LSE SPAC-II LIMITED

ANNUAL REPORT

2026

Building Value.
Creating Opportunities.

LSE SPAC-II LIMITED – A PURPOSE-DRIVEN INVESTMENT COMPANY

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VISION STATEMENT

To be a pioneering acquisition platform that strengthens Pakistan's capital markets by identifying and partnering with high-potential businesses, fostering innovation, and creating long-term value for investors and stakeholders.

MISSION STATEMENT

"To strategically identify, evaluate, and complete a business combination with a high-growth enterprise through a transparent and disciplined investment process, enabling efficient capital deployment and contributing to the development and diversification of Pakistan's financial markets. ".

CORE VALUES

Strategic Opportunity:
Actively identifying and evaluating high-potential businesses across sectors to unlock long-term value through a disciplined acquisition strategy.

Innovation in Capital Markets:
Advancing modern financial structures in Pakistan by supporting the evolution and adoption of SPACs as an efficient pathway to public markets.

Integrity and Transparency:
Upholding the highest standards of governance, ethical conduct, and transparent communication with investors and stakeholders.

Prudent Capital Stewardship:
Managing IPO proceeds responsibly while maintaining a rigorous and structured evaluation process for potential business combinations.

Shareholder Alignment:
Prioritizing the interests of shareholders by pursuing transactions that deliver sustainable growth and attractive long-term returns.

Market Development:
Contributing to the depth and dynamism of Pakistan's capital markets by enabling promising companies to access public investment and scale their operations.

COMPANY INFORMATION

Board of Directors

1.	Syed Haider Mujtaba	Chairperson/Independent Director
2.	Mr. Iqrar Shabbir	CEO /Executive Director
3.	Syeda Noor ul ain Ali	Non-Executive Director
4.	Mr. Zia Ullah	Non-Executive Director
5.	Mr. Aoun Muhammad	Non-Executive Director
6.	Ms. Qurat ul Ain Ali	Non-Executive Director
7.	Ms. Arooj Tariq	Independent Director

Audit Committee

1.	Syed Haider Mujtaba	Chairman
2.	Mr. Zia Ullah	Member
3.	Syeda Noor ul ain Ali	Member

Human Resource and Remuneration Committee

1.	Ms. Arooj Tariq	Chairperson
2.	Ms. Qurat ul Ain Ali	Member
3.	Mr. Iqrar Shabbir	Member

Company Secretary Mr. Ameer Hamza

Chief Financial Officer Mr. Muhammad Abid

Auditors Ilyas Saeed & Co., Chartered Accountants

Legal Advisor Allied Legal Services

Registered Office The Exchange Hub | LSE Plaza | 19-Kashmir Egerton Road | Lahore-54000

CHAIRMAN'S REVIEW

Dear Shareholders,

The year under review marked the establishment and initial development of LSE SPAC-II Limited (the "Company"). Incorporated in March 2026, the Company successfully completed its public subscription in July 2026 and was listed on the Pakistan Stock Exchange, representing a significant milestone in its journey.

During this period, the Company remained focused on establishing a sound corporate and governance framework and ensuring compliance with all applicable legal and regulatory requirements. The Board continued to provide oversight and strategic guidance in the best interests of the Company and its shareholders.

The Company's primary objective going forward is to identify and evaluate a suitable target company for a potential business combination, in accordance with the applicable SPAC framework. The Board will continue to assess available opportunities prudently, with particular emphasis on the target's business potential, financial strength, growth prospects, governance and ability to create sustainable value for shareholders.

I would like to acknowledge the efforts of the Management team and appreciate the support and guidance provided by the Board of Directors. I also extend my gratitude to our shareholders, advisors, business partners and other stakeholders for their confidence and continued support.

With trust in Allah Almighty, we look forward to building upon this strong foundation and pursuing opportunities that contribute to the long-term growth and success of LSE SPAC-II Limited.

Thank you.

S.D.

Syed Haider Mujtaba
Chairman

Dated: **August 25, 2026**
Place: **Lahore**

چیئرمین کا جائزہ

محترم شیئر ہولڈرز،

زیر جائزہ سال نے LSE SPAC-II لمیٹڈ") کمپنی ("کے قیام اور ابتدائی ترقی کو نشان زد کیا۔ مارچ 2026 میں شامل ہونے والی، کمپنی نے کامیابی کے ساتھ جولائی 2026 میں اپنی عوامی رکنیت مکمل کی اور پاکستان اسٹاک ایکسچینج میں درج کیا گیا، جو اپنے سفر میں ایک اہم سنگ میل کی نمائندگی کرتا ہے۔

اس مدت کے دوران، کمپنی نے ایک مضبوط کارپوریٹ اور گورننس فریم ورک قائم کرنے اور تمام قابل اطلاق قانونی اور ضابطہ کار تقاضوں کی تعمیل کو یقینی بنانے پر توجہ مرکوز رکھی۔ بورڈ نے کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں نگرانی اور اسٹریٹجک رہنمائی فراہم کرنا جاری رکھا۔

آگے بڑھنے والی کمپنی کا بنیادی مقصد قابل اطلاق SPAC فریم ورک کے مطابق، ممکنہ کاروباری امتزاج کے لیے ایک مناسب ہدف کمپنی کی شناخت اور جائزہ لینا ہے۔ بورڈ اہداف کی کاروباری صلاحیت، مالیاتی طاقت، ترقی کے امکانات، حکمرانی اور حصص یافتگان کے لیے پائیدار قدر پیدا کرنے کی صلاحیت پر خاص زور دیتے ہوئے ہوشیاری سے دستیاب مواقع کا جائزہ لینا جاری رکھے گا۔

میں انتظامیہ کی ٹیم کی کوششوں کو تسلیم کرنا چاہتا ہوں اور بورڈ آف ڈائریکٹرز کی طرف سے فراہم کردہ تعاون اور رہنمائی کی تعریف کرنا چاہتا ہوں۔ میں اپنے حصص یافتگان، مشیروں، کاروباری شراکت داروں اور دیگر اسٹیک ہولڈرز کے اعتماد اور مسلسل تعاون کے لیے ان کا بھی شکریہ ادا کرتا ہوں۔

اللہ تعالیٰ پر بھروسے کے ساتھ، ہم اس مضبوط بنیاد پر استوار کرنے اور LSE SPAC-II لمیٹڈ کی طویل مدتی ترقی اور کامیابی میں معاونت کرنے والے مواقع کے حصول کے منتظر ہیں۔

شکریہ

-S.D-

چیئرمین

بتاریخ: 25 اگست، 2026

جگہ: لاہور

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of **LSE SPAC-II Limited** (the "Company") is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30th, 2026.

Economic Review

During the fiscal year 2025-26, Pakistan's economy demonstrated a resilient recovery trajectory supported by macroeconomic stabilization measures, with real GDP growth accelerating to 3.7% compared to 3.18% in the preceding year. On the fiscal front, disciplined financial management yielded a historic primary surplus of 3.2% of GDP and significantly narrowed the overall fiscal deficit to 0.7% of GDP during the July-March period. Inflationary pressures were actively managed despite global energy market volatility, with the Consumer Price Index (CPI) averaging 6.2% during the first ten months (July-April) of the fiscal year, prompting the State Bank of Pakistan (SBP) to maintain a prudent monetary stance by anchoring the benchmark policy rate at 11.5% by year-end.

The external account also witnessed critical stability, reflecting a nominal current account surplus of $0.07 billion for the nine-month period and a notable improvement in total foreign exchange reserves to approximately $22 billion by June 2026. Encouraged by these stabilizing indicators, successful IMF-EFF program reviews, and robust corporate earnings, investor confidence surged remarkably, driving the Pakistan Stock Exchange (PSX) KSE-100 index to a record high of over 180,000 points by June 2026. For the financial sector, these improving macroeconomic fundamentals—characterized by a stable exchange rate, enhanced domestic resource mobilization, and a reduction in government debt servicing costs—present a highly conducive environment for sustained credit expansion, improved asset quality, and robust balance sheet growth in the forthcoming periods.

Business Review:

Company Listing and IPO Performance

During the period under review, LSE SPAC-II Limited ("SPAC2" or "the Company") achieved a significant regulatory milestone by listing as the second Special Purpose Acquisition Company on the Pakistan Stock Exchange Limited on July 13, 2026. Formed to raise capital and execute a strategic business combination, the Company structured a total issue size of PKR 200 million, comprising 20,000,000 ordinary shares at PKR 10/- each. This issue consisted of a Pre-IPO allocation of 18,000,000 shares (90%) and a General Public offer of 2,000,000 shares (10%). Held between July 02 and July 03, 2026, the public offering was met with strong investor confidence, receiving 8,707 applications for 46,546,000 shares totaling PKR 465,460,000 million—representing an oversubscription of 22.27x. Applicants requesting up to 500 shares received full allocation, while applications for 1000 shares were allotted on balloting basis and rest of the applications were refunded at their respective accounts.

Target Company & Strategic Business Model

The Company's core strategic objective centers on a two-phase transaction with its targeted business and the Company is in process of finalizing its targeted company. In second phase, the Company will merge with the targeted company through a Scheme of Compromise, Arrangement, and Reconstruction pursuant to Sections 279 to 283 of the Companies Act, 2017 to be approved/sanctioned by the Honorable High Court.

Appointment of External Auditors

The present auditors, **Ilyas Saeed and Co., Chartered Accountants**, due to retire and being eligible, have offered themselves for reappointment. They may be appointed as Auditors of your Company for another term at a mutually agreed remuneration as recommended by the Board Audit Committee.

Internal Financial Control

The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through Internal Auditors.

Code of Corporate Governance

The Company has recently been listed on Stock Exchange and will ensure the compliance of the Code of Corporate Governance, as introduced by the Securities and Exchange Commission of Pakistan (SECP) and set out by the Pakistan Stock Exchange Limited in its Listing Rules. A statement to this effect is annexed to the report.

The Board of Directors of your Company assures you that:

1. The financial statements fairly present its state of affairs, the result of its operations, cash flows, and changes in equity.
2. Proper books of account have been maintained by your Company.
3. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements, and any departure therefrom has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively persisted throughout the year.
6. Keeping in view the financial position of your Company, there is no significant doubt upon its ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance as detailed in the listing regulations during the year under review.

Corporate Social Responsibility & Environmental Management and Objectives relating ESG Risks

The Company remained engaged during the year to undertake and oversee CSR and environmental management programs while ensuring its focused activities relating to education, healthcare, and protection of the environment. Accordingly, the Board of the Company stands behind these objectives while aligning with its commitment to create considerable value for all stakeholders and ensuring it qualifies as a responsible corporate citizen.

Anti-Harassment

The Company maintains a comprehensive mechanism against workplace harassment with a zero-tolerance approach. This ensures that all employees, regardless of gender or position, work in a safe and respectful environment. Employees are encouraged to confidentially report grievances to the HR department for prompt and fair investigation.

Gender Pay-Gap

The Company is committed to treating all employees with equality and fairness, ensuring no gender pay gap exists. Employee compensation is determined strictly on the basis of experience, seniority, responsibilities, and performance without any gender-based discrimination.

Meetings of the Board of Directors

During the period under review, **one (1)** meeting of the Board of Directors of the Company was held. Directors' attendance in these meeting was as follows:

Disclosures under Section 227 of the Companies Act, 2017

In compliance with Section 227 of the Companies Act, 2017, the names of persons who served as directors of the Company during the financial year are listed below:

Sr. No.	Name of Director	Category	Attendance
1	Syed Haider Mujtaba	Chairman / Independent Director	1/1
2	Mr. Iqrar Shabbir	Chief Executive Officer / MD	1/1
3	Ms. Arooj Tariq	Independent Director	1/1
4	Mr. Zia Ullah	Non-Executive Director	1/1
5	Mr. Aoun Muhammad	Non-Executive Director	1/1
6	Syeda Noor ul Ain Ali	Non-Executive Director	1/1
7	Ms. Qurat ul Ain Ali	Non-Executive Director	1/1

Disclosures under Regulation No. 34(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019

In compliance with Regulation No. 34(2), the board composition is as follows:

- **Total Number of Directors:** Seven (7)
  - **Male:** Four 4
  - **Female:** Three 3

Composition of the Board:

- **Independent Directors:**
  1. Syed Haider Mujtaba
  2. Ms. Arooj Tariq
- **Executive Directors:**
  1. Mr. Iqrar Shabbir
- **Non-Executive Directors:**
  1. Syeda Noor Ul Ain Ali
  2. Mr. Aoun Muhammad
  3. Mr. Zia Ullah
  4. Ms. Qurat Ul Ain Ali

Directors' Remuneration

At present, the Chief Executive Officer is paid a salary and benefits as approved by the Board under the Articles of Association and HR Policy of the Company. No other director receives extra remuneration from the Company, except meeting fees for attending Board and Committee meetings. Detailed figures are disclosed in the financial statements.

Annual Evaluation of Board's Performance

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019, an annual evaluation of the performance of the Board, its individual members, and its committees was conducted to measure effectiveness against established objectives. Based on this evaluation, the overall performance of the Board and its Committees for the year under review was deemed satisfactory.

Statutory and Advisory Committees of the Board

The Board has constituted the following Statutory and Advisory Committees for a three-year term:

Board Audit Committee (BAC)

The Board Audit Committee comprises three (3) Non-Executive Directors (NEDs), including one Independent Director who serves as the Chairman.

- **Chairman:** Syed Haider Mujtaba (Independent Director)
- **Member:** Syeda Noor ul Ain Ali (Non-Executive Director)
- **Member:** Mr. Zia Ullah (Non-Executive Director)

Human Resource and Remuneration Committee (HRRC)

The Human Resource and Remuneration Committee comprises three (3) Non-Executive Directors, including one Independent Director who serves as the Chairman.

- **Chairperson:** Ms. Arooj Tariq (Independent Director)
- **Member:** Mr. Aoun Muhammad (Non-Executive Director)
- **Member:** Ms. Quart Ul Ain Ali (Non-Executive Director)

Related Party Transactions

The Board of Directors approved all transactions executed with associated companies and related parties on an arm's length basis in the normal course of business.

Pattern of Shareholding

The pattern of shareholding of the Company as of June 30, 2026, is annexed to this report in accordance with the Code of Corporate Governance requirements.

Sr No.	Name of Shareholder	No. of Shares held
1	LSE Capital Limited	999,996
2	Syed Haider Mujtaba	1
3	Syeda Noor ul Ain Ali	1
4	Ms. Arooj Tariq	1
5	Mr. Iqrar Shabbir	1

Financial Reporting

The Board Audit Committee reviewed, discussed, and recommended the draft Annual Financial Statements of the Company for Board approval. The Committee held discussions with the CFO, Head of Internal Audit (HIA), and External Auditors regarding key accounting policies, estimates, and judgments applied in preparing the financial statements.

Acknowledgments

The Board acknowledges with appreciation the valuable guidance and cooperation received from the Securities and Exchange Commission of Pakistan (SECP), Pakistan Stock Exchange (PSX), and other regulatory authorities.

Furthermore, we express our sincere gratitude to our shareholders for their continued trust and confidence, and commend the management and employees for their hard work and commitment toward the Company's progress.

For and on behalf of the Board of Directors

S.D.	S.D.
Iqrar Shabbir Chief Executive Officer	Syeda Noor ul Ain Ali Director

Date: August 25, 2026
Place: Lahore.

ڈائریکٹرز کی رپورٹ

محترم شیئر ہولڈرز،

LSE SPAC-II کے بورڈ آف ڈائریکٹرز لمیٹڈ ("کمپنی") کو 30 جون 2026 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹرز کی رپورٹ کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔

اقتصادی جائزہ

مالی سال 2025-26 کے دوران، پاکستان کی معیشت نے میکرو اکنامک اسٹیبلائزیشن کے اقدامات کی مدد سے ایک لچکدار بحالی کی رفتار کا مظاہرہ کیا، جس میں حقیقی جی ڈی پی کی شرح نمو پچھلے سال کے 3.18 فیصد کے مقابلے میں 3.7 فیصد تک پہنچ گئی۔ مالیاتی محاذ پر، نظم و ضبط والے مالیاتی انتظام نے جی ڈی پی کا 3.2% کا تاریخی بنیادی سرپلس حاصل کیا اور جولائی تا مارچ کی مدت کے دوران مجموعی مالیاتی خسارے کو GDP کے 0.7% تک نمایاں طور پر کم کر دیا۔ عالمی توانائی مارکیٹ کے اتار چڑھاؤ کے باوجود افراط زر کے دباؤ کو فعال طور پر منظم کیا گیا، مالی سال کے پہلے دس مہینوں (جولائی-اپریل) کے دوران کنزیومر پرائس انڈیکس (سی پی آئی) اوسطاً 6.2 فیصد رہا، جس سے اسٹیٹ بینک آف پاکستان (SBP) کو بینچ مارک پالیسی ریٹ کو 1-5 فیصد پر لنگر انداز کرتے ہوئے محتاط مانیٹری موقف برقرار رکھنے پر آمادہ ہوا۔

بیرونی کھاتے میں بھی اہم استحکام دیکھنے میں آیا، جو کہ نو ماہ کی مدت کے لیے 0.07$ بلین کے برائے نام کرنٹ اکاؤنٹ سرپلس کی عکاسی کرتا ہے اور جون 2026 تک کل زرمبادلہ کے ذخائر میں تقریباً 22 بلین ڈالر کی قابل ذکر بہتری ہے۔ قابل ذکر بات یہ ہے کہ پاکستان اسٹاک ایکسچینج (PSX) کے ایس ای 100 انڈیکس کو جون 2026 تک 180,000 پوائنٹس سے زیادہ کی بلند ترین سطح پر لے جا رہا ہے۔ مالیاتی شعبے کے لیے، یہ بہتری والے میکرو اکنامک بنیادی اصولوں کی خصوصیات ہیں جو کہ ایک مستحکم شرح مبادلہ، بڑھتے ہوئے گھریلو وسائل کی نقل و حرکت، اور حکومتی طور پر قرضوں کے تحفظ کے لیے اعلیٰ لاگت کے ماحول میں کمی ہے۔ کریڈٹ کی مسلسل توسیع، اثاثوں کے معیار میں بہتری، اور آنے والے ادوار میں بیلنس شیٹ کی مضبوط نمو۔

کاروباری جائزہ:

کمپنی کی لسٹنگ اور آئی پی او کی کارکردگی

زیر جائزہ مدت کے دوران، "SPAC2") LSE SPAC-II Limited یا "The Company") نے 13 جولائی 2026 کو پاکستان اسٹاک ایکسچینج لمیٹڈ میں دوسری خصوصی مقصد کے حصول والی کمپنی کے طور پر فہرست سازی کر کے ایک اہم ریگولیٹری سنگ میل حاصل کیا۔ 20,000,000 عام حصص -/PKR 10 ہر ایک پر۔ یہ شمارہ 18,000,000 حصص (90%) کی پری IPO مختص اور 2,000,000 حصص (10%) کی عام عوامی پیشکش پر مشتمل تھا۔ 02 جولائی سے 03 جولائی 2026 کے درمیان منعقد ہونے والی عوامی پیشکش کو سرمایہ کاروں کے مضبوط اعتماد کے ساتھ پورا کیا گیا، جس میں 46,546,000 حصص کے لیے 8,707 درخواستیں موصول ہوئیں جن کی کل PKR 465,460,000 ملین تھی—جو 22.27 x کی اوور سبسکرپشن کی نمائندگی کرتی ہے۔ 500 حصص تک کی درخواست کرنے والے درخواست دہندگان کو مکمل مختص کیا گیا، جبکہ 1000 حصص کی درخواستیں بیلٹنگ کی بنیاد پر الاٹ کی گئیں اور باقی درخواستیں ان کے متعلقہ اکاؤنٹس میں واپس کر دی گئیں۔

ٹارگٹ کمپنی اور اسٹریٹجک بزنس ماڈل

کمپنی کا بنیادی اسٹریٹجک مقصد اپنے ہدف شدہ کاروبار کے ساتھ دوفیز ٹرانزیکشن پر مرکوز ہے اور کمپنی اپنی ٹارگٹڈ کمپنی کو حتمی شکل دینے کے عمل میں ہے۔ دوسرے مرحلے میں، کمپنی کمپنیز ایکٹ، 2017 کے سیکشن 279 سے 283 کے مطابق سمجھوتہ، بندوبست، اور تعمیر نو کی اسکیم کے ذریعے ہدف شدہ کمپنی کے ساتھ ضم ہو جائے گی جسے معزز ہائی کورٹ کی طرف سے منظور شدہ/منظوری دی جائے گی۔

بیرونی آڈیٹرز کی تقرری

موجودہ آڈیٹرز، الیاس سعید اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہونے اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی کی طرف سے تجویز کردہ باہمی طور پر متفقہ معاوضے پر انہیں دوسری مدت کے لیے آپ کی کمپنی کے آڈیٹر کے طور پر مقرر کیا جا سکتا ہے۔

اندرونی مالیاتی کنٹرول

بورڈ نے مناسب طریقے سے اس بات کو یقینی بنایا ہے کہ اندرونی مالیاتی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اندرونی آڈیٹرز کے ذریعے مؤثر طریقے سے لاگو اور نگرانی کی گئی ہے۔

کارپوریٹ گورننس کا ضابطہ

کمپنی کو حال ہی میں اسٹاک ایکسچینج میں لسٹ کیا گیا ہے اور وہ کوڈ آف کارپوریٹ گورننس کی تعمیل کو یقینی بنائے گی، جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے متعارف کرایا ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ نے اس کے لسٹنگ رولز میں وضع کیا ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

آپ کی کمپنی کا بورڈ آف ڈائریکٹرز آپ کو یقین دلاتا ہے کہ:

1. مالی بیانات اس کی حالت، اس کے کاموں کا نتیجہ، نقد بہاؤ، اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
2. اکاؤنٹ کی مناسب کتابیں آپ کی کمپنی نے رکھی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے، اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور پورے سال مؤثر طریقے سے برقرار رہتا ہے۔
6. آپ کی کمپنی کی مالی حالت کو مد نظر رکھتے ہوئے، اس کی ایک جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شک نہیں ہے۔
7. زیر نظر سال کے دوران فہرست سازی کے ضوابط میں تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے۔

کارپوریٹ سماجی ذمہ داری اور ماحولیاتی انتظام اور ESG خطرات سے متعلق مقاصد

کمپنی سال کے دوران تعلیم، صحت کی دیکھ بھال، اور تحفظ ماحولیات سے متعلق اپنی توجہ مرکوز سرگرمیوں کو یقینی بناتے ہوئے CSR اور ماحولیاتی انتظام کے پروگراموں کو شروع کرنے اور ان کی نگرانی میں مصروف رہی۔ اس کے مطابق، کمپنی کا بورڈ تمام اسٹیک ہولڈرز کے لیے قابل قدر قدر پیدا کرنے اور ایک ذمہ دار کارپوریٹ شہری کے طور پر اہل ہونے کو یقینی بنانے کے اپنے عزم کے ساتھ ان مقاصد کے پیچھے کھڑا ہے۔

اینٹی ہراسمنٹ

کمپنی صفر رواداری کے ساتھ کام کی جگہ پر ہراساں کرنے کے خلاف ایک جامع طریقہ کار کو برقرار رکھتی ہے۔ یہ اس بات کو یقینی بناتا ہے کہ تمام ملازمین، صنف یا پوزیشن سے قطع نظر، ایک محفوظ اور باعزت ماحول میں کام کریں۔ ملازمین کی حوصلہ افزائی کی جاتی ہے کہ وہ فوری اور منصفانہ تحقیقات کے لیے HR ڈیپارٹمنٹ کو شکایات کی خفیہ اطلاع دیں۔

جینڈر پے گیپ

کمپنی تمام ملازمین کے ساتھ مساوات اور انصاف کے ساتھ برتاؤ کرنے کے لیے پر عزم ہے، اس بات کو یقینی بناتے ہوئے کہ تنخواہ میں صنفی فرق موجود نہ ہو۔ ملازمین کے معاوضے کا تعین بغیر کسی صنفی امتیاز کے تجربہ، سنیارٹی، ذمہ داریوں اور کارکردگی کی بنیاد پر کیا جاتا ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

زیر جائزہ مدت کے دوران، ایک (1) کمپنی کے بورڈ آف ڈائریکٹرز کے اجلاس منعقد ہوئے۔ ان اجلاسوں میں ڈائریکٹرز کی حاضری حسب ذیل تھی:

حاضری کا چارٹ

نمبر شمار	ڈائریکٹر کا نام	عہدہ/زمرہ	میٹنگز میں شرکت کی۔
1	سید حیدر مجتبیٰ	چیئرمین/آزاد ڈائریکٹر	1/1
2	اقرار شبیر صاحب	چیف ایگزیکٹو آفیسر/ایم ڈی	1/1
3	محترمہ عروج طارق	آزاد ڈائریکٹر	1/1
4	ضیاءاللہ صاحب	نان ایگزیکٹو ڈائریکٹر	1/1
5	عون محمد صاحب	نان ایگزیکٹو ڈائریکٹر	1/1
6	سیدہ نور العین علی	نان ایگزیکٹو ڈائریکٹر	1/1
7	محترمہ قرۃ العین علی	نان ایگزیکٹو ڈائریکٹر	1/1

کمپنیز ایکٹ 2017 کے سیکشن 227 کے تحت انکشافات

کمپنیز ایکٹ 2017 کے سیکشن 227 کی تعمیل میں، مالی سال کے دوران کمپنی کے ڈائریکٹرز کے طور پر کام کرنے والے افراد کے نام ذیل میں درج ہیں:

نمبر شمار	ڈائریکٹر کا نام	زمرہ	حاضری
1	سید حیدر مجتبیٰ	چیئرمین/آزاد ڈائریکٹر	1/1
2	اقرار شبیر صاحب	چیف ایگزیکٹو آفیسر/ایم ڈی	1/1
3	محترمہ عروج طارق	آزاد ڈائریکٹر	1/1
4	ضیاءاللہ صاحب	نان ایگزیکٹو ڈائریکٹر	1/1
5	عون محمد صاحب	نان ایگزیکٹو ڈائریکٹر	1/1
6	سیدہ نور العین علی	نان ایگزیکٹو ڈائریکٹر	1/1
7	محترمہ قرۃ العین علی	نان ایگزیکٹو ڈائریکٹر	1/1

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطہ نمبر 34(2) کے تحت انکشافات

ضابطہ نمبر 34(2) کی تعمیل میں، بورڈ کی تشکیل حسب ذیل ہے:

- **ڈائریکٹرز کی کل تعداد: سات (7)**
  - مرد: چار 4
  - عورت: تین 3

بورڈ کی تشکیل

- **آزاد ڈائریکٹرز:**
  1. سید حیدر مجتبیٰ
  2. محترمہ عروج طارق
- **ایگزیکٹو ڈائریکٹرز:**
  1. اقرار شبیر صاحب
- **غیر ایگزیکٹو ڈائریکٹرز:**
  1. سیدہ نور العین علی
  2. عون محمد صاحب
  3. ضیاءاللہ صاحب
  4. محترمہ قرۃ العین علی

ڈائریکٹرز کا معاوضہ:

فی الحال، چیف ایگزیکٹیو آفیسر کو تنخواہ اور مراعات ادا کی جاتی ہیں جیسا کہ بورڈ نے کمپنی کے آرٹیکلز آف ایسوسی ایشن اور ایچ آر پالیسی کے تحت منظور کیا ہے۔ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لیے میٹنگ فیس کے علاوہ کسی دوسرے ڈائریکٹر کو کمپنی سے اضافی معاوضہ نہیں ملتا۔ مالی بیانات میں تفصیلی اعداد و شمار کا انکشاف کیا گیا ہے۔

بورڈ کی کارکردگی کا سالانہ جائزہ:

جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ضرورت ہے، بورڈ، اس کے انفرادی ممبران، اور اس کی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لیا گیا تاکہ قائم کردہ مقاصد کے خلاف تاثیر کی پیمائش کی جا سکے۔ اس جائزے کی بنیاد پر بورڈ اور اس کی کمیٹیوں کی مجموعی کارکردگی کو سال بھر کے لیے تسلی بخش قرار دیا گیا۔

بورڈ کی قانونی اور مشاورتی کمیٹیاں:

بورڈ نے تین سال کی مدت کے لیے درج ذیل قانونی اور مشاورتی کمیٹیاں تشکیل دی ہیں۔

بورڈ آڈٹ کمیٹی (BAC)

بورڈ آڈٹ کمیٹی تین (3) نان ایگزیکٹیو ڈائریکٹرز (NEDs) پر مشتمل ہے، بشمول ایک آزاد ڈائریکٹر جو بطور چیئرمین کام کرتا ہے۔

- چیئرمین: سید حیدر مجتبیٰ (آزاد ڈائریکٹر)
- رکن: سیدہ نور العین علی (نان ایگزیکٹو ڈائریکٹر)
- رکن: ضیاء اللہ صاحب (نان ایگزیکٹو ڈائریکٹر)

انسانی وسائل اور معاوضہ کمیٹی (HRRC)

ہیومن ریسورس اینڈ ریمونریشن کمیٹی تین (3) نان ایگزیکٹیو ڈائریکٹرز پر مشتمل ہوتی ہے، بشمول ایک آزاد ڈائریکٹر جو بطور چیئرمین کام کرتا ہے۔

- چیئرپرسن: محترمہ عروج طارق (آزاد ڈائریکٹر)
- رکن: محترم عون محمد (نان ایگزیکٹو ڈائریکٹر)
- رکن: قرۃ العین علی (نان ایگزیکٹو ڈائریکٹر)

متعلقہ پارٹی لین دین

بورڈ آف ڈائریکٹرز نے متعلقہ کمپنیوں اور متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے دوران ایک بازو کی لمبائی کی بنیاد پر کیے گئے تمام لین دین کی منظوری دی۔

شیئر ہولڈنگ کا نمونہ

30 جون 2026 تک کمپنی کے شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ ضابطہ کارپوریٹ گورننس کی ضروریات کے مطابق منسلک ہے۔

نمبر شمار	شیئر ہولڈر کا نام	رکھے ہوئے حصص کی تعداد
1	ایل ایس ای کیپٹل لمیٹڈ	999,996
2	سید حیدر مجتبیٰ	1
3	سیدہ نور العین علی	1
4	محترمہ عروج طارق	1
5	اقرار شبیر صاحب	1

مالیاتی رپورٹنگ

بورڈ آڈٹ کمیٹی نے بورڈ کی منظوری کے لیے کمپنی کے سالانہ مالیاتی گوشواروں کے مسودے کا جائزہ لیا، بحث کی اور سفارش کی۔ کمیٹی نے CFO، ہیڈ آف انٹرنل آڈٹ (HIA) اور ایکسٹرنل آڈیٹرز کے ساتھ مالیاتی گوشواروں کی تیاری میں لاگو اکاؤنٹنگ پالیسیوں، تخمینوں اور فیصلوں کے بارے میں بات چیت کی۔

اعترافات

بورڈ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، پاکستان اسٹاک ایکسچینج (PSX) اور دیگر ریگولیٹری اتھارٹیز سے موصول ہونے والی قابل قدر رہنمائی اور تعاون کو سراہتا ہے۔

مزید برآں، ہم اپنے شیئر ہولڈرز کے مسلسل اعتماد اور اعتماد کے لیے ان کا تہہ دل سے شکریہ ادا کرتے ہیں، اور کمپنی کی ترقی کے لیے ان کی محنت اور عزم کے لیے انتظامیہ اور ملازمین کی تعریف کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے

-s/d-	-s/d-
اقرار شبیر	**سیدہ نور العین علی**
چیف ایگزیکٹو آفیسر	**ڈائریکٹر**

تاریخ: 25 اگست 2026

جگہ: لاہور۔

LSE SPAC-II LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2026

Ilyas Saeed & Co.
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LSE SPAC-II LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **LSE SPAC-II LIMITED** (the Company), which comprise the statement of financial position as at **June 30, 2026** and the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 loss and other comprehensive loss, the changes in equity and its cash flows for the period then ended.

Basis of 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.

Emphasis of Matter

We draw attention to Note 16 to the accompanying financial statements, which describes the completion of the Company's Initial Public Offering (IPO) and its listing on the Pakistan Stock Exchange (PSX) subsequent to the reporting date. This event resulted in an increase in the Company's paid-up share capital and has been disclosed as a non-adjusting subsequent event in accordance with IAS 10 *Events after the Reporting Period*. Our opinion is not modified in respect of this matter.

Information other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion there on. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in audit, or otherwise appears to be materially misstated.

ISCO

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 Financial Statements

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

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

ISCO

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.

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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 period were for the purpose of the Company's business; and
d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVII of 1980).

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

Ilyas Saeed & Co.

Ilyas Saeed & Co. ISCO
Chartered Accountants
Lahore

Dated: August 25, 2026

UDIN: AR2026102783uSLXzGyq

LSE SPAC-II LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	June 30, 2026 Rupees
ASSETS		
Non-current assets		-
Current assets		
Cash and bank balances	4	24,616,879
Total assets		24,616,879
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
21,000,000 ordinary shares of Rs. 10 each		210,000,000
Issued, subscribed and paid-up share capital	5	10,000,000
Share deposit money		20,000,000
Revenue reserve:		
Accumulated Loss		(5,514,371)
		24,485,629
Non-current liabilities		-
Current liabilities		
Accrued liabilities	6	131,250
		131,250
Total equity and liabilities		24,616,879
Contingencies and commitments	7	

The annexed notes from 1 to 18 form an integral part of these financial statements.

ISCb

CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Note	March 03, 2026 To June 30, 2026 Rupees
Revenue		-
Operating expenses		
Administrative and general expenses	8	(5,514,371)
Operating profit / (loss)		(5,514,371)
Finance cost		-
Profit / (loss) before levy and taxation		(5,514,371)
Levy		-
Profit / (loss) before taxation		(5,514,371)
Taxation	9	-
Profit / (loss) for the period		(5,514,371)
Other comprehensive income		-
Total Comprehensive Income / (Loss)		(5,514,371)
Earnings / (Loss) per share - basic and diluted	10	(16.77)

The annexed notes from 1 to 18 form an integral part of these financial statements.

ISC

CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Share Capital	Share deposit money	Revenue reserve	Total equity
			Accumulated Loss	
	..................Rupees			
Balance as at March 03, 2026	-	-	-	-
Share deposit money	-	30,000,000	-	30,000,000
Shares issued against share deposit money	10,000,000	(10,000,000)	-	-
Profit / (loss) for the period	-	-	(5,514,371)	(5,514,371)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(5,514,371)	(5,514,371)
Balance as at June 30, 2026	**10,000,000**	**20,000,000**	**(5,514,371)**	**24,485,629**

The annexed notes from 1 to 18 form an integral part of these financial statements.

ISCo

CHIEF EXECUTIVE OFFICER

DIRECTOR

LSE SPAC-II LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Note	March 03, 2026 To June 30, 2026 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before levy and taxation		**(5,514,371)**
Adjustments for non-cash and other items		
Profit on bank deposits		-
Operating loss before working capital changes:		**(5,514,371)**
Working capital changes:		
Accrued liabilities	6	**131,250**
Cash used in operations		**(5,383,121)**
Taxes paid		-
Net cash used in operating activities		**(5,383,121)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on bank deposits received		-
Net cash generated from investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money		**30,000,000**
Net cash generated from financing activities		**30,000,000**
Net increase in cash and cash equivalents		**24,616,879**
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4	**24,616,879**

The annexed notes from 1 to 18 form an integral part of these financial statements.

ISC6

CHIEF EXECUTIVE OFFICER

DIRECTOR

LSE SPAC-II LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF THE BUSINESS

1.1 Legal status and operations

LSE SPAC-II Limited ("the Company") having CUIN: 0328822 was incorporated in Pakistan as a public limited company on March 03, 2026. The Company is a Special Purpose Acquisition Company (SPAC) established with the sole purpose of raising capital through an Initial Public Offering (IPO) to undertake a merger, acquisition, or business combination with a target entity. The company is a wholly owned subsidiary of M/s LSE Capital Limited.

The registered office of the Company is situated at The Exchange Hub, LSE Plaza, 19-Kashmir Egerton, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB) and as adopted in Pakistan by the Institute of Chartered Accountants of Pakistan (ICAP); and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for Small and Medium-sized Entities (IFRS for SMEs), the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates (i.e. the environment in which it primarily generates and expends cash). In these financial statements, all the financial information is presented in Pakistani Rupee which is the company's functional currency.

2.3 Basis of measurement

These financial statements are prepared under the historical cost convention without any adjustments for the effect of inflation or current values. In these financial statements, accrual basis of accounting has been used except for the statement of cash flows.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments, make estimates and assumptions in the process of applying the company's accounting policies that affect the reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are continually evaluated and are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where judgments made in applying accounting policies and various assumptions and estimates are significant to the Company's financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Taxation - Levy and Income tax

Income tax comprises current and deferred tax. Income tax is recognized in of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items credited or charged to comprehensive income or directly to the equity, in which case it is adjusted in statement of profit or loss or statement of changes in equity.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.2.1 Financial assets

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

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a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable that are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For the credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.2.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables etc.

ISCO

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between the carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements.

3.4 Share capital

Ordinary shares are classified as equity. Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

3.5 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, 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 attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Company does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

3.6 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company to not to do so.

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3.9 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.10 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue as follows:

3.11 Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

3.12 Other income

Other income, if any, is recognized on accrual basis.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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		Note	June 30, 2026 Rupees
4	**CASH AND BANK BALANCES**		
	Cash in hand		-
	Cash at bank - current account		24,616,879
			24,616,879

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Note	
1,000,000 ordinary shares of Rs. 10 each issued for consideration in cash	5.1	**10,000,000**

5.1 Shares were issued on March 09, 2025 against share deposit money received from the following related parties:

Name of shareholders	Relationship	%age of shareholding	Number of shares held	Rupees
Syeda Noor Ul Ain Ali	Director/Sponsor	0.0001%	1	**10**
Mr. Iqrar Shabbir	Chief Executive/Sponsor	0.0001%	1	**10**
Syed Haider Mujtaba	Independent Director	0.0001%	1	**10**
Arooj Tariq	Independent Director	0.0001%	1	**10**
LSE Capital Limited	Holding company	99.9996%	999,996	**9,999,960**
		100%	**1,000,000**	**10,000,000**

5.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

		Note	June 30, 2026 Rupees
6	**ACCRUED LIABILITIES**		
	Audit fee payable		**131,250**
			131,250

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding at the reporting date.

			March 03, 2026 To June 30, 2026
8	**ADMINISTRATIVE AND GENERAL EXPENSES**		
	Salaries & wages		**495,000**
	Directors' meeting fee	8.1	**700,000**
	Travelling and conveyance		**152,466**
	Legal & professional charges		**3,879,870**
	Auditor's remuneration	8.2	**287,035**
			5,514,371

8.1 Directors' meeting fee was paid to the Independent and Non-executive directors of the company for attending corporate meetings of the company at rates as approved by the Board of Directors.

8.2 Auditor's remuneration

Statutory audit	
Audit fee	**131,250**
Others	
Certificates	**155,785**
	287,035

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			March 03, 2026 To June 30, 2026
9	**TAXATION**		
	Current tax for the period		-
	Deferred tax	9.1	-
			-

9.1 There being no timing differences and the Company has also not yet derived income having different treatments in financial statements for accounting and tax purposes, therefore, no provision for deferred taxation is applicable in the instant case of the Company and accordingly not recorded in these financial statements.

10 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Loss after taxation attributable to the ordinary shareholders	**(5,514,371)**
Weighted average number of ordinary shares outstanding during the period	**328,767**
Loss per share - basic	**(16.77)**

The figure for diluted loss per share is the same as basic loss per share as the company has not issued any instrument which would have an impact on basic loss per share when exercised.

11 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

11.1 Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. There are three types of market risks i.e. interest rate risk, currency risk and price equity risk. These are:

(a) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / (payables) of the Company at the reporting date, it is not exposed to currency risk as at the reporting date.

(b) 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 is not exposed to floating interest rate risk as it does not has any interest bearing liabilities as at the reporting date.

(c) Price equity risk

Equity 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 currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity price risk as it does not hold any instrument at the reporting date whose price is subject to fluctuations in the stock / money market.

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11.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any credit risk as at reporting date.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Name of the Bank	Rating Short term	Rating Long term	Rating agency	June 30, 2026
				Rupees
Faysal Bank Limited	A1+	AA+	PACRA	24,616,879

Exposure to credit risk

The credit risk on liquid funds is limited because the counter party is bank with reasonably high credit ratings. Due to long standing business relationships of the Holding Company of the Company with the above-named Bank and considering its strong financial footing and reputation in the business community, the management does not expect non-performance by the counter party on its obligations to the Company. Accordingly, the credit risk is minimal.

11.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Keeping in view the quantum of liquid assets, the company is not exposed to liquidity risk as at the reporting date.

11.4 Financial instruments by categories

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
	……Rupees……		
Financial assets as at June 30, 2026			
Cash and bank balances	-	24,616,879	-
Financial liabilities as at June 30, 2026			
Accrued liabilities	-	131,250	-

11.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants 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. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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At the reporting date, all the financial instruments are carried at their amortized cost, therefore, fair value hierarchy levels are not disclosed in these financial statements being not applicable in the instant case.

12 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as total borrowings divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders, while at the same time carrying risk exposure acceptable to them.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus assets without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Since, the company has no outstanding debt at the reporting date, therefore, the company is not geared and is wholly financed by its Holding Company.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship	Shareholding (%)
LSE Capital Limited	Holding Company	Wholly owned subsidiary	99.96%
Iqrar Shabbir	Chief Executive Officer	Director	0.01%
Syeda Noor Ul Ain Ali	Non-Executive Director	Director	0.01%

Related parties include holding company, associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes to these financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties	Nature of transactions	June 30, 2026 Rupees
LSE Capital Limited	Share deposit money received	10,000,000

14 MANAGERIAL REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVE

	Chief Executive June 30, 2026	Director June 30, 2026
	(Rupees)	
Managerial remuneration		
Remuneration	210,000	-
Meeting fee	100,000	600,000
	310,000	600,000
Number of person (s)	1	4

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14.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There is no executive in the Company both during the period and at the reporting date.

15 NUMBER OF EMPLOYEES

	June 30, 2026
Total number of employees as at June 30, 2026	4
Average number of employees during the period	4

16 SUBSEQUENT EVENTS - NON ADJUSTING

As at June 30, 2026, the Company was in the process of completing its Initial Public Offering ("IPO") and proposed listing on the Pakistan Stock Exchange ("PSX"). Subsequent to the year end, the Company successfully completed its IPO and was formally listed on the Main Board of the PSX on July 13, 2026, under the ticker symbol "SPAC2", through the issuance of 20,000,000 ordinary shares at an aggregate value of Rs. 200 million. Consequently, the Company's paid-up share capital increased to Rs. 210 million.

17 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on August 25, 2026.

18 GENERAL

Since the company was formed during the period, therefore, corresponding figures are not presented.

Figures in these financial statements have been rounded off to the nearest rupees unless otherwise stated elsewhere in these financial statements.

ISCO

CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED