HINO

HALF YEARLY REPORT 2026



CONTENTS

- ❒ Company Information
- ❒ Directors' Report
- ❒ Independent Auditor's Review Report
- ❒ Condensed Interim Statement of Financial Position
- ❒ Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
- ❒ Condensed Interim Statement of Changes in Equity
- ❒ Condensed Interim Statement of Cash Flows
- ❒ Notes to the Condensed Interim Financial Statements

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Aslam Sanjrani
Chairman

Mr. Tomohiro Oshita
President & Chief Executive Officer

Mr. Ryota Hatakeyama
Director & Executive Vice President

Ms. Nargis Ali Akbar Ghaloo
Independent Director

Mr. Mushtaq Malik
Independent Director

Mr. Takashi Muto

Mr. Takuji Umemura

Mr. Muhammad Zahid Hasan
Company Secretary

BANKERS

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Citibank, N.A.,
Habib Metropolitan Bank Limited
Habib Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

LEGAL ADVISOR

Sayeed & Sayeed

REGISTERED OFFICE

D-2, S.I.T.E., Manghopir Road
P.O. Box No. 10714
Karachi-75700, Pakistan
Tel: 111-25-25-25
Email: info@hinopak.com
Website: www.hinopak.com

SHARE REGISTRAR

FAMCO Share Registration Services (Pvt.) Limited
8-F, Near Hotel Faran, Nursery, Block 6,
P.E.C.H.S., Shahra-e-Faisal, Karachi
Tel: 021-34380101-05, 34384621-3
Email: info.shares@famcosrs.com
Website: www.famcosrs.com

AREA OFFICES

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DIRECTORS' REPORT

For The Half Year Ended September 30, 2026

DEAR SHAREHOLDERS!

The total sales of commercial vehicles of all makes in the country during the first half of FY 2026-27 amounted to 5456 units, representing an increase of 42% over the corresponding period of the previous year.

SALES VOLUME

The sale of Hinopak' trucks and buses decreased to 299 units in comparison to 306 units in the corresponding period of the previous year.

SALES REVENUE

The Company's sales revenue for the current half year decreased to Rs. 6.23 billion from Rs. 6.92 billion in the corresponding period of the previous year. The Company earned a gross profit of Rs. 1.13 billion, compared to Rs. 1.32 billion in the corresponding period of the previous year.

FINANCE COST

The Company's finance cost decreased to Rs. 105.31 million from Rs. 189.63 million in the corresponding period of the previous year. The major component of the current period's finance cost was mark-up on short-term borrowings, amounting to Rs. 87.21 million.

PROFIT AFTER TAX

The Company achieved a profit after tax of Rs. 566.56 million, compared to Rs. 540.28 million in the corresponding period of the previous year, resulting in earnings per share of Rs. 22.84 against Rs. 21.78 in the corresponding period of the previous year.

CURRENT DEVELOPMENT AND FUTURE OUTLOOK

The Federal Constitutional Court of Pakistan (FCC), through its judgment dated November 19, 2026, declared the impugned charging provisions of the relevant provincial infrastructure development cess laws unconstitutional and without lawful authority. The accounting implications and the detailed disclosure are included in note 12.3 to the condensed interim financial statements.

The commercial vehicle market demonstrated encouraging momentum during the half year under review, reflecting a gradual improvement in overall economic conditions. Moderating inflation, better liquidity in the market, and relative stability in the exchange rate provided a supportive base for business activity and contributed to improved market sentiment.

Looking ahead, the business environment is expected to remain challenging, with elevated energy prices, market volatility, and geopolitical developments continuing to create uncertainties, particularly in supply chain. In this environment, the Company will continue to prioritize operational excellence, effective cost controls, and disciplined financial management to navigate emerging challenges, strengthen its business fundamentals, and sustain long-term value creation for its stakeholders.

We express our sincere gratitude to our parent companies for their continued support, our customers for their trust in our products, and the entire Hinopak team including staff, vendors, dealers and business partners for their dedication and commitment during this period.

Director

Chief Executive Officer

Date: November 25, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Hinopak Motors Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Hinopak Motors Limited as at September 30, 2026 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and the condensed interim statement of cash flows and notes to the financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended September 30, 2026 and September 30, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.

A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: November 27, 2026

UDIN: RR202610073bZx6czBmi

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

	Note	(Unaudited) September 30, 2026	(Audited) March 31, 2026
		(Rupees '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**3,104,231**	3,190,641
Intangible assets		**5,564**	7,165
Long-term investments	6	**-**	-
Long-term loans		**118,244**	107,026
Long-term deposits		**7,536**	7,536
Employee benefit prepayments		**15,312**	4,852
		3,250,887	3,317,220
Current assets			
Inventories		**3,291,078**	5,491,120
Trade receivables	7	**436,522**	384,788
Loans and advances		**116,531**	55,730
Trade deposits and prepayments	8	**39,261**	46,700
Refunds due from the government - sales tax		**-**	121,830
Other receivables		**40,396**	97,130
Taxation - payments less provision		**1,413,876**	1,364,727
Short-term investment		**-**	250,000
Cash and bank balances	9	**46,481**	252,345
		5,384,145	8,064,370
Non-current assets held for sale	10	**185,000**	185,000
		5,569,145	8,249,370
TOTAL ASSETS		**8,820,032**	11,566,590
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital	11	**248,011**	248,011
Capital reserve			
Revaluation surplus on land and buildings		**2,327,679**	2,361,066
Share premium		**2,771,525**	2,771,525
Revenue reserves			
General reserve		**291,000**	291,000
Accumulated profit		**722,849**	393,480
TOTAL SHAREHOLDER'S EQUITY		**6,361,064**	6,065,082
LIABILITIES			
Non-current liabilities			
Deferred taxation		**60,417**	81,113
Employee benefit obligations		**97,974**	102,559
		158,391	183,672
Current liabilities			
Trade and other payables	12	**1,985,302**	2,444,454
Advances from customers		**116,484**	326,978
Sales tax payable		**41,591**	-
Short-term borrowings - secured	13	**143,844**	2,533,528
Unclaimed dividend		**13,356**	12,876
		2,300,577	5,317,836
TOTAL LIABILITIES		**2,458,968**	5,501,508
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		**8,820,032**	11,566,590

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2026 - (UNAUDITED)

	Note	Quarter ended		Half year ended	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
		(Rupees '000)			
Revenue from contracts with customers	15	**2,949,489**	2,956,434	**6,227,616**	6,917,991
Cost of sales		**(2,367,829)**	(2,486,480)	**(5,101,512)**	(5,602,474)
Gross profit		**581,660**	469,954	**1,126,104**	1,315,517
Distribution cost		**(134,476)**	(111,893)	**(261,117)**	(225,802)
Administration expenses		**(125,903)**	(121,511)	**(252,832)**	(238,808)
Other income	16	**84,088**	47,929	**133,854**	78,566
Other expenses	17	**(25,488)**	(16,561)	**(44,004)**	(50,789)
Reversal / (charge) of impairment on trade receivables and deposits		**-**	(256)	**503**	2,414
Operating profit		**379,881**	267,662	**702,508**	881,098
Finance cost	18	**(33,973)**	(42,909)	**(105,311)**	(189,625)
Profit before income tax and levies		**345,908**	224,753	**597,197**	691,473
Levies	19	**42,719**	(63,203)	**-**	(116,242)
Profit before income tax		**388,627**	161,550	**597,197**	575,231
Income tax expense	20	**(31,754)**	(38,083)	**(30,635)**	(34,947)
Profit after income tax		**356,873**	123,467	**566,562**	540,284
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**356,873**	123,467	**566,562**	540,284
Earnings per share - basic and diluted	21	**Rs. 14.39**	Rs. 4.98	**Rs. 22.84**	Rs. 21.78

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Chief Financial Officer | Director | Chief Executive Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED SEPTEMBER 30, 2026 - (UNAUDITED)

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total
		Revaluation surplus	Share premium	General reserve	Accumulated (loss) / profit	
	(Rupees '000)					
Balance as at April 1, 2025	248,011	2,351,916	2,771,525	291,000	(209,109)	5,453,343
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(35,623)	-	-	35,623	-
Total comprehensive income for the half year ended September 30, 2025						
- Profit for the half year ended September 30, 2025	-	-	-	-	540,284	540,284
- Other comprehensive income for the half year ended September 30, 2025	-	-	-	-	-	-
	-	-	-	-	540,284	540,284
Balance as at September 30, 2025	248,011	2,316,293	2,771,525	291,000	366,798	5,993,627
Balance as at April 1, 2026	**248,011**	**2,361,066**	**2,771,525**	**291,000**	**393,480**	**6,065,082**
Transferred from surplus on revaluation of land and buildings on account of incremental depreciation - net of deferred tax	-	(33,387)	-	-	33,387	-
Total comprehensive income for the half year ended September 30, 2026						
- Profit for the half year ended September 30, 2026	-	-	-	-	566,562	566,562
- Other comprehensive income for the half year ended September 30, 2026	-	-	-	-	-	-
	-	-	-	-	566,562	566,562
Transactions with owners of the company						
Final dividend for the year ended March 31, 2026 @ Rs. 10.91 per share	-	-	-	-	(270,580)	(270,580)
Balance as at September 30, 2026	248,011	2,327,679	2,771,525	291,000	722,849	6,361,064

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Chief Financial Officer | Director | Chief Executive Officer

	Note	September 30, 2026	September 30, 2025
		(Rupees '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	22	**2,529,291**	(687,521)
Return on savings accounts		**20,368**	5,703
Income tax and levies paid		**(100,480)**	(206,160)
Mark-up paid on short-term borrowings		**(217,974)**	(43,894)
Employee benefits paid		**(32,546)**	(19,748)
Increase in long-term loans and advances		**(11,218)**	(6,036)
Net cash generated from / (used in) operating activities		**2,187,441**	(957,656)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible		**(37,831)**	(47,063)
Proceeds from realisation of short term investment		**250,000**	-
Proceeds from sale of property, plant and equipment		**71,724**	21,693
Net cash generated from / (used in) investing activities		**283,893**	(25,370)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(270,100)**	-
Repayments of short-term borrowings		**(804,111)**	-
Net cash used in financing activities		**(1,074,211)**	-
Net increase / (decrease) in cash and cash equivalents		**1,397,123**	(983,026)
Cash and cash equivalents at beginning of the period prior to restatement due to amendments to IFRS 9		**(1,477,072)**	(424,759)
Adjustment upon initial application of amendment to IFRS 9 at beginning of the period	2.4	**(17,414)**	-
Cash and cash equivalents at end of the period	23	**(97,363)**	(1,407,785)

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Chief Financial Officer | Director | Chief Executive Officer

1. THE COMPANY AND ITS OPERATIONS

1.1 Hinopak Motors Limited (the Company) was incorporated on June 18, 1985 in Pakistan as a public company limited by shares under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and is listed on Pakistan Stock Exchange.

The Company's principal activity is the assembly, progressive manufacturing and sale of Hino buses and trucks. The registered office of the Company is at D-2, S.I.T.E., Manghopir Road, Karachi.

The manufacturing facility of the Company is situated at D-2, S.I.T.E., Manghopir Road, Karachi.

1.2 The Company is a subsidiary of Hino Motors Limited, Japan (HML) having registered address at 3-1-1, Hino-dai, Hino-shi, Tokyo, Japan.

1.3 On May 30, 2023, Hino Motors Limited, Japan (HML) – parent company, Toyota Motor Corporation – ultimate parent company (Toyota), Mitsubishi Fuso Truck and Bus Corporation (MFTBC) and Daimler Truck concluded a Memorandum of Understanding (MoU) on accelerating the development of advanced technologies and merging MFTBC and Hino.

On June 10, 2025, a Definitive Agreement was reached for integration of MFTBC and Hino into a new public listed holding company to be established in Japan.

On April 1, 2026, ARCHION Corporation was listed on the Tokyo Stock Exchange Prime Market and commenced operations under the ARCHION Group structure, with Hino and MFTBC as its wholly-owned subsidiaries. Accordingly, with effect from 1 April 2026, ARCHION Corporation became the ultimate parent of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and therefore should be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2026. However, selected explanatory notes are included in these condensed interim financial statements to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.1.3 The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited annual financial statements of the Company for the year ended March 31, 2026, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended September 30, 2025.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability against defined benefit plan (gratuity) which is determined on the present value of defined benefit obligations less fair value of plan assets determined by an independent actuary and land and buildings at revalued amounts assessed by an external valuer which are stated at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees which is also the Company's functional currency and all financial information presented has been rounded-off to the nearest thousand Rupee except where stated otherwise.

2.4 Changes in accounting standards, interpretations and pronouncements

a) Standards, amendments to published standards and interpretations that are effective during the period

There were certain amendments and improvements to accounting and reporting standards which became effective during the current period. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements, except that during the period certain amendments to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' have become applicable to the Company which clarify the date of recognition and derecognition of a financial asset or financial liability.

The amendments apply retrospectively, however, the Company was not required to restate prior periods to reflect the application under transitional provisions.

The date of initial application is the beginning of the reporting period in which the Company has applied the amendments (i.e. April 1,2026). The effects of amendment at the date of initial application are as follows:

Effect on the condensed interim statement of financial position	Carrying amount immediately before the amendments were applied	Impact of amendment	Carrying amount immediately after the amendments
	----------(Rupees '000)----------		
As of April 1, 2026			
Trade and other payables	(2,444,454)	(35,028)	(2,479,482)
Trade receivables	384,788	52,442	437,230
Cash and bank balances	252,345	(17,414)	234,931

b) Standards and amendments to approved accounting standards that are not yet effective and not early adopted by the Company

There is a standard and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after April 1, 2026. The new standard includes:

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on or after April 1, 2026. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these condensed interim financial statements.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended March 31, 2026, except as for the matter as detailed in note - 2.4 (a) above.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

4.1 The preparation of these condensed interim financial statements in conformity with accounting and reporting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

4.2 Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended March 31, 2026.

4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended March 31, 2026.

	(Unaudited) September 30, 2026	(Audited) March 31, 2026
5. PROPERTY, PLANT AND EQUIPMENT	--------- (Rupees '000) ---------	
Operating fixed assets - note 5.1	**3,104,231**	3,190,641

5.1 Details of additions to and disposals of operating fixed assets are as follows:

	Additions (at cost)		**Disposals (at net book value)**	
	Half year ended			
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
	◄ (Rupees '000) ►			
Plant & machinery	**3,231**	34,883	**5,463**	-
Building on leasehold land	**5,294**	-	**-**	-
Vehicles	**16,633**	6,929	**8,626**	15,829
Office and other equipments	**12,123**	4,912	**14**	* -
Furniture & fittings	**-**	-	* **-**	-
Electrical installation	**139**	339	* **-**	-
	37,420	47,063	**14,103**	15,829

* *Assets disposed of having nil net book value.*

6. LONG-TERM INVESTMENTS

These represents investments made by the Company in Arabian Sea Country Club Limited and Automotive Testing & Training Centre (Private) Limited. These investments were fully impaired in prior years and no change in fair value is recognised in these condensed interim financial statements.

7. TRADE RECEIVABLES

	(Unaudited) September 30, 2026	(Audited) March 31, 2026
	--------- (Rupees '000) ---------	
Considered good - unsecured		
Related party	**-**	278,401
Others	**436,522**	106,387
	436,522	384,788
Considered doubtful		
Others	**22,368**	25,825
	458,890	410,613
Less: allowance for expected credit losses	**(22,368)**	(25,825)
	436,522	384,788

8. TRADE DEPOSITS AND PREPAYMENTS

These include cash margin amounting to Rs. 3.12 million (March 31, 2026: Rs. 19.57 million) in respect of the letter of credit for the purchase of raw materials.

9. CASH AND BANK BALANCES

	(Unaudited) September 30, 2026	(Audited) March 31, 2026
	--------- (Rupees '000) ---------	
Balances with banks		
- on PLS savings accounts - note 9.1	**32,743**	239,373
- on current accounts	**13,681**	12,956
Cash in hand	**57**	16
	46,481	252,345

9.1 At September 30, 2026, the rates of mark-up on savings accounts ranges from 9% to 10% per annum (March 31, 2026: 7.5% to 10.5% per annum).

10. NON-CURRENT ASSETS HELD FOR SALE

	Note	(Unaudited) September 30, 2026	(Audited) March 31, 2026
		--------- (Rupees '000) ---------	
Freehold land and building	10.1	**185,000**	185,000

10.1 During the year ended March 31, 2026, the Company entered into an agreement dated December 17, 2025 for the sale of freehold land and building comprising the Multan facility for a consideration of Rs. 197.50 million. The related costs to sell were estimated at Rs. 12.50 million and the assets were accordingly classified as held for sale.

As at the reporting date, the transaction remained pending as the transfer of legal title of the related assets had not yet been completed. Management continues to pursue completion of the transaction and expects the transfer process to be finalized upon fulfillment of the remaining regulatory and procedural requirements. Accordingly, the assets continue to be classified as held for sale.

11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

(Unaudited) September 30, 2026	(Audited) March 31, 2026		(Unaudited) September 30, 2026	(Audited) March 31, 2026
(Number of shares)			-------- (Rupees '000) --------	
Authorised share capital				
100,000,000	100,000,000	Ordinary shares of Rs. 10 each	**1,000,000**	1,000,000
Issued, subscribed and paid-up capital				
Ordinary shares of Rs. 10 each				
18,600,840	18,600,840	Shares allotted for consideration paid in cash	**186,008**	186,008
4,133,520	4,133,520	Shares issued for consideration other than cash - fixed assets	**41,335**	41,335
2,066,760	2,066,760	Shares issued as bonus shares	**20,668**	20,668
24,801,120	24,801,120		**248,011**	248,011

12. TRADE AND OTHER PAYABLES

	(Unaudited) September 30, 2026	(Audited) March 31, 2026
	--------- (Rupees '000) ---------	
Creditors	**211,052**	146,795
Bills payable to:		
- Toyota Tsusho Corporation, Japan, Group Company	**-**	236,238
- Hino Motors Limited, Japan - Holding Company	**1,511**	3,705
- Toyota Tsusho, Asia Pacific PTE Ltd, Singapore, Group Company	**26,775**	105,637
- Hino Motors Middle East FZE - group company	**10,961**	-
Accrued liabilities	**1,033,148**	877,077
Workers' Welfare Fund & Workers' Profit Participation Fund	**57,407**	55,062
Royalty payable to Hino Motors Limited, Japan, Holding Company - note 12.1	**120,044**	111,928
Advance against sale of asset	**197,500**	197,500
Security deposits from dealers	**35,000**	35,000
Employees related obligation	**31,786**	38,186
Tax deducted at source and payable to statutory authorities	**12,858**	24,386
Sindh sales tax on services	**18,015**	21,559
Provisions - note 12.2	**216,391**	445,817
Accrued markup	**8,946**	139,707
Others	**3,908**	5,857
	1,985,302	2,444,454

12.1 This represents royalty payable to Hino Motors Limited, Japan (Holding Company) in consideration for the grant of rights and licenses relating to the manufacture and sale of Hino trucks and Toyota components by the Company.

		(Unaudited) September 30, 2026	(Audited) March 31, 2026
12.2	**Provisions**	--------- (Rupees '000) ---------	
	Opening balance	**445,817**	337,879
	Recognised during the period	**55,798**	172,834
	Payments / reversals	**(285,224)**	(64,896)
	Closing balance	**216,391**	445,817
	Provisions represent:		
	- Provision for compensated absences	**111,666**	101,724
	- Provision for warranty services	**39,144**	36,733
	- Provision for custom duties	**65,581**	65,581
	- Provision for infrastructure cess - note 12.3	**-**	241,779
		216,391	445,817

12.3 The Company imports goods through the Province of Sindh. These goods were subject to the infrastructure cess levied under section 3 of the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the "2017 Act"). In previous years, the Company cleared goods by furnishing bank guarantees for the outstanding amount of the cess.

Under the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (the "2026 Amendment Act"), the Company entered into a Settlement Agreement with the Government of Sindh dated July 8, 2026. The agreement covered the cess represented by the bank guarantees, which were subsequently released. The Company paid two installments of Rs. 37.5 million each on July 8, 2026 and October 15, 2026 under the agreement. As at September 30, 2026, it had recorded the unpaid balance of Rs. 212.5 million as a liability.

On November 19, 2026, the Federal Constitutional Court ("FCC") decided the Sindh, Khyber Pakhtunkhwa, Balochistan and Punjab cess matters together. The FCC held that the cess is, in substance, an impost on imports and exports within Parliament's exclusive legislative domain, so the provincial legislatures lacked competence to levy it. It declared the charging provisions together with the corresponding dependent rules, notifications, assessments and recovery measures unconstitutional and without lawful authority. In relation to the Sindh legislation, the FCC further held that the validation and indemnity provisions and the retrospective effect from July 1, 1994 cannot cure this defect. The FCC directed that no demand, surcharge or penalty founded solely on these charges shall be enforced. It also directed that securities furnished solely for the invalid charges be discharged on verification, subject to any subsisting order.

The judgment does not refer to the 2026 Amendment Act or the settlement framework, and it does not expressly direct refunds. It states that pleas of finality, withdrawal, compromise and past and closed transactions remain subject to the particular orders and parties concerned. It also states that individual disputes about payment, quantification or refunds remain subject to the appropriate administrative or judicial process.

The Company has already paid cess of Rs. 75 million under the Settlement Agreement and other amounts since inception of the matter. Because the judgment does not expressly direct refunds, the Company's entitlement to a refund and the applicable forum and procedure remain subject to legal process. The Company may also face defences based on limitation, finality, waiver under the Settlement Agreement or past and closed transactions. Management and its legal counsel have concluded that recovery is not yet virtually certain. Accordingly, no receivable or other asset has been recognised in these condensed interim financial statements. The Company intends to pursue refund claims through the appropriate forum.

Based on the judgment and the advice of the Company's legal counsel, management has concluded that the Company has no present legal obligation to pay the unpaid cess, including the balance under the Settlement Agreement. The outflow of economic benefits is no longer probable. Accordingly, the unpaid liability of Rs. 175 million has been reversed and credited to profit or loss as an adjusting event after the reporting period under IAS 10.

The judgment may be subject to review petitions or to fresh legislation. The matters referred above, including the treatment of the Settlement Agreement, are still subject to legal process. Management will reassess the accounting treatment and disclosures as the position develops. Any change could affect the amounts reported in future periods.

		(Unaudited) September 30, 2026	(Audited) March 31, 2026
		--------- (Rupees '000) ---------	
13.	**SHORT-TERM BORROWINGS - SECURED**		
	Running finance - notes 13.1 & 13.2	**143,844**	1,729,417
	Finance against trust receipts	**-**	804,111
		143,844	2,533,528

13.1 The facilities for running finance under mark-up arrangements with various banks as at September 30, 2026 amounted to Rs. 5.36 billion (March 31, 2026: Rs. 4.87 billion) of which the amount remaining unutilised at the period end was Rs. 5.21 billion (March 31, 2026: Rs. 3.14 billion). The rates of mark-up applicable on running finance are based on KIBOR and range from one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum (March 31, 2026: one month KIBOR + 0.5% to three months KIBOR + 0.75% per annum).

13.2 The above facilities are secured by way of hypothecation charge on inventory.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingency

There has been no change in the status of contingencies as reported in the financial statements for the year ended March 31, 2026.

14.2 Commitments

14.2.1 Commitments for capital expenditures as at September 30, 2026 amounted to Rs. 87.76 million (March 31, 2026: Rs. 3.45 million).

14.2.2 The facilities for opening letter of credit and guarantees as at September 30, 2026 amounted to Rs. 5.37 billion (March 31, 2026: Rs. 7.04 billion) of which the amount remaining unutilised as at September 30, 2026 was Rs. 4.77 billion (March 31, 2026: Rs. 5.62 billion).

14.2.3 The Company as at September 30, 2026 issued corporate guarantees amounting to Rs. 370 million (March 31, 2026: Rs. 370 million) to the Collector of Customs on account of additional custom duty on the import of CKD, MSPs, and IMV frames levied through notifications issued by Federal Board of Revenue.

		(Unaudited)			
		Quarter ended		Half year ended	
		September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
		(Rupees '000)			
15.	**REVENUE FROM CONTRACTS WITH CUSTOMERS**				
	Revenue from:				
	- Manufacturing business	**3,332,094**	3,382,768	**7,133,860**	8,002,315
	- Part sales	**326,583**	296,187	**550,731**	571,546
		3,658,677	3,678,955	**7,684,591**	8,573,861
	Less: Commission and discounts	**(118,547)**	(132,809)	**(229,550)**	(319,597)
	Sales tax - note 15.2	**(590,641)**	(589,712)	**(1,227,425)**	(1,336,273)
		2,949,489	2,956,434	**6,227,616**	6,917,991

15.1 Sales to Government institutions amount to Rs. 778.35 million (September 30, 2025: Rs. 790.94 million) which account for 12.50% (September 30, 2025: 11.43%) of the net sales.

15.2 This includes New Energy Vehicle Adoption Levy (NEVAL) amounting to Rs. 51.81 million (September 30, 2025: Rs. 21.65 million), applicable under the Finance Act 2025 effective from July 01, 2025.

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
16.	**OTHER INCOME**	(Rupees '000)	
	Income from financial assets		
	Return on PLS savings accounts / TDRs	**11,873**	5,703
	Income from non-financial assets		
	Gain on disposal of property, plant and equipment	**57,621**	5,864
	Others		
	Scrap sales	**53,890**	23,600
	Reimbursement of costs under Cost Compensation Agreement - note 16.1	**10,470**	42,241
	Miscellaneous	**-**	1,158
		64,360	66,999
		133,854	78,566

16.1 This pertains to the reimbursement of the finance costs for the period of April 1, 2026 to September 30, 2026 under the Cost Compensation Agreement with Hino Motors Limited, Japan on account of holding additional inventory by the Company.

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		--------- (Rupees '000) ---------	
17.	**OTHER EXPENSES**		
	Workers' Profits Participation Fund	**32,060**	37,113
	Workers' Welfare Fund	**11,944**	13,676
		44,004	50,789
18.	**FINANCE COST**		
	Exchange loss - net	**8,859**	70,892
	Bank charges	**9,061**	16,468
	Unwinding of interest	**180**	2,798
	Mark-up on short-term borrowings	**87,211**	99,467
		105,311	189,625
19.	**LEVIES**		
	Alternate corporate tax	**-**	116,242
20.	**INCOME TAX EXPENSE**		
	Current		
	- for the period	**51,332**	75,718
	- prior period	**-**	(26,141)
		51,332	49,577
	Deferred	**(20,697)**	(14,630)
		30,635	34,947

21. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter ended		Half year ended	
	September 30, 2026	September 30, 2025	**September 30, 2026**	September 30, 2025
	← (Rupees '000) →			
Profit after income tax attributable to ordinary shareholders (Rupees in '000)	**356,873**	123,467	**566,562**	540,284
Weighted average number of ordinary shares outstanding at the end of the period (number of shares in '000)	**24,801**	24,801	**24,801**	24,801
Earnings per share - basic and diluted (Rupees)	**14.39**	4.98	**22.84**	21.78

There were no convertible dilutive potential ordinary shares in issue as at September 30, 2026 and 2025.

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		--------- (Rupees '000) ---------	
22.	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	Profit before income tax and levies	**597,197**	691,473
	Add / (less): Adjustments for non-cash charges and other items		
	Depreciation and amortisation	**99,962**	126,013
	Impairment of property, plant and equipment	**11,776**	-
	Gain on disposal of property, plant and equipment	**(57,621)**	(5,864)
	Retirement benefits charge	**17,502**	32,579
	Mark-up on short-term borrowings	**87,211**	99,467
	Unwinding of discounts on employee loan - net	**180**	2,798
	Income on PLS savings accounts / TDRs	**(11,873)**	(5,703)
	Operating cashflows before working capital changes	**744,334**	940,763
	Effect on cash flow due to working capital changes		
	Decrease / (increase) in current assets		
	Inventories	**2,200,042**	(894,714)
	Trade receivables	**708**	(42,200)
	Loans and advances	**(60,801)**	(6,037)
	Trade deposits and prepayments	**7,439**	(52,496)
	Refunds due from government - sales tax	**163,421**	(33,957)
	Other receivables	**48,238**	81,900
		2,359,047	(947,504)
	Increase / (decrease) in current liabilities		
	Trade and other payables	**(363,596)**	(1,055,480)
	Advance from customers	**(210,494)**	374,700
		(574,090)	(680,780)
		1,784,957	(1,628,284)
	Cash generated from / (used in) operations	**2,529,291**	(687,521)
23.	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances - note 9	**46,481**	49,057
	Short-term borrowings - note 13	**(143,844)**	(1,456,842)
		(97,363)	(1,407,785)

24. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended March 31, 2026. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended March 31, 2026.

The carrying amount of all financial assets and liabilities are estimated to approximate their fair values.

25. TRANSACTIONS WITH RELATED PARTIES

Details of transactions with the related parties during the period are as follows:

	Relationship	Nature of transactions	(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
			--------- (Rupees '000) ---------	
i.	Holding company	- Purchase of goods	**1,511**	45,779
		- Royalty charge	**120,098**	128,640
ii.	Associated companies	- Purchase of goods	**1,125,621**	3,668,838
		- Sale of goods	**248,087**	* 1,308,633
iii.	Staff retirement funds	- Payments to retirement benefits plans	**40,452**	47,079
iv.	Key management personnel	- Salaries and other employee benefits	**59,393**	52,555
		- Retirement benefits	**2,556**	2,229
		- Consultancy / meeting fee	**5,636**	4,618

* *This included the transactions with Indus Motor Company Limited which is no longer a related party of the Company.*

26. SHARIAH COMPLIANCE DISCLOSURE

		(Unaudited) September 30, 2026	(Audited) March 31, 2026
		--------- (Rupees '000) ---------	
Disclosures required in relations to the statement of financial position - liability side			
1.	Financing (long-term, short-term, or lease financing) obtained as per Islamic mode	**-**	-
2.	Interest or mark-up accrued on any conventional loan or advance	**8,946**	139,707
Disclosures required in relations to the statement of financial position - asset side			
3.	Long-term and short-term shariah compliant investments	**-**	-
4.	Shariah-compliant bank deposits, bank balances, and TDRs	**-**	-

		(Unaudited) September 30, 2026	(Unaudited) September 30, 2025
		--------- (Rupees '000) ---------	
Disclosures required in relation to the statement of profit or loss and other comprehensive income			
5.	Revenue earned from shariah-compliant business segment	**6,227,616**	6,917,991
6.	Break-up of late payments or liquidated damages	**-**	-
7.	Gain or loss or dividend earned on shariah compliant investments or share of profit from shariah-compliant associates	**-**	-
8.	Profit earned from shariah-compliant bank deposits, bank balances, or TDRs;	**-**	-
9.	Exchange loss on actual currency	**8,859**	70,892
10.	Exchange gains earned using conventional derivative financial instruments	**-**	-
11.	Profit paid on islamic mode of financing	**-**	-
12.	Total interest earned on any conventional loan or advance	**11,873**	5,703
Break-up of other income into shariah-compliant and non-compliant			
(i)	***Shariah compliant income***		
	Scrap sales	**53,890**	23,600
	Gain on disposal of property, plant and equipment	**57,621**	5,864
	Miscellaneous	**-**	1,158
(ii)	***Shariah non-compliant income***		
	Return on PLS savings accounts and TDRs	**11,873**	5,703
	Reimbursement of costs under cost compensation agreement	**10,470**	42,241

26.1 Relationship with shariah-compliant financial institutions

Islamic banks

The Company does not have any facilities with islamic banks.

Takaful operators

The Company has no relationship with takaful operators.

27. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on November 25, 2026.

Chief Financial Officer | Director | Chief Executive Officer

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز!

ملک میں تمام کمپنیوں کے تجارتی گاڑیوں کی مجموعی فروخت 2026-27 کے پہلے نصف میں 5456 یونٹس رہی جو گزشتہ سال کے اسی دورانیئے کے مقابلے میں 42 فیصد زیادہ ہے۔

فروخت کا حجم

ہینو پاک کے ٹرک اور بسوں کی فروخت کم ہوکر 299 یونٹس ہوگئی، جبکہ پچھلے سال کے اسی دورانیئے میں یہ 306 یونٹس تھی۔

فروخت سے آمدنی

موجودہ نصف سال کے لیئے فروخت سے آمدنی کم ہوکر 6.23 ارب روپے ہوگئی جبکہ پچھلے سال کے اسی عرصے میں یہ 6.92 ارب روپے تھی۔ کمپنی نے 1.13 ارب روپے کا مجموعی منافع کمایا جبکہ پچھلے سال کے اسی عرصے میں یہ 1.32 ارب روپے تھا۔

مالیاتی لاگت

موجودہ مالیاتی لاگت کم ہوکر 105.31 ملین روپے ہوگئی جبکہ پچھلے نصف سال کے متعلقہ عرصے میں یہ 189.63 ملین روپے تھی۔ موجودہ مالیاتی لاگت کا اہم اجزاء قلیل مدتی قرضوں پر مارک اپ تھا، جو 87.21 ملین روپے رہا۔

ٹیکس کے بعد منافع

ٹیکس کے بعد منافع 566.56 ملین روپے رہا جبکہ پچھلے سال کے اسی نصف میں ٹیکس کے بعد منافع 540.28 ملین روپے تھا، جس کے نتیجے میں فی شیئر آمدنی 22.84 روپے رہی جبکہ پچھلے سال کے اسی عرصے میں یہ 21.78 روپے تھی۔

موجودہ پیش رفت اور مستقبل کا منظر نامہ

پاکستان کی وفاقی آئینی عدالت (FCC) نے 19 نومبر 2026، کو اپنے فیصلے میں متعلقہ صوبائی انفرااسٹرکچر ڈویلپمنٹ سیس قوانین کے تحت عائد کیئے جانے والے چارجز کو غیر آئینی اور قانونی اختیار کے بغیر قرار دیا۔ اس فیصلے کے مالیاتی اثرات اور تفصیلات کو عبوری مختصر مالیاتی گوشواروں کے نوٹ نمبر 12.3 میں شامل کیا گیا ہے۔

زیرِ جائزہ نصف سال کے دوران تجارتی گاڑیوں کی مارکیٹ میں حوصلہ افزا رفتار نظر آئی، جو مجموعی معاشی حالات میں بتدریج بہتری کی عکاسی کرتی ہے۔ افراطِ زر میں کمی، مارکیٹ میں بہتر لیکویڈیٹی، اور شرحِ مبادلہ میں نسبتاً استحکام نے کاروباری سرگرمیوں کے لیئے ایک سازگار ماحول فراہم کیا اور مارکیٹ کے رجحانات میں بہتری لانے میں اہم کردار ادا کیا۔

آنے والے وقت میں کاروباری ماحول چیلنجنگ رہنے کی توقع ہے، جہاں بلندی توانائی کی قیمتیں، مارکیٹ میں اتار چڑھاؤ اور جغرافیائی سیاسی صورتحال مسلسل غیر یقینی پیدا کرتی رہیں گی، خصوصاً سپلائی چین کے حوالے سے۔ اس ماحول میں کمپنی ابھرتے ہوئے چیلنجز سے نمٹنے، اپنے کاروباری بنیادی عوامل کو مظبوط بنانے اور اپنے اسٹیک ہولڈرز کے لیئے طویل مدتی قدر کی تخلیق کو برقرار رکھنے کے لیئے عملیاتی بہترین کارکردگی، موثر لاگت کنٹرول اور نظم وظبط پر مبنی مالی انتظام کو ترجیح دیتی رہے گی۔

ہم اپنی پیرنٹ کمپنیوں کا انکی ثابت قدمی کے لیئے، ہمارے صارفین کا ہماری مصنوعات پر مسلسل اعتماد کے لیئے اور پوری ہینو پاک ٹیم کا بشمول عملہ، وینڈرز، ڈیلرز اور کاروباری شراکت داروں کا اس مدّت کے دوران ان کی لگن اور عزم کے لیئے تہہ دل سے شکریہ ادا کرتے ہیں۔

Tomohiro Oshita

چیف ایگزیکٹو آفیسر

ڈائریکٹر

مورخہ 25 نومبر 2026



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