ACCOUNTS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026 (UNAUDITED)

Pak Leather Crafts Limited

Pak Leather Crafts Limited

DIRECTORS' REVIEW

Your directors are pleased to present their report along with the condensed unaudited financial statements for the first quarter ended September 30, 2026.

FINANCIAL RESULTS:	**September 30, 2026**	September 30, 2025
	.....(Rs. In '000').....	
Profit/(loss) before taxation	**(729)**	(2,298)
Taxation	**110**	63
Profit/(loss) after taxation	**(839)**	(2,361)
Accumulated (loss) B/F	**(358,686)**	(353,354)
Accumulated (loss) C/F	**(359,525)**	(355,715)
(Loss) per share after tax (Rupees)	**(0.25)**	(0.69)

Total turnover of Rs.11.047 million is composed of exports including rebate comparing to total turnover of Rs.6.548 million during the corresponding period last year. The gross profit substantially increased to 2.691 million comparing with Rs.1.774 million, same period last year.

During the period under review, there was no local sales and the production for the export orders was done under toll manufacturing arrangement. This resulted in the saving of manufacturing expenses which used to remain under absorbed in the previous self-manufacturing scenario. Company ended up with loss of Rs.(0.839) million comparing with Rs(2.361) million, last year. The loss per share remained to Rs.(0.25) comparing with loss per share of Rs.(0.69) for the same period last year.

Your directors are gradually implementing the members' special resolution passed in the annual general meeting in 2024. Step by step ,decisions are implemented strategically. Major part of the decisions has been implemented. Accordingly, after disposing of the plant and machinery, toll manufacturing has been arranged, resulting the better financial results. Similarly, out of the sale proceeds of plant and machinery coupled with other cash resources, the Bank Albaraka Pakistan has been paid in full.

FUTURE OUTLOOK:

In view of uncertain international geo-political conditions including ongoing Russia-Ukraine war, Iran-Israil-USA conflict expanding to the gulf states, subsequent period optimistic results are not expected. Moreover, tension on the two sides of Pakistan's border is itself a major reason of slow economy in the Country.

ACKNOWLEDGEMENT:

The Board is thankful to all the stakeholders including employees, customers and banks for their efforts, cooperation and trust.

ForandonbehalfoftheBoard

MUHAMMAD SALEEM AHMED
Chief Executive

AZEEM AHMED
Director

Karachi:- October 29, 2026

Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2026

	Unaudited Sept. 30, 2026	Audited June 30, 2026
	.....(Rs. In '000').....	
ASSETS		
Non-current assets		
Property and equipment	**5,095**	3,318
Investment property	**14,523**	14,524
Long term deposits	**1,910**	1,410
	21,528	19,252
Current assets		
	-	-
Stock in trade	**24,029**	30,751
Trade debts	**10,861**	10,316
Advances and other receivables	**7,893**	1,683
Tax refunds due from Government	**4,025**	3,882
Cash and bank balances	**544**	1,141
	47,352	47,773
TOTAL ASSETS	**68,880**	67,025
CAPITAL AND LIABILITIES		
Share capital and reserves		
Share capital	**34,000**	34,000
Loan from Directors	**117,377**	117,377
Revenue reserve - Accumulated losses	**(359,525)**	(358,686)
	(208,148)	(207,309)
Current liabilities		
Short term borrowings	**114,057**	111,002
Current portion of long term financing	**46,903**	46,903
Interest / mark up payable	**81,965**	81,965
Trade and other payables	**32,965**	33,436
Provision for levy and taxation	**996**	886
Unclaimed dividend	**142**	142
	277,028	274,334
Contingencies	**-**	-
TOTAL EQUITY AND LIABILITIES	**68,880**	67,025

Muhammad Saleem Ahmed
Chief Executive

Azeem Ahmed
Director

Naseer Ahmed
Chief Financial Officer

Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026

	Note	Quarter ended September 30, 2026	Quarter ended September 30, 2025
		.....(Rs. In '000').....	
Sales		**11,047**	6,548
Cost of sales		**8,356**	4,774
Gross profit		**2,691**	1,774
Other Income		**951**	-
		3,642	1,774
Administrative expenses		**3,938**	3,591
Selling and distribution expenses		**246**	373
Finance Cost		**187**	108
		4,371	4,072
Operating (Loss) for the period before taxation		**(729)**	(2,298)
Provision for taxation		**110**	63
(Loss) for the period		**(839)**	(2,361)
Other comprehensive income		-	-
Total comprehensive (loss) / income for the period		**(839)**	(2,361)
(Loss) per share - Basic and diluted (Rupees per share)		**(0.25)**	(0.69)

Muhammad Saleem Ahmed
Chief Executive

Azeem Ahmed
Director

Naseer Ahmed
Chief Financial Officer

Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026

		Quarter ended September 30, 2026	Quarter ended September 30, 2025
		.....(Rs. In '000').....	
Cash Flows from operating Activities			
(Loss) before taxation		**(729)**	(2,298)
Adjustment for non-cash changes and other items:			
Depreciation		**297**	300
		297	300
Cash flows before working capital changes		**(432)**	(1,998)
Changes in working capital			
(Increase)/decrease in current assets			
Long term deposit		**(500)**	-
Stock in trade		**6,722**	(5,464)
Trade debts		**(545)**	245
Advances and other receivables		**(6,058)**	7,747
Tax refunds due from government		**(143)**	(119)
Increase / (decrease) in current liabilities			
Trade and other payables		**(470)**	1,068
		(994)	3,477
Cash flow from operations		**(1,426)**	1,479
Income tax paid		**(152)**	(207)
Net cash flow from operating activities	(a)	**(1,578)**	1,272
Cash flows from Investing activities			
Addition in property, plant and equipment		**(2,074)**	(840)
Net cash used in investing activities	(b)	**(2,074)**	(840)
Cash flows from financing activities			
Loan from director obtained - net		**3,055**	(705)
Net cash flows used in financing activities	(c)	**3,055**	(705)
Net increase/(decrease) in cash and cash equivalents	(a+b+c)	**(597)**	(273)
Cash and cash equivalents at the beginning of the period		**1,141**	521
Cash and cash equivalents at the end of the period		**544**	248

Muhammad Saleem Ahmed
Chief Executive

Azeem Ahmed
Director

Naseer Ahmed
Chief Financial Officer

Pak Leather Crafts Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2026

Particulars	Issued, Subscribed and paid up Capital	Loan from directors	Revenue Reserve- Accumulated losses	Total
	(Rs. In '000')			
Balance as at July 01, 2025	34,000	-	(353,354)	(319,354)
Total comprehensive income for the period (loss) 1st quarter ended September 30, 2025	-	-	(2,361)	(2,361)
Other comprehensiv income	-		-	-
	-		(2,361)	(2,361)
Balance as at quarter ended September 30, 2025	**34,000**	**-**	**(355,715)**	**(321,715)**
Balance as at July 01, 2026	34,000	117,377	(358,686)	(207,309)
Total comprehensive income for the period (loss) 1st quarter ended September 30, 2026	-	-	(839)	(839)
Other comprehensiv income	-		-	-
	-	-	(839)	(839)
Balance as at 1st quarter ended September 30, 2026	**34,000**	**117,377**	**(359,525)**	**(208,148)**

Muhammad Saleem Ahmed
Chief Executive

Azeem Ahmed
Director

Naseer Ahmed
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE IST QUARTER ENDED SEPTEMBER 30, 2026

1. Pak Leather Crafts Limited (the "Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 and is quoted on the Pakistan stock Exchange.

   The principal activity of the company is leather tanning and the export of leather and leather garments. The Company uses production facility of third-party processors under toll manufacturing and job work arrangement. The registered office of the Company is situated at Plot # 18, Sector 7-A, Korangi Industrial Area, Karachi, Sindh and production operations are carried out in the same vicinity at plot No. 92.

	Note	SEPT. 2026	SEPT. 2025
		.....(Rs. In '000').....	
2 SALES			
Export:			
Leather		**10,855**	6,437
		10,855	6,437
Local:			
Sale		**-**	-
Rebate		**192**	111
		11,047	6,548
3 COST OF SALES			
Opening stock finished goods		**21,072**	24,022
Cost of goods manufactured	3.1	**1,726**	2,289
		22,798	26,311
Closing stock finished goods		**(14,442)**	(21,537)
		8,356	4,774
3.1 COST OF GOODS MANUFACTURED			
Raw material consumed	3.1.1	**445**	1,198
Salaries, wages, and benefits		**390**	566
Job Work charges		**683**	467
Repairs and maintenance		**167**	33
Carriage and cartage		**41**	25
		1,726	2,289

	Note	SEPT. 2026	SEPT. 2025
		.....(Rs. In '000').....	
3.1.1 Raw material consumed			
Opening stock		**9,680**	11,781
Purchases		**352**	9,148
Available for consumption		**10,032**	20,929
Closing stock		**(9,587)**	(19,731)
		445	1,198
4 ADMINISTRATIVE EXPENSES			
Directors' remuneration		**1,350**	1,350
Salaries and benefits		**735**	664
Telephone, fax and postage		**57**	30
Fees and subscription		**91**	385
Printing and stationery		**16**	10
Repairs and maintenance		**353**	101
Power, fuel and water		**465**	418
Rent, rates and taxes		**212**	-
Vehicles running expenses		**35**	90
Auditors' remuneration		**214**	180
Legal and professional		**60**	20
Depreciation		**297**	300
Others		**53**	43
		3,938	3,591

5. These financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act 2017.

6. The accounting policies adopted for the preparation of these accounts are the same as those applied in preparing the accounts for the preceding period.

7. Figures have been re-arranged and re-classified, wherever necessary, to facilitate comparison.

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

Muhammad Saleem Ahmed
Chief Executive Officer

Azeem Ahmed
Director

Naseer Ahmed
Chief Financial Officer

Pak Leather Crafts Limited

CORPORATE PROFILE

CHAIRPERSON
Mrs. Rubina Saleem

DIRECTORS
Muhammad Saleem Ahmed
Qaiser Jamal
Nayyer Ahmed
Azeem Ahmed
Umer Ahmed
Ahmed Jalali

AUDIT COMMITTEE
Qaiser Jamal
Nayyer Ahmed
Azeem Ahmed

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ahmed Jalali
Nayyer Ahmed
Azeem Ahmed

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY
Naseer Ahmed

TOLL MANUFACTURING FACILITY
Plot No. 92, Sector 7-A, K.I.A.
Karachi.

BOOK POST

PRINTED MATTER

BANKERS
Albaraka Bank Pakistan Ltd
Habib Bank Limited
Industrial Development Bank Ltd
MCB Limited
Faysal Bank Limited
Habib Metropoliton Bank Ltd
Soneri Bank Ltd
Bank Alfalah Ltd
Bank of Khyber
Meezan Bank
Askari Bank Ltd
Bank Al Habib Ltd
United Bank Limited

EXTERNAL AUDITORS
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Lahore

SHARE REGISTRAR
JWAFFS Registrar Services (pvt) Ltd
Office # 20, 5th Floor, Arkay Square Extension, New Chali Shahrah-e-Liaquat, Karachi.
Tel: (+92-91) 32440974 - 75

LEGAL ADVISOR
Talat Aftab Advocate, Karachi.

REGISTERED OFFICE
Plot 18, Sector 7 - A,
Korangi Industrial Area,
Karachi.

If undelivered please return to:

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Karachi. (Pakistan)
Ph: (92-21) 35121615
Website: www.pakleather.com, e-mail: export1@pakleather.com