

September 30, 2026

LEATHER UP LTD

Condensed Interim Financial Statement for the
First Quarter Ended September 30, 2026
(Unaudited)

COMPANY PROFILE

Board of Directors

Khalid H. Shah	Chief Executive/ Director
Mahmooda Shah	Director
Jazim Shah	Chairman
S. Faisal Shah	Director
Ellahi Bukhsh Qureshi	Director
Farooq Raza	Director
Shaikh Abdus Sami	Director

Board Audit Committee

Ellahi Bukhsh Qureshi	Chairman
Jazim Shah	Member
Mehmooda Shah	Member

Human Resource Committee

Ellahi Bukhsh Qureshi	Chairman
S. Faisal Shah	Member
Mahmooda Shah	Member

Chief Financial Officer / Company Secretary

Ali Ahmar

Auditors

UHY Hassan Naeem & Co.

Legal Advisor

Maqsood Ahmad Bullo & Company
Advocate

Bankers

MCB Bank Ltd	United Bank Ltd	Faysal Bank Ltd
Summit Bank Ltd	Askari Bank Ltd	Meezan Bank Ltd
Bank Al-falah Ltd	Bank Al Habib Ltd	

Registered Office/Factory

Plot # 23/C, 15th Commercial Street Phase II Extension, Defence Housing Authority, Karachi.
Phone: (021) 35880771-2 Fax: (021) 35880773
E-mail: Inquiry@leatherupltd.com
Website: www.leatherupltd.com

Share Registrar Office

M/s C&K Management Associates (Pvt) Limited
M13, Progressive Plaza, Civil Lines Quarter, Near P.I.D.C, Beaumont Road, Karachi - 75530,
Pakistan
Phone: (021) 35687839

DIRECTORS' REPORT

The Directors are pleased to present the financial report for the first quarter ended September 30, 2026.

Company Performance:

The company's net revenue for this period amounted to Rs 1.9 million, compared to Rs 25.5 million in the same period last year. The net loss after taxation for the first quarter ended September 30, 2026, stands at Rs 1,730,055, whereas the same period in the previous year recorded a net profit of Rs 828,168.

Future Outlook:

Building on our current positive momentum, the company remains focused on:

Enhancing operational efficiencies.

Exploring new market opportunities.

Reducing production costs.

Leveraging key performance drivers.

While global uncertainties and challenges within the leather industry persist, the management remains committed to maximizing shareholders' value. We are focused on sustaining this growth trajectory and are actively working to secure significant export orders from existing clients, while also exploring new markets to support sustainable export growth. We remain confident about achieving even stronger export figures in the near future.

Workers Management Relation:

We commend the exceptional efforts of our staff and workers, whose dedication and hard work directly contributed to these outstanding results. We are also grateful to our shareholders for their continued support, which has been instrumental in our success.

Worker-management relations have been excellent, ensuring smooth operations and contributing significantly to our improved performance. We value this spirit of teamwork and are committed to strengthening it further. **Thanks and Appreciation:** We sincerely thank our

shareholders for their unwavering trust and support, which has been crucial to our successful turnaround and continued growth.

Karachi - October 29, 2026.

By order of the board



Khalid H. Shah
Chief Executive Officer

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز کو خوشی ہے کہ وہ 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے مالیاتی بیان کی رپورٹ پیش کر رہے ہیں۔

کمپنی کی کارکردگی

کمپنی کی آمدنی اس مدت کے دوران 1.9 ملین روپے رہی، جو پچھلے سال کی اسی مدت میں 25.5 ملین روپے تھی۔ 30 ستمبر 2026 ختم ہونے والی پہلی سہ ماہی کے لیے ٹیکس کے بعد خالص خسارہ 1,730,055 روپے ہے، جبکہ پچھلے سال کی اسی مدت میں 828,128 روپے کا خالص خسارہ ریکارڈ کیا گیا تھا۔

مستقبل کا لائحہ عمل

مختلف چیلنجز کے باوجود، کمپنی درج ذیل پر توجہ مرکوز رکھے ہوئے ہے:
آپریشنل کارکردگی کو بہتر بنانا۔
نئے مارکیٹ مواقع تلاش کرنا۔
پیداواری لاگت کو کم کرنا۔
کلیدی کارکردگی کے محرکات سے فائدہ اٹھانا۔

چمڑے کی صنعت میں عالمی غیر یقینی صورتحال اور چیلنجز کے باوجود، انتظامیہ شیئر ہولڈرز کے مفادات کے تحفظ کے لیے پرعزم ہے۔ ہم استحکام برقرار رکھنے پر توجہ دے رہے ہیں اور موجودہ گاہکوں سے اہم برآمدی آرڈرز حاصل کرنے کے لیے فعال طور پر کام کر رہے ہیں، جبکہ برآمدات کو بڑھانے کے لیے نئی منڈیوں کی تلاش بھی جاری ہے۔
ہم پرامید ہیں کہ مستقبل قریب میں معقول برآمدی نتائج حاصل کریں گے

ورکرز اور انتظامیہ کے تعلقات

ہم اپنے تمام عملے اور کارکنوں کی کوششوں کو سراہتے ہیں، جن کی محنت نے ان کامیابیوں کو ممکن بنایا۔ ہم اپنے شیئر ہولڈرز کا بھی شکریہ ادا کرتے ہیں جنہوں نے مشکل وقت میں ہمارا ساتھ دیا، اور ہم امید کرتے ہیں کہ یہ تعاون مستقبل میں بھی جاری رہے گا۔

ورکرز اور انتظامیہ کے تعلقات پورے سال عمدہ رہے، جس کے نتیجے میں کمپنی کے کام بخوبی چلتے رہے۔ ہم اس ٹیم ورک کی روح کو اہمیت دیتے ہیں اور اسے مزید فروغ دینے کا ارادہ رکھتے ہیں۔

شکریہ اور قدردانی

ہم اپنے شیئر ہولڈرز کا مخلصانہ شکریہ ادا کرتے ہیں کہ انہوں نے مشکل وقت اور حالیہ دنوں میں ہمارا اعتماد اور تعاون برقرار رکھا۔

خالد ایج شاہ

(چیف ایگزیکٹو)

کراچی: 29 اکتوبر 2026

LEATHER UP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Sep 2026	June 2026
ASSETS	<i>Note</i>	Rupees
Non-current assets		
Property, plant and equipment	2,262,205	2,292,233
Current assets		
Stock-in-trade	9,362,435	10,810,117
Advances, deposits and other receivables	5,228,831	5,127,761
Tax refunds due from government	2,696,152	2,646,516
Cash and bank balances	2,624,209	2,424,930
	19,911,627	21,009,324
Total assets	22,173,832	23,301,557
EQUITY AND LIABILITIES		
Share capital and reserves		
<i>Authorized capital</i>		
6,000,000 (2022: 6,000,000) ordinary shares of Rs. 10/- each	60,000,000	60,000,000
Issued, subscribed and paid up capital	60,000,000	60,000,000
<i>Revenue reserves</i>		
General reserve	1,369,610	1,369,610
Accumulated (losses) / profit	(51,875,736)	(50,145,681)
	(50,506,126)	(48,776,071)
	9,493,874	11,223,929
Non-current liability		
Staff retirement benefits - gratuity	858,648	858,648
Current liabilities		
Loan from directors	1,343,600	1,343,600
Trade and other payables	8,847,359	8,245,029
Unclaimed dividend	1,630,351	1,630,351
	11,821,310	11,218,980
Total equity and liabilities	22,173,832	23,301,557

Contingency and commitments

The annexed notes are integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Sep 2026	Sep 2025
<i>Note</i>	Rupees	
Sales revenue	1,990,409	25,519,018
Cost of sales	<u>(1,744,195)</u>	<u>(21,916,654)</u>
Gross Profit	246,214	3,602,364
Administrative expenses	<u>(1,566,476)</u>	<u>(2,296,812)</u>
Distribution expenses	<u>(485,983)</u>	<u>(180,250)</u>
	<u>(2,052,459)</u>	<u>(2,477,062)</u>
Operating loss	(1,806,245)	1,125,302
Other (expense) / income	101,070	
Profit/Loss before income tax, minimum tax differential and final tax	<u>(1,705,175)</u>	<u>1,125,302</u>
Minimum tax - levy	(24,880)	-
Final tax - levy		(297,134)
Profit/Loss before taxation	(1,730,055)	828,168
Taxation	-	-
Profit/Loss after taxation	<u>(1,730,055)</u>	<u>828,168</u>
Profit/Loss per share - basic and diluted	<u>(0.29)</u>	<u>0.14</u>

The annexed notes are integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

		Sep 2026	Sep 2025
	<i>Note</i>	————— Rupees —————	
Profit/(Loss) after taxation		(1,730,055)	828,168
Other comprehensive income			
Total comprehensive Profit/Loss for the period		<u><u>(1,730,055)</u></u>	<u><u>828,168</u></u>



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees	
Profit/Loss before taxation	(1,705,175)	1,125,302
<i>Adjustments for non-cash and other items:</i>		
- Depreciation on property, plant and equipment	30,029	30,324
- Provision for staff gratuity		
	30,029	30,324
Cash flow before working capital changes	(1,675,147)	1,155,626
Working capital changes		
<i>(Increase) / decrease in current assets</i>		
- Stock-in-trade	1,447,682	100,250
- Advances, deposits, prepayments and other receivables	(101,070)	(22,252,531)
- Tax	(74,516)	(297,133)
<i>Increase / (decrease) in current liabilities</i>		
- Trade and other payables excluding gratuity payable	602,330	20,843,755
	1,874,425	(1,605,660)
Cash generated from operations	199,279	(450,033)
Gratuity paid	0	
Taxes paid		(75,103)
	0	(75,103)
Net cash (used in) / generated from operating activities	199,279	(525,136)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash (used in) / generated from investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net loan obtained from / (repaid to) directors	-	
Unclaimed Dividend Paid	-	-
Net cash generated from / (used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	199,279	(525,136)
Cash and cash equivalents at the beginning of the year	2,424,930	1,921,582
Cash and cash equivalents at the end of the year	2,624,209	1,396,450

The annexed notes are integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

Issued, subscribed and paid up capital	Revenue reserves		Total
	General reserve	Accumulated (loss) / profit	

Rupees

Balance as at June 30, 2025	60,000,000	1,369,610	(45,500,819)	15,868,791
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*Total comprehensive profit for the
period ended Sep 30, 2025*

- Profit/(Loss) after taxation	-	-	828,168	828,168
- Other comprehensive loss	-	-	-	-
	-	-	828,168	828,168

Balance as at Sep 30, 2025	60,000,000	1,369,610	(44,672,652)	16,696,958
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Balance as at June 30, 2026	60,000,000	1,369,610	(50,145,681)	11,223,929
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*Total comprehensive loss for the
period ended Sep 30, 2026*

- Profit/(Loss) after taxation	-	-	(1,730,055)	(1,730,055)
- Other comprehensive income	-	-	-	-
	-	-	(1,730,055)	(1,730,055)

Balance as at Sep 30, 2026	60,000,000	1,369,610	(51,875,736)	9,493,874
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The annexed notes are integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

LEATHER UP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

1. STATUS AND NATURE OF BUSINESS

Leather Up Limited ('the Company') was incorporated in Pakistan as a private limited company on December 2, 1990 vide registration no. K-02440 of 1990-91. Subsequently, the Company was converted into a public limited company on May 15, 1993. The Company is listed on Pakistan Stock Exchange since 1994.

The Company is engaged in the manufacture and export of leather garment products. The Head Office and the manufacturing facility of the Company are located at Plot # 23/C, 15th Commercial Street, Phase II Extension, Defence Housing Authority, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

2.2 These condensed interim financial statements are unaudited and subject to limited scope review by the auditors. These are being submitted to the members in accordance with Section 237 of the Companies Act, 2017 (the Act).

2.3 These condensed interim financial statements do not include all the information and disclosures required in annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2026.

3. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and method of computations followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the company for the year ended June 30, 2026.

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2026, except as disclosed otherwise.

4	PROPERTY, PLANT AND EQUIPMENT	Note	Sep 30, 2026 (Unaudited)	June 30, 2026 (Audited)
			Rupees	
	Operating fixed assets - at net book value		2,262,205	2,292,233
	Additions - operating fixed assets (at cost)		-	-
	Disposals - operating fixed assets (at net book value)		-	-
			<u>2,262,205</u>	<u>2,292,233</u>
			Sep 30, 2026 (Unaudited)	June 30, 2026 (Audited)
4.1	Depreciation charge for the period		<u>30,029</u>	<u>133,711</u>

		Sep 30, 2026 (Unaudited)	June 30, 2026 (Audited)
		<u>Rupees</u>	
5	STOCK IN TRADE		
	Raw material and accessories	9,362,435	10,810,117
	Work in process	-	-
	Finished goods	518,008	518,008
	Less: Provision for obsolete stock	(518,008)	(518,008)
		<u>9,362,435</u>	<u>10,810,117</u>

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Sep30, 2026 (Unaudited)	June 30, 2026 (Audited)		Sep 30, 2026 (Unaudited)	June 30, 2026 (Audited)
		Number of Shares	<u>Rupees</u>	
5,759,100	5,759,100	Ordinary shares of Rs. 10/- each fully paid in cash.	57,591,000	57,591,000
125,000	125,000	Ordinary shares of Rs. 10/- each issued for consideration other than cash.	1,250,000	1,250,000
115,900	115,900	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares.	1,159,000	1,159,000
<u>6,000,000</u>	<u>6,000,000</u>		<u>60,000,000</u>	<u>60,000,000</u>

7 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 29, 2026 by the Board of Directors of the Company.

8 GENERAL

- Figures have been rounded off to the nearest rupee.
- Figures have been rearranged / reclassified where ever necessary