AIRLINK

QUATERLY REPORT

AS AT SEPTEMBER 30, 2026

Connecting Today.
Powering Tomorrow.

2026

VISION

To become a global leader in technology and telecommunication, driving innovation and excellence to establish Pakistan as a reconized technological hub.

MISSION

To enhance connectivity and improve lives through high-quality, affordable products, while driving Pakistan's transformation into a global technological leader. With a steadfast commitment to customer satisfaction, integrity, and excellence, we aim to set industry benchmarks and foster a culture of continuous improvement and innovation.

DIRECTORS' REPORT

Directors' Report

1. Introduction

The Directors of Air Link Communication Limited are pleased to present the standalone and consolidated financial statements for the three months ended September 30, 2026.

2. Economic Environment

Pakistan's economy began FY2026–27 with a gradual recovery, driven by stronger manufacturing, vehicle sales, agriculture, remittances, and improved international financing. Workers' remittances increased 14% year-on-year to $10.9 billion in July–September, supporting reserves and the external account. However, imports outpaced exports, widening the Q1 current-account deficit to $874 million and the goods-trade deficit to $9.3 billion. Inflation rose to 11.1% in August, largely due to higher food, energy, and transport costs. Elevated oil prices remain the primary near-term risk.

Pakistan's external credibility has improved, as shown by S&P's upgrade to B, Moody's upgrade to B3, higher reserves, and the issuance of new Eurobonds. Still, the country faces challenges such as high debt-servicing costs, dependence on oil imports, inflation, and the need to keep up with IMF-linked reforms.

3. Financial Performance

- **Standalone Performance:**
    - Sales grew by 14.48% to PKR 15,366 million from PKR 13,423 million in the same period last year.
    - Earnings per share increased to PKR 5.03 from PKR 1.54.
- **Consolidated Performance:**
    - Sales decline by 6.52% from PKR 24,402 million to PKR 22,811 million in the same period last year.
    - Consolidated earnings per share decrased to PKR 2.58 from PKR 4.01, compare to the same period last year.

4. Future Outlook

The Board remains confident that the prevailing growth momentum will continue. The Company is well positioned to strengthen its market share through focused execution, enhanced operational efficiency, and disciplined capacity utilization. Amid evolving market conditions, management remains committed to maintaining high product quality, achieving production targets, and delivering sustainable progress against its strategic and business objectives.

5. Looking Ahead

The Company is committed to sustainable growth and long-term value creation for shareholders and stakeholders. With ongoing stakeholder support, the Board is confident in achieving strategic objectives and delivering continued operational and financial improvements this year.

6. Acknowledgement

The Board of Directors sincerely appreciates the continued support and commitment of all stakeholders. We express our profound gratitude to the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange, the State Bank of Pakistan, and our banks and financial institutions for their continued guidance and support. We are also thankful to our valued customers, vendors, and suppliers for their trust and continued partnership. Finally, the Board acknowledges and appreciates the dedication, hard work, and professionalism of all employees, whose untiring efforts have been instrumental in achieving the Company's objectives during the year.

Chief Executive Officer | **Director**

ڈائریکٹرز کی رپورٹ

1۔تعارف

ایئرلنک کمیونیکیشن لمیٹڈ کے ڈائریکٹرز کو 30 ستمبر 2026 کو ختم ہونے والی تین ماہ کی مدت کے لیے کمپنی کے انفرادی (اسٹینڈ الون) اور مجموعی (کنسولیڈیٹڈ) مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

2۔معاشی صورتحال

پاکستان کی معیشت نے مالی سال 2026-27 کا آغاز بتدریج بحالی کے ساتھ کیا، جس کی بنیادی وجوہات مینوفیکچرنگ کے شعبے میں بہتری، گاڑیوں کی فروخت میں اضافہ، زرعی سرگرمیوں میں بہتری، ترسیلاتِ زر میں اضافہ اور بین الاقوامی مالی معاونت میں بہتری ہیں۔

جولائی تا ستمبر کے دوران بیرونِ ملک مقیم پاکستانیوں کی ترسیلاتِ زر میں گزشتہ سال کی اسی مدت کے مقابلے میں 14 فیصد اضافہ ہوا اور یہ 10.9 ارب امریکی ڈالر تک پہنچ گئیں، جس سے ملکی زرمبادلہ کے ذخائر اور بیرونی ادائیگیوں کی صورتحال کو سہارا ملا۔ تاہم، درآمدات میں برآمدات کے مقابلے میں زیادہ اضافہ ہونے کے باعث پہلی سہ ماہی میں کرنٹ اکاؤنٹ خسارہ 874 ملین امریکی ڈالر جبکہ اشیاء کی تجارت کا خسارہ 9.3 ارب امریکی ڈالر تک پہنچ گیا۔

اگست میں مہنگائی کی شرح بڑھ کر 11.1 فیصد ہوگئی، جس کی بڑی وجوہات خوراک، توانائی اور نقل و حمل کے اخراجات میں اضافہ ہیں۔ تیل کی بلند قیمتیں بدستور مستقبل قریب میں معیشت کے لیے ایک اہم خطرہ ہیں۔

پاکستان کی بین الاقوامی مالیاتی ساکھ میں بہتری آئی ہے، جس کا اظہار ایس اینڈ پی کی جانب سے کریڈٹ ریٹنگ کو بڑھا کر B کرنے، موڈیز کی جانب سے ریٹنگ کو بڑھا کر B3 کرنے، زرمبادلہ کے ذخائر میں اضافے اور نئے یورو بانڈز کے اجراء سے ہوتا ہے۔ تاہم، ملک کو قرضوں کی ادائیگی کے بلند اخراجات، تیل کی درآمدات پر انحصار، مہنگائی اور آئی ایم ایف سے منسلک اصلاحات پر عمل درآمد جیسے چیلنجز کا سامنا ہے۔

3۔مالیاتی کارکردگی

انفرادی مالیاتی کارکردگی (اسٹینڈ الون):

- کمپنی کی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں 14.48 فیصد اضافہ ہوا، جو 13,423 ملین روپے سے بڑھ کر 15,366 ملین روپے ہوگئی۔
- فی حصص آمدنی (Earnings Per Share) میں اضافہ ہوا اور یہ گزشتہ سال کے 1.54 روپے سے بڑھ کر 5.03 روپے ہوگئی۔

مجموعی مالیاتی کارکردگی (کنسولیڈیٹڈ):

- گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی فروخت میں 6.52 فیصد کمی ہوئی، جو 24,402 ملین روپے سے کم ہو کر 22,811 ملین روپے رہ گئی۔
- مجموعی فی حصص آمدنی (Consolidated Earnings Per Share) گزشتہ سال کے 4.01 روپے کے مقابلے میں کم ہو کر 2.58 روپے رہ گئی۔

4۔ مستقبل کے امکانات

بورڈ کو یقین ہے کہ ترقی کا موجودہ رجحان برقرار رہے گا۔ کمپنی مؤثر حکمتِ عملی پر عمل درآمد، عملیاتی کارکردگی میں بہتری اور پیداواری صلاحیت کے محتاط اور مؤثر استعمال کے ذریعے اپنی مارکیٹ میں حصہ داری کو مزید مضبوط بنانے کے لیے اچھی پوزیشن میں ہے۔

مارکیٹ کے بدلتے ہوئے حالات کے پیشِ نظر، انتظامیہ اعلیٰ معیار کی مصنوعات کو برقرار رکھنے، پیداواری اہداف حاصل کرنے اور کمپنی کے اسٹریٹجک اور کاروباری مقاصد کے مطابق پائیدار ترقی کو یقینی بنانے کے لیے پُرعزم ہے۔

5۔ آئندہ کا لائحہ عمل

کمپنی پائیدار ترقی اور اپنے حصص یافتگان سمیت تمام متعلقہ فریقوں کے لیے طویل مدتی قدر پیدا کرنے کے لیے پُرعزم ہے۔ تمام متعلقہ فریقوں کی مسلسل معاونت کے ساتھ، بورڈ کو یقین ہے کہ کمپنی اپنے اسٹریٹجک مقاصد حاصل کرے گی اور رواں سال کے دوران عملیاتی اور مالیاتی کارکردگی میں مزید بہتری لائے گی۔

6۔ اظہارِ تشکر

بورڈ آف ڈائریکٹرز تمام متعلقہ فریقوں کی مسلسل معاونت اور تعاون کو قدر کی نگاہ سے دیکھتا ہے۔ ہم سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج، اسٹیٹ بینک آف پاکستان اور اپنے بینکوں و مالیاتی اداروں کے مسلسل تعاون، رہنمائی اور معاونت پر تہہ دل سے شکر گزار ہیں۔

ہم اپنے معزز صارفین، کاروباری شراکت داروں اور سپلائرز کے اعتماد اور مسلسل تعاون کے بھی ممنون ہیں۔ آخر میں، بورڈ کمپنی کے تمام ملازمین کی لگن، محنت اور پیشہ ورانہ مہارت کو سراہتا ہے، جن کی انتھک کوششوں نے کمپنی کے مقاصد کے حصول میں اہم کردار ادا کیا ہے۔

چیف ایگزیکٹو آفیسر

دستخط: _____

ڈائریکٹر

دستخط: _____

FINANCIAL STATEMENTS

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Jun-26 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	3,264,581,056	3,037,218,462
Intangible assets		4,215,711	-
Investment in subsidiaries		8,200,000,000	8,200,000,000
Long term loans		-	40,714,692
Long term deposits		43,481,399	42,546,597
Deferred tax asset		125,863,910	125,244,385
		11,638,142,076	11,445,724,136
CURRENT ASSETS			
Stores and spares		50,725,083	48,809,686
Stock in trade	7	12,165,685,389	13,195,737,475
Trade debts	8	7,638,306,453	7,811,778,061
Loans and advances		151,693,327	886,816,179
Trade deposits, prepayments and other receivables		8,598,731,125	4,986,430,251
Tax refunds due from the Government		1,204,174,904	744,825,217
Short term investments		1,712,740,706	2,096,266,281
Cash and bank balances	9	2,591,401,155	6,910,231,275
		34,113,458,142	36,680,894,425
TOTAL ASSETS		45,751,600,218	48,126,618,561
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
600,000,000 (June 30, 2026: 600,000,000) ordinary shares of Rs. 10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
Accumulated profit - revenue reserve		9,844,794,086	7,857,941,280
General reserves - revenue reserve		44,559,977	44,559,977
		17,398,223,181	15,411,370,375
NON CURRENT LIABILITIES			
Long term loans		1,129,000,000	1,253,200,000
Lease liabilities		392,106,416	401,023,737
Defined benefit liability		112,063,188	115,535,322
		1,633,169,604	1,769,759,059
CURRENT LIABILITIES			
Accrued and other liabilities	10	798,947,250	979,270,831
Contract liabilities		487,711,490	1,232,823,594
Short term borrowings	11	22,461,167,565	26,141,043,763
Accrued markup		650,019,866	714,692,408
Taxation - net		347,843,781	-
Current portion of non current liabilities		454,356,462	377,497,512
Unclaimed dividend		1,520,161,019	1,500,161,019
		26,720,207,433	30,945,489,127
TOTAL EQUITY AND LIABILITIES		45,751,600,218	48,126,618,561
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes from 1 to 16 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
Revenue from contracts with customers - net	13	15,366,895,429	13,423,112,924
Cost of revenue		(13,625,449,867)	(11,839,850,603)
Gross profit		1,741,445,562	1,583,262,321
Administrative expense		(318,452,080)	(266,404,313)
Selling and distribution expenses		(97,789,746)	(69,459,237)
		(416,241,826)	(335,863,550)
Operating profit		1,325,203,736	1,247,398,771
Other income		1,949,468,363	58,437,741
Other expense		(106,351,108)	(42,841,018)
Finance cost		(672,108,360)	(406,175,134)
Profit before income tax and levy		2,496,212,631	856,820,360
Levy		-	-
Profit before income tax		2,496,212,631	856,820,360
Income tax		(509,359,825)	(248,477,904)
Profit for the period		1,986,852,806	608,342,456
Earnings per share			
- Basic and diluted		5.03	1.54

The annexed notes from 1 to 16 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
Profit for the period	1,986,852,806	608,342,456
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss in subsequent years:		
Re-measurement loss on defined benefit plan	-	-
Related:		
Deferred tax effect		
Rate change effect		
Remeasurement losses on defined benefit plan - net	-	-
Total comprehensive income for the period	1,986,852,806	608,342,456

The annexed notes from 1 to 16 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Reserves			Total
		Capital reserves	Revenue reserves		
		Share premium	General reserves	Unappropriated profit	
	---------- Rupees ----------				
Balance as at July 01, 2025	3,952,692,310	3,556,176,808	44,559,977	6,890,523,149	14,443,952,244
Final dividend for the year ended June 30, 2025 at the rate of Rs. 4.5 per share	-	-	-	(1,778,711,540)	(1,778,711,540)
Interim dividend for the period ended September 30, 2025 at the rate of Rs. 2 per share	-	-	-	(790,538,462)	(790,538,462)
Total comprehensive income for the year	-	-	-	3,536,668,133	3,536,668,133
Balance as at June 30, 2026 (Audited)	3,952,692,310	3,556,176,808	44,559,977	7,857,941,280	15,411,370,375
Total comprehensive income for the period	-	-	-	1,986,852,806	1,986,852,806
Balance as at September 30, 2026 (Un-Audited)	3,952,692,310	3,556,176,808	44,559,977	9,844,794,086	17,398,223,181

The annexed notes from 1 to 16 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,496,212,631	856,820,360
Adjustments for:		
Depreciation on property, plant and equipment	28,588,564	9,239,493
Amortization on intangible assets	157,510	105,057
Provision for Workers' Welfare Funds (WWF)	23,437,163	-
Provision for Workers' Profit Participation Funds (WPPF)	81,389,181	42,841,018
Finance cost on WPPF	-	406,175,134
Finance cost on borrowings	652,104,932	-
Profit on investments	(1,949,468,363)	(58,437,741)
	(1,163,791,013)	399,922,961
Operating profit before working capital changes	1,332,421,618	1,256,743,321
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
Stock in trade	1,030,052,086	896,823,686
Stores and spares	(1,915,397)	(1,318,520)
Trade debts	173,471,608	415,277,567
Loans and advances	735,122,852	165,953,882
Trade deposits, prepayments and other receivable	(1,812,300,874)	(1,171,156,657)
Tax refunds due from the Government	(459,349,687)	221,640,917
(Decrease) / increase in current liabilities	(334,919,412)	527,220,875
Accrued and other liabilities	(286,859,220)	68,838,131
Contract liabilities	(745,112,104)	1,008,542,301
	(1,031,971,324)	1,077,380,432
Cash generated from / (used in) operations	(34,469,118)	2,861,344,628
Finance cost paid	(696,777,474)	(533,630,689)
Long term deposits	(934,802)	(1,202,719)
Gratuity paid	(3,635,763)	(4,011,379)
Net Cash used in operating activities	(735,817,157)	2,322,499,841
CASH FLOW FROM INVESTING ACTIVITIES		
Additions in operating fixed assets	(98,382,517)	(51,805,751)
Additions in capital work in progress	(112,795,148)	(168,621,868)
Interest income received	32,557,862	25,297,703
Short term investments - net	399,683,237	(500,000,000)
Net cash used in investing activities	221,063,434	(695,129,916)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease liability repaid	-	(45,639,541)
Long term loans - net	(124,200,000)	(100,000,000)
Dividend paid	-	(822,927,685)
Short term borrowings - net	(3,679,876,397)	(3,696,502,732)
Net cash generated from financing activities	(3,804,076,397)	(4,665,069,958)
Net increase in cash and cash equivalents	(4,318,830,120)	(3,037,700,033)
Cash and Cash equivalents at the beginning of the period	6,910,231,275	3,907,827,965
Cash and Cash equivalents at the end of the period	2,591,401,155	870,127,932

The annexed notes from 1 to 16 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

1 THE COMPANY AND ITS OPERATIONS

1.1 The Company was incorporated in Pakistan on January 02, 2014 as a private limited company, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. Subsequently, the Company converted to a public limited company on April 24, 2019 and got itself registered on Pakistan Stock Exchange (PSX) on September 22, 2021. The Company is engaged in the business of import, export, distribution, assembling of smart phones indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products.

The Company has a facility for assembly of smart phones and feature phones located at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.

1.2 Subsidiary company: Select Technologies Limited

Select Technologies Limited (STL), an unlisted public company registered under the Companies Act, 2017, is a wholly owned subsidiary of the Company. STL is engaged in the business of assembly and production of smartphones and related accessories, and has its registered office and assembly unit at 152-1-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore.

The subsidiary has established a state-of-the-art smartphone assembly plant in Lahore. The principal line of business of the subsidiary is to operate plants for the assembly and production of mobile phones, accessories, components, attachments and related parts of various types and descriptions.

1.3 Subsidiary company: Zexo Technologies (Private) Limited

Zexo Technologies (Private) Limited ('the subsidiary company') was incorporated in Pakistan on December 05, 2025 as a private limited company under the Companies Act, 2017 having registered office at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. The primary objective of the subsidiary will be to undertake the manufacturing, import, export, distribution, retail and e-commerce operations of smartphones, laptops, related accessories, electronics, home appliances, and other technology-related products of certain additional selected brands.

1.4 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary companies, is carried at cost as disclosed in Note 5.15. Consolidated financial statements are presented separately.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The locations of Company's head office, assembling facility, retail outlets and flagship store are as below:

BUSINESS UNIT	ADDRESS
Head office	152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab.
Assembling facility	152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab.
Assembling facility	E2 and E3 Sundar Green Special Economic Zone, Lahore, Punjab.

BUSINESS UNIT	ADDRESS
Samsung Retail Store	Shop No. LG-19, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Air Link Flagship Store	Shop No. 1, Xinhua Mall, 24-B/2, Mian Mehmood Ali Kasoori Road, Block B2 Gulberg III, Lahore, Pakistan.
Samsung Retail Store	Shop No. 27, Ground Floor, Emporium Mall, Johar Town, Lahore, Pakistan.
Air Link Retail Store	Shop No. SF-7, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Air Link Retail Store	Shop No. 1080 Opposite Carrefour, Packages Mall, Walton Road, Lahore, Pakistan.
Air Link Retail Store	Shop No. SF-51, Dolmen Mall Clifton, Karachi, Pakistan.
Samsung Retail Store	Shop No. 1 Near Bank Alfalah, Saddar Cantt. Hyderabad, Pakistan.
Samsung Retail Store	Shop No. 5, Ground Floor, Shareef Complex, Tehsil Chowk, Multan, Pakistan.
Samsung Retail Store	City Centre, DC Office Chowk, Bahawalpur.
Samsung Retail Store	Shop-1079, 1st Floor, Packages Mall, Walton Road, Lahore.
Air Link Retail Store	Shop G-56, Ground Floor, Emporium Mall, Johar Town, Lahore.
MI Retail Store	Shop No. LG-20, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Samsung Retail Store	Shop No. G-29, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.
MI Retail Store	Shop No. G-28, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.
Apple Retail Store	Shop No. G-27, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.

In addition to the above, the Company also operates 5 regional offices and 5 warehouses, the list of which is not presented in these unconsolidated financial statements to maintain concision.

3 BASIS OF PREPARATION

3.1 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017; and

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

- Provision 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.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

3.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee which is the functional and presentation currency of the Company. The figures have been rounded off to the nearest of Rupee unless otherwise stated.

3.4 Significant accounting judgements, estimates and assumptions

These unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board as adopted by SECP, which requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances.

These 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 the revision and future periods, if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the unconsolidated financial statements are as follows:

	Note
Useful life and residual value of property, plant and equipment and right-of-use assets	5.1.5

Impairment of non financial assets	5.1.6
Allowance for expected credit loss	5.5.1
Taxation	5.7

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the unconsolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations except for "IFRS 18 Presentation and Disclosures in Financial Statements" are either not relevant to the Company's operations or are not expected to have significant impact on the Company's unconsolidated financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments	

regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by SECP.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the unconsolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the unconsolidated statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies applied are consistent with prior year.

5.1 Property, plant and equipment

5.1.1 Owned assets

Property, plant and equipment except freehold land, are stated at cost less accumulated depreciation and impairment, if any. Cost of property, plant and equipment consists of historical cost and directly attributable cost of bringing the assets to their present location and condition. Cost in relation to self constructed assets includes direct cost of material, labor, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. Normal repairs and maintenance are charged to unconsolidated statement of profit or loss, while major renewals and improvements are capitalized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5.1.2 Disposal

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represents the difference between the sale proceeds and the carrying amount of the asset and is recognized in unconsolidated statement of profit and loss as income or expense.

5.1.3 Capital work-in-progress

These are stated at cost less impairment loss, if any, including capitalization of borrowing costs. It consists of expenditures incurred in respect of fixed assets in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

5.1.4 Right-of-use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received. The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

5.1.5 Useful lives and depreciation method of property, plant and equipment and right-of-use of assets

The Company reviews the useful lives and residual value of property, plant and equipment and right-of-use assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and right-of-use assets with a corresponding effect on the depreciation charge.

5.1.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

5.1.7 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

5.1.8 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

5.2 Intangible assets

Intangible assets are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to statement of profit or loss applying the straight line basis over its normal useful life. Amortization is charged to unconsolidated statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in unconsolidated statement of profit or loss.

5.3 Cash and cash equivalents

Cash and cash equivalents in the unconsolidated statement of financial position comprise cash in hand and cash at bank that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the unconsolidated statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above. Term deposit receipts are not included in cash and cash equivalents as they are not held for cash management purposes.

5.4 Stock in trade, stores and spares

Stock-in-trade, stores, spares and loose tools are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the stock-in-trade to their present location and condition. Basis of determining cost is as follows:

Cost has been determined as follows:

Raw and packing material	- Weighted average cost
Material in transit	- Actual cost
Work in process	- Weighted average cost
Finished goods	- Weighted average cost
Stores and spares	- Weighted average cost

Impairment allowance for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

5.4.1 Provision for stock-in-trade, stores, spare parts and loose tools obsolescence

The Company reviews the carrying amount of stock in trade, stores, spare parts and loose tools on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5.5 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivables are generally due within 30 to 90 days of satisfaction of performance obligation.

5.5.1 Allowance for expected credit losses of trade debts

The Company assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the ECL model, the Company accounts for ECL and changes in those ECL at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Company measures the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, if applicable; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the company is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

5.6 Provisions

Provisions are recognized in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.7 Taxation

5.7.1 Current

Provision for current tax is based on taxable income for the year, determined in accordance with the provisions of the Income Tax Ordinance, 2001. The current tax charge is calculated using the applicable tax rates or the rates expected to apply to the year's profit if enacted, after considering available tax credits, rebates, and exemptions, if any. It also includes adjustments, where necessary, for prior years' tax provisions based on assessments finalized during the year.

5.7.2 Deferred

For entities subject to normal tax and falls under approach (b), deferred tax is measured using the enacted or notified tax rate as per the application guidance on "IAS 37/IFRIC 21-IAS 12 Accounting for Minimum and Final Taxes". Given the variability of the effective income tax rate, the Company reassesses its estimates for measuring deferred taxes in future periods, even if the enacted income tax rate remains unchanged.

5.7.3 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

5.8 Revenue from contracts with customers

5.8.1 Sale of goods

The Company is in the business of selling cellular mobile phones, tablets, accessories, TVs, laptop and allied products and services. Revenue from contract with customers is recognized when control of goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.

5.8.2 Service income

The Company also provides repair services for mobile phones, tablets, accessories and allied products which are in-warranty and out-of-warranty at its service centers. The Company recognizes the revenue from repair services when the service is provided to the customer.

5.8.3 Sales returns

The Company provides sales returns to customers based on the instructions by the brand owners. Upon receipts of instructions, the Company gives the customers an option to return unsold products and obtain same product categories based on revised selling prices or the Company issues a credit note to the customer which can be used to adjust against the receivable recorded of the customer.

5.8.4 Contract liabilities

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

5.9 Defined benefit liability

The Company operates an unfunded gratuity scheme covering eligible workers, payable on ceasing of employment subject to completion of minimum qualifying period of service. Obligations under the scheme are calculated on the last drawn gross salary by number of years served to the Company.

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Experience adjustments are recognized in other comprehensive income when they occur. Amounts recorded in statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / (expense). All other changes in net defined benefit liability are recognized in other comprehensive income with no subsequent recycling to unconsolidated statement of profit or loss.

Staff retirement gratuity defined benefit is provided for permanent employees of the Company. Calculations in respect of the liability require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

5.10 Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in unconsolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

5.11 Financial instruments - initial recognition and subsequent measurement

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.

5.11.1 Financial assets

Financial assets - Initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets includes trade debts, long term deposits, loan and advances, deposits, prepayments and other receivables, short-term investments and bank balance.

Financial assets - Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may

be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognized in the unconsolidated statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the unconsolidated statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company does not presently have financial asset at fair value through profit or loss.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized costs includes trade debts, long term deposits, loan and advances, deposits, prepayments and other receivables, short-term investments and bank

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

-The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

-The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the unconsolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

5.11.2 Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

5.11.3 Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. 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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade debts, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the statement of profit or loss. For bank balances, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the unconsolidated statement of profit or loss.

5.11.4 Financial liabilities

a) Financial liabilities - Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, liabilities against assets subject to finance lease, accrued and other liabilities.

b) Financial liabilities - Subsequent measurement

Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 the unconsolidated statement of comprehensive income.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, liabilities against assets subject to finance lease, accrued and other liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the unconsolidated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Financial liabilities - Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the unconsolidated statement of profit or loss.

5.12 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.13 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for

allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has more than one reportable segment, as the Board of Directors views the Company's operations as comprising two reportable segments.

5.14 Dividend

The Company recognizes a liability to pay a dividend when the distribution is authorized by the Board of Directors of the Company (The Board), and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

5.15 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost in the unconsolidated financial statements of the Company. The cost of an investment is measured as the fair value of the consideration transferred, including any transaction costs directly attributable to the acquisition of the investment.

Subsequent to initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses. The carrying amounts of investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the unconsolidated statement of profit or loss when the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs to sell and its value in use.

Dividends received from subsidiaries are recognized in the unconsolidated statement of profit or loss when the Company's right to receive the payment is established.

Where the Company disposes of part or all of its investment in a subsidiary, the difference between the carrying amount of the investment and the consideration received is recognized in the unconsolidated statement of profit or loss.

5.16 Earning per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.17 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

The Company reviews the status of all the legal cases on a regular basis. Based on the expected

outcome and lawyers' judgments, appropriate disclosure or provision is made.

5.18 Related party transactions

Related party transactions are undertaken in the normal course of business and are carried out in accordance with the Company's policy on related party transactions, as approved by the Board of Directors upon the recommendations of the Board Audit Committee.

5.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

		Note	30-Sept-26 Rupees (Un-Audited)	30-Jun-26 Rupees (Audited)
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets		2,306,972,422	2,144,577,673
	Right of use assets		548,610,992	548,610,992
	Capital work in progress (CWIP)		408,997,642	344,029,797
			3,264,581,056	3,037,218,462
7	**STOCK IN TRADE**			
	Raw material		785,240,781	568,535,184
	Work in process		357,326,961	30,459,271
	Mobile phones		4,983,971,484	5,628,612,523
	Televisions		504,141,951	368,684,119
	Laptop		128,712,377	142,376,861
	Appliances		25,746,052	24,483,847
	Spare parts		4,151,517	26,923,247
			6,789,291,123	6,790,075,052
	Impairment allowance for slow moving		(43,390,957)	(43,390,957)
			6,745,900,166	6,746,684,095
	Goods in transit		5,419,785,223	6,449,053,380
			12,165,685,389	13,195,737,475
8	**TRADE DEBTS**			
	Considered good - Unsecured			
	Due from customers		7,791,782,640	7,897,043,975
	Due from related party		-	68,210,273
			7,791,782,640	7,965,254,248
	Less: Allowance for expected credit loss		(153,476,187)	(153,476,187)
			7,638,306,453	7,811,778,061
9	**CASH AND BANK BALANCES**			
	Cash in hand		25,914,012	40,486,332
	Cash at bank - Current accounts		2,553,825,838	6,838,927,204
	Cash at bank - Savings accounts		11,661,305	30,817,739
			2,591,401,155	6,910,231,275

10 ACCRUED AND OTHER LIABILITIES

Accrued expenses	18,974,045	57,618,089
Withholding tax payable	-	248,215,176
Workers' Welfare Fund	317,406,263	293,969,100
Workers' Profit Participation Fund	462,567,141	379,468,466
	798,947,449	979,270,831

11 SHORT TERM BORROWINGS

Sukuk	11.1	12,000,000,000	12,000,000,000
Commercial banks	12.2	5,074,872,936	9,736,154,576
Islamic mode of financing	12.3	5,386,294,629	4,404,889,187
Add: Accrued markup		643,275,454	707,947,408
		23,104,443,019	26,848,991,171
Less: Accrued markup presented in current liabilities		(643,275,454)	(707,947,408)
		22,461,167,565	26,141,043,763

11.1 This represents Shariah compliant, privately placed and secured Sukuks of six months tenor issued during the year. The proceeds therefrom were utilized to finance the Company's working capital requirement. They carry profit at the rate ranging from 6-month KIBOR plus 1.20% to 6-month KIBOR plus 1.75%.

12.2 The utilized limit of aggregate commercial bank facilities amounts to Rs. 5,074.872 million (June 30, 2026: Rs. 9,736 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR 10.18% to 12.70% + 1.25% to 3.0% with no floor and no cap (June 30, 2026: 1 month KIBOR to 3 months KIBOR 12.40% to 23.43% + 1.25% to 2.5% with no floor and no cap). These facilities are secured against joint pari passu charge on the present and future current assets of the Company.

12.3 This represents borrowing from Shariah complaint banks amounting to Rs. 5,386,294 million (30 June 2026: Rs. 4,404.889 million). The proceeds were utilized to finance the Company's working capital requirement.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

13.1.1 There is no material change in contingencies since the last audited financial statements for the year ended 30 June 2026.

		September-26 Rupees (Un-Audited)	September-25 Rupees (Un-Audited)
13	**REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**		
	Sales - Local	17,154,786,027	14,700,310,282
	Service income	13,091,046	14,219,322
	Gross sales	17,167,877,073	14,714,529,604
	Less: Sales tax	(935,676,270)	(543,393,303)
		16,232,200,803	14,171,136,301
	Less: Discount	(865,305,374)	(748,023,377)
		15,366,895,429	13,423,112,924

14 SUBSEQUENT EVENT

14.1 The Board of Directors at its meeting held on October 27, 2026 has proposed a interim dividend of Rs.Nil per share for the period ended September 30, 2026 (2025: Rs. 2 per share) , amounting to Rs. Nil (2025: Rs. 790.538 million) .These unconsolidated financial statements do not reflect this dividend.

15 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated financial statements were authorized for issue by Board of Directors on October 27, 2026.

16 GENERAL

Figures have been rounded off to the nearest rupee unless stated otherwise.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Jun-26 Rupees (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	14,682,547,212	14,135,961,555
Investment property		2,134,089,000	2,134,089,000
Intangible assets		8,300,921	4,118,493
Long term loans and deposits		82,244,625	123,093,475
		16,907,181,758	16,397,262,523
CURRENT ASSETS			
Stores and spares		59,584,733	50,433,453
Stock in trade	7	22,680,523,757	23,629,774,704
Trade debts	8	16,904,625,341	15,009,085,891
Loans and advances		151,693,327	166,000,284
Trade deposits, prepayments and other receivables		7,217,231,200	7,557,184,749
Tax refunds due from the Government		2,689,251,664	1,578,121,229
Short term investments		4,519,586,192	3,893,522,363
Cash and bank balances	9	3,414,307,379	7,479,314,729
		57,636,803,593	59,363,437,402
TOTAL ASSETS		74,543,985,351	75,760,699,925
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 600,000,000 (June 30, 2026: 600,000,000) ordinary shares of Rs. 10 each		6,000,000,000	6,000,000,000
Issued, subscribed and paid up capital		3,952,692,310	3,952,692,310
Share premium - capital reserve		3,556,176,808	3,556,176,808
Unappropriated profit - revenue reserve		14,286,675,860	13,324,209,263
Non-controlling interest		1,519,293,266	-
Gain on dilution of interest		1,359,064,825	-
General reserves - revenue reserve		44,559,977	44,559,977
		24,718,463,046	20,877,638,358
NON CURRENT LIABILITIES			
Long term loans		3,117,990,481	3,609,540,307
Lease liabilities		467,808,997	439,430,150
Deferred tax liability		249,124,862	249,580,758
Defined benefit liability		112,063,188	115,535,322
		3,946,987,528	4,414,086,537
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities	10	1,569,199,279	3,186,808,568
Contract liabilities		487,711,490	1,232,823,594
Short term borrowings	11	39,730,283,783	42,552,179,658
Accrued markup		1,192,397,221	980,477,357
Provision for taxation		183,515,492	-
Current portion of non current liabilities		1,195,266,493	1,016,524,834
Unclaimed dividend		1,520,161,019	1,500,161,019
		45,878,534,777	50,468,975,030
TOTAL EQUITY AND LIABILITIES		74,543,985,351	75,760,699,925
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
Revenue from contracts with customers - net	13	22,811,608,904	24,402,114,169
Cost of revenue		(19,852,271,346)	(21,014,898,333)
Gross profit		2,959,337,558	3,387,215,836
Administrative expense		(387,474,263)	(309,683,342)
Selling and distribution costs		(97,789,746)	(69,459,237)
		(485,264,009)	(379,142,579)
Operating profit		2,474,073,549	3,008,073,257
Other income		185,043,436	315,763,576
Other expenses		(139,018,420)	(125,543,917)
Finance cost		(1,156,464,566)	(968,218,122)
Profit before income tax and levy		1,363,633,999	2,230,074,794
Levy		-	-
Profit before income tax		1,363,633,999	2,230,074,794
Income tax		(345,031,536)	(646,633,286)
Profit for the period		1,018,602,463	1,583,441,508
Attributable to:			
Group		962,466,597	1,583,441,508
NCI		56,135,866	-
Earnings per share			
- Basic and diluted		2.58	4.01

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
Profit for the period		1,018,602,463	1,583,441,508
Other Comprehensive income			
Re-measurement loss on defined benefit plan		-	-
Related:			
Deferred tax impact			
Rate change impact		-	-
Remeasurement losses on defined benefit plan - net		-	-
Total Comprehensive income for the period		1,018,602,463	1,583,441,508

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Reserves					Total
		Capital reserves		Revenue reserves			
	Ordinary shares	Share premium	Gain on dilution of interest	General reserves	Unappropriated profit	NCI	
	----------Rupees----------						
Balance as at July 01, 2025	3,952,692,310	3,556,176,808	-	44,559,977	9,690,715,195	-	17,244,144,290
Transactions with owners:							-
Final dividend for the year ended June 30, 2025 at the rate of Rs. 4.5 per share	-	-	-	-	(1,778,711,540)	-	- (1,778,711,540)
Interm dividend for the period ended September 30, 2025 at the rate of Rs. 2 per share	-	-	-	-	(790,538,462)	-	- (790,538,462)
Total comprehensive income for the year	-	-	-	-	6,202,744,070	-	6,202,744,070
Balance as at June 30, 2026 (Audited)	3,952,692,310	3,556,176,808	-	44,559,977	13,324,209,263	-	20,877,638,358
Transactions with owners:							
Ordinary shares issued to non-controlling interest						1,663,157,400	1,663,157,400
Gain on dilution of shareholding in subsidiary	-	-	1,359,064,825	-	-		1,359,064,825
Final dividend for the year ended June 30, 2026 at the rate of Rs. 2.25 per share	-	-	-	-	-	(200,000,000)	(200,000,000)
Total comprehensive income for the period	-	-	-	-	962,466,597	56,135,866	1,018,602,463
Balance as at September 30, 2026 (Un-Audited)	3,952,692,310	3,556,176,808	1,359,064,825	44,559,977	14,286,675,860	1,519,293,266	24,718,463,046

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	30-Sept-26 Rupees (Un-Audited)	30-Sept-25 Rupees (Un-Audited)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,363,633,999	2,230,074,794
Adjustments for non cash and other items:			
Depreciation on PPE and ROUA		114,121,840	523,547,119
Amortization on intangible assets		190,793	33,283
Provision for Workers' Welfare Funds (WWF)		42,601,077	23,644,920
Provision for Workers' Profit Participation Funds (WPPF)		94,640,793	101,898,997
Finance cost on borrowings		1,333,969,866	968,218,122
Profit on investments		(185,043,436)	(315,763,576)
		1,400,480,933	1,301,578,865
Operating profit before working capital changes		2,764,114,932	3,531,653,659
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets			
Stock in trade		949,250,947	3,679,724,675
Stores and spares		(9,151,280)	(4,288,806)
Trade debts		(1,895,539,450)	231,097,546
Loans and advances		14,306,957	(43,973,410)
Trade deposits, prepayments and other recievable		339,953,549	620,269,150
Tax refunds due from the Government		(1,111,130,435)	788,201,431
		(1,712,309,712)	5,271,030,586
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities		(1,536,871,758)	(5,790,636,398)
Contract liabilities		(745,112,104)	1,008,542,301
		(2,281,983,862)	(4,782,094,097)
Cash generated from operations		(1,230,178,642)	4,020,590,148
Finance cost paid		(1,164,353,787)	(1,017,314,788)
Gratuity paid		(3,635,763)	(4,011,379)
Long term loans and deposits - paid		(40,848,850)	(1,780,494)
Income tax paid		(169,467,636)	-
Net cash used in operating activites		(2,608,484,678)	2,997,483,487
CASH FLOW FROM INVESTING ACTIVITIES			
Additions in operating fixed assets		(100,172,935)	(411,019,841)
Additions in capital work in progress		(613,533,436)	(379,088,877)
Proceeds from issuance of shares		3,022,222,226	-
Rental income received		-	61,239,469
Interest income received		148,723,937	480,894,548
Short term investments - net		(600,316,763)	(149,000,000)
Net cash used in investing activities		1,856,923,029	(396,974,701)
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repaid		-	(49,729,934)
Long term loans - net		(491,549,826)	(442,661,511)
Dividend paid		-	(822,927,689)
Short term borrowings - net		(2,821,895,875)	(3,936,616,641)
Net cash generated from financing activities		(3,313,445,701)	(5,251,935,775)
Net increase in cash and cash equivalents		(4,065,007,350)	(2,651,426,989)
Cash and cash equivalents at the beginning of the period		7,479,314,729	4,152,557,630
Cash and cash equivalents at the end of the period		3,414,307,379	1,501,130,641

The annexed notes from 1 to 16 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**

AIR LINK COMMUNICATION LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

1 THE GROUP AND ITS OPERATIONS

1.1 The Air Link Group (the Group) comprises Air Link Communication Limited (the Holding Company), Select Technologies Limited (the Subsidiary Company), and Zexo Technologies (Private) Limited (the Subsidiary Company).

1.2 Corporate and general information

1.2.1 Air Link Communication Limited - the Holding Company

The Company was incorporated in Pakistan on January 02, 2014 as a private limited company, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) having registered office at 152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. Subsequently, the Company converted to a public limited company on April 24, 2019 and got itself registered on Pakistan Stock Exchange (PSX) on September 22, 2021. The Company is engaged in the business of import, export, distribution, assembling of smart phones indenting, wholesale, retail of communication and IT related products and services including cellular mobile/smart phones, tablets, laptops, accessories and allied products.

The Holding Company has a facility for assembly of smart phones and feature phones located at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.

1.2.2 Select Technologies Limited - the Subsidiary Company

The Company was incorporated in Pakistan on October 13, 2021 as a private limited company under the Companies Act, 2017 having registered office at 152-1-M, Quaid-E-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan. The Company is a wholly-owned subsidiary of Air Link Communication Limited (the Parent Company). The Company has established state-of-the-art smartphone assembly plant in Lahore. The idea is to promote ‘Made in Pakistan’ products and to create employment opportunities for skilled and unskilled labour. The Company converted into a public limited company on January 6, 2026, and was officially listed on the Pakistan Stock Exchange on July 13, 2026.

1.2.3 Zexo Technologies (Private) Limited - the Subsidiary Company

Zexo Technologies (Private) Limited ('the subsidiary company') was incorporated in Pakistan on December 05, 2025 as a private limited company under the Companies Act, 2017 having registered office at 152-M, Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan. The primary objective of the subsidiary will be to undertake the manufacturing, import, export, distribution, retail and e-commerce operations of smartphones, laptops, related accessories, electronics, home appliances, and other technology-related products of certain additional selected brands.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The locations of Group's head office, assembling facility, retail outlets and flagship store are as below:

BUSINESS UNIT	ADDRESS
The Holding Company	
Head Office	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.
Assembling Facility - Capital Work in	E2 and E3 Sundar Green Special Economic Zone.
Samsung Retail Store	Shop No. LG-19, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Air Link Flagship Store	Shop No. 1, Xinhua Mall, 24-B/2, Mian Mehmood Ali Kasoori Road, Block B2 Gulberg III, Lahore, Pakistan.
Samsung Retail Store	Shop No. 27, Ground Floor, Emporium Mall, Johar Town, Lahore, Pakistan.
Air Link Retail Store	Shop No. SF-7, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Air Link Retail Store	Shop No. 1080 Opposite Carrefour, Packages Mall, Walton Road, Lahore, Pakistan.
Air Link Retail Store	Shop No. SF-51, Dolmen Mall Clifton, Karachi, Pakistan.
Samsung Retail Store	Shop No. 1 Near Bank Alfalah, Saddar Cantt. Hyderabad, Pakistan.
Samsung Retail Store	Shop No. 5, Ground Floor, Shareef Complex, Tehsil Chowk, Multan, Pakistan.
Samsung Retail Store	City Centre, DC Office Chowk, Bahawalpur.
Samsung Retail Store	Shop-1079, 1st Floor, Packages Mall, Walton Road, Lahore.
Air Link Retail Store	Shop G-56, Ground Floor, Emporium Mall, Johar Town, Lahore.
MI Retail Store	Shop No. LG-20, Lucky One Mall, LA-2/B, Block 21, Opp. UBL Sports Complex, Rashid Minhas Road, Karachi, Pakistan.
Samsung Retail Store	Shop No. G-29, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.
MI Retail Store	Shop No. G-28, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.
Apple Retail Store	Shop No. G-27, Ground Floor, Dolmen Mall, DHA Phase 6, Lahore.
Select Technologies Limited - the Subsidiary Company	
Head Office	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore,

	Punjab, Pakistan
Assembling Facility	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	E4 and E5(S) Sundar Green Special Economic Zone

Zexo Technologies (Private) Limted - the Subsidiary Company

Head Office	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	E4 and E5(S) Sundar Green Special Economic Zone

In addition to the above, the Group also operates 13 retails, 7 stores and 6 warehouses, the list of which is not presented in these consolidated financial statements to maintain concision.

3 BASIS OF PREPARATION

3.1 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 applicable in Pakistan comprise of :

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

3.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee which is the functional and presentation currency of the Group. The figures have been rounded off to the nearest of Rupee unless otherwise stated.

3.4 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the

application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

	Note
Useful life of property, plant and equipment and right-of-use assets	5.3.6
Impairment of non financial assets	5.3.5
Fair value of investment property	5.4
Allowance for expected credit loss	5.8.1
Taxation	5.10

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how Group's can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations except for "IFRS 18 Presentation and Disclosures in Financial Statements" are either not relevant to the Group operations or are not expected to have significant impact on the consolidated financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' -	

Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 9 'Financial Instruments: - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures.	January 01, 2027
IFRS 17 Insurance Contracts.	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However, SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by SECP.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

5 MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Basis of consolidation

The consolidated financial statements include the financial statement of the Holding Company and its subsidiary. The Group uses the acquisition method of accounting to account for business

combination. The consideration transferred is the fair value of the assets transferred, the liabilities assumed and the equity interest issued by the Group, if any. The Group recognizes any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the identifiable net assets of the acquiree. The financial statement of the Holding Company and its subsidiary are prepared up to the same reporting date using consistent accounting policy except as stated otherwise.

The Subsidiary is wholly owned incorporated company. The Group policy related to acquisition of the Subsidiary's identifiable assets acquired and liabilities assumed in the acquisition are measured initially at their fair value at the date of acquisition. Goodwill (if any) is initially measured as the excess of the aggregate of the consideration transferred and the value of non- controlling interest using proportionate share method over the net identifiable assets acquired and liabilities assumed. If this is less than the fair value of the net asset of the subsidiary acquired, the difference is recognized in consolidated statement of profit or loss. After initial recognition it is measured at carrying value i.e. at date of acquisition less any accumulated impairment.

The financial statements of subsidiaries have been consolidated on line by line basis. Intra company balances, transactions, income and expenses have been eliminated. Assets, liabilities, income and expense have been consolidated from the date the company acquired the control of the subsidiary till the control cease to exist. Unrealized gain or loss on intra company transactions are also eliminated but unrealized losses are however recognized to the extent of impairment, if any.

5.2 Business combinations and goodwill

5.2.1 Acquisition method of accounting

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiaries comprises of:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

5.3 Property, plant and equipment

5.3.1 Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is provided on straight line method at the rates given in schedule of property, plant and equipment and charged to consolidated statement of profit or loss to write off the depreciable amount of each asset.

Depreciation on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. Normal repairs and maintenance are charged to consolidated statement of profit or loss, while major renewals and improvements are capitalized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

5.3.2 Disposal

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

5.3.3 Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

5.3.4 Estimate

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the management reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

5.3.5 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized as expense. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is charged, the depreciation charge is adjusted for the future periods to allocate the asset's revised carrying amount over its estimated useful life.

5.3.6 Useful lives and depreciation method of property, plant and equipment and right-of-use of assets

The Group reviews the useful lives of property, plant and equipment and right-of-use assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and right-of-use assets with a corresponding effect on the depreciation charge.

5.3.7 Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease options that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

5.3.8 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

5.4 Investment property

Recognition and measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property measured at fair value. The changes in fair value recognised in the consolidated statement of profit or loss.

The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

5.5 Intangible assets

Intangible assets are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to consolidated statement of profit or loss applying the straight line basis over its normal useful life. Amortization is charged to consolidated statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in consolidated statement of profit or loss.

5.6 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash in hand and cash at banks as specified in Note 9 that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above. Term deposit receipts are not included in cash and cash equivalents as they are not held for cash management purposes.

5.7 Stock in trade, stores and spares

Stock in trade, stores and spares are valued at lower of cost and net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Cost has been determined as follows:

Raw and packing material	- Weighted average cost
Material in transit	- Actual cost
Work in process	- Weighted average cost
Finished goods	- Weighted average cost
Stores and spares	- Weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

5.7.1 Provision for stock-in-trade, stores, spare parts and loose tools obsolescence

The Group reviews the carrying amount of stock in trade, stores, spare parts and loose tools on an annual basis, and as appropriate, inventory is written down to its net realizable value, or a provision is made for obsolescence if there is any change in the usage pattern and physical form of related inventory. Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

5.8 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivable are generally due within 30 to 90 days of satisfaction of performance obligation.

5.8.1 Allowance for expected credit losses of trade debts

The Group assesses the impairment of its financial assets based on the Expected Credit Loss ("ECL") model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money, if applicable; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Expected credit losses are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

5.9 Provisions

Provisions are recognized in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Taxation

5.10.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

5.10.2 Deferred

The Group recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

A deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5.11 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in consolidated statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

5.12 Revenue from contracts with customers

5.12.1 Sale of goods

The Holding Company is in the business of selling cellular mobile phones, tablets, LEDs accessories and allied products. Revenue from contract with customers is recognized when control of goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.

5.12.2 Service income

The Holding Company also provides repair services for mobile phones, tablets, accessories and allied products which are in-warranty and out-of-warranty at its service centers. The Holding Company recognizes the revenue from repair services when the service is provided to the customer.

5.12.3 Sales returns

The Holding Company provides sales returns to customers based on the instructions by the brand owners. Upon receipts of instructions, the Holding Company gives the customers an option to

return unsold products and obtain same product categories based on revised selling prices or the Holding Company issues a credit note to the customer which can be used to adjust against the receivable recorded of the customer.

5.12.4 Contract liabilities

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

5.12.5 Revenue from contracts with customers (the Subsidiary)

The Subsidiary applied the following judgement that significantly affect the determination of the amount of revenue from contracts with customers:

- Determination of performance obligations

With respect to the sale of goods, the Subsidiary concluded the goods transferred in each contract constitute a single performance obligation. In relation to the product warranty provided to the customer (such as the goods will conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements, quality standards, and free from defect) as part of the agreements into which the Subsidiary enters. Accordingly, such a warranty is an assurance-type warranty and is thus accounted for under IAS 37. The Subsidiary has determined that the promise is the transfer of goods to the customer.

Any warranty related to the ultimate customer such as after-sale services or the performance warranty is the responsibility of the brand owner (i.e. the Subsidiary to which our customer belongs) towards its customer. Therefore, the Subsidiary Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

- Principal versus agent considerations – sale of goods

The Group enters arrangement for sale of goods included in the contract in which the Group act as Seller (Assembler / Manufacturer). The Subsidiary has determined that it controls the goods before they are transferred to Buyer (Xiaomi Pakistan Private Limited), because it has the ability to direct the use of these goods and obtain the benefits from them. In making this determination, the Group has considered that it is primarily responsible for fulfilling the promise to provide goods because it directly deals with the Buyer and it is primarily responsible for the quality or suitability of the goods. In addition, the Group has inventory risk before the goods have been delivered to a customer. Therefore, the Group has concluded that it is the principal in these contracts. In addition, the Group has concluded that transfer of goods is single performance obligation recognized at a point in time when the control is transferred.

5.13 Defined benefit liability

The Group operates an unfunded gratuity scheme covering eligible workers, payable on ceasing of employment subject to completion of minimum qualifying period of service. Obligations under the scheme are calculated on the last drawn gross salary by number of years served to the Group.

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Experience adjustments are recognized in other comprehensive income when they occur. Amounts recorded in consolidated statement of profit or loss are limited to current and past service cost, gains or losses on settlements, and net interest income / (expense). All other changes in net defined benefit liability are recognized in consolidated statement of other comprehensive income with no subsequent recycling to consolidated statement of profit or loss.

Staff retirement gratuity defined benefit is provided for permanent employees of the Group. Calculations in respect of the liability require assumptions to be made of future outcomes, the principal ones being in respect of mortality rate, withdrawal rate, increase in remuneration and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

5.14 Foreign exchange

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. There are no non-monetary items measured at fair value in a foreign currency.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, determines the transaction date for each payment or receipt of advance consideration.

5.15 Financial instruments - Initial recognition and subsequent measurement

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.

5.15.1 Financial assets

Financial assets - Initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost,

fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include long term loans and deposits, trade debts, short term investments, other receivables and bank balances.

Financial assets - Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may

classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Group does not presently have financial asset at fair value through profit or loss.

b) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include long term loans and deposits, trade debts, short term investments, other receivables and bank balances.

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity

instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any financial assets designated at fair value through OCI (equity instruments).

d) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses.

Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and

obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets - Impairment

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade debts, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the consolidated statement of profit or loss. For bank balances, short term investments, margin against bank guarantee the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the consolidated statement of profit or loss.

5.14.2 Financial liabilities

Financial liabilities - Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include long term loans, short term borrowings utilized under mark-up arrangements, creditors, accrued and other liabilities.

Financial liabilities - Subsequent measurement

Financial liabilities at amortized cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 the consolidated statement of profit and loss.

This category applies to long term loans, short term borrowings utilized under mark-up arrangements, creditors, accrued and other liabilities.

Financial liabilities - Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

5.16 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to The Chief Operating Decision Maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the CEO who makes strategic decisions. The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

5.18 Dividend

Dividend distribution and appropriation to reserves are recognized as liability in the consolidated financial statements in the period in which these are approved.

5.19 Earning per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that

would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.20 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and 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

- there is present 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.

5.21 Borrowing Cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use. Such borrowing costs are capitalized as part of the cost of the qualifying asset.

		Note	30-Sept-26 Rupees (Un-Audited)	30-Jun-26 Rupees (Audited)
6	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets		11,278,623,891	11,243,804,065
	Right of use assets		548,610,992	588,302,282
	Capital work in progress (CWIP)		2,855,312,329	2,303,855,208
			14,682,547,212	14,135,961,555
7	**STOCK IN TRADE**			
	Raw material		2,136,171,574	2,330,146,570
	Work in process		616,210,466	111,936,249
	Mobile phones		6,562,436,791	5,724,707,724
	Televisions		410,201,176	368,684,119
	Laptop		128,712,377	142,376,861
	Appliances		25,746,052	24,483,847
	Spare parts		4,151,517	26,923,247
			9,883,629,953	8,729,258,617
	Impairment allowance for slow moving and obsolete stock		(43,390,957)	(43,390,957)
			9,840,238,996	8,685,867,660
	Goods in transit		12,840,284,761	14,943,907,044
			22,680,523,757	23,629,774,704
8	**TRADE DEBTS**			
	Due from customers - Considered good		17,080,771,965	15,185,232,515
	Less:			
	Allowance for expected credit losses		(176,146,624)	(176,146,624)
			16,904,625,341	15,009,085,891
9	**CASH AND BANK BALANCES**			
	Cash in hand		17,550,326	40,486,332
	Cash at bank -Current accounts		3,365,776,659	7,407,759,338
	Cash at bank -Savings accounts		30,980,394	31,069,059
			3,414,307,379	7,479,314,729

10 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES

Trade payables	-	1,570,766,810
Accrued expenses	84,136,202	123,002,819
Withholding tax payable	122,867,971	342,385,305
Workers' Welfare Fund	435,977,731	398,739,690
Workers' Profit Participation Fund	853,455,706	751,913,944
Other payables	72,761,669	-
	1,569,199,279	3,186,808,568

11 SHORT TERM BORROWINGS

Sukuk I	11.1	12,000,000,000	12,000,000,000
Sukuk II		6,000,000,000	3,000,000,000
Commercial Banks I	11.2	5,074,872,936	9,736,154,576
Commercial Banks II	11.3	6,537,807,754	10,106,474,725
Islamic Mode of Finance I	11.4	5,386,294,629	4,404,889,187
Islamic Mode of Finance II	11.5	4,731,308,464	3,304,661,170
Add: Markup		1,192,397,221	949,952,928
		40,922,681,004	43,502,132,586
Less: Accrued markup presented in current liabilities		(1,192,397,221)	(949,952,928)
		39,730,283,783	42,552,179,658

11.1 This represents Shariah compliant, privately placed and secured Sukuks of six months tenor issued during the year. The proceeds there from were utilized to finance the Group working capital requirement. They carry profit at the rate ranging from 6-month KIBOR plus 1.20% to 6-month KIBOR plus 1.75%.

11.2 The utilized limit of aggregate commercial bank facilities amounts to Rs. 5,074.872 million (June 30, 2026: Rs. 9,736 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR 10.18% to 12.70% + 1.25% to 3.0% with no floor and no cap (June 30, 2026: 1 month KIBOR to 3 months KIBOR 12.40% to 23.43% + 1.25% to 2.5% with no floor and no cap). These facilities are secured against joint pari passu charge on the present and future current assets of the Company.

11.3 The utilized limit of aggregate commercial bank facilities amounts to Rs. 6,537.807 million (June 30, 2026: Rs. 10,106.474 million). The rate of markup ranges from 1 month KIBOR to 3 months KIBOR 10.21% to 12.34% + 1.60% to 3.0% with no floor and no cap (June 30, 2025: 1 month KIBOR to 3 months KIBOR 12.40% to 23.43% + 1.25% to 2.5% with no floor and no cap). These facilities are secured against joint pari passu charge on the present and future current assets and fixed assets (land and building and Plant and machinery) of the Company.

11.4 This represents borrowing from Shariah complaint banks amounting to Rs. 5,386,294 million (30 June 2026: Rs. 4,404.889 million). The proceeds were utilized to finance the Company's working capital requirement.

11.5 This represents borrowing from Shariah complaint banks amounting to Rs. 4,731.308 million (30 June 2026: Rs. 3,304.661 million). The proceeds were utilized to finance the Company's working capital requirement.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

13.1.1 There is no material change in contingencies since the last audited financial statements for the year ended 30 June 2026.

		September-26 Rupees (Un-Audited)	September-25 Rupees (Un-Audited)
13	**REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**		
	Sales - Local	25,879,122,196	27,817,886,373
	Service income	13,091,046	14,219,322
	Gross sales	25,892,213,242	27,832,105,695
	Less: Sales tax	(2,086,431,119)	(2,598,274,171)
		23,805,782,123	25,233,831,524
	Less: Discount	(994,173,219)	(831,717,355)
		22,811,608,904	24,402,114,169

14 SUBSEQUENT EVENT

14.1 The Board of Directors at its meeting held on October 27, 2026 has proposed a interim dividend of Rs. Nil per share for the period ended September 30, 2026 (2025: Rs. 2 per share), amounting to Rs. Nil (2025: Rs. 790.538 million). These consolidated financial statements do not reflect this dividend.

15 DATE OF AUTHORIZATION FOR ISSUE

15.1 These consolidated financial statements were authorized by Board of Directors on October 27, 2026.

16 GENERAL

16.1 Figures have been rounded off to the nearest rupees, unless stated otherwise.

CHIEF EXECUTIVE OFFICER **CHIEF FINANCIAL OFFICER** **DIRECTOR**