,878	-	(253,661)	(3,000,000)	5,002,193
Total Comprehensive income for the year							
Profit for the year		-	-	-	-	13,528,977	13,528,977
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	13,528,977	13,528,977
Balance as at June 30, 2026		**15,589,521**	**6,995,878**	**18,102**	**29,715**	**23,099,695**	**45,732,911**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	**12,278,346**	6,468,546
Finance cost paid - Conventional		**(741,543)**	(731,184)
Finance cost paid - Islamic		**(91,770)**	(86,313)
Bank charges paid		**(65,656)**	(56,727)
Tax paid		**(57,577)**	(24,674)
Net cash generated from operating activities		**11,321,800**	5,569,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital work-in-progress		**(10,449,811)**	(8,175,131)
Addition in operating fixed assets other than transfer from capital work-in-progress		**(141,900)**	(161,472)
Investment in subsidiary		**(77,500)**	-
Proceeds from sale of operating fixed assets		**27,630**	7,073
Encashment / (Investment) in Term Deposit Receipts - net		**2,315,830**	(2,894,230)
Long term loans and receivables		**-**	878
Return on bank deposits and term deposits receipts		**177,332**	128,254
Net cash used in investing activities		**(8,148,419)**	(11,094,628)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued against Employee share option scheme		**480,500**	-
Shares issued against Initial Public Offering - net of expenses		**7,481,250**	-
Short term financing obtained		**32,873,121**	33,145,973
Short term financing paid		**(32,134,561)**	(26,528,294)
Dividend paid		**(3,000,000)**	(2,006,136)
Long term financing obtained - Islamic		**2,158,053**	-
Long term financing repaid - Islamic		**(250,043)**	(258,566)
Long term financing obtained - Conventional		**2,318,539**	3,279,597
Long term financing repaid - Conventional		**(3,834,797)**	(1,554,491)
Net cash generated from financing activities		**6,092,062**	6,078,083
Net increase in cash and cash equivalents		**9,265,443**	553,103
Cash and cash equivalents at the beginning of the year		**1,012,054**	458,951
Cash and cash equivalents at the end of the year	37	**10,277,497**	1,012,054

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2026

1. THE COMPANY AND ITS OPERATIONS

Service Long March Tyres Limited ("the Company") is a listed company on the Pakistan Stock Exchange Limited (PSX). The Company was originally incorporated as a private limited company on January 7, 2020 in Pakistan under the Companies Act, 2017, and was converted into a public limited company on January 6, 2026. The Company was listed on the Pakistan Stock Exchange Limited on June 15, 2026. The principal activities of the Company are to carry on business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off the road tyres. The Company is a subsidiary of Service Industries Limited (SIL). SIL entered into a Joint Venture Agreement with Chaoyang Long March Tyre Co. Ltd., a Chinese Company and Mr. Shabir Ahmad of Myco Corporation, Pakistan for setting up this Company - a Joint Venture Company in Pakistan for the manufacturing and sale of Truck and Bus radial category of all steel tyres on November 18, 2019. The Company started its commercial operations on March 10, 2022.

On June 27, 2024, the Company established a wholly owned subsidiary, SLM International Tyres Trading FZE, in the Jebel Ali Free Zone. The Company has received approval from the State Bank of Pakistan for the equity transfer. During the year on August 05, 2025, an equity investment amounting to Rs. 77,500,000 (AED 1,000,000) has been completed.

These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any. Details of the Company's investment in subsidiaries are stated in note 6 to these unconsolidated financial statements.

The Pakistan Credit Rating Agency (PACRA) has assigned long term credit rating of 'AA-' while short term credit rating of 'A1' dated June 24, 2026.

1.1 GEOGRAPHICAL LOCATIONS

OFFICE AND MANUFACTURING UNIT	ADDRESSES
Registered and head office	Servis House, 2 - Main Gulberg, Lahore
Factory site	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro

The Company also has warehouses and workshops located in Nooriabad, Karachi and Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- IFRS Accounting Standards 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 provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupees, which is the Company's functional and presentational currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these unconsolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant & equipment (note 3.1)
- Stock in trade (note 3.12)
- Taxation (note 3.14)
- Provisions (note 3.2)
- Contingent liabilities (note 3.21)
- Employees' share option scheme (note 3.13)
- Impairment of non financial assets (note 3.19)
- Allocation of overheads (note 3.12)

2.5 Changes in accounting standards, interpretations and pronouncements

a) **Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year**

There were certain amendments to accounting and reporting standards that became applicable to the Company during the year. These do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

b) **New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Company**

There are certain new standards and amendments that will be applicable to the Company for its annual periods beginning on or after July 1, 2026:

i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

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

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

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

The management is in process of assessing the impact of above changes.

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 July 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 principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise disclosed or specified.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Measurement

Property, plant and equipment (except capital work in progress) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the unconsolidated statement of profit or loss and other comprehensive income as an expense when it is incurred.

Depreciation

Depreciation on operating fixed assets is charged to the unconsolidated statement of profit or loss and other comprehensive income applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, rates are given in note 4.1.

Depreciation on additions is charged from the month in which the assets are available for use up to the month prior to disposal.

Residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss and other comprehensive income in the period the asset is disposed.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.2 Investments

3.2.1 Investments in subsidiaries

Investments in subsidiaries are initially recognised and carried at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

3.3 Financial assets

Initial Recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;
   - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
   - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;

b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;
   - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
   - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.3.1 Impairment of financial asset

The Company recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

The Company considers a financial asset in default when it is more than 365 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for the recovery of amounts due.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.5 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the unconsolidated statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

3.6 Trade debts, advances and other receivables

Trade receivables and advances are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.7 Cash and cash equivalents

For the purpose of the unconsolidated statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

3.8 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the unconsolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

All other borrowing costs are recognised in the unconsolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

3.9 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.10 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.11 Stores and spares

Stores and spares are valued at cost using first-in-first-out (FIFO) cost formula, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the unconsolidated statement of profit or loss and other comprehensive income.

3.12 Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

i) For raw materials: First-in-first-out (FIFO) cost formula

ii) For work-in-process and finished goods: Direct material, labour and appropriate manufacturing overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade is stated at lower of cost and net realisable value.

The management uses certain assumptions and estimates in the allocation of overheads, for the valuation of stock-in-trade.

3.13 Employees' share option scheme

Equity-settled share-based payments to employees are measured at fair value at the grant date. The fair value determined at the grant date of the equity settled share-based payments is recognised as an employee compensation expense on a straight-line basis over the vesting period.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of exercise restrictions.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognised in the unconsolidated statement of profit or loss and other comprehensive income, is transferred to unappropriated profit from employee share option compensation reserve in the unconsolidated statement of changes in equity.

When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

3.14 Taxation

Income tax expense comprises levies, current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

3.14.1 Current tax

The Company has been granted the status of a 'Greenfield Industrial Undertaking' on 24 November 2020 under section 2, sub-section (27A) of the Income Tax Ordinance, 2001 and section 2, sub-section (12A) of the Sales Tax Act, 1990. In addition to this, the Board of Approvals (BOA) constituted under Section 5 of the Special Economic Zones Act, 2012 in their meeting held on 14 December 2020 approved the Special Economic Zone (SEZ) status of the Company; the formal notification in this respect has been issued on January 15, 2021. As per Clause (126E) of Part-I, Second Schedule to the Income Tax Ordinance, 2001, income derived by the Company is exempt from income tax for a period of ten years starting from the commencement of commercial operations. Further, the Company is also exempt from minimum tax under section 113 of the Income Tax Ordinance, 2001 under Clause (11A) (xliii), Part IV of the Second Schedule to the Income Tax Ordinance, 2001, as the Company has been granted the status of a 'Greenfield Industrial Undertaking' for a period of 10 years.

3.14.2 Deferred tax

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax asset is reviewed at statement of financial position date as reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilised.

3.14.3 Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the unconsolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.

3.15 Staff retirement benefits

3.15.1 Defined contribution plan

The Company provides provident fund benefits to all its employees. Equal contributions are made, both by the Company and the employees, at the rate of 8.33% of gross salary and the same is charged to the unconsolidated statement of profit or loss and other comprehensive income.

3.16 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the unconsolidated statement of profit or loss and other comprehensive income.

3.17 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.

- Export sales are recognised as revenue when invoiced with the transfer of control of goods which coincides with the date of bill of lading.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

3.18 Income on bank deposits and finance cost

The Company's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognised using the effective interest rate method.

3.19 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss and other comprehensive income.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.20 Provisions

A provision is recognised in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.21 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.22 Dividend and appropriations to / from reserves

Dividend distribution to the Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.23 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognises government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with Grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.24 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.25 The Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	**2026**	2025
		(Rupees in thousands)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**37,196,207**	25,195,233
Capital work-in-progress	4.2	**1,177,998**	4,278,843
		38,374,205	29,474,076

4.1 Operating fixed assets

Description	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture, fixture and fittings	Vehicles	Service equipment	Total
	----------	----------	----------	Rupees in thousands	----------	----------	----------
Year ended June 30, 2025							
Opening net book value	752,361	6,811,559	13,141,762	102,514	232,628	423,876	21,464,700
Additions	-	-	-	34,488	42,905	318,489	395,882
Transfer from CWIP	-	430,434	4,255,797	6,774	3,913	1,366	4,698,284
Disposal:							
Cost	-	-	-	-	(10,518)	(368)	(10,886)
Accumulated depreciation	-	-	-	-	4,124	235	4,359
	-	-	-	-	(6,394)	(133)	(6,527)
Depreciation note - 4.1.3	(9,179)	(342,371)	(793,672)	(24,545)	(53,235)	(134,104)	(1,357,106)
Closing net book value	743,182	6,899,622	16,603,887	119,231	219,817	609,494	25,195,233
As at June 30, 2025							
Cost	790,064	8,038,625	18,837,698	195,405	306,017	903,965	29,071,774
Accumulated depreciation	(46,882)	(1,139,003)	(2,233,811)	(76,174)	(86,200)	(294,471)	(3,876,541)
Closing net book value	743,182	6,899,622	16,603,887	119,231	219,817	609,494	25,195,233
Year ended June 30, 2026							
Opening net book value	**743,182**	**6,899,622**	**16,603,887**	**119,231**	**219,817**	**609,494**	**25,195,233**
Additions	-	-	-	**25,766**	**113,039**	**3,095**	**141,900**
Transfer from CWIP	**446,625**	**1,452,969**	**11,448,559**	**19,865**	**96,725**	**85,913**	**13,550,656**
Disposal:							
Cost	-	-	-	-	**(45,370)**	**(752)**	**(46,122)**
Accumulated depreciation	-	-	-	-	**20,310**	**494**	**20,804**
	-	-	-	-	**(25,060)**	**(258)**	**(25,318)**
Depreciation note - 4.1.3	**(11,791)**	**(351,461)**	**(1,073,913)**	**(29,094)**	**(59,509)**	**(140,496)**	**(1,666,264)**
Closing net book value	**1,178,016**	**8,001,130**	**26,978,533**	**135,768**	**345,012**	**557,748**	**37,196,207**
As at June 30, 2026							
Cost	**1,236,689**	**9,491,594**	**30,286,257**	**241,036**	**470,411**	**992,221**	**42,718,208**
Accumulated depreciation	**(58,673)**	**(1,490,464)**	**(3,307,724)**	**(105,268)**	**(125,399)**	**(434,473)**	**(5,522,001)**
Closing net book value	**1,178,016**	**8,001,130**	**26,978,533**	**135,768**	**345,012**	**557,748**	**37,196,207**
Annual rate of depreciation (%)	1.22	5	5	20	20	20-30	

4.1.1 Particulars of leasehold land and building on leasehold land are as follows:

Description	Address	Square feet
Land - 50 Acres	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	2,178,000
Land - 15 Acres	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	653,400
Buildings (Covered Area)	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	1,620,144

4.1.2 The details of operating fixed assets disposed of during the year are as follows:

Description	Cost	Accumulated Depreciation	Net book value	Sale proceeds	Gain / (loss)	Relationship with buyer	Mode of disposal	Sold To
	----------	----------	Rupees in thousands	----------	----------			
Items having net book value exceeding Rs. 500,000 each are as follows:								
Vehicles:								
Suzuki Wagon R	1,806	912	894	2,050	1,156	Third Party	Negotiaition	Naveed Khan
Suzuki Wagon R	1,806	912	894	2,050	1,156	Third Party	Negotiaition	Naveed Khan
Suzuki Alto	2,487	1,224	1,263	1,263	-	Employee	Company policy	Muzammil Shafique
Suzuki Alto	2,487	1,224	1,263	1,263	-	Employee	Company policy	Muhammad Zubair
Suzuki Alto	2,612	1,043	1,569	1,569	-	Employee	Company policy	Amtaj Khan
Suzuki Swift	4,355	2,231	2,124	2,124	-	Employee	Company policy	Nawabzada
Hyundai Tucson	6,919	3,725	3,194	3,194	-	Employee	Company policy	Atif Aziz
Toyota Altis	6,809	2,478	4,331	4,331	-	Employee	Company policy	Khurram Anwar
Toyota Altis	7,202	2,622	4,580	4,580	-	Employee	Company policy	Hassan Shahid
Hyundai Tucson	8,887	3,939	4,948	4,948	-	Employee	Company policy	Khizr Hayat
Items having net book value of less than Rs. 500,000 each	752	494	258	258	-			
June 30, 2026	**46,122**	**20,804**	**25,318**	**27,630**	**2,312**			
June 30, 2025	10,886	4,359	6,527	7,073	546			

	Note	**2026**	2025
		(Rupees in thousands)	
4.1.3 Depreciation for the year has been allocated as follows:			
Cost of sales	27	**1,424,146**	1,151,041
Administrative expenses	29	**242,118**	206,065
		1,666,264	1,357,106

4.2 Capital work-in-progress

Description	Vehicles	Advance To Vendors	Buildings on leasehold lands	Furniture and IT equipment	Plant and machinery - note 4.2.1	Service equipment	Leasehold Land	Total
	----------	----------	----------	----------	Rupees in thousands	----------	----------	----------
As at June 30, 2024	3,913	-	201,627	6,774	823,320	1,366	-	1,037,000
Additions	9,580	349,026	324,556	-	7,491,969	-	-	8,175,131
Transferred	(3,913)	(235,005)	(430,433)	(6,774)	(4,255,797)	(1,366)	-	(4,933,288)
As at June 30, 2025	**9,580**	**114,021**	**95,750**	**-**	**4,059,492**	**-**	**-**	**4,278,843**
Additions	**91,276**	**78,051**	**1,405,986**	**19,865**	**8,322,095**	**85,913**	**446,625**	**10,449,811**
Transferred	**(96,725)**	**(27,443)**	**(1,445,397)**	**(19,865)**	**(11,428,688)**	**(85,913)**	**(446,625)**	**(13,550,656)**
As at June 30, 2026	**4,131**	**164,629**	**56,339**	**-**	**952,899**	**-**	**-**	**1,177,998**

4.2.1 This includes Rs. 642.79 million in respect of the Wind Power Project.

5. LONG TERM LOAN

	Note	2026	2025
		(Rupees in thousands)	
Considered good:			
Executives	5.1	**-**	902
Current portion shown under current assets	12	**-**	(902)
		-	-

5.1 Reconciliation of carrying amount of loan to executives:

	2026	2025
Balance as at 1 July	**902**	3,945
Disbursement during the year	**-**	24
Repayments during the year	**(902)**	(3,067)
Balance as at 30 June	**-**	902

6. LONG TERM INVESTMENT - SUBSIDIARY

	Note	2026	2025
Investment in subsidiary - at cost			
SLM International Tyres Trading FZE Equity held: 100% (2025: Nil) No of Shares: 1,000,000 (2025: Nil) of AED 1 each	6.1	**77,500**	-

6.1 This represents investment in SLM International Tyres Trading FZE, a wholly owned subsidiary. The registered office of the subsidiary is in Jebel Ali Free Zone, UAE.

7. DEFERRED TAX ASSET

The deferred tax asset / liability comprises of the timing difference relating to accelerated tax depreciation allowance attributable to income subject to normal tax under the Income Tax Ordinance, 2001 (ITO 2001):

	Note	Accelerated tax depreciation (Rupees in thousands)
Balance at July 1, 2025		**(1,492,680)**
Credit to profit or loss and other comprehensive income for the year	33	**(529,323)**
Balance at June 30, 2026		**(2,022,003)**
Balance at July 1, 2024		1,515,546
Credit to profit or loss and other comprehensive income for the year	33	(3,008,226)
Balance at June 30, 2025		(1,492,680)

7.1 During the previous year, the Company after seeking approval from the commissioner revised its income tax returns for the tax years 2022 to 2024 to adjust the tax written down value (WDV) of its property, plant, and equipment back to their original cost.

The income tax returns were revised based on the opinion from the Company's legal consultant, that income earned during an exempt period does not constitute business income chargeable to tax. Consequently, the Company's assets are regarded as not being employed to generate business income chargeable to tax and, therefore, are not considered depreciable assets as per the Income Tax Ordinance, 2001 (ITO 2001). The opinion of legal advisor of the Company is based on ruling from the Islamabad High Court in case of other company.

Accordingly, the Company has recorded deferred tax income as disclosed in note 33 to these unconsolidated financial statements. The Company is confident that the tax position being taken by it is permissible under section 22(5) of ITO 2001. Eventual resolution of the matter will however be dependent upon the finalisation of the tax assessment by tax authorities.

7.2 Under the Finance Act, 2020, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2026, companies are liable to pay super tax at specified rates.Therefore, deferred tax asset have been recognised accordingly using the enacted tax rate of 37%.

8. LONG TERM SECURITY DEPOSIT

This represents long term deposit held with Hyderabad Electric Supply Company (HESCO). The security deposit is non-interest bearing.

9. STOCK IN TRADE

	Note	2026	2025
		(Rupees in thousands)	
Raw materials			
- in hand	9.1.	**5,168,547**	2,648,579
- in transit		**8,566,338**	2,886,938
		13,734,885	5,535,517
Packing materials		**3,740**	-
Work in process		**894,783**	701,458
Finished goods		**1,428,141**	2,660,195
		16,061,549	8,897,170

9.1. As at June 30, 2026 raw material amounting to Rs. 67.29 million (2025: Nil) was held at Service Tyres (Private) Limited premises for the production of master compound.

10. STORES AND SPARES

This includes stores and spares in transit of Rs. 341.42 million.

	Note	2026	2025
		(Rupees in thousands)	

11. TRADE DEBTS - considered good

	Note	2026	2025
Export - Secured	11.2 & 11.3	**3,476,072**	2,842,748
Local - Unsecured	11.2	**4,276,548**	3,760,630
		7,752,620	6,603,378

11.1 The maximum aggregate amount due from the related parties at the end of any month during the year is Rs. 201.91 million (2025: Rs. 118.99 million). There are no balance outstanding as at June 30, 2026 from related parties (2025: Nil).

11.2 The ageing of trade receivable from other than related parties as at the reporting date is as under:

	Note	2026	2025
		(Rupees in thousands)	
Not yet due		**2,778,428**	3,008,433
Past due but not impaired			
- 1 to 30 days		**4,510,835**	3,530,243
- 31 to 90 days		**373,732**	56,662
- 91 to 180 days		**85,362**	6,178
- more than 180 days		**4,263**	1,862
		7,752,620	6,603,378

11.3 Foreign jurisdictions of trade debts:

		2026	2025
United States of America		**2,193,265**	2,133,767
Brazil		**1,248,213**	708,981
Egypt		**34,594**	-
		3,476,072	2,842,748

12. ADVANCES, PREPAYMENTS AND DEPOSITS

	Note	2026	2025
Advances to staff for expenses		**13,866**	3,525
Prepayments		**68,266**	79,072
Advance to suppliers		**34,315**	38,539
Current portion of long term loans to executives	5	**-**	902
Advance for letter of credit		**-**	9,231
Security deposits		**96,022**	94,825
Raw material loan	12.2	**11,448**	-
		223,917	226,094

12.1 These advances and trade deposits are non-interest bearing.

12.2 This represents raw material issued as a loan to Service Tyres (Private) Limited on a temporary basis.

13. OTHER RECEIVABLES

	Note	2026	2025
		(Rupees in thousands)	
Sales tax		**472,176**	544,463
FED		**29,125**	16,463
Custom duty drawback		**748,914**	538,468
Others	13.1	**8,099**	8,099
		1,258,314	1,107,493

13.1 This represents receivable from SLM International Trading FZE (subsidiary) in respect of incorporation expenses incurred on its behalf.

14. CASH AND BANK BALANCES

	Note	2026	2025
		(Rupees in thousands)	
Cash at bank			
Conventional			
- In savings accounts			
Local currency	14.1	**1,860,466**	862,255
- In current accounts			
Local currency		**326,912**	178,356
Foreign currency		**2,949**	116
		329,861	178,472
		2,190,327	1,040,727
Islamic			
- In savings accounts			
Local currency		**-**	41
- In current accounts			
Local currency		**256,303**	52,365
Foreign currency		**73,030**	27,159
		329,333	79,565
Term deposits receipts			
With maturity 3 months or less			
- Conventional	14.2 & 14.4	**8,334,324**	2,783,230
- Islamic	14.3 & 14.4	**200,000**	200,000
		8,534,324	2,983,230
With maturity more than 3 months			
- Conventional	14.2 & 14.4	**340,270**	456,100
Cash in hand			
Local currency		**4,197**	6,778
Foreign currency		**2,546**	4,750
		6,743	11,528
		11,400,997	4,571,150

14.1 The rates of mark-up on PLS savings accounts ranged from 10.25% to 12.03% (2025: 9.5% to 20.5%) per annum.

14.2 The rates of profit on TDRs ranged from 5.56% to 16.25% (2025: 6.41% to 20.5%) per annum, maturing in July 2026 to June 2027.

14.3 The rates of profit on TDRs ranged from 8.10% to 8.50% (2025: 8.10% to 17%) per annum, maturing on August 2026.

14.4 This includes TDRs amounting to Rs. 1,123 million (2025: Rs. 483 million) pledged as margin against bank guarantees.

15. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Authorized share capital

2026	2025		2026	2025
Number of shares			(Rupees in thousands)	
8,050,000,000	7,625,000,000		**16,100,000**	15,250,000

Issued, subscribed and paid-up capital

2026	2025		2026	2025
Number of shares			(Rupees in thousands)	
7,794,760,763	7,164,772,725	Ordinary shares of Rs. 2 each fully paid-up in cash	**15,589,521**	14,329,545

15.1 Movement during the period

2026	2025			
Number of shares				
7,164,772,725	7,164,772,725	Balance at the beginning of the year	**14,329,545**	14,329,545
240,250,000	-	Shares issued through employee share options	**480,500**	-
389,738,038	-	Shares issued through initial public offering for cash	**779,476**	-
7,794,760,763	7,164,772,725		**15,589,521**	14,329,545

15.2 Ordinary shares of the Company held by the related parties:

	2026	2025
	Number of shares	
Service Industries Limited - Holding Company	**1,582,698,295**	1,582,698,295
Chaoyang Long March Tyre Co. Ltd - Associated Company	**3,152,500,000**	3,152,500,000
Shabir Ahmed of Myco Corporation	**377,238,635**	358,238,635
Service Global Footwear Limited - Associated Company	**1,354,858,520**	1,354,858,520
Service Tyres (Private) Limited - Associated Company	**716,477,275**	716,477,275
Omar Saeed - Chief Executive Officer	**200,000,000**	-
Atif Aziz - Chief Financial Officer	**1,000,000**	-

15.3 During the year, on October 13, 2025, the members, in their Annual General Meeting, passed a special resolution to subdivide the Company's shares by reducing the face value from Rs. 10 to Rs. 2. Accordingly, the existing shares were split into shares having a face value of Rs. 2 each.

15.4 The Company in its extra ordinary general meeting held on March 04, 2026 increased its authorised share capital for ordinary shares from Rs.15.25 billion divided into 7.6 billion ordinary shares to Rs. 16.10 billion divided into 8.05 billion ordinary shares of Rs 2 each.

15.5 During the year, the Company has issued 389,730,038 ordinary shares, through Initial Public Offering (IPO), at a price of PKR 19.95 per share (i.e. premium of Rs. 17.95 per share) through listing on the Pakistan Stock Exchange (PSX). The purpose of raising funds is to partially finance the establishment of a dedicated Passenger Car Radial ("PCR") tyre manufacturing facility. As at 30 June 2026, the proceeds raised through the IPO remained unutilised by the Company.

16. SHARE PREMIUM

This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

17. EMPLOYEE SHARE OPTION RESERVE

On July 1, 2024, the Company established share option programmes that entitle key management personnel and (senior employees) employee falling under classification level MG2 and above to purchase shares in the Company. Under these programmes, holders of vested options are entitled to purchase shares at the specified exercise price. Currently, these programmes are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Option Grant Year	Number of Options	Vesting Period	Exercise Price
2024	81,500,000	31-Jul-25	10.00
2024	10,000,000	31-Jul-27	10.00

The fair value of employees share options is calculated using Black Scholes pricing model. The fair value of options granted during the year at the date of grant as estimated using the Black Scholes Model was Rs. 6.12 and Rs. 5.15 per option. The Fair Value measurement for the Employee Stock option Scheme has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

The following assumptions were used in calculating the fair value of the options:

	1st Option	2nd Option
- Underlying price	17.46	17.46
- Exercise price	10	10
- Grant Date	31-Jul-24	31-Jul-24
- Expiry Date	31-Jan-27	31-Jan-29
- Expected Life	2.5	4.5
- Historical Volatility	46.66%	46.66%
- Risk free rate	14.07%	14.07%
- Dividend yield	14%	14%

As per Employees stock option scheme, total number of options available under option 1 and option 2 were 81,500,000 and 10,000,000. However, the compensation committee has accorded 48,050,000 options out of 81,500,000 options and 9,000,000 out of 10,000,000 options

Following the share split approved on October 13, 2025, whereby the face value of ordinary shares was reduced from Rs. 10 to Rs. 2 per share, the outstanding ESOS grants were adjusted to reflect the share split and preserve the economic rights of the option holders. Consequently, the exercise price was revised from Rs. 10 to Rs. 2 per option, and the number of options under the respective grants increased from 48,050,000 and 9,000,000 to 240,250,000 and 45,000,000 options respectively.

During the year, the Company vested 48,050,000 shares, which were subject to a lock-in period of six months.

In this respect, Employee share option compensation reserve amounting to Rs. 40,433,411 (2025: Rs. 283,376,205) has been recognised with a corresponding charge for the year in respect of related employees services received to the balance sheet date.

18. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2026	2025
		(Rupees in thousands)	
Opening balance at the beginning of the year		**1,176,601**	1,624,271
Add: Recognised during the year		**-**	2,445
Less: Amortised during the year	31	**(343,660)**	(391,100)
Reassessment		**-**	(59,015)
		832,941	1,176,601
Less: Current portion shown under current liabilities	24	**(306,518)**	(360,662)
Closing balance at the end of the year		**526,423**	815,939

18.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated March 17, 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units. The refinance was made available through Banks / DFIs. One of the key feature of the refinance facility is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant.

The Company has obtained these loans as disclosed in note 19 to the financial statements. In accordance with IFRS 9 'Financial Instruments' loans obtained under the refinance facilities were initially recognised at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortised in the unconsolidated statement of profit or loss and other comprehensive income, in line with the recognition of interest expense the grant is compensating. Finance cost is reported on net basis in the unconsolidated statement of profit or loss and other comprehensive income.

19. LONG TERM FINANCING

	2026	2025
	(Rupees in thousands)	
CONVENTIONAL		
Long Term Financing Facility (LTFF)	**2,318,540**	2,939,825
Temporary Economic Refinance Facility (TERF)	**3,594,682**	4,207,567
Renewable Energy Power Project (REPP)	**93,750**	100,000
	6,006,972	7,247,392
ISLAMIC		
Long Term Financing Facility (LTFF)	**2,158,053**	-
Islamic Temporary Economic Refinance Facility (ITERF)	**1,009,391**	1,180,898
Long term musharaka	**21,057**	31,771
	3,188,501	1,212,669
	9,195,473	8,460,061
Less: Current portion of long term loan		
CONVENTIONAL		
Long Term Finance Financing Facility	**(36,297)**	(537,956)
Temporary Economic Refinance Facility	**(875,132)**	(871,456)
Renewable Energy Power Project	**(12,500)**	-
	(923,929)	(1,409,412)
ISLAMIC		
Long Term Financing Facility	**(146,894)**	-
Islamic Temporary Economic Refinance Facility	**(250,586)**	(250,586)
Long Term Musharaka	**(10,846)**	(11,015)
	(408,326)	(261,601)
	(1,332,255)	(1,671,013)
	7,863,218	6,789,048

19.1 Long term finances utilised under mark-up arrangements

	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2026	2025
				(Rupees in thousands)	
Conventional					
i) LTFF					
Habib Bank Limited Assistance for plant and machinery	16 quarterly installments 14-Apr-26	31-Dec-30	SBP Policy Rate - 3%	**580,758**	-
National Bank of Pakistan Assistance for plant and machinery	32 quarterly installments 18-Jun-26	18-Jun-36	SBP Policy Rate - 3%	**737,782**	1,939,825
Bank Al Habib Limited Assistance for plant and machinery	32 quarterly installments 29-Jun-26	29-Jun-36	SBP Policy Rate - 3%	**1,000,000**	-
Bank Al Falah Limited Assistance for plant and machinery	20 quarterly installments 06-Nov-25	06-Aug-30	3 month KIBOR +0.5%	**-**	1,000,000
				2,318,540	2,939,825

	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2026	2025
				(Rupees in thousands)	
Conventional					
ii) REPP					
Habib Bank Limited Assistance for plant and machinery	16 half yearly installments 24-Feb-26	24-Aug-33	0.5% over SBP rate	**93,750**	100,000
iii) TERF					
Allied Bank Limited Assistance for plant and machinery	32 quarterly installments 25-Feb-23	26-May-33	0.5% over SBP TERF rate	**1,012,467**	1,188,628
Bank Al Falah Limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Apr-32	0.75% over SBP TERF rate	**511,095**	594,906
MCB Bank Limited Assistance for plant and machinery	16 half yearly installments 02-Oct-23	19-Nov-31	0.5% over SBP TERF rate	**545,868**	633,075
Habib Bank Limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Feb-31	0.5% over SBP TERF rate	**1,525,252**	1,790,958
				6,006,972	7,247,392
Islamic					
i) ITERF					
Faysal Bank Limited Assistance for plant and machinery	32 quarterly installments 08-Feb-23	10-Aug-32	0.5% over SBP ITERF rate	**1,009,391**	1,180,898
i) LTFF					
Meezan Bank Limited Assistance for plant and machinery	10 half yearly installments 04-Nov-25	04-Nov-31	SBP Policy Rate - 3%	**634,940**	-
Bank of Punjab Limited Assistance for plant and machinery	20 quarterly installments 26-Feb-26	26-Feb-32	SBP Policy Rate - 3%	**500,000**	-
MCB Islamic Bank Limited Assistance for plant and machinery	10 half yearly installments 30-Jan-26	01-Jan-32	SBP Policy Rate - 3%	**523,113**	-
Bank Islami Pakistan Limitec Assistance for plant and machinery	20 Quarterly installments 31-Mar-26	30-Mar-32	SBP Policy Rate - 3%	**500,000**	-
ii) DIMINISHING MUSHARAKA					
Bank Islami Pakistan	48 monthly installments 05-Feb-24	05-Feb-28	6-months KIBOR +0.4%	**21,057**	31,771
				3,188,501	1,212,669
				9,195,473	8,460,061

19.1.1 The above loans are secured against joint pari passu charge over present and future fixed assets of the Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 25,738 million (2025: Rs. 19,313 million).

	Note	2026	2025
		(Rupees in thousands)	

20. TRADE AND OTHER PAYABLES

	Note	2026	2025
Trade creditors		**6,965,730**	3,447,284
Accrued liabilities		**1,143,176**	390,115
Employees' provident fund payable		**21,588**	42,663
Withholding taxes payable		**146,663**	78,593
Workers' Welfare Fund Payable		**6,627**	5,007
Workers' Profit Participation Fund Payable	20.1	**670,673**	390,182
		8,954,457	4,353,844

20.1 Workers' Profit Participation Fund

	Note	2026	2025
Balance at beginning of the year		**390,182**	197,355
Allocation for the year	30	**687,990**	388,471
Interest on workers' profit participation fund	31	**2,878**	8,162
Payment during the year		**(410,377)**	(203,806)
Balance at end of the year		**670,673**	390,182

21. CONTRACT LIABILITIES

21.1 These represents advances received by the Company from customers in respect of sale of tyres. 100% (2025: 100%) of these advances at the beginning of the year got converted into revenue during the year.

21.1.1 This include advance amounting to Rs. 1,607.78 million (2025: Rs. 342.77 million) from Myco Corporation in the ordinary course of business.

22. ACCRUED MARK-UP

	2026	2025
	(Rupees in thousands)	
Conventional		
Long term financing	**30,617**	112,804
Short term financing	**64,148**	202,326
	94,765	315,130
Islamic		
Long term financing	**62,375**	6,096
Short term financing	**17,750**	-
	80,125	6,096
	174,890	321,226

23. SHORT TERM FINANCING

	Note	2026	2025
		(Rupees in thousands)	
Conventional			
Short term running finance	23.1 & 23.2	**-**	119,766
Export finance scheme	23.2 & 23.3	**1,656,987**	2,046,447
Export refinance facility	23.2 & 23.4	**4,731,324**	3,708,000
FE-25 loan against exports	23.2 & 23.5	**2,076,070**	3,191,756
Islamic			
Export finance scheme	23.2 & 23.3	**1,312,000**	724,222
Export refinance facility	23.2 & 23.4	**766,876**	937,979
FE-25 loan against exports	23.2 & 23.5	**803,707**	-
		11,346,964	10,728,170

23.1 The rates of mark-up range from 10.43% to 14.07% per annum applicable on the outstanding balance (2025: 11.88% to 22.08%).

23.2 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets of the Company. These form part of total credit facilities of Rs. 25,500 million (2025: Rs.19,600 million).

23.3 The mark-up rate was 2% per annum (2025: 2%) applicable on outstanding balance.

23.4 The rates of mark-up range from 4.5% to 8% (2025: 8% to 19%) per annum applicable on the outstanding balance.

23.5 The rates of mark-up range from 2.5% to 4.9% (2025: 4% to 8%) per annum applicable on the outstanding balance.

23.6 The facilities for short term financing from banks as at June 30, 2026 amounted to Rs. 25,500 million (2025: Rs. 19,600 million) of which unutilised balance at period end amounted to Rs. 14,153 million (2025: Rs. 8,872 million).

24. CURRENT PORTION OF NON CURRENT LIABILITIES

	Note	2026	2025
		(Rupees in thousands)	
Deferred income - Government grant	18	**306,518**	360,662
Long term financing	19	**1,332,255**	1,671,013
		1,638,773	2,031,675

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Company imported prefabricated buildings and claimed exemption from the customs duties and sales tax on the ground that these were being imported for the purpose of establishing an industry in the subject industrial economic zone which was denied on the ground that prefabricated buildings do not fall under capital goods or plant and machinery and thereafter these were allowed to be released provisionally against bank guarantee and the matter was referred to Federal Board of Revenue (FBR). Guarantees are given by the banks of the Company to the Collector of Customs, amounting to Rs. 368.69 million (2025: Rs. 368.69 million). The FBR upheld the opinion of customs against which the Company filed constitutional appeal in the High Court of Sindh. The matter is currently pending in the High Court of Sindh. The Company based of the merits of case and favourable judgements passed by the Honourable courts on the similar matter in the past believes that the case will be decided in favour of the Company.

25.1.2 A show cause notice was issued against the Company on account of inadmissible adjustment of input tax on purchase of building material and services for construction of tyre manufacturing facility, amounting to Rs. 363.26 million. The remand-back proceedings under Section 11 of the Sales Tax Act, 1990 were concluded by the DCIR, vide order dated February 29, 2024, whereby sales tax demand of Rs. 42.36 million (including penalty u/s 33(8) of the Act) was raised. However, the Company filed an appeal before the Commissioner Inland Revenue (CIRA) which was subsequently transferred to the Appellate Tribunal Inland Revenue (ATIR). The ATIR, through its order dated January 2, 2025, has decided the appeal against the Company and upheld the demand raised by the department. The Company challenged the aforementioned appellate order before the Honorable Lahore High Court that remanded the matter back to ATIR for reconsideration. Following a hearing on July 3, 2025, the ATIR has now passed a revised appellate order, substantially reducing the original tax demand from Rs. 42.36 million to Rs. 5.22 million. The Company is still contesting the revised demand and based on the advice of it's consultant and hence no provision has been made in these financial statements.

25.1.3 A Constitutional Petition bearing C.P. No. 4294 of 2021 was filed by the Company on July 26, 2021, challenging the levy of Sindh Infrastructure Development Cess under the Sindh Finance Act, 1994 and subsequently under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. On August 31, 2021, the Honourable Supreme Court of Pakistan suspended the judgment passed by the Honourable Sindh High Court and stayed the encashment of bank guarantees furnished in respect of the disputed cess liability.

During the year, the Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 and the Sindh Development and Maintenance of Infrastructure Cess (Second Amendment) Act, 2026, which, inter alia, introduced a mechanism for the settlement of pending infrastructure cess disputes subject to withdrawal of the related legal proceedings and execution of a settlement agreement.

The Company has decided not to opt for the settlement mechanism and continues to contest the levy. As at June 30, 2026, the amount involved in the matter is Rs. 1,039.8 million (2025: Rs. 254.9 million), against which bank guarantees have been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Company hence no provision is made in these financial statements.

25.1.4 A Constitutional Petition bearing W.P. No. 1387 of 2026 was filed by the Company before the Honourable Islamabad High Court challenging the levy and recovery of the Grid (Captive Power Plants) Levy under the Off the Grid (Captive Power Plants) Levy Act, 2025. The Honourable Islamabad High Court has granted an interim stay against the recovery of the levy and the matter is currently pending adjudication before the Court. Although the Company's legal counsel is of the view that the case is likely to be decided in favour of the Company, the Company has recognised a provision of Rs. 43.69 million in these unconsolidated financial statements for the disputed levy as a matter of prudence, pending the final outcome of the litigation.

25.1.5 The Company has disclosed the contingency regarding deferred tax in note 7.1 to these financial statements.

25.2 Guarantees

25.2.1 Guarantees are given by the banks of the Company to the Sui Southern Gas Company Limited amounting to Rs. 424.53 million (2025: Rs. 310.96 million) against gas connection.

25.2.2 Guarantees are given by the banks of the Company to the DGP Army, National Logistics Cell, Controller of Military Accounts and Pakistan State Oil Company Limited amounting to Rs. 21.01 million, Rs. 105.08 million, Rs. 135.35 million and Rs. 13 million (2025: Nil, Rs. 99.64 million, Rs. 82.72 million and Rs. 10 million) respectively.

25.2.3 Guarantees are given by the banks of the Company to the Director Excise and Taxation, and Collector of Customs Karachi amounting to Rs. 1,209 million and Rs. 368.69 million (2025: Rs.1,055 million and Rs. 368.69 million) respectively against matters reported in note 25.1.1 and 25.1.3 respectively.

25.3 Commitments

25.3.1 The facilities for opening letters of credit from banks as at June 30, 2026 amounted to Rs. 14,250 million (2025: Rs. 11,250 million) of which unutilised balance at period end amounted to Rs. 14,086 million (2025: Rs.10,886 million).

25.3.2 Capital expenditure commitments outstanding as at June 30, 2026 amounted to Rs. 2,148 million (2025: Nil).

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2026	2025
	(Rupees in thousands)	
Sale of goods less returns:		
Export	**18,460,750**	14,830,311
Local	**65,036,109**	42,326,250
	83,496,859	57,156,561
Custom duty drawback	**604,532**	423,376
Sales tax	**(9,799,424)**	(6,456,112)
Trade discounts	**(2,593,072)**	(1,283,634)
	(11,787,964)	(7,316,370)
	71,708,895	49,840,191

26.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets.

	Note	2026	2025
		(Rupees in thousands)	
United States of America		**11,311,647**	12,679,832
Brazil		**7,551,269**	2,573,856
Egypt		**125,984**	-
South Africa		**76,382**	-
Pakistan		**52,643,613**	34,586,503
		71,708,895	49,840,191

27. COST OF SALES

	Note	2026	2025
Raw & packing materials consumed	27.1	**45,937,553**	34,875,116
Manufacturing overheads			
Fuel and power		**2,393,450**	2,011,900
Salaries, wages and other benefits	27.2	**1,715,638**	1,269,244
Depreciation	4.1.3	**1,424,146**	1,151,041
Repair and maintenance		**462,787**	417,662
Travelling		**178,618**	215,093
Insurance		**154,843**	93,807
Freight and insurance		**133,435**	54,615
Vehicles running expenses		**58,643**	60,067
Safety & security		**44,367**	34,078
Communication		**7,507**	6,876
Rent, rates & taxes		**7,667**	1,907
		6,581,101	5,316,290
		52,518,654	40,191,406
Work-in-process			
Opening stock		**701,458**	424,545
Less: closing stock	9	**(894,783)**	(701,458)
Cost of goods manufactured		**52,325,329**	39,914,493
Finished goods			
Opening stock		**2,660,195**	1,832,884
Less: closing stock	9	**(1,428,141)**	(2,660,195)
		1,232,054	(827,311)
		53,557,383	39,087,182

	Note	2026	2025
		(Rupees in thousands)	
27.1 Raw & packing material consumed			
Opening stock		**2,648,579**	2,173,265
Purchased during the year		**48,461,261**	35,350,430
		51,109,840	37,523,695
Closing stock in hand	9	**(5,172,287)**	(2,648,579)
		45,937,553	34,875,116

27.2 This includes provident fund amounting to Rs. 63.81 million (2025: Rs. 36.87 million) in respect of provident fund contribution by the Company.

	Note	2026	2025
28. DISTRIBUTION COST		(Rupees in thousands)	
Freight expense of export sales		**543,209**	389,577
Carriage outwards of local sales		**825,155**	442,695
Salaries and other benefits	28.1	**213,911**	174,905
Advertisement and publicity		**685,308**	130,804
Travelling and conveyance		**78,322**	48,087
Communication		**1,686**	1,104
		2,347,591	1,187,172

28.1 This includes provident fund amounting to Rs. 7.83 million (2025: Rs. 4.86 million) in respect of provident fund contribution by the Company.

	Note	2026	2025
		(Rupees in thousands)	
29. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	29.1 & 29.2	**925,460**	744,157
Depreciation	4.1.3	**242,118**	206,065
Legal and professional charges		**61,813**	37,110
Travelling and conveyance		**62,451**	105,215
Others		**33,716**	17,607
Communication		**17,643**	18,795
Entertainment		**29,940**	25,061
Miscellaneous		**26,831**	27,886
Vehicles' running expenses		**17,976**	8,936
Rent, rates and taxes		**116,290**	33,770
Training and education		**2,970**	3,062
Printing and stationery		**5,194**	4,564
Safety & security		**797**	1,035
		1,543,199	1,233,263

29.1 This includes provident fund amounting to Rs. 19.3 million (2025: Rs. 17.4 million) in respect of provident fund contribution by the Company.

29.2 This includes proportionate salaries charged by the Group Company and share based payment expense amounting to Rs 40.44 million (2025: Rs 283.38 million).

	Note	2026	2025
		(Rupees in thousands)	
30. OTHER EXPENSES			
Workers' Profit Participation Fund	20.1	**687,990**	388,471
Auditor's remuneration	30.1	**28,414**	22,491
Workers' Welfare Fund		**4,208**	2,613
Donation	30.2	**56,750**	-
Loss on disposal of operating fixed assets		**-**	47
		777,362	413,622

30.1 Auditor's remuneration		
Statutory audit fee (including consolidation fee)	**7,000**	5,000
Special audit fee	**3,500**	2,300
Half yearly review	**1,500**	-
Tax services	**13,524**	12,404
Other certifications and other services	**1,740**	100
Out of pocket expenses	**1,150**	2,687
	28,414	22,491

30.2 Donations

30.2.1 Donations to single parties exceeding higher of Rs. 1 million or 10% of the total donations are as follows:

	Note	2026	2025
		(Rupees in thousands)	
Servis Foundation	30.2.2	**45,000**	-
Welfare of Troops & Shuhada (Families)		**10,000**	-
		55,000	-

30.2.2 During the year, the Company donated Rs. 45 million to it's related party Servis Foundation.

30.2.3 Following directors' interest in the above related parties is limited to the extent of their involvement as directors:

Name of Related Party	**Association**
Servis Foundation	Omar Saeed - Trustee
	Arif Saeed - Trustee
	Hassan Javed - Trustee
	Ahmed Javed - Trustee

	Note	2026	2025
		(Rupees in thousands)	
31. FINANCE COST AND OTHER CHARGES			
Interest on long term borrowings			
- Conventional		**362,347**	720,858
- Islamic		**156,773**	113,366
		519,120	834,224
Less: amortisation of deferred income	18	**(343,660)**	(391,100)
		175,460	443,124
Interest on short term borrowings			
- Conventional		**420,535**	546,222
- Islamic		**84,601**	54,419
Bank commission and fees		**65,656**	56,727
Interest on Workers' Profit Participation Fund		**2,878**	8,162
Interest On Provident Fund Payable		**-**	652
Finance cost on Diminishing Musharaka		**3,503**	7,891
		752,633	1,117,197

	Note	2026	2025
32. OTHER INCOME			
Income from financial assets:			
Profit on Term deposit receipts			
- Conventional		**126,562**	85,952
- Islamic		**31,311**	18,316
Profit on saving accounts			
- Conventional		**69,019**	31,575
- Islamic		**-**	7,469
Income from non-financial assets:			
Scrap sales		**25,593**	54,374
Exchange gain		**74,073**	101,042
Gain on disposal of operating fixed assets	4.1.2	**2,312**	-
		328,870	298,728

	Note	2026	2025
33. TAXATION			
Current Tax - for the year		**59,943**	37,415
- prior year		**-**	45,976
Deferred tax	7	**(529,323)**	(3,008,226)
		(469,380)	(2,924,835)

33.1 As mentioned in note 3.13.1 to these unconsolidated financial statements, the Company is exempt from taxation on its income from business for 10 years from the date of commencement of commercial operations, therefore relationship between income tax expense and accounting profit has not been present.

	2026	2025 (Restated)
	(Rupees in thousands)	
34. EARNINGS PER SHARE - BASIC AND DILUTED		
Basic earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**13,528,977**	10,025,318
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,388,362**	7,164,773
Earnings per share - basic (Rs.)	**1.831**	1.399
Diluted earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**13,528,977**	10,025,318
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,407,589**	7,286,650
Earnings per share - diluted (Rs.)	**1.826**	1.376

	2026	2025
35. NUMBER OF EMPLOYEES		
Factory		
Number of employees as at reporting date	**1391**	1123
Average number of employees during the year	**1194**	980
Total Number of Employees		
Number of employees as at reporting date	**1663**	1341
Average number of employees during the year	**1459**	1196

36. CASH GENERATED FROM OPERATIONS

	Note	2026	2025
		(Rupees in thousands)	
Profit before taxation		**13,059,597**	7,100,483
Adjustment for non-cash charges and other items:			
Profit on bank deposits and term deposits receipts	32	**(226,892)**	(143,312)
Finance cost and other charges	31	**752,633**	1,117,197
Exchange gain	32	**(74,073)**	(101,042)
(Gain) / loss on disposal of fixed assets	32	**(2,312)**	47
Employee share option expense	17	**40,443**	283,376
Depreciation	4.1.3	**1,666,264**	1,357,106
Working capital changes	36.1	**(2,937,314)**	(3,145,309)
		(781,251)	(631,937)
		12,278,346	6,468,546

36.1 Working capital changes

	2026	2025
(Increase) / Decrease in current assets:		
Stock in trade	**(7,164,379)**	(1,441,343)
Stores and spares	**(368,489)**	142,217
Trade debts	**(1,075,169)**	(3,190,585)
Advances, prepayments and deposits	**2,177**	(43,383)
Other receivables	**(150,821)**	430,669
	(8,756,681)	(4,102,425)
Increase in current liabilities:		
Contract liabilities	**1,218,754**	501,325
Trade and other payables	**4,600,613**	455,791
	5,819,367	957,116
	(2,937,314)	(3,145,309)

37. CASH AND CASH EQUIVALENTS

	Note	2026	2025
Cash and bank balances	14	**11,400,997**	4,571,150
Running finance under mark-up arrangements from banks	23	**-**	(119,766)
Term deposit receipts	14	**(1,123,500)**	(3,439,330)
		10,277,497	1,012,054

38. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the unconsolidated financial statements for remuneration including all benefits to executives of the Company is as follows:

	2026	2025	2026	2025	2026	2025
	Chief Executive Officer		Directors		Executives	
	Rupees in '000					
Managerial remuneration	**60,307**	55,281	**19,791**	24,802	**405,118**	369,779
Directors' fee	**-**	-	**1,050**	-	**-**	-
Allowances:						
Bonus	**-**	-	**-**	12,111	**102,576**	95,956
Employee share option scheme	**28,953**	231,592	**-**	10,762	**11,490**	41,022
Retirement Benefit	**6,028**	4,146	**-**	-	**25,090**	15,502
Medical, House Rent etc	**12,060**	11,056	**9,748**	2,480	**109,389**	35,527
Total	**107,348**	302,075	**30,589**	50,155	**653,663**	557,786
Number of persons	**1**	1	**4***	2*	**108**	86

** Except for the director disclosed above, no other director received any remuneration or fees during the year.*

38.1 The Chief Executive and some of the executives of the Company are also provided with Company maintained vehicles in accordance with Company's policy.

38.2 There are no transactions with key management personnel other than under the terms of employment.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Holding Company, associated undertakings, joint venturer, directors of the Company, key management personnel and staff retirement funds. Contributions to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions are at agreed terms.

Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements is as follows:

	2026	2025
Service Industries Limited - Holding Company	(Rupees in thousands)	
Proportionate salaries charged	**96,993**	72,000
Guarantee commission paid	**30,192**	40,500
Purchase of goods	**5,720**	4,468
Dividend paid	**641,199**	443,155
Reimbursement of expenses	**8,806**	8,459
Payment against transfer of fixed assets	**6,659**	-

	2026	2025
	(Rupees in thousands)	
Chaoyang Long March Tyre Co. Ltd - Associated Company		
Dividend paid	**1,277,174**	882,700
Purchase of goods	**938,548**	716,590
Service Global Footwear Limited - Associated Company		
Purchase of goods	**171**	-
Dividend paid	**548,894**	379,360
Mr. Shabir Ahmad of Myco Corporation - Joint Venturer		
Sale of goods	**601,836**	492,457
Trade discounts	**58,052**	19,111
Dividend paid	**152,831**	100,307
Service Tyres (Private) Limited - Associated Company		
Purchase of goods	**158,975**	336,317
Dividend paid	**290,267**	200,614
Expenses charged	**-**	2,065
Sale of goods	**251,812**	1,621
Servis Foundation - Associated Entity		
Donation	**45,000**	-
Service Long March Tyres - Staff Provident Funds		
Net charge in respect of staff retirement benefit plan	**90,978**	59,130
Retirement benefit plans payable	**21,588**	42,663
Key Management Personnel		
Remuneration	**154,066**	352,230
Directors' fee	**1,050**	-

39.1 The following are the related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year / period		Percentage of shareholding in the Company	
		2026	2025	**2026**	2025
Service Industries Limited	Holding Company	**Yes**	Yes	**20%**	22%
Chaoyang Long March Tyre Co. Limited	Common directorship	**Yes**	Yes	**40%**	44%
Service Global Footwear Limited	Common directorship	**Yes**	Yes	**17%**	19%
Service Tyres (Private) Limited	Common directorship	**Yes**	No	**9%**	10%
S2 Hydro Limited	Common directorship	**No**	No	**Nil**	Nil
Speed (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
SBL Trading (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Shahid Arif Investments (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Service Industries Capital (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Service Foundation	Common directorship	**No**	No	**Nil**	Nil
SIL Gulf FZE	Common directorship	**No**	No	**Nil**	Nil
Dongguan Service Global Limited	Common directorship	**No**	No	**Nil**	Nil
Service International Tyres Trading FZE	Subsidiary Company	**Yes**	No	**Nil**	Nil
Service Long March Tyres (Private) Limited Staff Provident Fund	Retirement Benefit Fund	**No**	No	**Nil**	Nil
Service Retail (Private) Limited	Common directorship	**No**	No	**Nil**	Nil

39.2 Particulars of company incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place is as follows:

Name	**Country of incorporation**	**Basis of association**	**Percentage of shareholding in the Company**
Chaoyang Long March Tyre Co. Limited	China	Common directorship	40.44%
Service International Tyres Trading FZE	U.A.E	Subsidiary	Nil

40. PLANT CAPACITY

	Installed capacity		Actual Production	
	2026	2025	**2026**	2025
Number of tyres	**2,000,000**	1,300,000	**1,598,847**	1,184,346

40.1 The installed capacity represents production capacity at year end.

41. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is also responsible for developing and monitoring the Company's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

41.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

41.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	(Rupees in thousands)	
- Long term security deposit	**7,748**	7,748
- Trade debts	**7,752,620**	6,603,378
- Advances and deposits	**96,022**	95,727
- Accrued interest	**87,589**	38,029
- Short term investments	**-**	-
- Cash and bank balances	**11,394,253**	4,559,621
	19,338,232	11,304,503

The Company does not take into consideration the value of collateral while testing financial assets for impairment. The Company considers the credit worthiness of counterparties as part of its risk management.

Trade Debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Company's sales are made against receipts in advance from customers. The Company has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Company for several years. The Company establishes an allowance for impairment where it considers recoveries are not probable.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2026	2025
	(Rupees in thousands)	
Domestic	**4,276,548**	3,760,630
Export	**3,476,072**	2,842,748
	7,752,620	6,603,378

41.1.2 Impairment losses

	2026		2025	
	Gross	**Expected Credit Loss**	Gross	Expected Credit Loss
	----------------------- **(Rupees in '000)** -----------------------			
Not past due	**2,778,428**	**-**	3,008,433	-
Past due but not impaired				
- 1 to 30 days	**4,510,835**	**-**	3,530,243	-
- 31 to 90 days	**373,732**	**-**	56,662	-
- 91 to 180 days	**85,362**		6,178	-
- more than 180 days	**4,263**	**-**	1,862	-
Total	**7,752,620**	**-**	6,603,378	-

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behavior and review of financial strength of respective customers.

Above balances are unsecured. None of the other financial assets are past due or impaired other than those which have been provided.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating Short term	Rating Long term
Habib Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AAA
Industrial and Commercial Bank of China	Fitch rating	F1+	A
National Bank of Pakistan	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Faysal Bank Limited	VIS	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA
The Bank of Punjab	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
United Bank Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Al Baraka Bank (Pakistan) Limited	VIS	A1	AA-
Habib Metropolitan Bank Limited	PACRA	A1+	AAA
Standard Chartered Bank	PACRA	A1+	AAA

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

41.2 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company is exposed to currency risk and interest rate risk only.

41.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Company is exposed to currency risk on trade debts, cash and bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily Chinese Yuan, Euro, and U.S. Dollar. The Company's exposure to foreign currency risk is as follows:

	2026			
	Rs.	**US Dollars**	**CNY**	**EUR**
	----------------------- (Amounts in '000) ---------------------			
Financial assets				
Cash and bank balances	**77,626**	**278**	**6.00**	**0.16**
Trade debts	**3,476,072**	**12,497**	**-**	**-**
Financial liabilities				
Trade creditors	**(62,531)**	**-**	**(1,540)**	**(2)**
Net exposure	**3,491,166**	**12,775**	**(1,534)**	**(2)**

	2025			
	Rs.	US Dollars	CNY	EUR
	----------------------- (Amounts in '000) ---------------------			
Financial assets				
Cash and bank balances	3,724	12.70	1.56	0.16
Trade debts	2,842,748	10,006	-	-
Financial liabilities				
Trade creditors	(718,434)	-	(2,531)	(2)
Net exposure	2,128,038	10,019	(2,529)	(2)

The following significant exchange rates applied during the year:

	Average rates		**Reporting date rate**	
	2026	2025	**2026**	2025
US Dollars	**280.57**	279.35	**278.16**	284.1
CNY	**40.14**	38.73	**40.99**	39.66
EUR	**327.22**	303.97	**316.92**	332.83

Sensitivity analysis

If the Pakistani Rupee had weakened / strengthened by 5% against below mentioned currencies with all other variables held constant, the effect on profit or loss for the year would be:

	Effect on Profit or Loss	
	2026	2025
	(Rupees in thousand)	
As at 30 June		
USD	**177,670**	142,318
CNY	**(3,144)**	(5,016)
EUR	**(27)**	(28)

41.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's Interest rate exposure arises from term deposit receipts, short term borrowings, and long term borrowings from banks.

Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is:

	Carrying amount	
	2026	2025
	(Rupees in thousands)	
Fixed rate instruments		
Financial assets	**8,874,594**	3,439,330
Financial liabilities	**4,697,823**	5,488,465
Variable rate instruments		
Financial assets	**1,860,466**	862,296
Financial liabilities	**4,476,593**	3,059,591

a) Cash flow sensitivity analysis for variable rate financial instruments

The Company holds various variable rate financial instruments amounting to Rs.6,337.06 million (2025: Rs.3,921.89 million) exposing the Company to cash flow interest rate risk. A change of 100 basis points as at June 30, 2026 would have increased / (decreased) profit after tax and equity by Rs. 26.16 million (2025: Rs. 21.97 million).This analysis assumes that all other variables, in particular foreign currency rates, remain constant

b) Fair value sensitivity analysis for fixed rate financial instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

41.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2026					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	**9,195,473**	**10,028,075**	**685,829**	**685,829**	**7,104,435**	**1,551,982**
Short term financing	**11,346,964**	**11,346,964**	**11,346,964**	**-**	**-**	**-**
Accrued mark-up	**174,890**	**174,890**	**174,890**	**-**	**-**	**-**
Trade and other payables	**8,130,494**	**8,130,494**	**8,130,494**	**-**	**-**	**-**
	28,847,821	**29,680,423**	**20,338,177**	**685,829**	**7,104,435**	**1,551,982**

	2025					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	One to five years	More than five years
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	8,460,061	9,636,663	839,861	839,861	7,399,566	557,375
Short term financing	10,728,170	10,728,170	10,728,170	-	-	-
Accrued mark-up	321,226	321,226	321,226	-	-	-
Trade and other payables	3,880,062	3,880,062	3,880,062	-	-	-
	23,389,519	24,566,121	15,769,319	839,861	7,399,566	557,375

41.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these financial statements.

41.3.2 Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Company to repay the respective loans earlier than as directed in the above table.

41.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	June 30, 2026		
	Long term financing	**Short term financing**	**Share deposit money**
	………..... (Rupees in thousands) ……......		
Balance at the beginning of the year	**8,460,061**	**10,728,170**	**18,102**
Add: Share deposit money received during the year	**-**	**-**	**-**
Less: Shares issued during the year	**-**	**-**	**-**
Add: Financing obtained - net	**391,752**	**618,794**	**-**
Less: Deferred income - Government grant - net	**343,660**	**-**	**-**
Balance at the end of the year	**9,195,473**	**11,346,964**	**18,102**

	June 30, 2025		
	Long term financing	Short term financing	Share deposit money
	………..... (Rupees in thousands) …….......		
Balance at the beginning of the year	6,545,851	4,275,981	18,102
Add: Share deposit money received during the year	-	-	-
Less: Shares issued during the year	-	-	-
Add: Financing obtained-net	1,466,540	6,452,189	-
Less: Deferred income - Government grant - net	447,670	-	-
Balance at the end of the year	8,460,061	10,728,170	18,102

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity and commodity price risks.

The carrying values of financial assets and financial liabilities reported in the statement of financial position approximate their fair values.

41.5 Financial instruments by categories

	At amortised cost	
	2026	2025
	(Rupees in thousands)	
Assets as per unconsolidated statement of financial position		
Long term security deposit	**7,748**	7,748
Trade debts	**7,752,620**	6,603,378
Advances and deposits	**96,022**	95,727
Accrued interest	**87,589**	38,029
Cash and bank balances	**11,400,997**	4,571,150
	19,344,976	11,316,032
Liabilities as per unconsolidated statement of financial position		
Long term financing	**9,195,473**	8,460,061
Short term financing	**11,346,964**	10,728,170
Trade and other payables	**8,130,494**	3,837,399
Accrued mark-up	**174,890**	321,226
	28,847,821	23,346,856

41.6 Reconciliation to the line items presented in the unconsolidated statement of financial position is as follows:

	2026		
	Financial assets	**Non-financial assets**	**Assets as per unconsolidated statement of financial position**
	----------- (Rupees in thousands)-----------		
Assets			
Property, plant & equipment	**-**	**38,374,205**	**38,374,205**
Long term investment - Subsidiary		**77,500**	**77,500**
Deferred tax asset	**-**	**2,022,003**	**2,022,003**
Long term loan	**-**	**-**	**-**
Long term security deposit	**7,748**	**-**	**7,748**
Stock in trade	**-**	**16,061,549**	**16,061,549**
Store and spare	**-**	**796,577**	**796,577**
Trade debts - considered good	**7,752,620**	**-**	**7,752,620**
Advances, prepayments and deposits	**96,022**	**127,895**	**223,917**
Taxation - net	**-**	**10,284**	**10,284**
Accrued interest	**87,589**	**-**	**87,589**
Other receivables	**-**	**1,258,314**	**1,258,314**
Cash and bank balances	**11,400,997**	**-**	**11,400,997**
	19,344,976	**58,728,327**	**78,073,303**

	2026		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per unconsolidated statement of financial position**
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	**9,195,473**	**-**	**9,195,473**
Short term financing	**11,346,964**	**-**	**11,346,964**
Deferred income - Government grant	**-**	**832,941**	**832,941**
Deferred income tax liability	**-**	**-**	**-**
Trade and other payables	**8,130,494**	**823,963**	**8,954,457**
Advance from customer	**-**	**1,835,667**	**1,835,667**
Accrued mark-up	**174,890**	**-**	**174,890**
	28,847,821	**3,492,571**	**32,340,392**

	2025		
	Financial assets	Non-financial assets	Assets as per unconsolidated statement of financial position
Assets	----------- (Rupees in thousands)-----------		
Property, plant & equipment	-	29,474,076	29,474,076
Deferred tax asset	-	1,492,680	1,492,680
Long term security deposit	7,748	-	7,748
Stock in trade	-	8,897,170	8,897,170
Store and spare	-	428,088	428,088
Trade debts	6,603,378	-	6,603,378
Advances, prepayments and deposits	95,727	130,367	226,094
Taxation-net	-	12,650	12,650
Accrued Interest	38,029	-	38,029
Other receivables	-	1,107,493	1,107,493
Cash and bank balances	4,571,150	-	4,571,150
	11,316,032	41,542,524	52,858,556

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per unconsolidated statement of financial position
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	8,460,061	-	8,460,061
Short term financing	10,728,170	-	10,728,170
Deferred income - Government grant	-	1,176,601	1,176,601
Deferred income tax liability	-	-	-
Trade and other payables	3,837,399	516,445	4,353,844
Advance from customer	-	616,913	616,913
Accrued mark-up	321,226	-	321,226
	23,346,856	2,309,959	25,656,815

42. CAPITAL MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Company intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

43. MEASUREMENT OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced. The carrying values of financial assets and financial liabilities reported in the unconsolidated statement of financial position approximate their fair values.

44. DISCLOSURES RELATING TO SHARIAH COMPLIANCE

	Note	2026	2025
		(Rupees in thousands)	
Disclosures in relation to the unconsolidated statement of financial position - Liability			
i) Long term financing as per Islamic mode	19	**3,188,501**	1,212,669
ii) Short term financing as per Islamic mode	23	**2,882,583**	724,222
iii) Mark-up accrued on any conventional loan or advance	22	**94,765**	315,130
Disclosures in relation to the unconsolidated statement of financial position - Assets			
i) Long term and short term investments that are Shariah compliant		**-**	**-**
ii) Shariah-compliant bank deposits, bank balances, and TDRs	14	**529,333**	279,565
Disclosures Required in relation to the unconsolidatd statement of profit or loss and other comprehensive income			
i) Revenue earned from a Shariah compliant business segment	26	**71,708,895**	49,840,191
ii) Break-up of late payments or liquidated changes		**-**	-
iii) Gain or loss on dividend earned on Shariah compliant investments		**-**	-
iv) Profit earned from Shariah compliant bank deposits	32	**-**	7,469
v) Profit earned from Shariah compliant TDRs	32	**31,311**	18,316
vi) Exchange gain earned from actual currency	32	**74,073**	101,042
vii) Exchange gains earned using conventional derivative financial instruments		**-**	-
viii) Profit paid on Islamic mode of financing		**91,770**	86,313
ix) Total Interest earned on any conventional loan or advance		**-**	-
Break-up of Other income excluding profits in bank deposits and TDRs			
Shariah compliant income:			
i) Gain / (loss) on disposal of Property, plant and equipment	32	**2,312**	(47)
ii) Sale of scrap materials	32	**25,593**	54,374
iii) Government grant	18	**79,078**	89,756
Shariah non-compliant income:			
i) Government grant	18	**264,582**	301,344

44.1 Relationship with Shariah-compliant financial institutions

Islamic Banks

The Company has Islamic facilities with various banks for running finance and letter of credit amounting to Rs. 7,800 million (2025: Rs. 6,850 million) and Rs. 6,800 million (2025: Rs. 5,100 million) respectively.

45. PROVIDENT FUND RELATED DISCLOSURES

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

46. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of the Company in their meeting held on 17 August 2026 has declared and approved a final cash dividend of Rs. 0.83 per share (2025: Final dividend Rs. 2.03 per share having face value of Rs. 10) amounting to Rs. 6,500 million (2025: Rs. 3,000 million) for the year ended June 30, 2026.

47. DATE OF APPROVAL

These financial statements were authorised for issue on 17 August 2026 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

Financial Statements
For the year ended June 30, 2026
Consolidated

INDEPENDENT AUDITOR'S REPORT

To the members of Service Long March Tyres Limited

Opinion

We have audited the annexed consolidated financial statements of Service Long March Tyres Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key Audit Matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
(i)	**Revenue from contracts with customers** *(Refer notes 3.17 and 25 to the consolidated financial statements)* The Group recognised revenue of Rs. 71.71 billion from the sale of tyres to domestic as well as export customers during the year ended June 30, 2026. Revenue is recognised when the performance obligation is satisfied by transferring control of a promised good to the customers. We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.	Our audit procedures included the following: • Obtained understanding and evaluated the accounting policy with respect to revenue recognition; • Tested revenue on a sample basis by inspecting underlying documentation including gate pass, delivery order and invoices; • Performed cut-off procedures including circulisation of confirmation to ensure that sales have been recorded in the correct period; • Verified on sample basis, credit notes issued after the financial year end date to determine whether they were recognised in the appropriate financial reporting period; and • Assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: **August 28, 2026**

UDIN: **AR202610073CQrBdo2OK**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	**38,374,205**	29,474,076
Long term loan	5	**-**	-
Deferred tax asset	6	**2,022,003**	1,492,680
Long term security deposit	7	**7,748**	7,748
		40,403,956	30,974,504
CURRENT ASSETS			
Stock in trade	8	**16,061,549**	8,897,170
Stores and spares	9	**796,577**	428,088
Trade debts - considered good	10	**7,752,620**	6,603,378
Advances, prepayments and deposits	11	**227,767**	226,094
Taxation - net		**10,284**	12,650
Accrued interest		**87,589**	38,029
Other receivables	12	**1,250,215**	1,107,493
Cash and bank balances	13	**11,451,638**	4,571,150
		37,638,239	21,884,052
TOTAL ASSETS		**78,042,195**	52,858,556
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
8,050,000,000 (June 30, 2025: 7,625,000,000) ordinary shares of Rs. 2 each		**16,100,000**	15,250,000
Share capital - Issued, subscribed and paid-up share capital	14	**15,589,521**	14,329,545
Capital reserve			
Share premium	15	**6,995,878**	-
Employee share option reserve	16	**29,715**	283,376
Share deposit money		**18,102**	18,102
Exchange translation reserve		**(1,004)**	-
Revenue reserve			
Accumulated profit		**23,069,178**	12,570,718
TOTAL SHAREHOLDERS' EQUITY		**45,701,390**	27,201,741
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income - Government grant	17	**526,423**	815,939
Long term financing	18	**7,863,218**	6,789,048
		8,389,641	7,604,987
CURRENT LIABILITIES			
Trade and other payables	19	**8,954,870**	4,353,844
Contract liabilities	20	**1,835,667**	616,913
Accrued mark-up	21	**174,890**	321,226
Short term financing	22	**11,346,964**	10,728,170
Current portion of non-current liabilities	23	**1,638,773**	2,031,675
		23,951,164	18,051,828
TOTAL LIABILITIES		**32,340,805**	25,656,815
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		**78,042,195**	52,858,556

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
Revenue from contracts with customers	25	**71,708,895**	49,840,191
Cost of sales	26	**(53,557,383)**	(39,087,182)
Gross profit		**18,151,512**	10,753,009
Distribution cost	27	**(2,347,591)**	(1,187,172)
Administrative expenses	28	**(1,573,716)**	(1,233,263)
Operating profit		**14,230,205**	8,332,574
Other expenses	29	**(777,362)**	(413,622)
Finance cost and other charges	30	**(752,633)**	(1,117,197)
Other income	31	**328,870**	298,728
Profit before taxation		**13,029,080**	7,100,483
Taxation	32	**469,380**	2,924,835
Profit after taxation		**13,498,460**	10,025,318
Other comprehensive loss			
Foreign currency translation loss		**(1,004)**	-
Total comprehensive income for the year		**13,497,456**	10,025,318
		---------- Rupees ----------	
			(Restated)
Earnings per share - basic & diluted	33		
Basic earnings per share		**1.827**	1.399
Diluted earnings per share		**1.822**	1.376

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Note	Share Capital	Share Premium	Capital Reserve			Revenue Reserve	Total Equity
				Share deposit money	Exchange translation reserve	Employee share option reserve	Accumulated Profit	
		(Rupees in thousands)						
Balance as at July 01, 2024		14,329,545	-	18,102	-	-	4,551,536	18,899,183
Transactions with shareholders:								
Employee share option scheme	16	-	-	-	-	283,376	-	283,376
Interim dividend for the year ended June 30, 2024 @ Rs. 1.4 per share having face value of Rs. 10		-	-	-	-	-	(2,006,136)	(2,006,136)
Ordinary shares issued against share deposit money		-	-	-	-	-	-	-
		-	-	-	-	283,376	(2,006,136)	(1,722,760)
Total Comprehensive income for the year								
Profit for the year		-	-	-	-	-	10,025,318	10,025,318
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	10,025,318	10,025,318
Balance as at June 30, 2025		**14,329,545**	**-**	**18,102**	**-**	**283,376**	**12,570,718**	**27,201,741**
Transactions with shareholders:								
Employee share option scheme	16	-	-	-	-	40,443	-	40,443
Ordinary shares issued against Employee share option scheme		480,500	294,104	-	-	(294,104)	-	480,500
Issuance of 389,738,038 ordinary shares each fully paid in cash		779,476	6,995,799				-	7,775,275
Write off of expenses on account of issue of shares through Initial Public Offering		-	(294,025)	-	-	-	-	(294,025)
Final dividend for the year ended June 30, 2025 @ Rs. 2.03 per share having face value of Rs. 10		-	-	-	-	-	(3,000,000)	(3,000,000)
		1,259,976	6,995,878	-	-	(253,661)	(3,000,000)	5,002,193
Total Comprehensive income for the year								
Profit for the year		-	-	-	-	-	13,498,460	13,498,460
Other comprehensive loss for the year		-	-	-	(1,004)	-	-	(1,004)
Total comprehensive income for the year		-	-	-	(1,004)	-	13,498,460	13,497,456
Balance as at June 30, 2026		**15,589,521**	**6,995,878**	**18,102**	**(1,004)**	**29,715**	**23,069,178**	**45,701,390**

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026	2025
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	**12,252,491**	6,468,546
Finance cost paid - Conventional		**(741,543)**	(731,184)
Finance cost paid - Islamic		**(91,770)**	(86,313)
Bank charges paid		**(65,656)**	(56,727)
Tax paid		**(57,577)**	(24,674)
Net cash generated from operating activities		**11,295,945**	5,569,648
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition in capital work-in-progress		**(10,449,811)**	(8,175,131)
Addition in operating fixed assets other than transfer from capital work-in-progress		**(141,900)**	(161,472)
Proceeds from sale of operating fixed assets		**27,630**	7,073
Encashment / (Investment) in Term Deposit Receipts - net		**2,315,830**	(2,894,230)
Long term loans and receivables		**-**	878
Return on bank deposits and term deposits receipts		**177,332**	128,254
Net cash used in investing activities		**(8,070,919)**	(11,094,628)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued against Employee share option scheme		**480,500**	-
Shares issued against Initial Public Offering - net of expenses		**7,481,250**	-
Short term financing obtained		**32,873,121**	33,145,973
Short term financing paid		**(32,134,561)**	(26,528,294)
Dividend paid		**(3,000,000)**	(2,006,136)
Long term financing obtained - Islamic		**2,158,053**	-
Long term financing repaid - Islamic		**(250,043)**	(258,566)
Long term financing obtained - Conventional		**2,318,539**	3,279,597
Long term financing repaid - Conventional		**(3,834,797)**	(1,554,491)
Net cash generated from financing activities		**6,092,062**	6,078,083
Net increase in cash and cash equivalents		**9,317,088**	553,103
Cash and cash equivalents at the beginning of the year		**1,012,054**	458,951
Effects of exchange rate changes in cash and cash equivalents		**(1,004)**	-
Cash and cash equivalents at the end of the year	36	**10,328,138**	1,012,054

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER CHIEF FINANCIAL OFFICER DIRECTOR

1. THE GROUP AND ITS OPERATIONS

The Group consist of Service Long March Tyres Limited ("Holding Company") and SLM International Tyres Trading FZE ("Subsidiary Company'). Brief profile of the Holding Company and the Subsidiary Company is given below:

1.1 SERVICE LONG MARCH TYRES LIMITED

1.1.1 Service Long March Tyres Limited ("Holding Company") is a listed company on the Pakistan Stock Exchange Limited (PSX). The Holding Company was originally incorporated as a private limited company on January 7, 2020 in Pakistan under the Companies Act, 2017, and was converted into a public limited company on January 6, 2026. The Holding Company was listed on the Pakistan Stock Exchange Limited on June 15, 2026. The principal activities of the Holding Company are to carry on business of manufacturing, sale, marketing, import and export of all steel radial truck, bus, light truck and off the road tyres. The Holding Company is a subsidiary of Service Industries Limited ("Ultimate Holding Company"). SIL entered into a Joint Venture Agreement with Chaoyang Long March Tyre Co. Ltd., a Chinese Company and Mr. Shabir Ahmad of Myco Corporation, Pakistan for setting up this Holding Company - a Joint Venture Company in Pakistan for the manufacturing and sale of Truck and Bus radial category of all steel tyres on November 18, 2019. The Holding Company started its commercial operations on March 10, 2022.

The Pakistan Credit Rating Agency (PACRA) has assigned long term credit rating of 'AA-' while short term credit rating of 'A1' dated June 24, 2026.

1.1.2

OFFICE AND MANUFACTURING UNIT	ADDRESSES
Registered and head office	Servis House, 2 - Main Gulberg, Lahore
Factory site	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro

The Holding Company also has warehouses and workshops located in Nooriabad, Karachi and Lahore.

1.1.3 These are the first consolidated financial statements of the Holding Company. The standalone financial statements of the Holding Company and the Subsidiary Company have been presented separately.

1.2 SLM INTERNATIONAL TYRES TRADING FZE

1.2.1 SLM International Tyres Trading FZE ("Subsidiary Company"), incorporated on June 27, 2024, is registered as a Free Zone Establishment with limited liability in Jebel Ali Free Zone with License No. 98845966 under Jebel Ali Free Zone Regulation. The registered office address of the Subsidiary Company is Premises No: FZJOA1001 Jebel Ali Free Zone, Dubai, United Arab Emirates. The Holding Company has received approval from the State Bank of Pakistan for the equity transfer. During the year on August 05, 2025, an equity investment amounting to Rs. 77,500,000 (AED 1,000,000) has been completed.

1.2.2 The principal activity of the Subsidiary Company is trading of auto spare parts and components, including tyres and rims, and to support the Holding Company's international trading activities.

2. BASIS OF PREPARATION

2.1 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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards 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 provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.2 Basis of Consolidation

The Subsidiary Company is an entity over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

The Subsidiary Company is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Income and expenses of a subsidiary acquired or disposed off during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary Company have been changed to conform with accounting policies of the Holding Company, where required.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non- controlling interest. The excess of cost of acquisition is recorded as goodwill, however, if the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of the Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in the consolidated financial statements.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends within the Group are eliminated in full.

Non-controlling interest (NCI) is that part of the net results of operations and of net assets of subsidiary attributable interest which are not owned by the Group. The Group measures NCI on proportionate basis of the net assets of Subsidiary Company.

When the ownership of a subsidiary is less than hundred percent, a NCI exists. The NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

A change in the ownership interest of a Subsidiary Company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

No non-controlling interest (NCI) exists, as the Subsidiary Company is a wholly owned subsidiary of the Holding Company.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupees, which is the Group's functional and presentational currency. All amounts have been rounded off to the nearest thousand, unless otherwise indicated.

2.4 Use of significant estimates and judgements

The preparation of consolidated financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgements made by the management in the application of the accounting policies, that have the most significant effect on the amount recognised in these consolidated financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of assets and liabilities in future periods are described in the following notes:

- Property, plant & equipment (note 3.1)
- Stock in trade (note 3.12)
- Allocation of overheads (note 3.12)
- Employees' share option scheme (note 3.13)
- Taxation (note 3.14)
- Impairment of non financial assets (note 3.19)
- Provisions (note 3.2)
- Contingent liabilities (note 3.21)

2.5 Changes in accounting standards, interpretations and pronouncements

a) **Amendments to published accounting and reporting standards and interpretation / guidance that became effective during the year**

There were certain amendments to accounting and reporting standards that became applicable to the Group during the year. These do not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

b) **New standards and amendments to published accounting and reporting standards that are not yet effective and not early adopted by the Group**

There are certain new standards and amendments that will be applicable to the Group for its annual periods beginning on or after July 1, 2026:

i) **Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective January 1, 2026):**

These amendments

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

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

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

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

The management is in process of assessing the impact of above changes.

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 Group for the financial year beginning on July 01, 2026. Such standards and amendments are not expected to have any significant impact in the Group's financial reporting and, therefore, have not been presented in these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise disclosed or specified.

3.1 Property, plant and equipment

3.1.1 Operating assets and depreciation

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of such item can be measured reliably.

Measurement

Property, plant and equipment (except capital work in progress) are stated at cost less accumulated depreciation and impairment losses, if any. The costs of property, plant and equipment include:

(a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;

(b) any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

(c) Borrowing costs, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other expenditure (including repairs and normal maintenance) is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense when it is incurred.

Depreciation

Depreciation on operating fixed assets is charged to the consolidated statement of profit or loss and other comprehensive income applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives except for leasehold land, which is depreciated over the lease period using straight-line method, rates are given in note 4.1.

Depreciation on additions is charged from the month in which the assets are available for use up to the month prior to disposal.

Residual values and useful lives are reviewed by the management, at each financial period-end and adjusted if impact on depreciation is significant.

Gains and losses on disposal

Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss and other comprehensive income in the period the asset is disposed.

3.1.2 Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any and consists of expenditure incurred (including any borrowing costs, if applicable) and advances made in the course of their construction and installation. Transfers are made to relevant asset category as and when assets are available for intended use.

Advances paid to suppliers for acquisition of property, plant and equipment including land and building is also classified under capital work-in-progress.

3.2 Investments

3.2.1 Investments in subsidiaries

Investments in subsidiaries are initially recognised and carried at cost. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognised if the carrying amount exceeds its recoverable amount.

3.3 Financial assets

Initial Recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

a) Amortised cost - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;

b) Fair value through other comprehensive income (FVTOCI) - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in consolidated profit or loss.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in consolidated profit or loss in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in consolidated profit or loss.

3.3.1 Impairment of financial asset

The Group recognises loss allowances for Expected Credit Loss (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition (although in this case the measurement is at 12 month ECLs).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

The Group considers a financial asset in default when it is more than 365 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for the recovery of amounts due.

3.4 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in consolidated profit or loss.

3.5 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the consolidated statement of financial position if the Group has a legally enforceable right to set-off the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

3.6 Trade debts, advances and other receivables

Trade receivables and advances are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

3.7 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

3.8 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

All other borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

3.9 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised cost.

3.10 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.11 Stores and spares

Stores and spares are valued at cost using first-in-first-out (FIFO) cost formula, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the consolidated statement of profit or loss and other comprehensive income.

3.12 Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

i) For raw materials: First-in-first-out (FIFO) cost formula.

ii) For work-in-process and finished goods: Direct material, labour and appropriate manufacturing overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade is stated at lower of cost and net realisable value.

The management uses certain assumptions and estimates in the allocation of overheads, for the valuation of stock-in-trade.

3.13 Employees' share option scheme

Equity-settled share-based payments to employees are measured at fair value at the grant date. The fair value determined at the grant date of the equity settled share-based payments is recognised as an employee compensation expense on a straight-line basis over the vesting period.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate for the effects of exercise restrictions.

When a vested option lapses on expiry of the exercise period, employee compensation expense already recognised in the consolidated statement of profit or loss and other comprehensive income, is transferred to unappropriated profit from employee share option compensation reserve in the consolidated statement of changes in equity.

When the options are exercised, employee share option compensation reserve relating to these options is transferred to share capital and share premium. An amount equivalent to the face value of related shares is transferred to share capital. Any amount over and above the share capital is transferred to share premium.

3.14 Taxation

Income tax expense comprises levies, current and deferred tax. Income tax expense is recognised in consolidated profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively. In making the estimates for income taxes currently payable by the Group, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

3.14.1 Current tax

The Holding Company has been granted the status of a 'Greenfield Industrial Undertaking' on 24 November 2020 under section 2, sub-section (27A) of the Income Tax Ordinance, 2001 and section 2, sub-section (12A) of the Sales Tax Act, 1990. In addition to this, the Board of Approvals (BOA) constituted under Section 5 of the Special Economic Zones Act, 2012 in their meeting held on 14 December 2020 approved the Special Economic Zone (SEZ) status of the Holding Company; the formal notification in this respect has been issued on January 15, 2021. As per Clause (126E) of Part-I, Second Schedule to the Income Tax Ordinance, 2001, income derived by the Holding Company is exempt from income tax for a period of ten years starting from the commencement of commercial operations. Further, the Holding Company is also exempt from minimum tax under section 113 of the Income Tax Ordinance, 2001 under Clause (11A) (xliii), Part IV of the Second Schedule to the Income Tax Ordinance, 2001, as the Holding Company has been granted the status of a 'Greenfield Industrial Undertaking' for a period of 10 years.

3.14.2 Deferred tax

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax asset is reviewed at statement of financial position date as reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of deferred tax asset to be utilised.

3.14.3 Levy 12

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the consolidated statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/ IAS 37.

3.15 Staff retirement benefits

3.15.1 Defined contribution plan

The Holding Company provides provident fund benefits to all its employees. Equal contributions are made, both by the Holding Company and the employees, at the rate of 8.33% of gross salary and the same is charged to the consolidated statement of profit or loss and other comprehensive income.

3.16 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange ruling on the reporting date. Exchange differences are included in the consolidated statement of profit or loss and other comprehensive income.

3.17 Revenue recognition

- Domestic sales are recognised as revenue when invoiced with the transfer of control of goods, which coincides with delivery, as this is the point in time that the consideration becomes unconditional, because only the passage of time is required before the payment is due.

- Export sales are recognised as revenue when invoiced with the transfer of control of goods which coincides with the date of bill of lading.

No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

3.18 Income on bank deposits and finance cost

The Group's finance income and finance cost includes income on bank deposits and finance cost. Income or expense is recognised using the effective interest rate method.

3.19 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than stores and spares, stock in trade and deferred tax are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income.

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.20 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate reflecting current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.21 Contingent liabilities

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.22 Dividend and appropriations to / from reserves

Dividend distribution to the Holding Company's shareholders and appropriations to / from reserves are recognised as a liability in the period in which these are approved.

3.23 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Group recognises government grants when there is reasonable assurance that grants will be received and the Group will be able to comply with conditions associated with Grants.

Government grants are recognised at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis in the income for the year in which the related expenses are recognised. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognised and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

3.24 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

3.25 The Holding Company presents basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	**2026**	2025
		(Rupees in thousands)	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	**37,196,207**	25,195,233
Capital work-in-progress	4.2	**1,177,998**	4,278,843
		38,374,205	29,474,076

4.1 Operating fixed assets

Description	Leasehold Land	Buildings on leasehold land	Plant and machinery	Furniture, fixture and fittings	Vehicles	Service equipment	Total
	-----------------------------Rupees in thousands-----------------------------						
Year ended June 30, 2025							
Opening net book value	752,361	6,811,559	13,141,762	102,514	232,628	423,876	21,464,700
Additions	-	-	-	34,488	42,905	318,489	395,882
Transfer from CWIP	-	430,434	4,255,797	6,774	3,913	1,366	4,698,284
Disposal:							
Cost	-	-	-	-	(10,518)	(368)	(10,886)
Accumulated depreciation	-	-	-	-	4,124	235	4,359
	-	-	-	-	(6,394)	(133)	(6,527)
Depreciation note - 4.1.3	(9,179)	(342,371)	(793,672)	(24,545)	(53,235)	(134,104)	(1,357,106)
Closing net book value	743,182	6,899,622	16,603,887	119,231	219,817	609,494	25,195,233
As at June 30, 2025							
Cost	790,064	8,038,625	18,837,698	195,405	306,017	903,965	29,071,774
Accumulated depreciation	(46,882)	(1,139,003)	(2,233,811)	(76,174)	(86,200)	(294,471)	(3,876,541)
Closing net book value	743,182	6,899,622	16,603,887	119,231	219,817	609,494	25,195,233
Year ended June 30, 2026							
Opening net book value	**743,182**	**6,899,622**	**16,603,887**	**119,231**	**219,817**	**609,494**	**25,195,233**
Additions	**-**	**-**	**-**	**25,766**	**113,039**	**3,095**	**141,900**
Transfer from CWIP	**446,625**	**1,452,969**	**11,448,559**	**19,865**	**96,725**	**85,913**	**13,550,656**
Disposal:							
Cost	**-**	**-**	**-**	**-**	**(45,370)**	**(752)**	**(46,122)**
Accumulated depreciation	**-**	**-**	**-**	**-**	**20,310**	**494**	**20,804**
	-	**-**	**-**	**-**	**(25,060)**	**(258)**	**(25,318)**
Depreciation note - 4.1.3	**(11,791)**	**(351,461)**	**(1,073,913)**	**(29,094)**	**(59,509)**	**(140,496)**	**(1,666,264)**
Closing net book value	**1,178,016**	**8,001,130**	**26,978,533**	**135,768**	**345,012**	**557,748**	**37,196,207**
As at June 30, 2026							
Cost	**1,236,689**	**9,491,594**	**30,286,257**	**241,036**	**470,411**	**992,221**	**42,718,208**
Accumulated depreciation	**(58,673)**	**(1,490,464)**	**(3,307,724)**	**(105,268)**	**(125,399)**	**(434,473)**	**(5,522,001)**
Closing net book value	**1,178,016**	**8,001,130**	**26,978,533**	**135,768**	**345,012**	**557,748**	**37,196,207**
Annual rate of depreciation (%)	1.22	5	5	20	20	20-30	

4.1.1 Particulars of leasehold land and building on leasehold land are as follows:

Description	Address	Square feet
Land - 50 Acres	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	2,178,000
Land - 15 Acres	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	653,400
Buildings (Covered Area)	Sindh Industrial Trading Estates Area, Nooriabad District, Jamshoro.	1,620,144

4.1.2 The details of operating fixed assets disposed of during the year having are as follows:

Description	Cost	Accumulated Depreciation	Net book value	Sale proceeds	Gain / (loss)	Relationship with buyer	Mode of disposal	Sold To
	------Rupees in thousands------							
Items having net book value exceeding Rs. 500,000 each are as follows:								
Vehicles:								
Suzuki Wagon R	1,806	912	894	2,050	1,156	Third Party	Negotiaition	Naveed Khan
Suzuki Wagon R	1,806	912	894	2,050	1,156	Third Party	Negotiaition	Naveed Khan
Suzuki Alto	2,487	1,224	1,263	1,263	-	Employee	Group policy	Muzammil Shafique
Suzuki Alto	2,487	1,224	1,263	1,263	-	Employee	Group policy	Muhammad Zubair
Suzuki Alto	2,612	1,043	1,569	1,569	-	Employee	Group policy	Amtaj Khan
Suzuki Swift	4,355	2,231	2,124	2,124	-	Employee	Group policy	Nawabzada
Hyundai Tucson	6,919	3,725	3,194	3,194	-	Employee	Group policy	Atif Aziz
Toyota Altis	6,809	2,478	4,331	4,331	-	Employee	Group policy	Khurram Anwar
Toyota Altis	7,202	2,622	4,580	4,580	-	Employee	Group policy	Hassan Shahid
Hyundai Tucson	8,887	3,939	4,948	4,948	-	Employee	Group policy	Khizr Hayat
Items having net book value of less than Rs. 500,000 each	752	494	258	258	-			
June 30, 2026	**46,122**	**20,804**	**25,318**	**27,630**	**2,312**			
June 30, 2025	10,886	4,359	6,527	7,073	546			

	Note	2026	2025
		(Rupees in thousands)	
4.1.3 Depreciation for the year has been allocated as follows:			
Cost of sales	26	**1,424,146**	1,151,041
Administrative expenses	28	**242,118**	206,065
		1,666,264	1,357,106

4.2 Capital work-in-progress

Description	Vehicles	Advance To Vendors	Buildings on leasehold lands	Furniture and IT equipment	Plant and machinery - note 4.2.1	Service equipment	Leasehold Land	Total
	------Rupees in thousands------							
As at June 30, 2024	3,913	-	201,627	6,774	823,320	1,366	-	1,037,000
Additions	9,580	349,026	324,556	-	7,491,969	-	-	8,175,131
Transferred	(3,913)	(235,005)	(430,433)	(6,774)	(4,255,797)	(1,366)	-	(4,933,288)
As at June 30, 2025	**9,580**	**114,021**	**95,750**	**-**	**4,059,492**	**-**	**-**	**4,278,843**
Additions	**91,276**	**78,051**	**1,405,986**	**19,865**	**8,322,095**	**85,913**	**446,625**	**10,449,811**
Transferred	**(96,725)**	**(27,443)**	**(1,445,397)**	**(19,865)**	**(11,428,688)**	**(85,913)**	**(446,625)**	**(13,550,656)**
As at June 30, 2026	**4,131**	**164,629**	**56,339**	**-**	**952,899**	**-**	**-**	**1,177,998**

4.2.1 This includes Rs. 642.79 million in respect of the Wind Power Project.

	Note	2026	2025
		(Rupees in thousands)	
5. LONG TERM LOAN			
Considered good:			
Executives	5.1	**-**	902
Current portion shown under current assets	11	**-**	(902)
		-	-

5.1 Reconciliation of carrying amount of loan to executives:

		2026	2025
Balance as at 1 July		**902**	3,945
Disbursement during the year		**-**	24
Repayments during the year		**(902)**	(3,067)
Balance as at 30 June		**-**	902

6. DEFERRED TAX ASSET

The deferred tax asset / liability comprises of the timing difference relating to accelerated tax depreciation allowance attributable to income subject to normal tax under the Income Tax Ordinance, 2001 (ITO 2001):

	Note	**Accelerated tax depreciation (Rupees in thousands)**
Balance at July 1, 2025		**(1,492,680)**
Credit to consolidated profit or loss and other comprehensive income for the year	32	**(529,323)**
Balance at June 30, 2026		**(2,022,003)**
Balance at July 1, 2024		1,515,546
Credit to consolidated profit or loss and other comprehensive income for the year	32	(3,008,226)
Balance at June 30, 2025		(1,492,680)

6.1 During the previous year, the Holding Company after seeking approval from the commissioner revised its income tax returns for the tax years 2022 to 2024 to adjust the tax written down value (WDV) of its property, plant, and equipment back to their original cost.

The income tax returns were revised based on the opinion from the Holding Company's legal consultant, that income earned during an exempt period does not constitute business income chargeable to tax. Consequently, the Holding Company's assets are regarded as not being employed to generate business income chargeable to tax and, therefore, are not considered depreciable assets as per the Income Tax Ordinance, 2001 (ITO 2001). The opinion of legal advisor of the Holding Company is based on ruling from the Islamabad High Court in case of other Holding Company.

Accordingly, the Holding Company has recorded deferred tax income as disclosed in note 32 to these consolidated financial statements. The Holding Company is confident that the tax position being taken by it is permissible under section 22(5) of ITO 2001. Eventual resolution of the matter will however be dependent upon the finalisation of the tax assessment by tax authorities.

6.2 Under the Finance Act, 2020, corporate rate of tax has been fixed at 29% for tax year 2020 and onwards. As per Finance Act, 2026, companies are liable to pay super tax at specified rates.Therefore, deferred tax asset have been recognised accordingly using the enacted tax rate of 37%.

7. LONG TERM SECURITY DEPOSIT

This represents long term deposit held with Hyderabad Electric Supply Company (HESCO). The security deposit is non-interest bearing.

	Note	2026	2025
		(Rupees in thousands)	
8. STOCK IN TRADE			
Raw materials			
- in hand	8.1.	**5,168,547**	2,648,579
- in transit		**8,566,338**	2,886,938
		13,734,885	5,535,517
Packing materials		**3,740**	-
Work in process		**894,783**	701,458
Finished goods		**1,428,141**	2,660,195
		16,061,549	8,897,170

8.1. As at June 30, 2026 raw material amounting to Rs. 67.29 million (2025: Nil) was held at Service Tyres (Private) Limited premises for the production of master compound.

9. STORES AND SPARES

This includes stores and spares in transit of Rs. 341.42 million.

	Note	2026	2025
		(Rupees in thousands)	
10. TRADE DEBTS - considered good			
Export - Secured	10.2 & 10.3	**3,476,072**	2,842,748
Local - Unsecured	10.2	**4,276,548**	3,760,630
		7,752,620	6,603,378

10.1 The maximum aggregate amount due from the related parties at the end of any month during the year is Rs. 201.91 million (2025: Rs. 118.99 million). There are no balance outstanding as at June 30, 2026 from related parties (2025: Nil).

10.2 The ageing of trade receivable from other than related parties as at the reporting date is as under:

	Note	2026	2025
		(Rupees in thousands)	
Not yet due		**2,778,428**	3,008,433
Past due but not impaired			
- 1 to 30 days		**4,510,835**	3,530,243
- 31 to 90 days		**373,732**	56,662
- 91 to 180 days		**85,362**	6,178
- more than 180 days		**4,263**	1,862
		7,752,620	6,603,378

10.3 Foreign jurisdictions of trade debts:

		2026	2025
United States of America		**2,193,265**	2,133,767
Brazil		**1,248,213**	708,981
Egypt		**34,594**	-
		3,476,072	2,842,748

	Note	2026	2025
11. ADVANCES, PREPAYMENTS AND DEPOSITS			
Advances to staff for expenses		**13,866**	3,525
Prepayments		**72,116**	79,072
Advance to suppliers		**34,315**	38,539
Current portion of long term loans to executives	5	**-**	902
Advance for letter of credit		**-**	9,231
Security deposits		**96,022**	94,825
Raw material loan	11.2	**11,448**	-
		227,767	226,094

11.1 These advances and trade deposits are non-interest bearing.

11.2 This represents raw material issued as a loan to Service Tyres (Private) Limited on a temporary basis.

	2026	2025
12. OTHER RECEIVABLES	**(Rupees in thousands)**	
Sales tax	**472,176**	544,463
FED	**29,125**	16,463
Custom duty drawback	**748,914**	538,468
Others	**-**	8,099
	1,250,215	1,107,493

	Note	2026	2025
		(Rupees in thousands)	
13. CASH AND BANK BALANCES			
Cash at bank			
Conventional			
- In savings accounts			
Local currency	13.1	**1,860,466**	862,255
- In current accounts			
Local currency		**326,912**	178,356
Foreign currency		**53,591**	116
		380,503	178,472
		2,240,969	1,040,727
Islamic			
- In savings accounts			
Local currency		**-**	41
- In current accounts			
Local currency		**256,303**	52,365
Foreign currency		**73,030**	27,159
		329,333	79,565
Term deposits receipts			
With maturity 3 months or less			
- Conventional	13.2 & 13.4	**8,334,324**	2,783,230
- Islamic	13.3 & 13.4	**200,000**	200,000
		8,534,324	2,983,230
With maturity more than 3 months			
- Conventional	13.2 & 13.4	**340,270**	456,100
Cash in hand			
- Local currency		**4,197**	6,778
- Foreign currency		**2,546**	4,750
		6,743	11,528
		11,451,638	4,571,150

13.1 The rates of mark-up on PLS savings accounts ranged from 10.25% to 12.03% (2025: 9.5% to 20.5%) per annum.

13.2 The rates of profit on TDRs ranged from 5.56% to 16.25% (2025: 6.41% to 20.5%) per annum, maturing in July 2026 to June 2027.

13.3 The rates of profit on TDRs ranged from 8.10% to 8.50% (2025: 8.10% to 17%) per annum, maturing on August 2026.

13.4 This includes TDRs amounting to Rs. 1,123 million (2025: Rs. 483 million) pledged as margin against bank guarantees.

14. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Authorized share capital

2026	2025		2026	2025
Number of shares			(Rupees in thousands)	
8,050,000,000	7,625,000,000		**16,100,000**	15,250,000

Issued, subscribed and paid-up capital

2026	2025		2026	2025
Number of shares			(Rupees in thousands)	
7,794,760,763	7,164,772,725	Ordinary shares of Rs. 2 each fully paid-up in cash	**15,589,521**	14,329,545

14.1 Movement during the period

2026	2025			
Number of shares				
7,164,772,725	7,164,772,725	Balance at the beginning of the year	**14,329,545**	14,329,545
240,250,000	-	Shares issued through employee share options	**480,500**	-
389,738,038	-	Shares issued through initial public offering for cash	**779,476**	-
7,794,760,763	7,164,772,725		**15,589,521**	14,329,545

14.2 Ordinary shares of the Holding Company held by the related parties:

	2026	2025
	Number of shares	
Service Industries Limited - Holding Company	**1,582,698,295**	1,582,698,295
Chaoyang Long March Tyre Co. Ltd - Associated Company	**3,152,500,000**	3,152,500,000
Shabir Ahmed of Myco Corporation	**377,238,635**	358,238,635
Service Global Footwear Limited - Associated Company	**1,354,858,520**	1,354,858,520
Service Tyres (Private) Limited - Associated Company	**716,477,275**	716,477,275
Omar Saeed - Chief Executive Officer	**200,000,000**	-
Atif Aziz - Chief Financial Officer	**1,000,000**	-

14.3 During the year, on October 13, 2025, the members of the Holding Company , in their Annual General Meeting, passed a special resolution to subdivide the Holding Company's shares by reducing the face value from Rs. 10 to Rs. 2. Accordingly, the existing shares were split into shares having a face value of Rs. 2 each.

14.4 The Holding Company in its extra ordinary general meeting held on March 04, 2026 increased its authorised share capital for ordinary shares from Rs.15.25 billion divided into 7.6 billion ordinary shares to Rs. 16.10 billion divided into 8.05 billion ordinary shares of Rs 2 each.

14.5 During the year, the Holding Company has issued 389,730,038 ordinary shares, through Initial Public Offering (IPO), at a price of Rs. 19.95 per share (i.e. premium of Rs. 17.95 per share) through listing on the Pakistan Stock Exchange (PSX). The purpose of raising funds is to partially finance the establishment of a dedicated Passenger Car Radial ("PCR") tyre manufacturing facility. As at June 30, 2026, the proceeds raised through the IPO remained unutilised by the Holding Company.

15. SHARE PREMIUM

This reserve can be utilised by the Holding Company only for the purpose specified in section 81 of the Companies Act, 2017.

16. EMPLOYEE SHARE OPTION RESERVE

On July 1, 2024, the Holding Company established share option programmes that entitle key management personnel and (senior employees) employee falling under classification level MG2 and above to purchase shares in the Holding Company. Under these programmes, holders of vested options are entitled to purchase shares at the specified exercise price. Currently, these programmes are limited to key management personnel and other senior employees.

The key terms and conditions related to the grants under these programmes are as follows; all options are to be settled by the physical delivery of shares.

Option Grant Year	Number of Options	Vesting Period	Exercise Price
2024	81,500,000	31-Jul-25	10.00
2024	10,000,000	31-Jul-27	10.00

The fair value of employees share options is calculated using Black Scholes pricing model. The fair value of options granted during the year at the date of grant as estimated using the Black Scholes Model was Rs. 6.12 and Rs. 5.15 per option. The Fair Value measurement for the Employee Stock option Scheme has been categorised as a level 3 fair value based on the inputs to the valuation technique used.

The following assumptions were used in calculating the fair value of the options:

	1st Option	2nd Option
- Underlying price	17.46	17.46
- Exercise price	10	10
- Grant Date	31-Jul-24	31-Jul-24
- Expiry Date	31-Jan-27	31-Jan-29
- Expected Life	2.5	4.5
- Historical Volatility	46.66%	46.66%
- Risk free rate	14.07%	14.07%
- Dividend yield	14%	14%

As per Employees stock option scheme, total number of options available under option 1 and option 2 were 81,500,000 and 10,000,000. However, the compensation committee has accorded 48,050,000 options out of 81,500,000 options and 9,000,000 out of 10,000,000 options.

Following the share split approved on October 13, 2025, whereby the face value of ordinary shares was reduced from Rs. 10 to Rs. 2 per share, the outstanding ESOS grants were adjusted to reflect the share split and preserve the economic rights of the option holders. Consequently, the exercise price was revised from Rs. 10 to Rs. 2 per option, and the number of options under the respective grants increased from 48,050,000 and 9,000,000 to 240,250,000 and 45,000,000 options respectively.

During the year, the Holding Company vested 48,050,000 shares, which were subject to a lock-in period of six months.

In this respect, Employee share option compensation reserve amounting to Rs. 40,433,411 (2025: Rs. 283,376,205) has been recognised with a corresponding charge for the year in respect of related employees services received to the balance sheet date.

17. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2026	2025
		(Rupees in thousands)	
Opening balance at the beginning of the year		**1,176,601**	1,624,271
Add: Recognised during the year		**-**	2,445
Less: Amortised during the year	30	**(343,660)**	(391,100)
Reassessment		**-**	(59,015)
		832,941	1,176,601
Less: Current portion shown under current liabilities	23	**(306,518)**	(360,662)
Closing balance at the end of the year		**526,423**	815,939

17.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated March 17, 2020 introduced a Temporary Economic Refinance Facility (TERF) and Islamic Temporary Economic Refinance Facility (ITERF) for setting of new industrial units. The refinance was made available through Banks / DFIs. One of the key feature of the refinance facility is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant.

The Holding Company has obtained these loans as disclosed in note 18 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments' loans obtained under the refinance facilities were initially recognised at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortised in the consolidated statement of profit or loss and other comprehensive income, in line with the recognition of interest expense the grant is compensating. Finance cost is reported on net basis in the consolidated statement of profit or loss and other comprehensive income.

18. LONG TERM FINANCING

	2026	2025
	(Rupees in thousands)	
CONVENTIONAL		
Long Term Financing Facility (LTFF)	**2,318,540**	2,939,825
Temporary Economic Refinance Facility (TERF)	**3,594,682**	4,207,567
Renewable Energy Power Project (REPP)	**93,750**	100,000
	6,006,972	7,247,392
ISLAMIC		
Long Term Financing Facility (LTFF)	**2,158,053**	-
Islamic Temporary Economic Refinance Facility (ITERF)	**1,009,391**	1,180,898
Long term musharaka	**21,057**	31,771
	3,188,501	1,212,669
	9,195,473	8,460,061
Less: Current portion of long term loan		
CONVENTIONAL		
Long Term Finance Financing Facility	**(36,297)**	(537,956)
Temporary Economic Refinance Facility	**(875,132)**	(871,456)
Renewable Energy Power Project	**(12,500)**	-
	(923,929)	(1,409,412)
ISLAMIC		
Long Term Financing Facility	**(146,894)**	-
Islamic Temporary Economic Refinance Facility	**(250,586)**	(250,586)
Long Term Musharaka	**(10,846)**	(11,015)
	(408,326)	(261,601)
	(1,332,255)	(1,671,013)
	7,863,218	6,789,048

18.1 Long term finances utilised under mark-up arrangements

	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2026	2025
				(Rupees in thousands)	
Conventional					
i) LTFF					
Habib Bank Limited Assistance for plant and machinery	16 quarterly installments 14-Apr-26	31-Dec-30	SBP Policy Rate - 3%	**580,758**	-
National Bank of Pakistan Assistance for plant and machinery	32 quarterly installments 18-Jun-26	18-Jun-36	SBP Policy Rate - 3%	**737,782**	1,939,825
Bank Al Habib Limited Assistance for plant and machinery	32 quarterly installments 29-Jun-26	29-Jun-36	SBP Policy Rate - 3%	**1,000,000**	-
Bank Al Falah Limited Assistance for plant and machinery	20 quarterly installments 06-Nov-25	06-Aug-30	3 month KIBOR +0.5%	**-**	1,000,000
				2,318,540	2,939,825

	Number of installments and commencement date	Date of maturity / repayment	Rate of mark-up per annum	Carrying Amount 2026	2025
				(Rupees in thousands)	
Conventional					
ii) REPP					
Habib Bank Limited Assistance for plant and machinery	16 half yearly installments 24-Feb-26	24-Aug-33	0.5% over SBP rate	**93,750**	100,000
iii) TERF					
Allied Bank Limited Assistance for plant and machinery	32 quarterly installments 25-Feb-23	26-May-33	0.5% over SBP TERF rate	**1,012,467**	1,188,628
Bank Al Falah Limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Apr-32	0.75% over SBP TERF rate	**511,095**	594,906
MCB Bank Limited Assistance for plant and machinery	16 half yearly installments 02-Oct-23	19-Nov-31	0.5% over SBP TERF rate	**545,868**	633,075
Habib Bank Limited Assistance for plant and machinery	32 quarterly installments 15-May-23	15-Feb-31	0.5% over SBP TERF rate	**1,525,252**	1,790,958
				6,006,972	7,247,392
Islamic					
i) ITERF					
Faysal Bank Limited Assistance for plant and machinery	32 quarterly installments 08-Feb-23	10-Aug-32	0.5% over SBP ITERF rate	**1,009,391**	1,180,898
i) LTFF					
Meezan Bank Limited Assistance for plant and machinery	10 half yearly installments 04-Nov-25	04-Nov-31	SBP Policy Rate - 3%	**634,940**	-
Bank of Punjab Limited Assistance for plant and machinery	20 quarterly installments 26-Feb-26	26-Feb-32	SBP Policy Rate - 3%	**500,000**	-
MCB Islamic Bank Limited Assistance for plant and machinery	10 half yearly installments 30-Jan-26	01-Jan-32	SBP Policy Rate - 3%	**523,113**	-
Bank Islami Pakistan Limitec Assistance for plant and machinery	20 Quarterly installments 31-Mar-26	30-Mar-32	SBP Policy Rate - 3%	**500,000**	-
ii) DIMINISHING MUSHARAKA					
Bank Islami Pakistan	48 monthly installments 05-Feb-24	05-Feb-28	6-months KIBOR +0.4%	**21,057**	31,771
				3,188,501	1,212,669
				9,195,473	8,460,061

18.1.1 The above loans are secured against joint pari passu charge over present and future fixed assets of the Holding Company (such as land, building, plant and machinery etc.) with aggregate carrying amount of Rs. 25,738 million (2025: Rs. 19,313 million).

	Note	2026	2025
		(Rupees in thousands)	
19. TRADE AND OTHER PAYABLES			
Trade creditors		**6,966,143**	3,447,284
Accrued liabilities		**1,143,176**	390,115
Employees' provident fund payable		**21,588**	42,663
Withholding taxes payable		**146,663**	78,593
Workers' Welfare Fund Payable		**6,627**	5,007
Workers' Profit Participation Fund Payable	19.1	**670,673**	390,182
		8,954,870	4,353,844

19.1 Workers' Profit Participation Fund

	Note	2026	2025
Balance at beginning of the year		**390,182**	197,355
Allocation for the year	29	**687,990**	388,471
Interest on workers' profit participation fund	30	**2,878**	8,162
Payment during the year		**(410,377)**	(203,806)
Balance at end of the year		**670,673**	390,182

20. CONTRACT LIABILITIES

20.1 These represents advances received by the Holding Company from customers in respect of sale of tyres. 100% (2025: 100%) of these advances at the beginning of the year got converted into revenue during the year.

20.1.1 This include advance amounting to Rs. 1,607.78 million (2025: Rs. 342.77 million) from Myco Corporation in the ordinary course of business.

	2026	2025
	(Rupees in thousands)	
21. ACCRUED MARK-UP		
Conventional		
Long term financing	**30,617**	112,804
Short term financing	**64,148**	202,326
	94,765	315,130
Islamic		
Long term financing	**62,375**	6,096
Short term financing	**17,750**	-
	80,125	6,096
	174,890	321,226

22. SHORT TERM FINANCING

	Note	2026	2025
		(Rupees in thousands)	
Conventional			
Short term running finance	22.1 & 22.2	**-**	119,766
Export finance scheme	22.2 & 22.3	**1,656,987**	2,046,447
Export refinance facility	22.2 & 22.4	**4,731,324**	3,708,000
FE-25 loan against exports	22.2 & 22.5	**2,076,070**	3,191,756
Islamic			
Export finance scheme	22.2 & 22.3	**1,312,000**	724,222
Export refinance facility	22.2 & 22.4	**766,876**	937,979
FE-25 loan against exports	22.2 & 22.5	**803,707**	-
		11,346,964	10,728,170

22.1 The rates of mark-up range from 10.43% to 14.07% per annum applicable on the outstanding balance (2025: 11.88% to 22.08%).

22.2 These finances are obtained from banking companies under mark up arrangements and are secured against joint pari passu hypothecation charge on all present and future current assets of the Company. These form part of total credit facilities of Rs. 25,500 million (2025: Rs.19,600 million).

22.3 The mark-up rate was 2% per annum (2025: 2%) applicable on outstanding balance.

22.4 The rates of mark-up range from 4.5% to 8% (2025: 8% to 19%) per annum applicable on the outstanding balance.

22.5 The rates of mark-up range from 2.5% to 4.9% (2025: 4% to 8%) per annum applicable on the outstanding balance.

22.6 The facilities for short term financing from banks as at June 30, 2026 amounted to Rs. 25,500 million (2025: Rs. 19,600 million) of which unutilised balance at period end amounted to Rs. 14,153 million (2025: Rs. 8,872 million).

23. CURRENT PORTION OF NON CURRENT LIABILITIES

	Note	2026	2025
		(Rupees in thousands)	
Deferred income - Government grant	17	**306,518**	360,662
Long term financing	18	**1,332,255**	1,671,013
		1,638,773	2,031,675

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 The Holding Company imported prefabricated buildings and claimed exemption from the customs duties and sales tax on the ground that these were being imported for the purpose of establishing an industry in the subject industrial economic zone which was denied on the ground that prefabricated buildings do not fall under capital goods or plant and machinery and thereafter these were allowed to be released provisionally against bank guarantee and the matter was referred to Federal Board of Revenue (FBR). Guarantees are given by the banks of the Holding Company to the Collector of Customs, amounting to Rs. 368.69 million (2025: Rs. 368.69 million). The FBR upheld the opinion of customs against which the Holding Company filed constitutional appeal in the High Court of Sindh. The matter is currently pending in the High Court of Sindh. The Holding Company based of the merits of case and favourable judgements passed by the Honourable courts on the similar matter in the past believes that the case will be decided in favour of the Holding Company.

24.1.2 A show cause notice was issued against the Holding Company on account of inadmissible adjustment of input tax on purchase of building material and services for construction of tyre manufacturing facility, amounting to Rs. 363.26 million. The remand-back proceedings under Section 11 of the Sales Tax Act, 1990 were concluded by the DCIR, vide order dated February 29, 2024, whereby sales tax demand of Rs. 42.36 million (including penalty u/s 33(8) of the Act) was raised. However, the Holding Company filed an appeal before the Commissioner Inland Revenue (CIRA) which was subsequently transferred to the Appellate Tribunal Inland Revenue (ATIR). The ATIR, through its order dated January 2, 2025, has decided the appeal against the Holding Company and upheld the demand raised by the department. The Holding Company challenged the aforementioned appellate order before the Honorable Lahore High Court that remanded the matter back to ATIR for reconsideration. Following a hearing on July 3, 2025, the ATIR has now passed a revised appellate order, substantially reducing the original tax demand from Rs. 42.36 million to Rs. 5.22 million. The Holding Company is still contesting the revised demand and based on the advice of it's consultant and hence no provision has been made in these consolidated financial statements.

24.1.3 A Constitutional Petition bearing C.P. No. 4294 of 2021 was filed by the Holding Company on July 26, 2021, challenging the levy of Sindh Infrastructure Development Cess under the Sindh Finance Act, 1994 and subsequently under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. On August 31, 2021, the Honourable Supreme Court of Pakistan suspended the judgment passed by the Honourable Sindh High Court and stayed the encashment of bank guarantees furnished in respect of the disputed cess liability.

During the year, the Government of Sindh enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 and the Sindh Development and Maintenance of Infrastructure Cess (Second Amendment) Act, 2026, which, inter alia, introduced a mechanism for the settlement of pending infrastructure cess disputes subject to withdrawal of the related legal proceedings and execution of a settlement agreement.

The Holding Company has decided not to opt for the settlement mechanism and continues to contest the levy. As at June 30, 2026, the amount involved in the matter is Rs. 1,039.8 million (2025: Rs. 254.9 million), against which bank guarantees have been submitted as security with the Collectorate. The management in consultation with its legal advisor is confident that the outcome of the case would be in favour of the Holding Company hence no provision is made in these consolidated financial statements.

24.1.4 A Constitutional Petition bearing W.P. No. 1387 of 2026 was filed by the Holding Company before the Honourable Islamabad High Court challenging the levy and recovery of the Grid (Captive Power Plants) Levy under the Off the Grid (Captive Power Plants) Levy Act, 2025. The Honourable Islamabad High Court has granted an interim stay against the recovery of the levy and the matter is currently pending adjudication before the Court. Although the Holding Company's legal counsel is of the view that the case is likely to be decided in favour of the Holding Company, the Holding Company has recognised a provision of Rs. 43.69 million in these consolidated financial statements for the disputed levy as a matter of prudence, pending the final outcome of the litigation.

24.1.5 The Group has disclosed the contingency regarding deferred tax in note 6.1 to these consolidated financial statements.

24.2 Guarantees

24.2.1 Guarantees are given by the banks of the Holding Company to the Sui Southern Gas Holding Company Limited amounting to Rs. 424.53 million (2025: Rs. 310.96 million) against gas connection.

24.2.2 Guarantees are given by the banks of the Holding Company to the DGP Army, National Logistics Cell, Controller of Military Accounts and Pakistan State Oil Holding Company Limited amounting to Rs. 21.01 million, Rs. 105.08 million, Rs. 135.35 million and Rs. 13 million (2025: Nil, Rs. 99.64 million, Rs. 82.72 million and Rs. 10 million) respectively.

24.2.3 Guarantees are given by the banks of the Holding Company to the Director Excise and Taxation, and Collector of Customs Karachi amounting to Rs. 1,209 million and Rs. 368.69 million (2025: Rs.1,055 million and Rs. 368.69 million) respectively against matters reported in notes 24.1.1 and 24.1.3 respectively.

24.3 Commitments

24.3.1 The facilities for opening letters of credit from banks as at June 30, 2026 amounted to Rs. 14,250 million (2025: Rs. 11,250 million) of which unutilised balance at period end amounted to Rs. 14,086 million (2025: Rs.10,886 million).

24.3.2 Capital expenditure commitments outstanding as at June 30, 2026 amounted to Rs. 2,148 million (2025: Nil).

25. REVENUE FROM CONTRACTS WITH CUSTOMERS

	2026	2025
	(Rupees in thousands)	
Sale of goods less returns:		
Export	**18,460,750**	14,830,311
Local	**65,036,109**	42,326,250
	83,496,859	57,156,561
Custom duty drawback	**604,532**	423,376
Sales tax	**(9,799,424)**	(6,456,112)
Trade discounts	**(2,593,072)**	(1,283,634)
	(11,787,964)	(7,316,370)
	71,708,895	49,840,191

25.1 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical markets.

	Note	2026	2025
		(Rupees in thousands)	
United States of America		**11,311,647**	12,679,832
Brazil		**7,551,269**	2,573,856
Egypt		**125,984**	-
South Africa		**76,382**	-
Pakistan		**52,643,613**	34,586,503
		71,708,895	49,840,191

26. COST OF SALES

	Note	2026	2025
Raw & packing materials consumed	26.1	**45,937,553**	34,875,116
Manufacturing overheads			
Fuel and power		**2,393,450**	2,011,900
Salaries, wages and other benefits	26.2	**1,715,638**	1,269,244
Depreciation	4.1.3	**1,424,146**	1,151,041
Repair and maintenance		**462,787**	417,662
Travelling		**178,618**	215,093
Insurance		**154,843**	93,807
Freight and insurance		**133,435**	54,615
Vehicles running expenses		**58,643**	60,067
Safety & security		**44,367**	34,078
Communication		**7,507**	6,876
Rent, rates & taxes		**7,667**	1,907
		6,581,101	5,316,290
		52,518,654	40,191,406
Work-in-process			
Opening stock		**701,458**	424,545
Less: closing stock	8	**(894,783)**	(701,458)
Cost of goods manufactured		**52,325,329**	39,914,493
Finished goods			
Opening stock		**2,660,195**	1,832,884
Less: closing stock	8	**(1,428,141)**	(2,660,195)
		1,232,054	(827,311)
		53,557,383	39,087,182

	Note	2026	2025
		(Rupees in thousands)	
26.1 Raw & packing material consumed			
Opening stock		**2,648,579**	2,173,265
Purchased during the year		**48,461,261**	35,350,430
		51,109,840	37,523,695
Closing stock in hand	8	**(5,172,287)**	(2,648,579)
		45,937,553	34,875,116

26.2 This includes provident fund amounting to Rs. 63.81 million (2025: Rs. 36.87 million) in respect of provident fund contribution by the Holding Company.

	Note	2026	2025
27. DISTRIBUTION COST		**(Rupees in thousands)**	
Freight expense of export sales		**543,209**	389,577
Carriage outwards of local sales		**825,155**	442,695
Salaries and other benefits	27.1	**213,911**	174,905
Advertisement and publicity		**685,308**	130,804
Travelling and conveyance		**78,322**	48,087
Communication		**1,686**	1,104
		2,347,591	1,187,172

27.1 This includes provident fund amounting to Rs. 7.83 million (2025: Rs. 4.86 million) in respect of provident fund contribution by the Holding Company.

	Note	2026	2025
		(Rupees in thousands)	
28. ADMINISTRATIVE EXPENSES			
Salaries and other benefits	28.1 & 28.2	**925,460**	744,157
Depreciation	4.1.3	**242,118**	206,065
Legal and professional charges	28.3	**92,330**	37,110
Travelling and conveyance		**62,451**	105,215
Others		**33,716**	17,607
Communication		**17,643**	18,795
Entertainment		**29,940**	25,061
Miscellaneous		**26,831**	27,886
Vehicles' running expenses		**17,976**	8,936
Rent, rates and taxes		**116,290**	33,770
Training and education		**2,970**	3,062
Printing and stationery		**5,194**	4,564
Safety & security		**797**	1,035
		1,573,716	1,233,263

28.1 This includes provident fund amounting to Rs. 19.3 million (2025: Rs. 17.4 million) in respect of provident fund contribution by the Holding Company.

28.2 This includes proportionate salaries charged by the Ultimate Holding Company and share based payment expense amounting to Rs 40.44 million (2025: Rs 283.38 million).

28.3 This includes incorporation expenses of the Subsidiary Company amounting to Rs. 35.52 million.

	Note	2026	2025
		(Rupees in thousands)	
29. OTHER EXPENSES			
Workers' Profit Participation Fund	19.1	**687,990**	388,471
Auditor's remuneration	29.1	**28,414**	22,491
Workers' Welfare Fund		**4,208**	2,613
Donation	29.2	**56,750**	-
Loss on disposal of operating fixed assets		**-**	47
		777,362	413,622

29.1 Auditor's remuneration

	2026	2025
Statutory audit fee (including consolidation fee)	**7,000**	5,000
Special audit fee	**3,500**	2,300
Half yearly review	**1,500**	-
Tax services	**13,524**	12,404
Other certifications and other services	**1,740**	100
Out of pocket expenses	**1,150**	2,687
	28,414	22,491

29.2 Donations

29.2.1 Donations to single parties exceeding higher of Rs. 1 million or 10% of the total donations are as follows:

	Note	2026	2025
		(Rupees in thousands)	
Servis Foundation	29.2.2	**45,000**	-
Welfare of Troops & Shuhada (Families)		**10,000**	-
		55,000	-

29.2.2 During the year, the Holding Company donated Rs. 45 million to it's related party Servis Foundation.

29.2.3 Following directors' interest in the above related parties is limited to the extent of their involvement as directors:

Name of Related Party	Association
Servis Foundation	Omar Saeed - Trustee
	Arif Saeed - Trustee
	Hassan Javed - Trustee
	Ahmed Javed - Trustee

	Note	2026	2025
		(Rupees in thousands)	
30. FINANCE COST AND OTHER CHARGES			
Interest on long term borrowings			
- Conventional		**362,347**	720,858
- Islamic		**156,773**	113,366
		519,120	834,224
Less: amortisation of deferred income	17	**(343,660)**	(391,100)
		175,460	443,124
Interest on short term borrowings			
- Conventional		**420,535**	546,222
- Islamic		**84,601**	54,419
Bank commission and fees		**65,656**	56,727
Interest on Workers' Profit Participation Fund		**2,878**	8,162
Interest On Provident Fund Payable		**-**	652
Finance cost on Diminishing Musharaka		**3,503**	7,891
		752,633	1,117,197
31. OTHER INCOME			
Income from financial assets:			
Profit on Term deposit receipts			
- Conventional		**126,562**	85,952
- Islamic		**31,311**	18,316
Profit on saving accounts			
- Conventional		**69,019**	31,575
- Islamic		**-**	7,469
Income from non-financial assets:			
Scrap sales		**25,593**	54,374
Exchange gain		**74,073**	101,042
Gain on disposal of operating fixed assets	4.1.2	**2,312**	-
		328,870	298,728
32. TAXATION			
Current Tax - for the year		**59,943**	37,415
- prior year		**-**	45,976
Deferred tax	6	**(529,323)**	(3,008,226)
		(469,380)	(2,924,835)

32.1 As mentioned in note 3.13.1 to these consolidated financial statements, the Holding Company is exempt from taxation on its income from business for 10 years from the date of commencement of commercial operations, therefore relationship between income tax expense and accounting profit has not been present.

	2026	(Restated) 2025
	(Rupees in thousands)	
33. EARNINGS PER SHARE - BASIC AND DILUTED		
Basic earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**13,498,460**	10,025,318
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,388,362**	7,164,773
Earnings per share - basic (Rs.)	**1.827**	1.399
Diluted earnings per share		
Profit after taxation attributable to ordinary shareholders (Rupees in thousands)	**13,498,460**	10,025,318
Weighted average number of ordinary shares outstanding during the year (Number in thousands)	**7,407,589**	7,286,650
Earnings per share - diluted (Rs.)	**1.822**	1.376

	2026	2025
34. NUMBER OF EMPLOYEES		
Factory		
Number of employees as at reporting date	**1391**	1123
Average number of employees during the year	**1194**	980
Total Number of Employees		
Number of employees as at reporting date	**1663**	1341
Average number of employees during the year	**1459**	1196

	Note	2026	2025
		(Rupees in thousands)	

35. CASH GENERATED FROM OPERATIONS

	Note	2026	2025
Profit before taxation		**13,029,080**	7,100,483
Adjustment for non-cash charges and other items:			
Profit on bank deposits and term deposits receipts	31	**(226,892)**	(143,312)
Finance cost and other charges	30	**752,633**	1,117,197
Exchange gain	31	**(74,073)**	(101,042)
(Gain) / loss on disposal of fixed assets	31	**(2,312)**	47
Employee share option expense	16	**40,443**	283,376
Depreciation	4.1.3	**1,666,264**	1,357,106
Working capital changes	35.1	**(2,932,652)**	(3,145,309)
		(776,589)	(631,937)
		12,252,491	6,468,546

35.1 Working capital changes

	2026	2025
(Increase) / Decrease in current assets:		
Stock in trade	**(7,164,379)**	(1,441,343)
Stores and spares	**(368,489)**	142,217
Trade debts	**(1,075,169)**	(3,190,585)
Advances, prepayments and deposits	**(2,085)**	(43,383)
Other receivables	**(142,722)**	430,669
	(8,752,844)	(4,102,425)
Increase in current liabilities:		
Contract liabilities	**1,218,754**	501,325
Trade and other payables	**4,601,438**	455,791
	5,820,192	957,116
	(2,932,652)	(3,145,309)

36. CASH AND CASH EQUIVALENTS

	Note	2026	2025
Cash and bank balances	13	**11,451,638**	4,571,150
Running finance under mark-up arrangements from banks	22	**-**	(119,766)
Term deposit receipts	13	**(1,123,500)**	(3,439,330)
		10,328,138	1,012,054

37. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the consolidated financial statements for remuneration including all benefits to executives of the Group is as follows:

	2026	2025	2026	2025	2026	2025
	Chief Executive Officer		Directors		Executives	
	---------- Rupees in '000 ----------					
Managerial remuneration	**60,307**	55,281	**19,791**	24,802	**405,118**	369,779
Directors' fee	**-**	-	**1,050**	-	**-**	-
Allowances:						
Bonus	**-**	-	**-**	12,111	**102,576**	95,956
Employee share option scheme	**28,953**	231,592	**-**	10,762	**11,490**	41,022
Retirement Benefit	**6,028**	4,146	**-**	-	**25,090**	15,502
Medical, House Rent etc	**12,060**	11,056	**9,748**	2,480	**109,389**	35,527
Total	**107,348**	302,075	**30,589**	50,155	**653,663**	557,786
Number of persons	**1**	1	**4***	2*	**108**	86

** Except for the director disclosed above, no other director received any remuneration or fees during the year.*

37.1 The Chief Executive and some of the executives of the Holding Company are also provided with company maintained vehicles in accordance with Holding Company's policy.

37.2 There are no transactions with key management personnel other than under the terms of employment.

38. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise the Parent Company, associated undertakings, joint venturer, directors of the Group, key management personnel and staff retirement funds. Contributions to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Other transactions are at agreed terms.

Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements is as follows:

Service Industries Limited - Parent Company	2026	2025
	(Rupees in thousands)	
Proportionate salaries charged	**96,993**	72,000
Guarantee commission paid	**30,192**	40,500
Purchase of goods	**5,720**	4,468
Dividend paid	**641,199**	443,155
Reimbursement of expenses	**8,806**	8,459
Payment against transfer of fixed assets	**6,659**	-

	2026	2025
	(Rupees in thousands)	
Chaoyang Long March Tyre Co. Ltd - Associated Company		
Dividend paid	**1,277,174**	882,700
Purchase of goods	**938,548**	716,590
Service Global Footwear Limited - Associated Company		
Purchase of goods	**171**	-
Dividend paid	**548,894**	379,360
Mr. Shabir Ahmad of Myco Corporation - Joint Venturer		
Sale of goods	**601,836**	492,457
Trade discounts	**58,052**	19,111
Dividend paid	**152,831**	100,307
Service Tyres (Private) Limited - Associated Company		
Purchase of goods	**158,975**	336,317
Dividend paid	**290,267**	200,614
Expenses charged	**-**	2,065
Sale of goods	**251,812**	1,621
Servis Foundation - Associated Entity		
Donation	**45,000**	-
Service Long March Tyres - Staff Provident Funds		
Net charge in respect of staff retirement benefit plan	**90,978**	59,130
Retirement benefit plans payable	**21,588**	42,663
Key Management Personnel		
Remuneration	**154,066**	352,230
Directors' fee	**1,050**	-

38.1 The following are the related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year / period		Percentage of shareholding in the Holding Company	
		2026	2025	**2026**	2025
Service Industries Limited	Parent Company	**Yes**	Yes	**20%**	22%
Chaoyang Long March Tyre Co. Limited	Common directorship	**Yes**	Yes	**40%**	44%
Service Global Footwear Limited	Common directorship	**Yes**	Yes	**17%**	19%
Service Tyres (Private) Limited	Common directorship	**Yes**	No	**9%**	10%
S2 Hydro Limited	Common directorship	**No**	No	**Nil**	Nil
Speed (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
SBL Trading (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Shahid Arif Investments (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Service Industries Capital (Private) Limited	Common directorship	**No**	No	**Nil**	Nil
Service Foundation	Common directorship	**No**	No	**Nil**	Nil
SIL Gulf FZE	Common directorship	**No**	No	**Nil**	Nil
Dongguan Service Global Limited	Common directorship	**No**	No	**Nil**	Nil
Service Long March Tyres (Private) Limited Staff Provident Fund	Retirement Benefit Fund	**No**	No	**Nil**	Nil
Service Retail (Private) Limited	Common directorship	**No**	No	**Nil**	Nil

38.2 Particulars of company incorporated outside Pakistan with whom the Company had entered into transactions or had agreements and / or arrangements in place is as follows:

Name	Country of incorporation	Basis of association	Percentage of shareholding in the Holding Company
Chaoyang Long March Tyre Co. Limited	China	Common directorship	40.44%

39. PLANT CAPACITY

	Installed capacity		Actual Production	
	2026	2025	**2026**	2025
Number of tyres	**2,000,000**	1,300,000	**1,598,847**	1,184,346

39.1 The installed capacity represents production capacity at year end.

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial risk management

The Board of Directors of the Holding Company has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is also responsible for developing and monitoring the Group's risk management policies. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

40.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations without considering the fair value of the collateral available there against.

40.1.1 Exposure to credit risk

The carrying amount of respective financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2026	2025
	(Rupees in thousands)	
- Long term security deposit	**7,748**	7,748
- Trade debts	**7,752,620**	6,603,378
- Advances and deposits	**96,022**	95,727
- Accrued interest	**87,589**	38,029
- Cash and bank balances	**11,444,895**	4,559,621
	19,388,874	11,304,503

The Group does not take into consideration the value of collateral while testing financial assets for impairment. The Group considers the credit worthiness of counterparties as part of its risk management.

Trade Debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. Majority of the Group's sales are made against receipts in advance from customers. The Group has no major concentration of credit risk with any single customer. The majority of the trade customers have been transacting with the Group for several years. The Group establishes an allowance for impairment where it considers recoveries are not probable.

Analysis of gross amounts receivable from local and foreign trade debtors are as follows:

	2026	2025
	(Rupees in thousands)	
Domestic	**4,276,548**	3,760,630
Export	**3,476,072**	2,842,748
	7,752,620	6,603,378

40.1.2 Impairment losses

	2026		2025	
	Gross	**Expected Credit Loss**	Gross	Expected Credit Loss
	(Rupees in '000)			
Not past due	**2,778,428**	**-**	3,008,433	-
Past due but not impaired				
- 1 to 30 days	**4,510,835**	**-**	3,530,243	-
- 31 to 90 days	**373,732**	**-**	56,662	-
- 91 to 180 days	**85,362**		6,178	-
- more than 180 days	**4,263**	**-**	1,862	-
Total	**7,752,620**	**-**	6,603,378	-

Management believes that the unimpaired balances that are past due are still collectible in full, based on historical payment behavior and review of financial strength of respective customers.

Above balances are unsecured. None of the other financial assets are past due or impaired other than those which have been provided.

Cash is held only with reputable banks with high quality external credit rating assessed by external rating agencies. Following are the credit ratings of banks with which balances are held or credit lines available:

Bank	Rating Agency	Rating Short term	Rating Long term
Habib Bank Limited	VIS	A1+	AAA
Bank Al Falah Limited	PACRA	A1+	AAA
Industrial and Commercial Bank of China	Fitch rating	F1+	A
National Bank of Pakistan	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Faysal Bank Limited	VIS	A1+	AA+
Soneri Bank Limited	PACRA	A1+	AA
The Bank of Punjab	PACRA	A1+	AAA
Meezan Bank Limited	VIS	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	A+
United Bank Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
Bank Islami Pakistan Limited	PACRA	A1	AA-
Al Baraka Bank (Pakistan) Limited	VIS	A1	AA-
Habib Metropolitan Bank Limited	PACRA	A1+	AAA
Standard Chartered Bank	PACRA	A1+	AAA

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, management focuses on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Management does not consider that it has any concentration of credit risk at the reporting date.

40.2 Market risk

Market risk is the risk which arises due to changes in market prices, such as foreign exchange rates, interest rates and equity prices, that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is exposed to currency risk and interest rate risk only.

40.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Exposure to currency risk

The Group is exposed to currency risk on trade debts, cash and bank balances and trade creditors that are denominated in a currency other than the respective functional currency of the Group, primarily Chinese Yuan, Euro, AED and U.S. Dollar. The Group's exposure to foreign currency risk is as follows:

	2026				
	Rs.	**US Dollars**	**AED**	**CNY**	**EUR**
	------------------------ (Amounts in '000) ----------------------				
Financial assets					
Cash and bank balances	**127,997**	**278**	**664**	**6.00**	**0.16**
Trade debts	**3,476,072**	**12,497**	**-**	**-**	**-**
Financial liabilities					
Trade creditors	**(62,531)**	**-**	**-**	**(1,540)**	**(2)**
Net exposure	**3,541,538**	**12,775**	**664**	**(1,534)**	**(2)**

	2025				
	Rs.	US Dollars		CNY	EUR
	------------------------ (Amounts in '000) ----------------------				
Financial assets					
Cash and bank balances	3,724	12.70	-	1.56	0.16
Trade debts	2,842,748	10,006	-	-	-
Financial liabilities					
Trade creditors	(718,434)	-	-	(2,531)	(2)
Net exposure	2,128,038	10,019	-	(2,529)	(2)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2026	2025	**2026**	2025
US Dollars	**280.57**	279.35	**278.16**	284.1
AED	**76.40**	76.06	**75.86**	77.05
CNY	**40.14**	38.73	**40.99**	39.66
EUR	**327.22**	303.97	**316.92**	332.83

Sensitivity analysis

If the Pakistani Rupee had weakened / strengthened by 5% against below mentioned currencies with all other variables held constant, the effect on profit or loss for the year would be:

	Effect on Profit or Loss	
	2026	2025
	(Rupees in thousand)	
As at 30 June		
USD	**177,670**	142,318
CNY	**(3,144)**	(5,016)
EUR	**(27)**	(28)
AED	**2,532**	-

40.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's Interest rate exposure arises from term deposit receipts, short term borrowings, and long term borrowings from banks.

Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments is:

	Carrying amount	
	2026	2025
	(Rupees in thousands)	
Fixed rate instruments		
Financial assets	**8,874,594**	3,439,330
Financial liabilities	**4,697,823**	5,488,465
Variable rate instruments		
Financial assets	**1,860,466**	862,296
Financial liabilities	**4,476,593**	3,059,591

a) Cash flow sensitivity analysis for variable rate financial instruments

The Group holds various variable rate financial instruments amounting to Rs. 6,337.06 million (2025: Rs.3,921.89 million) exposing the Group to cash flow interest rate risk. A change of 100 basis points as at June 30, 2026 would have increased / (decreased) profit after tax and equity by Rs. 26.16 million (2025: Rs. 21.97 million).This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

b) Fair value sensitivity analysis for fixed rate financial instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Group.

40.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or there is difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group'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 Group's reputation.

The Group ensures that it has sufficient cash to meet expected working capital requirements by having credit lines available. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2026					
	Carrying Amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	**9,195,473**	**10,028,075**	**685,829**	**685,829**	**7,104,435**	**1,551,982**
Short term financing	**11,346,964**	**11,346,964**	**11,346,964**	**-**	**-**	**-**
Accrued mark-up	**174,890**	**174,890**	**174,890**	**-**	**-**	**-**
Trade and other payables	**8,130,907**	**8,130,907**	**8,130,907**	**-**	**-**	**-**
	28,848,234	**29,680,836**	**20,338,590**	**685,829**	**7,104,435**	**1,551,982**

	2025					
	Carrying Amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**One to five years**	**More than five years**
	Rupees in thousands					
Non-derivative financial liabilities:						
Long term financing	8,460,061	9,636,663	839,861	839,861	7,399,566	557,375
Short term financing	10,728,170	10,728,170	10,728,170	-	-	-
Accrued mark-up	321,226	321,226	321,226	-	-	-
Trade and other payables	3,880,062	3,880,062	3,880,062	-	-	-
	23,389,519	24,566,121	15,769,319	839,861	7,399,566	557,375

40.3.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. The rate of mark-up has been disclosed in respective notes to these consolidated financial statements.

40.3.2 Long term financing from various banks contains certain loan covenants. A breach of covenant, in future, may require the Group to repay the respective loans earlier than as directed in the above table.

40.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	June 30, 2026		
	Long term financing	**Short term financing**	**Share deposit money**
	………..... (Rupees in thousands) …….......		
Balance at the beginning of the year	**8,460,061**	**10,728,170**	**18,102**
Add: Share deposit money received during the year	**-**	**-**	**-**
Less: Shares issued during the year	**-**	**-**	**-**
Add: Financing obtained - net	**391,752**	**618,794**	**-**
Less: Deferred income - Government grant - net	**343,660**	**-**	**-**
Balance at the end of the year	**9,195,473**	**11,346,964**	**18,102**

	June 30, 2025		
	Long term financing	Short term financing	Share deposit money
	………..... (Rupees in thousands) …….......		
Balance at the beginning of the year	6,545,851	4,275,981	18,102
Add: Share deposit money received during the year	-	-	-
Less: Shares issued during the year	-	-	-
Add: Financing obtained-net	1,466,540	6,452,189	-
Less: Deferred income - Government grant - net	447,670	-	-
Balance at the end of the year	8,460,061	10,728,170	18,102

Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity and commodity price risks.

The carrying values of financial assets and financial liabilities reported in the consolidated statement of financial position approximate their fair values.

40.5 Financial instruments by categories

	At amortised cost	
	2026	2025
	(Rupees in thousands)	
Assets as per consolidated statement of financial position		
Long term security deposit	**7,748**	7,748
Trade debts	**7,752,620**	6,603,378
Advances and deposits	**96,022**	95,727
Accrued interest	**87,589**	38,029
Cash and bank balances	**11,451,638**	4,571,150
	19,395,617	11,316,032
Liabilities as per consolidated statement of financial position		
Long term financing	**9,195,473**	8,460,061
Short term financing	**11,346,964**	10,728,170
Trade and other payables	**8,130,907**	3,837,399
Accrued mark-up	**174,890**	321,226
	28,848,234	23,346,856

40.6 Reconciliation to the line items presented in the consolidated statement of financial position is as follows:

	2026		
	Financial assets	**Non-financial assets**	**Assets as per consolidated statement of financial position**
	----------- (Rupees in thousands)-----------		
Assets			
Property, plant & equipment	**-**	**38,374,205**	**38,374,205**
Deferred tax asset	**-**	**2,022,003**	**2,022,003**
Long term loan	**-**	**-**	**-**
Long term security deposit	**7,748**	**-**	**7,748**
Stock in trade	**-**	**16,061,549**	**16,061,549**
Store and spare	**-**	**796,577**	**796,577**
Trade debts - considered good	**7,752,620**	**-**	**7,752,620**
Advances, prepayments and deposits	**96,022**	**131,745**	**227,767**
Taxation - net	**-**	**10,284**	**10,284**
Accrued interest	**87,589**	**-**	**87,589**
Other receivables	**-**	**1,250,215**	**1,250,215**
Cash and bank balances	**11,451,638**	**-**	**11,451,638**
	19,395,617	**58,646,578**	**78,042,195**

	2026		
	Financial liabilities	**Non-financial liabilities**	**Liabilities as per consolidated statement of financial position**
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	**9,195,473**	**-**	**9,195,473**
Short term financing	**11,346,964**	**-**	**11,346,964**
Deferred income - Government grant	**-**	**832,941**	**832,941**
Trade and other payables	**8,130,907**	**823,963**	**8,954,870**
Advance from customer	**-**	**1,835,667**	**1,835,667**
Accrued mark-up	**174,890**	**-**	**174,890**
	28,848,234	**3,492,571**	**32,340,805**

	2025		
	Financial assets	Non-financial assets	Assets as per consolidated statement of financial position
Assets	----------- (Rupees in thousands)-----------		
Property, plant & equipment	-	29,474,076	29,474,076
Deferred tax asset	-	1,492,680	1,492,680
Long term security deposit	7,748	-	7,748
Stock in trade	-	8,897,170	8,897,170
Store and spare	-	428,088	428,088
Trade debts	6,603,378	-	6,603,378
Advances, prepayments and deposits	95,727	130,367	226,094
Taxation-net	-	12,650	12,650
Accrued Interest	38,029	-	38,029
Other receivables	-	1,107,493	1,107,493
Cash and bank balances	4,571,150	-	4,571,150
	11,316,032	41,542,524	52,858,556

	2025		
	Financial liabilities	Non-financial liabilities	Liabilities as per consolidated statement of financial position
	----------- (Rupees in thousands)-----------		
Liabilities			
Long term financing	8,460,061	-	8,460,061
Short term financing	10,728,170	-	10,728,170
Deferred income - Government grant	-	1,176,601	1,176,601
Deferred income tax liability	-	-	-
Trade and other payables	3,837,399	516,445	4,353,844
Advance from customer	-	616,913	616,913
Accrued mark-up	321,226	-	321,226
	23,346,856	2,309,959	25,656,815

41. CAPITAL MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses. The Group intends to manage its capital structure by monitoring return on capital, as well as the level of dividends to ordinary shareholders.

42. MEASUREMENT OF FAIR VALUES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced. The carrying values of financial assets and financial liabilities reported in the consolidated statement of financial position approximate their fair values.

		Note	2026	2025
			(Rupees in thousands)	
43.	**DISCLOSURES RELATING TO SHARIAH COMPLIANCE**			
	Disclosures in relation to the consolidated statement of financial position - Liability			
i)	Long term financing as per Islamic mode	18	**3,188,501**	1,212,669
ii)	Short term financing as per Islamic mode	22	**2,882,583**	724,222
iii)	Mark-up accrued on any conventional loan or advance	21	**94,765**	315,130
	Disclosures in relation to the consolidated statement of financial position - Assets			
i)	Long term and short term investments that are Shariah compliant		**-**	**-**
ii)	Shariah-compliant bank deposits, bank balances, and TDRs	13	**529,333**	279,565
	Disclosures Required in relation to the unconsolidatd statement of profit or loss and other comprehensive income			
i)	Revenue earned from a Shariah compliant business segment	25	**71,708,895**	49,840,191
ii)	Break-up of late payments or liquidated changes		**-**	-
iii)	Gain or loss on dividend earned on Shariah compliant investments		**-**	-
iv)	Profit earned from Shariah compliant bank deposits	31	**-**	7,469
v)	Profit earned from Shariah compliant TDRs	31	**31,311**	18,316
vi)	Exchange gain earned from actual currency	31	**74,073**	101,042
vii)	Exchange gains earned using conventional derivative financial instruments		**-**	-
ix)	Profit paid on Islamic mode of financing		**91,770**	86,313
x)	Total Interest earned on any conventional loan or advance		**-**	-

		Note	2026	2025
			(Rupees in thousands)	
	Break-up of Other income excluding profits in bank deposits and TDRs			
	Shariah compliant income:			
i)	Gain / (loss) on disposal of Property, plant and equipment		**2,312**	(47)
ii)	Sale of scrap materials	31	**25,593**	54,374
iii)	Government grant	17	**79,078**	89,756
	Shariah non-compliant income:			
iv)	Government grant	17	**264,582**	301,344

43.1 Relationship with Shariah-compliant financial institutions

Islamic Banks

The Holding Company has Islamic facilities with various banks for running finance and letter of credit amounting to Rs. 7,800 million (2025: Rs. 6,850 million) and Rs. 6,800 million (2025: Rs. 5,100 million) respectively.

44. PROVIDENT FUND RELATED DISCLOSURES

The investments out of the Funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

45. NON ADJUSTING EVENTS AFTER REPORTING DATE

The Board of Directors of Holding Company in their meeting held on 17 August 2026 has declared and approved a final cash dividend of Rs. 0.83 per share (2025: Final dividend Rs. 2.03 per share having face value of Rs. 10) amounting to Rs. 6,500 million (2025: Rs. 3,000 million) for the year ended June 30, 2026.

46. DATE OF APPROVAL

These consolidated financial statements were authorised for issue on 17 August 2026 by the Board of Directors of the Holding Company.

CHIEF EXECUTIVE OFFICER | **CHIEF FINANCIAL OFFICER** | **DIRECTOR**

Shareholder Information

The share's first weeks as a public security, the pattern of shareholding, and the notice of the Company's 7th Annual General Meeting.

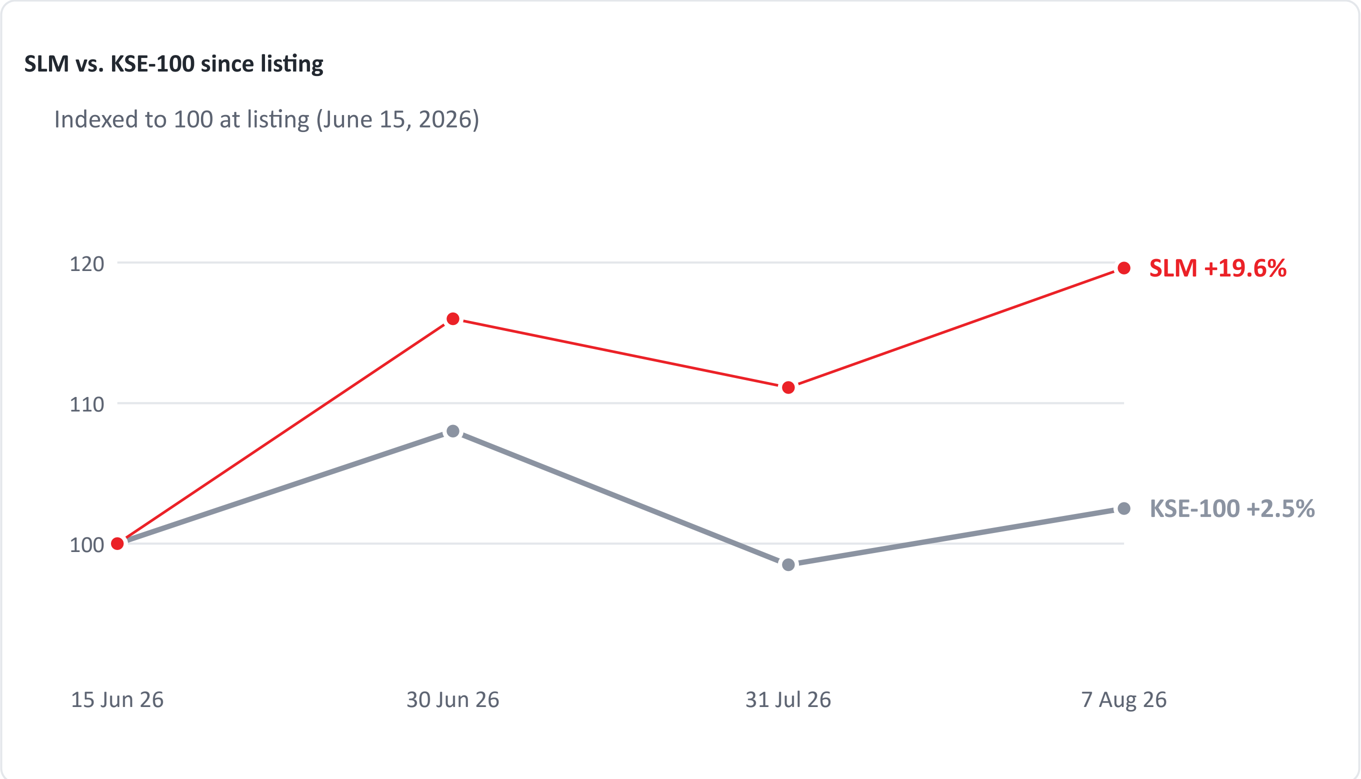
Share Performance

Rs. 19.95
ISSUE PRICE (JUNE 2026)

Rs. 23.85
PRICE AT AUGUST 7, 2026
19.6% vs issue

+17.1 pts
OUTPERFORMANCE VS KSE-100

~186 PKR bn
MARKET CAPITALISATION (AUG 7)



SLM listed into a difficult tape — a market digesting regional conflict and a July sell-off — yet finished its first eight weeks up 19.6% against the KSE-100's 2.5%, and was the only 2026 IPO trading above its issue price at the date of this report. In the July correction the share fell less than half as much as the index, early evidence of the register's quality: over 35,000 shareholders spanning institutions, funds and retail investors.

Performance data to August 7, 2026 (intermediate month-end points approximated from market data); past performance is not a guide to future returns. Free float 5.0%; sponsor holdings are locked in under the Public Offering Regulations (12-month full lock-in; 25% retained for three years).

Pattern of Shareholding as at June 30, 2026

# Of Shareholders	Shareholdings'Slab			Total Shares Held
3381	1	to	100	140,772
8253	101	to	500	3,358,297
7223	501	to	1000	6,529,138
10846	1001	to	5000	24,763,209
1929	5001	to	10000	15,170,765
691	10001	to	15000	8,632,522
483	15001	to	20000	8,842,723
283	20001	to	25000	6,578,457
186	25001	to	30000	5,224,594
98	30001	to	35000	3,187,498
125	35001	to	40000	4,846,240
70	40001	to	45000	2,971,186
122	45001	to	50000	6,013,057
52	50001	to	55000	2,732,751
56	55001	to	60000	3,276,733
35	60001	to	65000	2,186,055
27	65001	to	70000	1,854,885
23	70001	to	75000	1,679,474
39	75001	to	80000	3,054,706
17	80001	to	85000	1,408,557
15	85001	to	90000	1,319,465
15	90001	to	95000	1,399,669
76	95001	to	100000	7,549,289
21	100001	to	105000	2,144,605
20	105001	to	110000	2,151,827
9	110001	to	115000	1,014,161
27	115001	to	120000	3,203,767
12	120001	to	125000	1,480,153
12	125001	to	130000	1,535,430
2	130001	to	135000	264,199
5	135001	to	140000	693,706
6	140001	to	145000	858,296
24	145001	to	150000	3,570,728
5	150001	to	155000	762,713
8	155001	to	160000	1,264,097
5	160001	to	165000	816,226
2	165001	to	170000	332,722
6	170001	to	175000	1,035,334
4	175001	to	180000	705,443
2	180001	to	185000	365,292
2	185001	to	190000	378,800
5	190001	to	195000	959,483

# Of Shareholders	Shareholdings'Slab			Total Shares Held
35	195001	to	200000	6,949,397
4	200001	to	205000	809,834
2	205001	to	210000	412,633
2	215001	to	220000	435,364
5	220001	to	225000	1,115,095
3	225001	to	230000	688,758
1	230001	to	235000	234,317
3	235001	to	240000	711,769
3	240001	to	245000	724,933
5	245001	to	250000	1,250,000
2	250001	to	255000	505,094
2	255001	to	260000	515,592
1	260001	to	265000	263,728
6	270001	to	275000	1,640,567
2	275001	to	280000	554,504
2	280001	to	285000	565,332
1	285001	to	290000	288,085
3	290001	to	295000	879,423
14	295001	to	300000	4,193,610
1	300001	to	305000	304,978
1	305001	to	310000	307,924
1	310001	to	315000	311,687
1	315001	to	320000	318,277
2	320001	to	325000	649,623
2	325001	to	330000	660,000
1	330001	to	335000	332,321
2	335001	to	340000	676,328
1	345001	to	350000	350,000
2	350001	to	355000	704,969
2	355001	to	360000	715,050
1	365001	to	370000	365,883
1	370001	to	375000	373,615
1	385001	to	390000	390,000
14	390001	to	395000	5,505,301
4	395001	to	400000	1,597,000
1	400001	to	405000	401,200
1	420001	to	425000	420,786
1	425001	to	430000	429,496
1	435001	to	440000	435,778
1	445001	to	450000	450,000
2	450001	to	455000	906,992
1	455001	to	460000	455,452
1	485001	to	490000	485,320
13	495001	to	500000	6,500,000
1	500001	to	505000	500,001
2	510001	to	515000	1,029,328
1	525001	to	530000	528,065

# Of Shareholders	Shareholdings'Slab			Total Shares Held
2	535001	to	540000	1,076,254
1	555001	to	560000	557,761
1	565001	to	570000	567,456
1	570001	to	575000	575,000
3	585001	to	590000	1,768,259
2	595001	to	600000	1,200,000
1	605001	to	610000	606,074
1	610001	to	615000	614,869
1	640001	to	645000	643,690
1	650001	to	655000	651,500
1	660001	to	665000	665,000
1	675001	to	680000	680,000
1	705001	to	710000	707,311
1	730001	to	735000	731,808
1	740001	to	745000	743,223
1	755001	to	760000	757,279
1	780001	to	785000	783,458
1	785001	to	790000	786,558
1	795001	to	800000	800,000
2	845001	to	850000	1,696,332
1	855001	to	860000	857,000
1	865001	to	870000	865,214
1	890001	to	895000	890,243
4	895001	to	900000	3,592,697
4	980001	to	985000	3,932,792
8	995001	to	1000000	8,000,000
3	1015001	to	1020000	3,059,907
1	1020001	to	1025000	1,025,000
1	1025001	to	1030000	1,030,000
1	1075001	to	1080000	1,076,308
1	1080001	to	1085000	1,085,000
1	1120001	to	1125000	1,122,516
1	1140001	to	1145000	1,143,601
2	1165001	to	1170000	2,337,328
5	1175001	to	1180000	5,898,453
1	1195001	to	1200000	1,200,000
1	1215001	to	1220000	1,216,117
1	1220001	to	1225000	1,220,385
1	1235001	to	1240000	1,236,035
3	1245001	to	1250000	3,750,000
1	1295001	to	1300000	1,300,000
1	1320001	to	1325000	1,320,500
1	1435001	to	1440000	1,437,661
1	1520001	to	1525000	1,523,597
1	1525001	to	1530000	1,529,380
1	1735001	to	1740000	1,736,844
1	1795001	to	1800000	1,800,000

# Of Shareholders	Shareholdings'Slab			Total Shares Held
5	1965001	to	1970000	9,831,970
3	1995001	to	2000000	6,000,000
1	2010001	to	2015000	2,014,361
1	2015001	to	2020000	2,017,544
1	2040001	to	2045000	2,042,387
1	2090001	to	2095000	2,094,590
1	2175001	to	2180000	2,178,175
1	2280001	to	2285000	2,281,018
9	2290001	to	2295000	20,639,899
1	2465001	to	2470000	2,466,394
1	2500001	to	2505000	2,502,361
1	2760001	to	2765000	2,762,592
1	2975001	to	2980000	2,976,513
1	3290001	to	3295000	3,293,389
1	3710001	to	3715000	3,711,915
2	3995001	to	4000000	8,000,000
1	4155001	to	4160000	4,158,142
1	4290001	to	4295000	4,293,389
1	4500001	to	4505000	4,500,260
1	4535001	to	4540000	4,537,865
1	5280001	to	5285000	5,281,018
2	7495001	to	7500000	15,000,000
1	8495001	to	8500000	8,500,000
1	9325001	to	9330000	9,325,207
1	13680001	to	13685000	13,680,206
1	199995001	to	200000000	200,000,000
1	377235001	to	377240000	377,238,635
1	716475001	to	716480000	716,477,275
1	1354855001	to	1354860000	1,354,858,520
1	1582695001	to	1582700000	1,582,698,295
1	3152495001	to	3152500000	3,152,500,000
34502				**7,794,760,763**

Categories of Shareholding Report
June 30, 2026

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer. and their spouse(s) and minor children			
OMER SAEED	1	200,000,000	2.57
NASIR MAHMOOD KHAN KHOSA	1	5	0.00
SHAHID HAFEEZ KARDAR	1	5	0.00
Associated Companies, undertakings and related parties	6	7,184,051,955	92.17
Executive	3	8,502,000	0.11
NIT & ICP	-	-	-
Banks Development Financial Institutions, Non Banking Financial Institution	5	11,654,326	0.15
Insurance Companies	6	14,750,538	0.19
Modarabas and Mutual Funds	43	45,855,164	0.59
General Public			
a. Local	32,934	252,928,642	3.24
b. Foreign	1,338	4,988,863	0.06
Foreign Companies	-	-	-
Others	164	72,029,265	0.92
Totals	34,502	7,794,760,763	100.00

Share holders holding 10% or more	Shares Held	Percentage
CHAOYANG LONG MARCH TYRE CO. LTD.	3,152,500,000	40.44
SERVICE INDUSTRIES LTD	1,582,698,295	20.30
SERVICE GLOBAL FOOTWEAR LIMITED	1,354,858,520	17.38

Notice of the 7th Annual General Meeting

Notice is hereby given that the 7th Annual General Meeting ("AGM") of Service Long March Tyres Limited will be held on **Saturday, the September 19, 2026 at 11:00 a.m.** at Shalimar Tower Hotel, Adjacent Servis House, 2 - Main Gulberg, Lahore, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited separate and consolidated financial statements of Service Long March Tyres Limited (the '**Company**') for the year ended June 30, 2026, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

2. To approve the final cash dividend of Rs. 0.83 per share i.e. 41.50% as recommended by the Board of Directors for the year ended June 30, 2026.

3. To appoint Auditors and fix their remuneration. The members are hereby given notice that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. A.F. Ferguson and Company, Chartered Accountants for re-appointment as auditors of the Company.

By Order of the Board

Lahore
August 29, 2026

TAHIR MAQSOOD
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 12, 2026 to September 19, 2026 (both days inclusive). Transfers received in order by our Shares Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi by the close of business on September 11, 2026 will be considered in time for the purpose of entitlement of final cash dividend and to attend, speak and vote at the AGM.

2. A member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote in place of him / her at the meeting. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of meeting. A proxy must be a member of the Company. Proxy Forms in Urdu and English languages are attached to the notice circulated to the shareholders.

3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.

4. The members can also participate in the AGM through video link facility.

   To attend the AGM through video link, members and their proxies are requested to register their following particulars by sending an e-mail at shareholders@slmtires.com.

Folio / CDC Account No.	No. of shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on September 11, 2026.

5. In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to submit Electronic Credit Mandate directly to the shareholder's Broker/Participant/CDC Account Services.

6. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted as per applicable law. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, M/s. CDC Share Registrar Services Limited, of the Company by the first day of book closure.

   According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the "Filer/ Non-Filer" status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. CDC Share Registrar Services Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

7. In accordance with Section 223(6) of the Companies Act, 2017 and S.R.O. 452(I)/2025 dated March 17, 2025, the Annual Report, comprising Audited Financial Statements, Notice of Annual General Meeting and other related materials, has been sent electronically to those members whose email addresses are available with the Company, and hard copy to the remaining members. The Financial Statements of the Company for the year ended June 30, 2026 along with the related reports have also been placed on the Company's website and may be accessed through the below link/QR Code.

   https://slmtires.com/financial-report-page/

8. In terms of SRO 452 (I)/2025 dated March 17, 2025, issued by SECP, no gifts will be distributed at the meeting.

9. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980 to the Company.

10. For any query / information, the investors may contact the Shares Registrar: CDC Share Registrar Services Limited, Tel (92-21) 111-111-500, e-mail address: info@cdcsrsl.com and / or the Company: Phone No. 042-35751990-6, email address: shareholders@slmtires.com.

Form of Proxy
7th Annual General Meeting

I/We ______________________________ of ____________________

______________________________ being a member(s) of **Service Long March Tyres Limited** and holder of ____________ Ordinary Shares hereby appoint Mr. / Mrs. / Miss __________________________ of ______________________ or failing him / her __________________ of __________________ as my/our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting to be held on Saturday, September 19, 2026 at 11:00 a.m. and / or at any adjournment thereof.

In witness thereof I / We have signed and set my / our hands seal thereon this ______________ day of _______________ 2026

in the presence of ____________________

Signed this _______________ day of _______________ 2026

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on Fifty - Rupees Revenue Stamp

The Signature should agree with the specimen on the CNIC.

Important:

1. This Proxy Form, duly completed and signed, must be deposited at the registered office of the Company not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. If a member appoints more than one proxy and more than one instrument of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities

   In addition to the above the following requirements have to be met:

   - Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
   - The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
   - In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Company.

صنفی اجرتی فرق سے متعلق بیان

کمپنی کے صنفی اجرتی فرق سے متعلق معلومات، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے مورخہ 17 اپریل 2024 کے سرکلر نمبر 10 آف 2024 کے تحت مطلوب ہے، درج ذیل ہیں:

	ملازمین کی تعداد	اوسط	میڈین
مرد	1600	65,406	42,000
خواتین	4	68,750	67,500
تناسب	1604	-5.11%	-60.71%

تعمیل (کمپلائنس) کا بیان

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ساتھ تعمیل کا بیان مقررہ فارمیٹ میں اس رپورٹ کے ساتھ منسلک ہے۔ اس کا جائزہ کمپنی کے بیرونی آڈیٹرز نے لیا ہے اور اسے بورڈ آف ڈائریکٹرز کی منظوری حاصل ہے۔

بیلنس شیٹ کے بعد واقعات

درج بالا "منافع منقسمہ اور تخصیصات" کے تحت بیان کردہ معاملے کے علاوہ، 30 جون 2026 سے ان مالیاتی گوشواروں کی منظوری کی تاریخ تک کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی اہم تبدیلی یا عندیہ رونما نہیں ہوا۔

اظہارِ تشکر

ڈائریکٹرز شیئر ہولڈرز کی جانب سے کمپنی پر، خصوصاً بطور لسٹڈ ادارہ اس کے پہلے سال کے دوران کیے گئے اعتماد پر دلی قدر و تشکر کا اظہار کرتے ہیں۔ ڈائریکٹرز کمپنی کے تمام ملازمین کی مسلسل کاوشوں، لگن اور عزم کو بھی قدر کی نگاہ سے دیکھتے ہیں اور کمپنی کے صارفین، سپلائرز، بینکاروں اور دیگر اسٹیک ہولڈرز کے مسلسل تعاون پر ان کا شکریہ ادا کرتے ہیں۔

منجانب اور برائے بورڈ

چیف ایگزیکٹو آفیسر

چیئرمین

پراکسی کا فارم

سالانہ اجلاسِ عام

میں/ہم ____________________ سروس لانگ مارچ ٹائرز لمیٹڈ کے ممبر کی حیثیت سے اور حامل ____________________ عمومی حصص، محترم/محترمہ ____________________ کو یا ان کی غیر حاضری کی صورت میں محترم/محترمہ ____________________ کو اپنا/ہمارا پراکسی مقرر کرتا/کرتی ہوں کہ میری غیر موجودگی کی صورت میں میری/ہماری طرف سے کمپنی کے سالانہ اجلاسِ عام جو کہ مورخہ 19 ستمبر 2026 بروز ہفتہ صبح 11:00 بجے منعقد ہو رہا ہے، میں شرکت/حق رائے دہی استعمال کر سکیں۔

گواہ نمبر 1

نام ____________________ دستخط ____________________ مورخہ ____________________

گواہ نمبر 2

نام ____________________ دستخط ____________________ مورخہ ____________________

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر		پچاس روپے مالیت کے ریونیو ٹکٹ پر دستخط کریں۔
	پارٹیسپنٹ آئی ڈی	اکاؤنٹ نمبر	

(دستخط شناختی کارڈ پر درج کردہ دستخط کے مطابق ہونے چاہئیں)

اہم ہدایات:

1۔ پراکسیز کے مؤثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ پراکسی کمپنی کے ممبرز میں سے ہی ہونا چاہیئے۔

2۔ ایک سے زیادہ پراکسی مقرر کرنا یا جمع کروانا، ناقابل قبول ہوگا۔

3۔ سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ اداروں کیلئے۔

درج بالا دی گئی ہدایت کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

- حصص یافتگان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔
- حصص یافتگان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی اپنے ہمراہ لے کر آئیں۔
- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمعہ دستخط کا نمونہ پراکسی فارم کے ساتھ جمع کروانا ضروری ہوگا۔

بورڈ اور کمیٹیوں کی تشکیل

بورڈ اور اس کی کمیٹیوں کی تشکیل، جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 34(2) کے تحت مطلوب ہے، اوپر بیان کی گئی ہے اور کمپنی کے کوڈ آف کارپوریٹ گورننس کی تعمیل کے بیان میں بھی درج ہے، جو اس رپورٹ کے ساتھ منسلک ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی کا مقصد مالیاتی، ضابطہ جاتی اور تعمیلی امور پر توجہ مرکوز کرتے ہوئے شفافیت اور جوابدہی کو یقینی بنانے میں بورڈ کی معاونت کرنا ہے؛ اس کے دائرۂ کار کا تعین کوڈ آف کارپوریٹ گورننس کے مطابق کیا گیا ہے۔ آڈٹ کمیٹی کی تشکیل کے بعد سے اس کی ساخت میں کوئی تبدیلی نہیں ہوئی۔ اس کے اراکین درج ذیل ہیں:

آڈٹ کمیٹی

نام	کیٹگری	عہدہ
جناب شاہد حفیظ کاردار	آزاد ڈائریکٹر	چیئرمین
محترمہ ہی شیاؤ ے	آزاد ڈائریکٹر	ممبر
جناب حسن جاوید	نان ایگزیکٹو ڈائریکٹر	ممبر

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی کمپنی کے کلیدی ایگزیکٹوز کے معاوضے، کارکردگی کے جائزے اور جانشینی کی منصوبہ بندی سے متعلق امور میں بورڈ کی معاونت کرتی ہے۔ کمیٹی کے قیام کے بعد سے اس کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔ اس کے اراکین درج ذیل ہیں:

نام	کیٹگری	عہدہ
جناب ناصر محمود خان کھوسہ	آزاد ڈائریکٹر	چیئرمین
جناب جن یونگ شینگ	نان ایگزیکٹو ڈائریکٹر	ممبر
جناب عارف سعید	نان ایگزیکٹو ڈائریکٹر	ممبر

بورڈ اور کمیٹیوں کے اجلاس اور حاضری

کمپنی 15 جون 2026 کو پاکستان اسٹاک ایکسچینج میں لسٹ ہوئی، اور اس تاریخ سے 30 جون 2026 تک بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی، یا انسانی وسائل اور معاوضہ کمیٹی کا کوئی اجلاس منعقد نہیں ہوا۔

زیرِ جائزہ سال کے دوران، یکم جولائی 2025 سے 15 جون 2026 تک کمپنی کے بورڈ آف ڈائریکٹرز کے چار (4) اجلاس منعقد ہوئے، جن میں حاضری کی تفصیل درج ذیل ہے:

نام	حاضری
جناب جن یونگ شینگ	4/4
جناب عمر سعید	4/4
جناب ژانگ ژنگ یو	4/4
محترمہ ہی شیاؤ ے	1/1
جناب شاہد حفیظ کاردار	1/1
جناب ناصر محمود خان کھوسہ	1/1
جناب عارف سعید	3/4
جناب حسن جاوید	4/4
جناب احمد جاوید	0/4
محترمہ یوہائی لی	4/4
جناب سن شیاؤ گوانگ	4/4

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت نہ کر سکے، انہیں رخصت کی منظوری دی گئی۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، جو پرائس واٹر ہاؤس کوپرز چارٹرڈ اکاؤنٹنٹس کے رکن ہیں، اپنی مدت مکمل ہونے پر ریٹائر ہو رہے ہیں اور اہل ہونے کے باعث دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی کی اس سفارش کی توثیق کرتا ہے کہ انہیں کمپنی کے آڈیٹرز کے طور پر دوبارہ مقرر کیا جائے۔

پرووِیڈنٹ فنڈ کی سرمایہ کاری کی مالیت سے متعلق بیان

کمپنی اپنے ملازمین کے لیے ریٹائرمنٹ بینیفٹ پلانز برقرار رکھتی ہے۔ فنڈ سے کی جانے والی سرمایہ کاریاں کمپنیز ایکٹ، 2017 کی دفعہ 218 اور اس کے تحت بنائے گئے قواعد کے مطابق کی گئی ہیں، جن کی نگرانی متعلقہ بورڈ آف ٹرسٹیز کے ذریعے کی جاتی ہے۔ متعلقہ غیر آڈٹ شدہ مالیاتی گوشواروں کے مطابق اس فنڈ کی سرمایہ کاری کی مالیت درج ذیل ہے:

	30 جون 2026 (غیر آڈٹ شدہ)	30 جون 2025 (آڈٹ شدہ)
	(روپے ہزار میں)	
پرووِیڈنٹ فنڈ	280,797	157,861
کل	280,797	157,861

کارپوریٹ گورننس کے بہترین طریقوں پر عمل درآمد

کمپنی کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کو پورا کرنے، اور جہاں ممکن ہو ان سے بھی بہتر معیار اپنانے، نیز اپنے کاروبار کو اعلیٰ پیشہ ورانہ اور اخلاقی معیارات کے مطابق چلانے کے لیے پُرعزم ہے۔ کمپنی نے ایک انٹرنل آڈٹ فنکشن قائم کیا ہے، جیسا کہ ذیل میں "انٹرنل آڈٹ" کے تحت بیان کیا گیا ہے، تاکہ منصفانہ مالیاتی رپورٹنگ، قابلِ اطلاق قوانین کی تعمیل، اور کمپنی کے انٹرنل کنٹرول کے نظام کی پابندی کو معاونت فراہم کی جا سکے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق ڈائریکٹرز کا بیان

بورڈ اور انتظامیہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی مکمل تعمیل کے لیے پُرعزم ہیں۔ چونکہ بطور لسٹڈ ادارہ یہ کمپنی کا پہلا سال ہے۔ SLM کو 15 جون 2026 کو پاکستان اسٹاک ایکسچینج میں لسٹنگ کے لیے منظور کیا گیا، جو مالی سال کے اختتام سے صرف پندرہ دن قبل تھا—اس لیے ضابطے کے بعض طریقہ کار سے متعلق تقاضے، مثلاً بورڈ اور کمیٹیوں کے اجلاس، رپورٹنگ مدت کے دوران ابھی واجب الادا نہیں ہوئے تھے، جیسا کہ کمپنی کے کوڈ آف کارپوریٹ گورننس کی تعمیل کے علیحدہ بیان میں وضاحت کی گئی ہے۔ کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق ڈائریکٹرز کا بیان درج ذیل ہے:

a) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کی مالی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ عکاسی کرتے ہیں؛

b) کمپنی کی موزوں حسابی کتب باقاعدگی سے برقرار رکھی گئی ہیں؛

c) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے، جبکہ اکاؤنٹنگ تخمینے معقول اور محتاط فیصلے کی بنیاد پر مرتب کیے گئے ہیں؛

d) مالیاتی گوشواروں کی تیاری میں پاکستان میں قابلِ اطلاق IFRS اکاؤنٹنگ معیارات کی پیروی کی گئی ہے؛

e) انٹرنل کنٹرول کا نظام اپنی ساخت کے اعتبار سے مؤثر ہے اور اسے مؤثر انداز میں نافذ اور مانیٹر کیا گیا ہے؛

f) کمپنی کی بطور جاری کاروباری ادارہ اپنی سرگرمیاں جاری رکھنے کی صلاحیت کے حوالے سے کوئی نمایاں شبہ موجود نہیں ہے؛

g) کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی قابلِ ذکر انحراف نہیں ہے، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے؛ اور

h) گزشتہ چھ سال کے اہم آپریٹنگ اور مالیاتی اعداد و شمار اس رپورٹ کے ساتھ منسلک ہیں۔

انٹرنل مالیاتی کنٹرولز کی موزونیت سے متعلق ذمہ داری

ڈائریکٹرز کمپنی کے انٹرنل مالیاتی کنٹرولز کی موزونیت اور ان کی مؤثریت کے جائزے کے ذمہ دار ہیں۔ کمپنی نے اپنے اثاثوں کے تحفظ، فراڈ کی روک تھام اور بروقت نشاندہی، اور قابلِ اطلاق قانونی و ضابطہ جاتی تقاضوں کی تعمیل یقینی بنانے کے لیے انٹرنل مالیاتی کنٹرولز کا ایک نظام قائم کر رکھا ہے۔ اس نظام کا کمپنی کے انٹرنل آڈٹ فنکشن کے ذریعے باقاعدگی سے جائزہ لیا جاتا اور مانیٹر کیا جاتا ہے، جبکہ آڈٹ کمیٹی اپنے دائرۂ کار کے مطابق انٹرل کنٹرول کے نظام کی موزونیت کا جائزہ لیتی ہے۔

متعلقہ فریقین کے ساتھ لین دین

تمام متعلقہ فریقین کے ساتھ ہونے والے لین دین کو لسٹنگ ریگولیشنز کی تعمیل میں جائزے اور منظوری کے لیے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے سامنے پیش کیا جاتا ہے۔ سال کے دوران متعلقہ فریقین کے ساتھ لین دین اور بقایا جات کی تفصیلات، بشمول ہولڈنگ کمپنی (سروس انڈسٹریز لمیٹڈ)، جوائنٹ وینچر پارٹنرز (چاؤ یانگ لانگ مارچ ٹائر کمپنی لمیٹڈ اور مسٹر شبیر احمد آف مائیکو کارپوریشن) اور دیگر ایسوسی ایٹ کمپنیوں کے ساتھ لین دین، غیر یکجا مالیاتی گوشواروں کے نوٹ 39 اور یکجا مالیاتی گوشواروں کے نوٹ 38 میں درج ہیں۔

ڈائریکٹرز کا معاوضہ

ضابطہ جاتی تقاضوں کی تعمیل میں، ڈائریکٹرز کے معاوضے کے تعین کے لیے ایک شفاف اور باقاعدہ طریقہ کار قائم کیا گیا ہے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بورڈ اور کمیٹیوں کے اجلاسوں میں شرکت کے عوض معاوضے کے ساتھ متعلقہ اخراجات کی واپس حصول کے بھی حق دار ہیں۔ سال کے مالیاتی گوشواروں میں چارج کیے گئے مجموعی معاوضے کی تفصیل غیر یکجا مالیاتی گوشواروں کے نوٹ 38 میں درج ہے۔

30 جون 2026 کو ختم ہونے والے سال کے دوران چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کو مراعات سمیت معاوضے کی مد میں درج ذیل رقوم مالیاتی گوشواروں میں ظاہر کی گئیں:

a۔ چیف ایگزیکٹو آفیسر کو 107.3 ملین روپے (2025 میں 302.1 ملین روپے) ادا کیے گئے۔ (تفصیلات آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 38 میں فراہم کی گئی ہیں)۔

b۔ ایگزیکٹو ڈائریکٹر کو 29.54 ملین روپے (2025 میں 50.1 ملین روپے) ادا کیے گئے۔ (تفصیلات آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 38 میں فراہم کی گئی ہیں)۔

30 جون 2026 کو ختم ہونے والے سال کے دوران نان ایگزیکٹو ڈائریکٹرز کو اجلاسوں میں شرکت کی فیس کی مد میں 1.1 ملین روپے (2025 میں صفر) ادا کیے گئے۔

ڈائریکٹرز

بورڈ گیارہ (11) ڈائریکٹرز پر مشتمل ہے— تین آزاد ڈائریکٹرز، چھ نان ایگزیکٹو ڈائریکٹرز اور دو ایگزیکٹو ڈائریکٹرز— جن میں دو خواتین ڈائریکٹرز بھی شامل ہیں۔ چونکہ کمپنی 15 جون 2026 کو لسٹ ہوئی، اس لیے لسٹنگ کی تاریخ سے 30 جون 2026 تک بورڈ کی ساخت میں کوئی تبدیلی نہیں ہوئی۔

نام	کیٹیگری
جناب جن یونگ شینگ	چیئرمین — نان ایگزیکٹو ڈائریکٹر
جناب عمر سعید	چیف ایگزیکٹو آفیسر — ایگزیکٹو ڈائریکٹر
جناب ژانگ شِنگ یو	ایگزیکٹو ڈائریکٹر
محترمہ ہی شیاؤمے	آزاد ڈائریکٹر
جناب شاہد حفیظ کاردار	آزاد ڈائریکٹر
جناب ناصر محمود خان کھوسہ	آزاد ڈائریکٹر
جناب عارف سعید	نان ایگزیکٹو ڈائریکٹر
جناب حسن جاوید	نان ایگزیکٹو ڈائریکٹر
جناب احمد جاوید	نان ایگزیکٹو ڈائریکٹر
محترمہ یوہائی لی	نان ایگزیکٹو ڈائریکٹر
جناب سن شیاؤ گوانگ	نان ایگزیکٹو ڈائریکٹر

منافع منقسمہ اور تخصیصات

کمپنی کے بورڈ آف ڈائریکٹرز نے 17 اگست 2026 کو منعقدہ اپنے اجلاس میں XX روپے فی حصص کے حتمی نقد منافع منقسمہ کی سفارش کی ہے (2025 میں 2.03 روپے فی حصص، اعلان کے وقت فی حصص فیس ویلیو 10 روپے تھی)۔

سال کے دوران کمپنی کے جمع شدہ منافع میں ہونے والی تبدیلی درج ذیل رہی:

تفصیلات	غیر یکجا	یکجا
	روپے ملین	روپے ملین
یکم جولائی 2025 کو مجموعی منافع	12,570.71	12,570.71
مالی سال 2025 کا حتمی منافع منقسمہ، جو سال کے دوران ادا کیا گیا	(3,000.0)	(3,000.0)
مالی سال 2026 کا بعد از ٹیکس منافع	13,529.0	13,498.46
30 جون 2026 کو جمع شدہ منافع	23,099.7	23,069.68

گزشتہ چھ سال کے اہم آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سال کے دوران کمپنی کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی کی کارکردگی کا جائزہ

بورڈ نے کمپنی کی کارکردگی کے باقاعدہ جائزے کے لیے ایک طریقہ کار قائم کر رکھا ہے۔ انتظامیہ باقاعدہ وقفوں سے بورڈ اور اس کی کمیٹیوں کو کاروباری کارکردگی سے آگاہ کرتی ہے، جبکہ حقیقی نتائج کا موازنہ منظور شدہ بجٹ سے کیا جاتا ہے تاکہ ضرورت کے مطابق بروقت اصلاحی اقدامات کیے جا سکیں۔ کارکردگی کا جائزہ صنعت کی صورتحال، کمپنی کی اپنی تاریخی کارکردگی، اور درج بالا بیان کردہ وسیع تر میکرو اکنامک ماحول کے تناظر میں لیا جاتا ہے۔ کمپنی نے سال کے دوران کسی بھی قرض کی ادائیگی کی ذمہ داری میں کوتاہی نہیں کی۔

کیش فلو اور سرمایہ جاتی اخراجات

کمپنی کی ورکنگ کیپیٹل کی ضروریات اندرونی طور پر پیدا ہونے والے نقد وسائل اور بینکوں و مالیاتی اداروں سے حاصل کردہ قلیل مدتی قرضہ جاتی سہولیات کے ذریعے پوری کی جاتی ہیں، جبکہ اس کے سرمایہ جاتی اخراجات کے پروگرام جس میں پینجر کار ریڈیل ٹائر مینوفیکچرنگ میں جاری توسیع بھی شامل ہے، جس کی مالی معاونت طویل مدت فنانسنگ، بشمول روایتی اور اسلامی فنانسنگ، اندرونی طور پر پیدا ہونے والے کیش فلو، اور سال کے دوران کمپنی کی ابتدائی عوامی پیشکش سے حاصل ہونے والی خالص آمدنی کے امتزاج کے ذریعے کی جاتی ہے۔ مالی سال 2026 کے دوران کمپنی نے تقریباً 10,591.7 ملین روپے کے سرمایہ جاتی اخراجات کیے (جو مالی سال 2025 میں 8,336.6 ملین روپے تھے)، جن میں کیپیٹل ورک ان پروگریس اور آپریٹنگ فکسڈ اثاثوں میں اضافے شامل تھے۔

رسک مینجمنٹ فریم ورک

کمپنی کی سرگرمیاں اسے مختلف مالیاتی، آپریشنل، اسٹریٹجک اور تعمیلی خطرات سے دوچار کرتی ہیں، جن میں کریڈٹ رسک، لیکویڈیٹی رسک، مارکیٹ رسک (بشمول کرنسی اور شرح سود سے متعلق خطرات)، اور قدرتی ربڑ جیسے اہم خام مال کی قیمت اور دستیابی سے وابستہ خطرات شامل ہیں۔ کمپنی کے رسک مینجمنٹ فریم ورک کی نگرانی بورڈ آف ڈائریکٹرز کرتا ہے، جبکہ آڈٹ کمیٹی مالیاتی، تعمیلی اور رسک سے متعلق امور کی نگرانی میں معاونت فراہم کرتی ہے، جیسا کہ ذیل میں "نامزدگی اور رسک مینجمنٹ" کے تحت بیان کیا گیا ہے۔ کمپنی کے مالیاتی خطرات کی نوعیت اور ان کے انتظام سے متعلق تفصیلات مالیاتی گوشواروں کے نوٹس میں فراہم کی گئی ہیں۔

پائیداری سے متعلق خطرات کے جائزے کے حوالے سے انکشافات

کمپنی اپنے مالیاتی اور آپریشنل خطرات کے ساتھ ساتھ پائیداری سے متعلق خطرات کی نشاندہی اور ان کے مؤثر انتظام کی اہمیت کو تسلیم کرتی ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ریگولیشن 10A کے مطابق، پائیداری سے متعلق خطرات کی نگرانی کی ذمہ داری آڈٹ کمیٹی کو سونپی گئی ہے، جو رسک اور تعمیل کے اپنے معمول کے جائزے کے حصے کے طور پر ان امور کا جائزہ لیتی ہے۔

ماحولیاتی، سماجی اور گورننس (ESG)

بورڈ گورننس، اخلاقی کاروباری طرزِ عمل، اور کمپنی کے ملازمین کے ساتھ منصفانہ برتاؤ کے اعلیٰ ترین معیارات پر عمل پیرا رہنے کے لیے پُرعزم ہے۔ بورڈ کے گیارہ اراکین میں دو خواتین ڈائریکٹرز اور تین آزاد ڈائریکٹرز شامل ہیں، جیسا کہ ذیل میں "ڈائریکٹرز" کے تحت بیان کیا گیا ہے۔ کمپنی نے ایک ضابطۂ اخلاق تیار کیا ہے اور اسے پورے ادارے میں نافذ اور عام کیا ہے، جیسا کہ ذیل میں "ضابطۂ اخلاق" کے تحت بیان کیا گیا ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

سال کے دوران کمپنی نے 45.0 ملین روپے سروس فاؤنڈیشن کو عطیہ کیے، جو ایک ایسوسی ایٹ ادارہ ہے اور جس کے ذریعے گروپ اپنی کارپوریٹ سماجی ذمہ داری سے متعلق سرگرمیاں انجام دیتا ہے۔ مزید برآں، کمپنی نے فوجی اہلکاروں اور شہداء کے خاندانوں کی فلاح و بہبود کے لیے ایک کروڑ روپے کا عطیہ بھی دیا، جیسا کہ مالیاتی گوشواروں کے نوٹ 30.2 میں ظاہر کیا گیا ہے۔

مستقبل کا منظر نامہ

کمپنی مالی سال 2027 میں مضبوط آپریشنل اور مالیاتی رفتار کے ساتھ داخل ہو رہی ہے، جس نے مالی سال 2026 کے دوران آمدنی، منافع اور اپنی بیلنس شیٹ میں وسیع البنیاد نمو ریکارڈ کی، جبکہ پاکستان اسٹاک ایکسچینج میں کامیاب لسٹنگ بھی مکمل کی۔ کمپنی کی پینجر کار ریڈیل (PCR) ٹائر سیگمنٹ میں منصوبہ بند توسیع، جس کی جزوی مالی معاونت اس کی ابتدائی عوامی پیشکش سے حاصل ہونے والی خالص آمدنی سے کی جائے گی، جس سے توقع ہے کہ درمیانی مدت میں کمپنی کی مصنوعات کی رینج اور آمدنی کی بنیاد مزید وسیع ہوگی۔

ملکی آپریٹنگ ماحول میں استحکام کے ابتدائی آثار نظر آ رہے ہیں، جنہیں شرح سود کے نسبتاً معتدل ہوتے ہوئے ماحول اور مالیاتی اشاریوں میں بہتری سے تقویت مل رہی ہے۔ تاہم، مینوفیکچررز کے لیے پیداواری لاگت بدستور عالمی اجناس کی قیمتوں، مال برداری کے نرخوں اور کرنسی کی شرح میں اتار چڑھاؤ کے حوالے سے حساس ہے۔ یہ عوامل 2026 میں مشرقِ وسطیٰ کے تنازع کے نتیجے میں عالمی بحری ترسیل میں پیدا ہونے والی رکاوٹ کے باعث مزید شدت اختیار کر گئے، جیسا کہ درجِ بالا "گلوبل اکنامک ریویو" کے تحت بیان کیا گیا ہے۔ کمپنی ان پیش رفتوں کی مسلسل قریبی نگرانی جاری رکھے گی اور اسی کے مطابق اپنے خام مال کی خریداری، قیمتوں کے تعین اور فنانسنگ کا انتظام کرے گی، جبکہ اپنی پیداواری صلاحیت میں توسیع کے منصوبوں اور برآمدی منڈیوں کی ترقی پر بھی عمل درآمد جاری رکھے گی، تاکہ منافع بخش نمو کو برقرار رکھا جا سکے اور شیئر ہولڈرز کے لیے طویل مدتی قدر پیدا کی جا سکے۔

279–278 روپے فی امریکی ڈالر، پر ٹریڈ کرتا رہا۔ بیرونِ ملک مقیم پاکستانی کارکنوں کی ترسیلاتِ زر بیرونی کھاتے کے لیے ایک اہم سہارا بنی رہیں، اور مالی سال 2026 کے دوران مارچ 2026 کو ختم ہونے والے نو ماہ میں 8.2 فیصد اضافے کے ساتھ 30.3 ارب امریکی ڈالر تک پہنچ گئیں۔

عالمی اقتصادی جائزہ

بین الاقوامی مالیاتی فنڈ (IMF) کی اپریل 2026 کی ورلڈ اکنامک آؤٹ لک رپورٹ کے مطابق، عالمی معیشت کے 2026 میں تقریباً 3.1 فیصد کی شرح سے ترقی کرنے کا تخمینہ ہے، جو 25–2024 کی تقریباً 3.4 فیصد شرحِ نمو کے مقابلے میں معتدل ہے، جبکہ 2027 کے لیے 3.2 فیصد شرحِ نمو کی پیش گوئی کی گئی ہے۔ عالمی عمومی افراطِ زر 2026 میں 4.4 فیصد رہنے کی توقع ہے، جو 2027 میں کم ہو کر 3.7 فیصد تک آنے کا امکان ہے۔ آئی ایم ایف کے معاشی منظرنامے پر فروری 2026 کے اواخر سے مشرقِ وسطیٰ میں تنازع کے شدت اختیار کرنے کے اثرات نمایاں رہے ہیں، جس کے نتیجے میں آبنائے ہرمز جیسے اہم بحری گزرگاہوں کے ذریعے جہازرانی متاثر ہوئی، سمندری مال برداری کے نرخوں اور عالمی ایندھن کی قیمتوں میں اضافہ ہوا، اور قدرتی ربڑ جیسے درآمدی خام مال پر انحصار کرنے والے مینوفیکچررز کے لیے پیداواری لاگت کے دباؤ میں مزید اضافہ ہوا۔ آئی ایم ایف کی جانب سے نشاندہی کیے گئے اضافی خطرات میں اہم سپلائی چینز، مثلاً نایاب زمینی عناصر، کے حوالے سے تجارتی تنازعات کے دوبارہ ابھرنے کا امکان، بلند مالیاتی خساروں سے پیدا ہونے والے مالی استحکام کے خدشات، اور ٹیکنالوجی کے شعبے کی قدر بندی (valuation) میں اتار چڑھاؤ شامل ہیں۔ دنیا بھر کے مرکزی بینک بدستور اس توازن کو برقرار رکھنے کی کوشش کر رہے ہیں کہ ایک جانب رسد سے متعلق ان مسائل سے تحفظ یقینی بنایا جائے، جبکہ دوسری جانب ایسے حالات میں جہاں افراطِ زر میں مجموعی طور پر کمی آ رہی ہے، ضرورت سے زیادہ سخت مالیاتی پالیسی اختیار کرنے کے خطرے سے بھی محفوظ رہا جا سکے۔

مالی سال 2026 کی مالیاتی کارکردگی

صارفین کے ساتھ معاہدوں سے حاصل ہونے والی آمدنی میں 43.9 فیصد اضافہ ہوا اور یہ 71,708.9 ملین روپے تک پہنچ گئی (جو مالی سال 2025 میں 49,840.2 ملین روپے تھی)۔ مجموعی منافع میں 68.8 فیصد اضافہ ہوا اور یہ 18,151.5 ملین روپے تک پہنچ گیا (جو مالی سال 2025 میں 10,753.0 ملین روپے تھا)، جبکہ مجموعی منافع کا مارجن گزشتہ سال کے 21.6 فیصد سے بہتر ہو کر 25.3 فیصد ہو گیا۔ تقسیم و ترسیل کے اخراجات میں 97.7 فیصد اضافہ ہوا اور یہ 2,347.6 ملین روپے تک پہنچ گئے (جو مالی سال 2025 میں 1,187.2 ملین روپے)، جبکہ انتظامی اخراجات میں 25.1 فیصد اضافہ ہوا اور یہ 1,543.2 ملین روپے ہو گئے (جو مالی سال 2025 میں 1,233.3 ملین روپے تھے)۔ آپریٹنگ منافع میں 71.1 فیصد اضافہ ہوا اور یہ 14,260.7 ملین روپے تک پہنچ گیا (جو مالی سال 2025 میں 8,332.6 ملین روپے تھا)۔

مالیاتی لاگت میں 32.6 فیصد کمی ہوئی اور یہ 752.6 ملین روپے رہی (جو مالی سال 2025 میں 1,117.2 ملین روپے تھی)۔ قبل از ٹیکس منافع میں 83.9 فیصد اضافہ ہوا اور یہ 13,059.6 ملین روپے تک پہنچ گیا (جو مالی سال 2025 میں 7,100.5 ملین روپے تھا)۔ کمپنی کو اپنے 'گرین فیلڈ انڈسٹریل انڈرٹیکنگ' اور خصوصی اقتصادی زون کے درجے سے بدستور فائدہ حاصل ہے، جس کے تحت تجارتی آپریشنز کے آغاز سے دس سال تک اس کی آمدنی انکم ٹیکس سے مستثنیٰ ہے؛ اس کے نتیجے میں مالی سال 2026 میں خالص مؤخر ٹیکس کریڈٹ 469.4 ملین روپے رہا، جو مالی سال 2025 میں تسلیم کیے گئے 2,924.8 ملین روپے کے کریڈٹ سے کم تھا۔ بعد از ٹیکس منافع میں 35.0 فیصد اضافہ ہوا اور یہ 13,529.0 ملین روپے تک پہنچ گیا (جو مالی سال 2025 میں 10,025.3 ملین روپے تھا)۔

مالیاتی جھلکیاں

روپے (ملین میں)	مالی سال 2026	مالی سال 2025	فیصد تبدیلی
آمدنی	71,708.9	49,840.2	+43.9%
مجموعی منافع	18,151.5	10,753.0	+68.8%
آپریٹنگ منافع	14,260.7	8,332.6	+71.1%
قبل از ٹیکس منافع	13,059.6	7,100.5	+83.9%
بعد از ٹیکس منافع	13,529.0	10,025.3	+35.0%
فی حصص آمدنی–بنیادی (روپے)	1.831	1.399	+30.86%

مجموعی مالیاتی اہم نکات

مالی سال 2026 کے لیے کمپنی نے پہلی مرتبہ یکجا مالیاتی گوشوارے تیار کیے ہیں، جن میں اس کی مکمل ملکیتی ذیلی کمپنی SLM International Tyres Trading FZE کے نتائج بھی شامل کیے گئے ہیں۔ ذیلی کمپنی نے سال کے دوران تجارتی سرگرمیوں کا آغاز نہیں کیا تھا، لہٰذا مالی سال 2026 کے لیے اس کا اپنا نتیجہ تقریباً 30.5 ملین روپے کے خالص نقصان تک محدود رہا، جو کمپنی کے قیام اور ابتدائی سیٹ اپ کے اخراجات پر مشتمل تھا۔ چنانچہ یکجا ہونے کے نتیجے میں، اوپر پیش کیے گئے کمپنی کے غیر یکجا نتائج کے مقابلے میں گروپ کے منافع اور خالص اثاثوں میں تقریباً اسی مقدار کے برابر کمی واقع ہوئی، جبکہ اس کے علاوہ کوئی اور اہم ایڈجسٹمنٹ نہیں کی گئی:

روپے (ملین)	مالی سال 2026
قبل از ٹیکس منافع	13,029.1
بعد از ٹیکس منافع	13,498.5

فی حصص آمدنی

مالی سال 2026 کے لیے بنیادی اور تحلیل شدہ فی حصص آمدنی 1.831 روپے رہی، جبکہ مالی سال 2025 میں بنیادی فی حصص آمدنی 1.399 روپے اور تحلیل شدہ فی حصص آمدنی 1.376 روپے تھی۔ بنیادی فی حصص بنیاد پر یہ 30.86 فیصد اضافہ ظاہر کرتی ہے۔ یہ بہتری کمپنی کی بنیادی آمدنی میں مضبوط نمو کی عکاسی کرتی ہے، تاہم سال کے دوران کمپنی کی ابتدائی عوامی پیشکش کے بعد جاری شدہ حصص کی وزنی اوسط تعداد میں اضافے کے باعث اس اثر میں کسی حد تک اعتدال آیا۔

ذیلی کمپنی

کمپنی کی ایک مکمل ملکیتی ذیلی کمپنی، SLM International Tyres Trading FZE ہے، جو 27 جون 2024 کو قائم ہوئی اور جبل علی فری زون، دبئی، متحدہ عرب امارات میں محدود ذمہ داری کے ساتھ رجسٹرڈ ہے (لائسنس نمبر 98845966)۔ اس کا رجسٹرڈ دفتر پریمیسس نمبر FZJOA1001، جبل علی فری زون، دبئی، متحدہ عرب امارات میں واقع ہے۔ اس کی بنیادی کاروباری سرگرمی کمپنی کی بین الاقوامی تجارتی سرگرمیوں کی معاونت کے لیے آٹو اسپیئر پارٹس اور اجزاء، بشمول ٹائرز اور رمز، کی تجارت ہے۔ کمپنی نے اس ذیلی کمپنی میں 77.5 ملین روپے (ایک ملین اماراتی درہم) کی ایکویٹی سرمایہ کاری 5 اگست 2025 کو مکمل کی، جس کے لیے ایکویٹی ٹرانسفر کی منظوری اسٹیٹ بینک آف پاکستان سے حاصل کی گئی تھی۔ 30 جون 2026 تک ذیلی کمپنی نے تجارتی سرگرمیوں کا آغاز نہیں کیا تھا۔

شیئر ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

تعارف

سروس لانگ مارچ ٹائرز لمیٹڈ ("SLM" یا "کمپنی") کے ڈائریکٹرز کے لیے باعث مسرت ہے کہ وہ 30 جون 2026 کو ختم ہونے والے مالی سال ("FY2026") کے لیے کمپنی کے آڈٹ شدہ غیر یکجا اور یکجا مالیاتی گوشواروں کے ساتھ یہ ڈائریکٹرز رپورٹ پیش کر رہے ہیں۔ یکجا مالیاتی گوشوارے پہلی مرتبہ پیش کیے جا رہے ہیں، جو کمپنی کی ایک مکمل ملکیتی ذیلی کمپنی میں سرمایہ کاری کے بعد مرتب کیے گئے ہیں۔ نیز ان کے ساتھ متعلقہ آڈیٹرز کی رپورٹ / رپورٹس بھی شامل ہیں۔ یہ ڈائریکٹرز رپورٹ کمپنیز ایکٹ، 2017 کی دفعات 226 اور 227 اور دیگر قابلِ اطلاق قانونی دفعات کے مطابق تیار کی گئی ہے۔

کاروباری پورٹ فولیو

سروس لانگ مارچ ٹائرز لمیٹڈ بنیادی طور پر آل اسٹیل ریڈیل ٹرک، بس، لائٹ ٹرک اور آف روڈ ٹائرز کی تیاری، فروخت، مارکیٹنگ، درآمد اور برآمد کے کاروبار سے وابستہ ہے۔ کمپنی کا پیداواری پلانٹ سندھ انڈسٹریل ٹریڈنگ اسٹیٹ، نوری آباد، ضلع جامشورو میں واقع ہے، جبکہ اس کے گودام اور ورکشاپس نوری آباد، کراچی اور لاہور میں بھی قائم ہیں۔ کمپنی، سروس انڈسٹریز لمیٹڈ کی ذیلی کمپنی ہے اور چین کی Chaoyang Long March Tyre Co. Ltd کے ساتھ اسٹریٹجک شراکت داری کے تحت کام کرتی ہے، جو کمپنی کی جوائنٹ وینچر پارٹنر اور ایسوسی ایٹ کمپنی ہے۔ SLM نے 6 جنوری 2026 سے اپنی حیثیت ایک پرائیویٹ لمیٹڈ کمپنی سے تبدیل کر کے پبلک لمیٹڈ کمپنی کر لی، جبکہ 15 جون 2026 کو اسے پاکستان اسٹاک ایکسچینج لمیٹڈ ("PSX") میں لسٹنگ کے لیے منظور کر لیا گیا۔ لہٰذا یہ بطور لسٹڈ ادارہ کمپنی کی پہلی ڈائریکٹرز رپورٹ ہے۔ اپنی اسٹریٹجک سمت کے مطابق، کمپنی نے پیسنجر کار ریڈیل ("PCR") ٹائر سیگمنٹ میں توسیع کا بھی اعلان کیا ہے، جس کی جزوی مالی معاونت اس کی ابتدائی عوامی پیشکش سے حاصل ہونے والی خالص آمدنی سے کی جائے گی۔

پاکستان کا اقتصادی جائزہ

مالی سال 2026 میں پاکستان کی معیشت نے 3.7 فیصد کی جی ڈی پی شرحِ نمو ریکارڈ کی، جو گزشتہ چار برس کی تیز ترین شرح اور مالی سال 2025 کی 3.18 فیصد شرح کے مقابلے میں بہتر تھی، تاہم یہ حکومت کے 4.2 فیصد کے ہدف سے کم رہی۔ معاشی نمو وسیع البنیاد رہی: بڑے پیمانے پر مینوفیکچرنگ میں 6.1 فیصد (چار سال کی بلند ترین سطح) کی شاندار بحالی ہوئی، تعمیرات میں 5.73 فیصد، خدمات کے شعبے میں 4.09 فیصد اور سال کے دوران مون سون کے سیلاب کے باوجود زراعت میں 2.89 فیصد اضافہ ہوا۔ فی کس آمدنی تقریباً 1.751 امریکی ڈالر سے بڑھ کر 1.901 امریکی ڈالر ہو گئی، جبکہ مالیاتی خسارہ گزشتہ سال کے 2.6 فیصد سے نمایاں طور پر کم ہو کر جی ڈی پی کے 0.7 فیصد تک آ گیا، جبکہ جی ڈی پی کا بنیادی سرپلس 3.2 فیصد رہا۔

اس سال مہنگائی کے دباؤ میں اضافہ ہوا، جس میں جولائی سے اپریل کے دوران مہنگائی اوسطاً 6.2 فیصد رہی اور مشرقِ وسطیٰ کی کشیدگی میں شدت کے باعث اپریل 2026 میں بڑھ کر 10.9 فیصد ہو گئی۔ مئی میں مہنگائی مزید بڑھ کر 11.7 فیصد ہو گئی، جس کے بعد جون میں کم ہو کر 11.1 فیصد اور جولائی میں 9.2 فیصد پر آ گئی۔ اس کے ردِعمل میں اسٹیٹ بینک آف پاکستان نے اپریل 2026 میں پالیسی ریٹ میں 100 بیسس پوائنٹس کا اضافہ کرتے ہوئے اسے 11.50 فیصد کر دیا، اور معاشی منظرنامے میں استحکام آنے کے بعد جون اور جولائی کے اجلاسوں میں اسے اسی سطح پر برقرار رکھا۔ اسٹیٹ بینک کو توقع ہے کہ جون 2027 تک افراطِ زر بتدریج کم ہو کر اس کے 5 فیصد سے 7 فیصد کے ہدف کے قریب آ جائے گا۔ جولائی 2026 تک زرمبادلہ کے ذخائر تقریباً 22.4 ارب امریکی ڈالر کی سطح پر تھے، جو سال کے اوائل میں کئی سال کی بلند ترین سطح تک پہنچ گئے تھے، جبکہ اگست 2026 کے اوائل میں پاکستانی روپیہ امریکی ڈالر کے مقابلے میں نسبتاً محدود دائرے میں، تقریباً

Glossary of Terms

TBR	Truck and Bus Radial
PCR	Passenger Car Radial
OTR	Off-the-Road tyres
SEZ	Special Economic Zone under the SEZ Act 2012, conferring income-tax and duty concessions.
OEM	Original Equipment Manufacturer — vehicle assemblers supplied directly by SLM.
ESOS	Employee Share Option Scheme
IPO	Initial Public Offering
LTFF / TERF	State Bank concessionary Long-Term Financing and Temporary Economic Refinance Facilities.
EFS / ERF / FE-25	Export financing schemes carrying concessionary mark-up rates.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Cash conversion cycle	Inventory days plus receivable days minus payable days.
E-Mark / DOT / INMETRO / GSO / NRCS	Vehicle-equipment certifications for Europe, USA, Brazil, GCC and South Africa respectively.
PACRA	Pakistan Credit Rating Agency — rates SLM AA- / A1.
KSE-100	The Pakistan Stock Exchange benchmark index.
Grey channel	Tyres entering the market through smuggling or under-invoiced imports.
CCG	(Code of Corporate Governance) Regulations, 2019.
Restated (per share)	Adjusted for the October 2025 5-for-1 share split (Rs. 10 → Rs. 2 face value).

Forward-looking statements. This report contains forward-looking statements — including capacity plans, project timelines and market expectations — identified by words such as “will”, “targeted” and “planned”. Actual results may differ materially due to the risks described in Section 5. The Company undertakes no obligation to update such statements except as required by law.