

Hala Enterprises Limited

1ST QUARTERLY REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2026

SCALING FOR A BRIGHTER TOMORROW

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COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Tahir Jahangir	Chairman/Non Executive Director
	Mr. Jillani Jahangir	Chief Executive Officer
	Mrs. Munizae Jahangir	Non-Executive Director
	Mrs. Sulema Jahangir	Non-Executive Director
	Mr. Mommin Malik	Independent Director
	Mrs. Nilofer Afridi Qazi	Independent Director
	Mr. Abdul Munaf	Executive Director
AUDIT COMMITTEE	Mr. Mommin Malik	Chairman/Member
	Mrs. Munizae Jahangir	Member
	Mrs. Sulema Jahangir	Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mrs. Nilofer Afridi Qazi	Chairperson/Member
	Mr. Jillani Jahangir	Member
	Mrs. Munizae Jahangir	Member
	Mrs. Sulema Jahangir	Member
CHIEF FINANCIAL OFFICER	Mr. Abdul Munaf	
COMPANY SECRETARY	Muhammad Mushtaq Saeed Iqbal	
AUDITORS	Malik Haroon Ahmad & Co. Chartered Accountants	
LEGAL ADVISORS	A.G.H.S Law Associates	
BANKERS	J.S Bank Limited Faysal Bank Limited Askari Bank Limited MCB Bank Limited The Bank Of Punjab	
REGISTERED OFFICE/WORKS	Factory Premises, 17.5 KM Sheikhupura Road, Lahore Tel: 042-37970130, 37970230 Fax: 042-37970681 Email. hala@halaenterprieses.com Website:www.halaenterprises.com	
SHARE REGISTRAR OFFICE	M/s Corplink (Private) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tel: 042-35916714, 35916719 Fax: 042-35869037 Email. corplink786@yahoo.com	

DIRECTOR'S REVIEW REPORT

The Directors of Hala Enterprises Limited are pleased to present the condensed interim financial statements of the Company for the first quarter ended September 30, 2026.

Performance and Business Review

The Company commenced FY2026–27 with continued growth momentum, building upon the substantial expansion of its manufacturing capacity undertaken during the preceding financial year.

Revenue for the quarter increased by 31.5% to Rs. 222.55 million, compared with Rs. 169.23 million in the corresponding period of the previous year. This growth was primarily driven by higher production and sales volumes, supported by improved utilisation of the Company's expanded weaving facilities.

In a competitive international market, the Company continued to pursue a pragmatic pricing strategy aimed at securing larger export orders and strengthening its market position. While this approach placed some pressure on selling prices, it enabled the Company to achieve higher production throughput and make meaningful progress towards its operational consolidation objectives.

Gross profit increased by 28.0% to Rs. 39.62 million, compared with Rs. 30.95 million in the corresponding quarter. The gross profit margin remained relatively stable at 17.8%, compared with 18.3% in the previous year, despite the competitive pricing environment.

Selling and distribution expenses increased significantly during the quarter, primarily due to temporarily elevated ocean freight rates and other export-related charges. These additional costs affected operating profitability, with operating profit declining to Rs. 12.03 million compared with Rs. 13.32 million in the corresponding period.

Management has already taken steps to factor the higher freight and export-related costs into its pricing and commercial arrangements for subsequent orders, with the objective of protecting operating margins in the coming quarters.

Finance costs declined by 40.8% to Rs. 4.77 million, compared with Rs. 8.05 million in the corresponding quarter. Consequently, net profit for the period increased by 42.5% to Rs. 4.52 million, compared with Rs. 3.17 million in the previous year. Earnings per share improved to Rs. 0.35 from Rs. 0.24.

Operational Consolidation and Outlook

Following the commissioning of its new AirJet weaving machinery during FY2025–26, the Company's strategic focus has progressively shifted from capacity expansion towards operational consolidation, improved utilisation and manufacturing efficiency.

The higher production volumes achieved during the quarter represent encouraging progress in this direction. Management remains focused on optimising production processes, improving cost efficiencies and strengthening the Company's ability to compete effectively in international markets.

While global trading conditions and export-related costs continue to present challenges, the Directors remain cautiously optimistic regarding the Company's prospects. The expanded manufacturing base, established customer relationships and ongoing efforts to improve operational efficiency provide a sound foundation for sustainable growth and improved profitability over the longer term.

Acknowledgements

The Board extends its sincere appreciation to the Company's customers, shareholders, bankers, suppliers and business partners for their continued confidence and support.

The Directors also acknowledge the dedication and contribution of the Company's employees and management team, whose efforts have been instrumental in achieving higher production volumes and sustainable growth.

For & on behalf of the Board



(TAHIR JAHANGIR)
CHAIRMAN



(JILLANI JAHANGIR)
CHIEF EXECUTIVE OFFICER

Dated: October 30, 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026 (UN-AUDITED)

	Sep 2026 Un-Audited Rupees	Jun 2026 Audited Rupees
CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorized capital		
16,000,000 ordinary shares of Rs. 10 each	160,000,000	160,000,000
Issued, subscribed and paid up capital	129,963,040	129,963,040
Capital reserve		
Surplus on revaluation of Property, Plant & equipment	200,173,715	201,686,659
Fair value reserve of financial assets at FVOC	9,597,528	11,331,525
Other capital reserve	2,274,287	2,274,287
	212,045,530	**215,292,471**
Revenue reserve		
Other revenue reserve	7,000,000	7,000,000
Accumulated loss	(41,096,045)	(47,131,024)
	(34,096,045)	(40,131,024)
Loan from Director	238,000,000	238,000,000
Total Share Capotal And Reserves	**545,912,525**	**543,124,487**
Non Current Liabilities		
Deferred liability	42,800,327	43,674,591
Long term borrowing	-	-
Total Non Current Liabilities	**42,800,327**	**43,674,591**
Current Liabilities		
Trade and other payables	70,381,663	68,969,576
Accrued mark up	2,145,530	2,045,735
Short term borrowings	150,401,000	193,245,000
Due to related parties	101,665,515	70,758,474
Provision for taxation	-	-
Total Current Liabilities	**324,593,708**	**335,018,785**
Contingencies and Commitments	-	-
TOTAL EQUITY AND LIABILITIES	**913,306,560**	**921,817,863**

NOTES TO THE ACCOUNTS

1 These accounts are un-audited and are being submitted to the share holders in accordance with the requirements of the companies Act, 2017.
2 Accounts policies adopted for the preparation of these accounted are the same as those applied in the preparation of the preceding annual accounts of the company
3 Amounts set aside in these accounts for taxation are provisional. Final liability will be determined on the basis of annual results.
4 Cash flow statement, comprehensive income statement and statement of changes in equity has been disclosed as per requirements of the IAS No 34
5 where necessary, previous figures have been re-arranged for the purpose of fair comparison.

LAHORE: October 30, 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026 (UN-AUDITED)

	Sep 2026 Un-Audited Rupees	Jun 2026 Audited Rupees
ASSETS		
Non Current Assets		
Property, Plant and equipment	412,069,921	414,881,275
Long term Investments	10,781,162	12,515,159
Long term deposits	6,569,548	6,569,548
Total Non- Current Assets	**429,420,631**	**433,965,982**
Current assets		
Stores and spares	4,883,639	4,396,296
Stock in trade	160,801,002	158,141,988
Trade debtors	115,558,463	115,818,093
Advances, deposits, prepayments and other receivables	105,169,007	99,955,723
Tax refund due from Governement	83,578,876	105,483,778
Cash and bank balances	13,894,942	4,056,003
Total Current Assets	**483,885,929**	**487,851,881**
TOTAL ASSETS	**913,306,560**	**921,817,863**

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30,2026

	Quarter Ended Sep 30,2026 (Un-audited) Rupees	Quarter Ended Sep 30,2025 (Un-audited) Rupees
Revenue	**222,545,344**	**169,231,057**
Cost of revenue	**(182,928,302)**	**(138,282,785)**
Gross profit	**39,617,042**	**30,948,272**
OPERATING EXPENSES		
Selling and distribution Costs	**(19,256,392)**	**(9,417,226)**
Administrative expenses	**(8,230,018)**	**(7,581,173)**
Other operating expenses	**(100,000)**	**(626,163)**
	(27,586,410)	**(17,624,562)**
Operating Profit	**12,030,632**	**13,323,710**
Finance Cost	**(4,766,709)**	**(8,052,003)**
Other income	**23,744**	**-**
Profit before taxation and levies	**7,287,667**	**5,271,707**
Levies	**(2,765,632)**	**(2,099,016)**
Profit before taxation	**4,522,035**	**3,172,691**
Taxation	**-**	**-**
Net profit for the period	**4,522,035**	**3,172,691**
Earning per share-Basic	0.35	0.24

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN AUDITED)

	Quarter ended Sep. 2026	Quarter ended Sep. 2025
	Rupees	Rupees
Net Profit for the period	4,522,035	3,172,691
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Unrecognised acturial gain due to experience adjustment on remeasurement of staff retirement benefits	-	-
Items that may be reclassified subsequently to profit or loss		
Deficit on remeasurement of investment available for sale	(1,733,997)	(366,706)
Other comprehensive (Loss) / income	(1,733,997)	(366,706)
Total comprehensive income for the period	2,788,038	2,805,985

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

	QUARTER ENDED SEP 30, 2026 (UN-AUDITED) Rupees	QUARTER ENDED SEP 30, 2025 (UN-AUDITED) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	7,287,667	5,271,707
Adjustments for :		
Depreciation	6,272,715	3,882,017
Financial charges	4,766,709	8,052,003
Gratuity	1,370,736	1,370,736
Gain on disposal of property,plant and equipment	-	-
	12,410,160	13,304,756
Operating profit before working capital changes	19,697,827	18,576,463
(Increase) / decrease in current assets		
Stores and spares	(487,343)	(2,605,993)
Stock in trade	(2,659,014)	(3,156,116)
Trade debtors	259,630	47,311,355
Advances, deposits, prepayments and other receivables	(5,213,284)	(18,607,909)
Sales tax refundable	21,904,902	6,419,274
Due from associated undertakings	-	-
(Decrease)/ increase in current liabilities		
Due to directors and associated undertakings	30,907,041	8,775,493
Creditors, accrued and other liabilities	1,412,087	(8,037,847)
	46,124,019	30,098,257
Cash generated from operations	65,821,846	48,674,720
Financial charges paid	(4,666,914)	(8,217,395)
Income tax paid	(2,765,632)	(2,099,015)
Gratuity paid	(2,245,000)	(2,065,910)
Net cash (used in) / from operating activities	56,144,300	36,292,400
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(3,461,361)	(16,810,012)
Long term deposits	-	-
Net cash (used in) investing activities	(3,461,361)	(16,810,012)
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans	-	-
Current portion of long term loans	-	(558,500)
Proceeds from director loan	-	68,000,000
Short term finances	(42,844,000)	(5,339,934)
Net cash from / (used in) financing activities	(42,844,000)	62,101,566
Net increase in cash and cash equivalents	9,838,939	81,583,954
Cash and cash equivalents at the beginning of year	4,056,003	3,090,932
Cash and cash equivalents at the end of the period	13,894,942	84,674,886

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2026 (UN-AUDITED)

Particulars	Share Capital	Capital Reserves				Loan from Director	Revenue Reserves			Total Share Capital and Reserve
		surplus on revaluation of Property plant and equipment	Fair value Reserve of Financial Assets at FVOCI	Other Capital Reserve	Total Capital Reserve		Other Revenue Reserve	Accumulated Loss	Total Revenue Reserve	
Balance as at Jul 01, 2025	129,963,040	207,738,432	15,282,971	2,274,287	225,295,690	120,000,000	7,000,000	(63,076,981)	(56,076,981)	419,181,749
Net Profit for the period ended Sep 30, 2025	-	-	-	-	-	-	-	3,172,691	3,172,691	3,172,691
Other comprehensive incone for the period	-	-	(366,706)	-	(366,706)	-	-	-	-	(366,706
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	-	(1,512,944)	-	-	(1,512,944)	-	-	1,512,944	1,512,944	-
Surplus realized on disposal	-	-	-	-	-	68,000,000	-	-	-	68,000,000
Balance as at Sep 30, 2025	129,963,040	206,225,488	14,916,265	2,274,287	223,416,040	188,000,000	7,000,000	(58,391,346)	(51,391,346)	489,987,734
Balance as at Jul 01, 2026	129,963,040	201,686,659	11,331,525	2,274,287	215,292,471	238,000,000	7,000,000	(47,131,024)	(40,131,024)	543,124,487
Net Profit for the period ended Sep 30, 2026	-	-	-	-	-	-	-	4,522,035	4,522,035	4,522,035
Other comprehensive incone for the period	-	-	(1,733,997)	-	(1,733,997)	-	-	-	-	(1,733,997)
Transfer from surplus on revaluation of property, plant and equipment in respect of incremental depreciation charged in current period	-	(1,512,944)	-	-	(1,512,944)	-	-	1,512,944	1,512,944	-
Loan from Dorector	-	-	-	-	-	-	-	-	-	-
Balance as at Sep 30, 2026	129,963,040	200,173,715	9,597,528	2,274,287	212,045,530	238,000,000	7,000,000	(41,096,045)	(34,096,045)	545,912,525

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



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