

QUARTERLY REPORT

UN-AUDITED

PERIOD ENDED

SEPTEMBER 30, 2026



YOUSAF WEAVING MILLS
LIMITED



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

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DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors present their report together with the unaudited condensed interim financial statements of the Company for the first quarter ended September 30, 2026.

During the quarter under review, the Company recorded a gross profit of Rs. 2.560 million, representing a decrease of 29% compared with the corresponding period of the previous year. Sales and cost of sales both declined by approximately 29%, resulting in lower gross profit in absolute terms.

The Company incurred a loss after tax of Rs. 10.689 million, compared with Rs. 9.305 million in the corresponding period last year. Operating expenses remained broadly consistent with the comparative period. Management continues to focus on cost control, operational efficiency and prudent resource utilization to improve financial performance.

During the period, the directors provided long-term financing of Rs. 83.526 million to support the Company's operating requirements and financial obligations. This funding provided liquidity support and reflects the directors' continued commitment to the Company's operations.

The Company has commenced payments towards outstanding mark-up payable to National Bank of Pakistan. Management is also engaged in discussions with Habib Metropolitan Bank Limited to restructure the outstanding financing facility, with the objective of aligning repayment obligations with anticipated cash flows. Management remains hopeful of reaching a mutually acceptable arrangement; however, its outcome and timing remain subject to agreement with the bank.

Management remains cautiously optimistic about the Company's prospects while recognizing the continuing challenges affecting its financial and operating performance. The immediate priorities are to improve cash generation, maintain operating discipline and progress discussions with lenders. A more supportive operating environment, including reliable energy supplies at competitive tariffs, exchange rate stability and affordable financing, would assist the Company's recovery and strengthen its competitiveness.

The Board thanks the shareholders for their continued trust and support. The Directors also acknowledge the dedication and commitment of the Company's employees and appreciate the continued cooperation of its customers, suppliers and lenders.

For and on behalf of the Board of Directors

Lahore

October 30, 2026


Alia Khanum

Director


Khawaja Shahzad Younus

Director



YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	September 30, 2026 (Un-audited) Rupees	June 30, 2026 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
175,000,000 (2026: 175,000,000) ordinary shares of Rs. 10 each		1,750,000,000	1,750,000,000
Issued, subscribed and paid up share capital		1,723,524,500	1,723,524,500
Loan from directors		246,026,000	162,500,000
Accumulated loss		(2,272,557,633)	(2,261,868,787)
Surplus on revaluation of land		631,523,327	631,523,327
		328,516,194	255,679,040
Non Current Liabilities			
Lease liabilities		50,583,893	52,883,407
Deferred liabilities		50,696,766	46,641,775
		101,280,659	99,525,182
Current Liabilities			
Trade and other payables		333,548,890	424,033,315
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up		115,045,800	128,550,313
Short term borrowings		548,923,882	548,923,882
Current portion of lease liabilities		9,403,426	9,630,306
Provision for taxation		23,502,729	21,998,519
		1,033,671,743	1,136,383,351
Contingencies and Commitments	5	-	-
		1,463,468,596	1,491,587,573
ASSETS			
Non Current Assets			
Property, plant and equipment	6	1,120,370,586	1,129,609,266
Right-of-use assets		78,640,225	80,374,936
Intangible assets		57,952	61,003
Long term loans		12,563,050	12,483,050
Long term deposits		62,821,443	62,821,443
		1,274,453,256	1,285,349,698
Current Assets			
Stores and spares		16,879,544	12,569,345
Stock in trade		40,098,378	52,058,772
Trade debts		67,490,394	88,308,097
Loans and advances		32,202,526	31,176,227
Trade deposits and other receivables		185,000	185,000
Tax refunds due from government		26,769,346	17,783,862
Cash and bank balances		5,390,152	4,156,572
		189,015,340	206,237,875
		1,463,468,596	1,491,587,573

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER



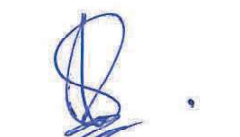
YOUSAF WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Quarter Ended	
	September 30, 2026	September 30, 2025
	Un-audited Rupees	Un-audited Rupees
Sales - net	120,336,837	170,295,139
Cost of sales	(117,776,721)	(166,688,422)
Gross profit	2,560,116	3,606,717
Distribution cost	(1,410,000)	(1,518,950)
Administrative expenses	(10,224,222)	(8,721,938)
	(11,634,222)	(10,240,888)
Operating loss	(9,074,106)	(6,634,171)
Finance cost	(110,530)	(541,688)
Other operating income	-	-
Loss before Levies & Taxation	(9,184,636)	(7,175,859)
Levies	(1,504,210)	(2,128,689)
Loss before Taxation	(10,688,846)	(9,304,548)
Taxation	-	-
Loss for the period	(10,688,846)	(9,304,548)
Loss per share - basic & diluted	(0.06)	(0.07)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Quarter Ended	
	September 30, 2026	September 30, 2025
	Rupees	Rupees
Loss for the period	(10,688,846)	(9,304,548)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	<u>(10,688,846)</u>	<u>(9,304,548)</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


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CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

	Quarter Ended	
	September 30, 2026	September 30, 2025
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,688,846)	(9,304,548)
Adjustments for:		
- Depreciation	11,292,256	11,105,677
- Amortization of intangible assets	3,050	3,813
- Provision for gratuity	4,054,991	3,133,445
- Levies	1,504,210	2,128,689
- Finance cost	110,530	541,688
Operating profit before working capital changes	6,276,191	7,608,764
(Increase) / Decrease in current assets:		
- Stores and spares	(4,310,199)	1,899,233
- Stock in trade	11,960,394	(39,803,347)
- Trade debts	20,817,703	(83,572,609)
- Loan and advances	(1,026,299)	7,856,603
- Tax refundable due from government	(929,563)	(3,846,353)
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(90,484,425)	(38,940,678)
	(63,972,389)	(174,736,782)
CASH USED IN OPERATIONS	(57,696,198)	(167,128,018)
Finance cost paid	(13,559,463)	(762,440)
Gratuity paid	-	(487,258)
Income tax paid	(8,055,920)	(33,025)
Net cash used in operating activities	(79,311,581)	(168,410,741)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(318,865)	(28,467,964)
Long term loans to employees	(80,000)	(80,000)
Net cash used in investing activities	(398,865)	(28,547,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	83,526,000	204,857,049
Short term borrowings - net	-	2,363,940
Repayment of lease liabilities	(2,581,974)	(2,524,905)
Net cash generated from financing activities	80,944,026	204,696,084
Net increase in cash and cash equivalents	1,233,580	7,737,379
Cash and cash equivalents at the beginning of the period	4,156,572	7,585,613
Cash and cash equivalents at the end of the period	5,390,152	15,322,992

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DIRECTOR


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CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2025	1,360,000,000	(1,851,780,752)	130,607,264	631,523,327	270,349,839
Net loss for the period	-	(9,304,548)	-	-	(9,304,548)
Loan from directors during the period	-	-	213,450,100	-	213,450,100
Balance as at September 30, 2025	1,360,000,000	(1,861,085,300)	344,057,364	631,523,327	474,495,391
Balance as at July 1, 2026	1,723,524,500	(2,261,868,787)	162,500,000	631,523,327	255,679,040
Net loss for the period	-	(10,688,846)	-	-	(10,688,846)
Loan from directors during the period	-	-	83,526,000	-	83,526,000
Balance as at September 30, 2026	1,723,524,500	(2,272,557,633)	246,026,000	631,523,327	328,516,194

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2026

Note 1

The Company and its Operations

Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile products. The registered office of the Company is situated at 7/1-E-3, Main Boulevard Gulberg III, Lahore.

1.1 The Company incurred a loss after tax of Rs. 10.689 million (2025: Rs. 9.305 million) and, as at the reporting date, accumulated losses amounted to Rs. 2,272.558 million (2026: Rs. 2,261.869 million). As of that date, the Company's current liabilities exceeded its current assets by Rs. 844.656 million (2026: Rs. 930.145 million). In the previous annual financial statements, the auditors had included an emphasis of matter paragraph regarding the Company's ability to continue as a going concern. However, management believes that the underlying factors giving rise to such uncertainty have been substantially addressed during the period. The continuation of the Company as a going concern is dependent upon the successful implementation of management's remedial measures and improvement in cash flows. In this regard, management has taken the following steps:

- During the period, the directors provided long-term financing of Rs. 83.526 million to support the Company's operating requirements and financial obligations. This funding has provided liquidity support during the period.
- The Company has commenced payments towards outstanding mark-up payable to National Bank of Pakistan. Management is also negotiating with Habib Metropolitan Bank Limited to restructure the outstanding financing facility, with the objective of aligning repayment obligations with the Company's anticipated cash flows. Management expects to reach a mutually acceptable arrangement; however, the outcome and timing remain subject to agreement with the bank.
- Management expects the new machinery installed during the previous period to contribute positively to the Company's performance in the current year by enhancing operating efficiency, improving product quality and reducing production inefficiencies. These benefits are expected to strengthen operating margins and cash generation, subject to successful commissioning and achievement of the projected operating performance.

Based on the above measures and financial projections, management believes that the Company will be able to continue its operations and meet its obligations as they fall due. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

Note 2

Basis of Preparation

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

International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2026.

2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3

Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2026.

Note 4
Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2026.

Note 5
Contingencies and Commitments

There is no other significant change in the contingencies and commitments as reported in the last published audited financial statements for the year ended June 30, 2026.

Note 6
Property, Plant and Equipment

	Quarter Ended Sep 30, 2026 (Un-audited) Rupees	Year Ended June 30, 2026 (Audited) Rupees
Operating fixed assets	1,120,370,586	1,129,609,266
Opening written down value	1,129,609,266	1,105,120,138
Addition during the period / year (at cost)	318,865	65,303,083
Disposal during the period / year (written down value)	-	-
	1,129,928,131	1,170,423,221
Depreciation charge for the period / year	(9,557,545)	(40,813,955)
Closing written down value	1,120,370,586	1,129,609,266

Note 7
Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Quarter Ended	
	Sep 30, 2026 (Un-audited) Rs. '000'	Sep 30, 2025 (Un-audited) Rs. '000'
Significant transaction with related parties are as follows:		
- Loan term loan received from directors	83,526	213,450
- Short term loan received/(paid) from / to directors - net	-	2,364

Note 8
Segment Information

8.1 For management purposes, the activities of the Company are organized into two operating segment:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.

The Company operates in the said reportable operating segments bases on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment for the Quarter ended September 30, 2026 are as follows:

Note 8 - Segment Information ... Contd.

8.2 Segment revenues and results

There were no transactions with key management personnel other than undertaken as per terms of their employment.

For the Quarter Ended September 30, 2026 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	120,336,837	-	120,336,837
Cost of sales	(116,932,645)	(844,076)	(117,776,721)
Gross profit / (loss)	3,404,192	(844,076)	2,560,116
Distribution cost	(1,410,000)	-	(1,410,000)
Administrative expenses	(10,220,520)	(3,702)	(10,224,222)
	(11,630,520)	(3,702)	(11,634,222)
Operating loss	(8,226,328)	(847,778)	(9,074,106)
Finance cost	(110,530)	-	(110,530)
Other operating income	-	-	-
Loss before Levies & Taxation	(8,336,858)	(847,778)	(9,184,636)
Levies			(1,504,210)
Loss before Taxation			(10,688,846)
Taxation			-
Loss after taxation			(10,688,846)

For the Quarter Ended September 30, 2025 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	170,295,139	-	170,295,139
Cost of sales	(165,782,802)	(905,620)	(166,688,422)
Gross profit / (loss)	4,512,337	(905,620)	3,606,717
Distribution cost	(1,518,950)	-	(1,518,950)
Administrative expenses	(8,717,437)	(4,501)	(8,721,938)
	(10,236,387)	(4,501)	(10,240,888)
Operating loss	(5,724,050)	(910,121)	(6,634,171)
Finance cost	(541,688)	-	(541,688)
Other operating income	-	-	-
Loss before Levies & Taxation	(6,265,738)	(910,121)	(7,175,859)
Levies			(2,128,689)
Loss before Taxation			(9,304,548)
Taxation			-
Loss after taxation			(9,304,548)

8.3 Segment assets and liabilities

As at September 30, 2025 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	1,243,413,808	193,285,443	1,436,699,251
Unallocated assets			26,769,345
Total assets as per balance sheet			1,463,468,596
Segment liabilities for reportable segments	875,628,105	231,374,300	1,107,002,405
Unallocated liabilities			27,949,997
Total liabilities as per balance sheet			1,134,952,402

As at June 30, 2025 (Audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	1,279,670,490	194,133,221	1,473,803,711
Unallocated assets			17,783,862
Total assets as per balance sheet			1,491,587,573
Segment liabilities for reportable segments	894,562,446	231,374,300	1,125,936,746
Unallocated liabilities			109,971,787
Total liabilities as per balance sheet			1,235,908,533

Note 9
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2026.

Note 10
Shariah Screening Disclosure

	2026 Rupees	2025 Rupees
STATEMENT OF FINANCIAL POSITION		
Liabilities:		
Financing obtained as per Islamic mode	-	-
Mark-up accrued on conventional loans	115,045,800	128,550,313
Assets:		
Long term and short term Shariah compliant investments	-	-
Shariah compliant bank balances	5,390,152	4,156,572
STATEMENT OF COMPREHENSIVE INCOME		
Sales - net (Shariah compliant)	120,336,837	170,295,139
Gain/loss or dividend from Shariah-compliant investments	-	-
Profit earned from Shariah-complaint bank balances	-	-
Exchange gain on actual currency transactions	-	-
Exchange gains from conventional derivative instruments	-	-
Profit paid on Islamic modes of financing	-	-
Interest earned on conventional loans or advances	-	-
Other income:		
Shariah compliant	-	-
Shariah non-compliant	-	-

Relationship with Shariah-compliant financial institutions:
The Company has relationships with shariah compliant banks in respect of bank balances.

Note 11
General

- 11.1 This interim financial information is authorized for issue on October 30, 2026 by the Board of Directors of the Company.
- 11.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

