



Ghani Global Group

HALF YEARLY

December 31, 2021

G3 Technologies Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Masroor Ahmad Khan Chairman
Mr. Atique Ahmad Khan Chief Executive Officer
Hafiz Farooq Ahmad
Mr. Usman Hassan
Ms. Maleeha Humayun Bangash
Hafiz Imran Lateef
Mr. Ali Akhtar

AUDIT COMMITTEE

Hafiz Imran Lateef Chairman
Hafiz Farooq Ahmad
Mr. Usman Hassan

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Maleeha Humayun Bangash Chairman
Atique Ahmad Khan
Hafiz Farooq Ahmad
Hafiz Imran Lateef

PRESIDENT

M. Ashraf Bawany

CHIEF FINANCIAL OFFICER

Asim Mahmud, FCA

COMPANY SECRETARY

Farzand Ali, FCS

AUDITORS

CROWE Hussain Chaudhury & Co.
Chartered Accountants
25-E, Main Market Gulberg-II, Lahore.

BANKERS

Al Baraka Bank (Pakistan) Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

SHARE REGISTRAR

CORPLINK (PVT.) LTD.

Wings Arcade, 1-K, Commercial, Model Town, Lahore.

Ph: 92-42-35916714, Fax: 92-42-35869037

Email: shares@corplink.com.pk

REGISTERED/CORPORATE OFFICE

10-N, Model Town Ext, Lahore 54000, Pakistan

UAN: 111 GHANI 1 (442-641)

Fax: (092) 42 35160393

E-mail: corporate@servicefabrics.com

Website: www.servicefabrics.com

DIRECTORS REPORT

Dear Shareholders

Assalam-o-Alaikum Wa Rehmat Ullah Wa Barakatoh

The Directors of your Company (G3 Technologies Limited) are pleased to present the condensed interim financial statements of the Company for the half year ended December 31, 2021, along with review report of the auditors thereon, in compliance with the requirements of Companies Act, 2017.

FINANCIAL PERFORMANCE

Alhamdulillah Company commenced its operational activities during the month of November 2021 which were suspended since October 2004. In the current year directors of the Company made their entire efforts to revive the operational activities. Company has commenced its operations initially in Chemical sector.

For the period ended December 31, 2021, your company succeeded to book the sales of Rs. 30.23 million cost of sale was Rs. 29.96 million, in the result the gross profit was Rs. 0.26 million, during the period under review administration expenses was Rs. 11.73 million, the bottom line showed a net loss after taxation of Rs. 14.47 million which yielded loss per share of Rs. 0.12.

A Comparison of the key financial results of your Company for the half year ended December 31, 2021 with the same period last year is as under:

| Particulars | Rupees in '000' Except EPS | |
|---|----------------------------|---------------|
| | December 2021 | December 2020 |
| Sales | 36,275 | - |
| Net Sales | 30,229 | - |
| Gross Profit | 263 | - |
| Administrative expenses | (11,734) | (354) |
| Operating loss | (11,470) | (354) |
| Net loss | (14,477) | (354) |
| Loss per share (basic and diluted - Restated) | (0.12) | (0.02) |

FUTURE PROSPECTS

Your Company is actively in process for setup of import substitute Calcium Carbide project already announced to setup in Hattar Economic Zone. Alhamdulillah, the Letter of Credit for the import of Pakistan's only Calcium Carbide plant has already been opened.

The project shall completely provide import substitution to Pakistan, besides enabling the Company to tap the export market. The plant shall also indigenize the production of many by-products. An overall market of US\$ 25Million revenue is aimed to be tapped through this plant.

To step forward the implementation of revival business plan of the Company, the Company has invested Rs. 400 million for purchase of 10 million ordinary shares of Ghani Chemical Industries Limited (GCIL / the largest manufacturer of medical and industrial gases in Pakistan) which has been allotted to GTECH.


ACKNOWLEDGEMENTS

We would like to express sincere appreciation to the cooperation and kindness of the SECP, PSX and the Honourable Lahore High Court for helping to step forward the revival of your Company.

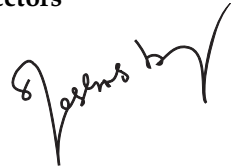
We thank our shareholders, underwriters and bankers to the issue who reposed their confidence on new management of the Company and make right issue successful for implementation for revival of the Company.

We thanks to the Allah Subhanatallah who gives us courage to serve the small shareholders.

For and behalf of Board of Directors



ATIQUE AHMAD KHAN
(CHIEF EXECUTIVE OFFICER)




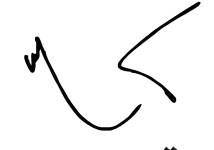
MASROOR AHMAD KHAN
(DIRECTOR)

Lahore:
February 28, 2022

ہم رائٹ ایشو کے لیے اپنے شیئر ہولڈرز، انڈر رائٹرز اور بینکرز کا شکریہ ادا کرتے ہیں جنہوں نے کمپنی کے نئے انتظام پر اعتماد کا اظہار کیا اور کمپنی کی بحالی کے لیے صحیح ایشو کو عمل میں لانے کے لیے کامیاب بنایا۔
ہم اللہ سبحانہ و تعالیٰ کے شکر گزار ہیں جس نے ہمیں چھوٹے شیئر ہولڈرز کی خدمت کرنے کی ہمت دی۔

بورڈ آف ڈائریکٹرز کی طرف سے


مسرور احمد خان
(ڈائریکٹر)


عتیق احمد خان
(چیف ایگزیکٹو آفیسر)

لاہور

مورخہ 28 فروری 2022ء

| روپے '000' میں سوائے فی شیئر منافع | | تفصیلات |
|------------------------------------|------------|---|
| دسمبر 2020 | دسمبر 2021 | |
| - | 36,275 | سیل |
| - | 30,229 | خالص سیل |
| - | 263 | گراس پرافٹ |
| (354) | (11,734) | انتظامی اخراجات |
| (354) | (11,470) | آپریٹنگ نقصان |
| (354) | (14,477) | خالص نقصان |
| (0.02) | (0.12) | فی شیئر نقصان (بنیادی اور دوبارہ ترتیب دیا گیا) |

مستقبل کے امکانات

آپ کی کمپنی درآمدی متبادل کیمیشیم کار بائیوڈ پروجیکٹ کے سیٹ اپ کے لیے سرگرم عمل ہے جس کا پہلے ہی حطار اکنا مک زون میں سیٹ اپ کا اعلان کیا گیا ہے۔ الحمد للہ، پاکستان کے واحد کیمیشیم کار بائیوڈ پلانٹ کی درآمد کا لیٹر آف کریڈٹ پہلے ہی کھل چکا ہے۔

یہ منصوبہ پاکستان کو درآمدی متبادل فراہم کرے گا، اس کے علاوہ کمپنی کو برآمدی منڈی کو استعمال کرنے کے قابل بنائے گا۔ پلانٹ بہت سے ضمنی مصنوعات کی پیداوار کو بھی مقامی بنائے گا۔ اس پلانٹ کے ذریعے 25 ملین امریکی ڈالر کی مجموعی آمدنی حاصل کرنے کا مقصد ہے۔

کمپنی کے بحالی کاروباری منصوبے کے نفاذ کو آگے بڑھتے ہوئے، کمپنی نے 400 ملین روپے کی غنی کیمیکل انڈسٹریز لمیٹڈ (GCIL) / پاکستان میں طبی اور صنعتی گیسوں کا سب سے بڑا مینوفیکچرر) میں 10 ملین عام شیئرز کی خریداری کے لیے سرمایہ کاری کی ہے۔ جسے GTECH کو الاٹ کیا گیا ہے۔

اعترافات

ہم آپ کی کمپنی کے احیاء کو آگے بڑھانے میں مدد کرنے پر ایس ای سی پی، پی ایس ایکس اور معزز لاہور ہائی کورٹ کے تعاون اور مہربانی کی تہہ دل سے تعریف کرنا چاہتے ہیں۔

ڈائریکٹرز رپورٹ

پیارے شیئر ہولڈرز
السلام وعلیکم ورحمۃ اللہ وبرکات

آپ کی کمپنی (جی-3 ٹیکنالوجیز لمیٹڈ) کے ڈائریکٹران کمپنیز ایکٹ 2017 کی تعمیل میں کمپنی کے تخفیف شدہ آڈٹ کے اور آڈیٹر کی جائزہ رپورٹ دوسری سہ ماہی کے حسابات بابت 31 دسمبر 2021 پیش کرنے میں خوشی محسوس کرتے ہیں۔

مالیاتی کارکردگی

الحمد للہ کمپنی نے نومبر 2021 کے مہینے میں اپنی آپریشنل سرگرمیوں کا آغاز کیا جو اکتوبر 2004 سے معطل تھی۔ موجودہ سال میں کمپنی کے ڈائریکٹرز نے آپریشنل سرگرمیوں کو بحال کرنے کی پوری کوشش کی۔ کمپنی نے کیمیکل سیکٹر میں اپنا کام شروع کر دیا ہے۔

31 دسمبر 2021 کو ختم ہونے والی مدت کے لیے، آپ کی کمپنی نے 30.22 ملین روپے کی سیل بک کرنے میں کامیاب ہو گئی۔ اور فروخت کی لاگت 29.97 ملین روپے تھی۔ نتیجے میں مجموعی منافع 0.26 ملین روپے تھا۔ زیر جائزہ مدت کے دوران انتظامی اخراجات 11.73 ملین روپے تھے۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 14.47 ملین روپے کا نقصان ظاہر کرتی ہے جس کے نتیجے میں 0.12 فی حصص کا نقصان ہوا۔

31 دسمبر 2021 کو ختم ہونے والے ششماہی کے لیے آپ کی کمپنی کے اہم مالیاتی نتائج کا گزشتہ سال کی اسی مدت کے ساتھ موازنہ حسب ذیل ہے:

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **G3 TECHNOLOGIES LIMITED (FORMERLY SERVICE FABRICS LIMITED)** ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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 interim financial statements consists of making inquiries, primarily of persons responsible for the 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Nasir Muneer.

LAHORE 28 FEB 2022
Dated:
UDIN: RR202110169kuYFZyMzh



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2021

| | Note | December 31, 2021 (Un-audited) Rupees | June 30, 2021 (Audited) Rupees |
|---|------|--|---|
| PROPERTY AND ASSETS | | | |
| Non Current Assets | | | |
| Property, plant and equipment | 5 | 262,496,623 | 1,000,000 |
| Long term investment | 6 | 409,989,031 | 15,628,969 |
| Deferred tax asset | 7 | - | - |
| | | 672,485,654 | 16,628,969 |
| Current Assets | | | |
| Inventory | | 26,923,077 | - |
| Trade debts | | 36,275,000 | - |
| Advances and other receivables | | 10,081,322 | - |
| Tax refund due from Government | | 17,760,029 | - |
| Short term investments | 8 | 1,380,000,000 | - |
| Cash and bank balances | | 47,235,153 | 202,062 |
| | | 1,518,274,581 | 202,062 |
| | | <u>2,190,760,235</u> | <u>16,831,031</u> |
| EQUITY AND LIABILITIES | | | |
| Share Capital and Reserves | | | |
| Authorized share capital: 250,000,000 (June 30, 2021: 16,000,000) ordinary shares of Rs. 10 each | | <u>2,500,000,000</u> | <u>160,000,000</u> |
| Issued, subscribed and paid up capital | 9 | 2,498,711,280 | 157,548,000 |
| Accumulated loss | | <u>(406,352,033)</u> | <u>(391,875,297)</u> |
| | | 2,092,359,247 | (234,327,297) |
| Non Current Liabilities | | | |
| Payable to subsidiary | | - | 10,028,205 |
| Current Liabilities | | | |
| Trade and other payables | 10 | 95,714,932 | 58,054,660 |
| Unclaimed dividend | | 491,058 | 491,058 |
| Loan from director | | - | 17,409,765 |
| Short term financing | | - | 163,357,507 |
| Provision for taxation | | 2,194,998 | 1,817,133 |
| | | 98,400,988 | 241,130,123 |
| Contingencies and Commitments | | | |
| | 11 | - | - |
| | | <u>2,190,760,235</u> | <u>16,831,031</u> |

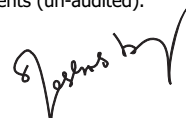
The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements (un-audited).



ATIQUE AHMAD KHAN
(Chief Executive Officer)



ASIM MAHMUD
(Chief Financial Officer)



MASROOR AHMAD KHAN
(Director)

G3 TECHNOLOGIES LIMITED

(FORMERLY SERVICE FABRICS LIMITED)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

| | Note | Half Year Ended | | Quarter Ended | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| | | Rupees | Rupees | Rupees | Rupees |
| Gross sales | | 36,275,000 | - | 36,275,000 | - |
| Less: sales tax | | (6,045,833) | - | (6,045,833) | - |
| Net sales | | 30,229,167 | - | 30,229,167 | - |
| Cost of sales | | (29,965,812) | - | (29,965,812) | - |
| Gross Profit | | 263,355 | - | 263,355 | - |
| Administrative expenses | | (11,733,605) | (354,465) | (4,211,355) | (295,695) |
| Operating Loss | | (11,470,250) | (354,465) | (3,948,000) | (295,695) |
| Other operating expenses | 12 | (104,020,336) | - | (65,176,747) | - |
| Other income | | 91,402,684 | - | 91,401,916 | - |
| Share of profit from associated company | | 9,989,031 | - | 9,989,031 | - |
| | | (2,628,621) | - | 36,214,200 | - |
| (Loss) / Profit before Taxation | | (14,098,871) | (354,465) | 32,266,200 | (295,695) |
| Taxation | | (377,865) | - | (377,865) | - |
| Net (Loss) / Profit for the Period | | <u>(14,476,736)</u> | <u>(354,465)</u> | <u>31,888,335</u> | <u>(295,695)</u> |
| (Loss) / Earnings per share - basic and diluted | | | | | |
| 2020 - Restated | | <u>(0.12)</u> | <u>(0.02)</u> | <u>0.27</u> | <u>(0.01)</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements (un-audited).



ATIQUE AHMAD KHAN
(Chief Executive Officer)



ASIM MAHMUD
(Chief Financial Officer)



MASROOR AHMAD KHAN
(Director)

G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

| | Half Year Ended | | Quarter Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2021 | December 31, 2020 | December 31, 2021 | December 31, 2020 |
| | Rupees | Rupees | Rupees | Rupees |
| Net (Loss) / Profit for the Period | (14,476,736) | (354,465) | 31,888,335 | (295,695) |
| Other Comprehensive Income for the Period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | - | - | - | - |
| <i>Items that may be reclassified subsequently to profit or loss</i> | - | - | - | - |
| Other comprehensive income | - | - | - | - |
| Total Comprehensive (Loss) / Income for the Period | <u>(14,476,736)</u> | <u>(354,465)</u> | <u>31,888,335</u> | <u>(295,695)</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements (un-audited).



ATIQUE AHMAD KHAN
(Chief Executive Officer)



ASIM MAHMUD
(Chief Financial Officer)



MASROOR AHMAD KHAN
(Director)

G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

| | Share capital | Accumulated Losses | Total |
|--|----------------------|----------------------|----------------------|
| | Rupees | Rupees | Rupees |
| Balance as on June 30, 2020 | 157,548,000 | (360,749,462) | (203,201,462) |
| Net loss for the period | - | (354,465) | (354,465) |
| Other comprehensive loss | - | - | - |
| Total comprehensive loss for the period | - | (354,465) | (354,465) |
| Balance as on December 31, 2020 | 157,548,000 | (361,103,927) | (203,555,927) |
| Balance as at June 30, 2021 | 157,548,000 | (391,875,297) | (234,327,297) |
| 234,116,328 ordinary shares of Rupees 10 each issued as right shares | 2,341,163,280 | - | 2,341,163,280 |
| Net loss for the period | - | (14,476,736) | (14,476,736) |
| Other comprehensive loss | - | - | - |
| Total comprehensive loss for the period | - | (14,476,736) | (14,476,736) |
| Balance as on December 31, 2021 | 2,498,711,280 | (406,352,033) | 2,092,359,247 |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements (un-audited).



ATIQUE AHMAD KHAN
(Chief Executive Officer)



ASIM MAHMUD
(Chief Financial Officer)



MASROOR AHMAD KHAN
(Director)

G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)

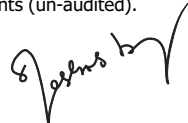
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

| | Un audited December 31, 2021 Rupees | Un audited December 31, 2020 Rupees |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (14,476,736) | (354,465) |
| Adjustment for: | | |
| - Share of profit from associate | (9,989,031) | - |
| - Liabilities written back | (65,794,770) | - |
| - Balance written off | 1,000,000 | - |
| - Impairment of long term investment | 15,628,969 | - |
| - Interest income | (25,607,914) | - |
| | <u>(84,762,746)</u> | <u>-</u> |
| Operating loss before working capital changes | (99,239,482) | (354,465) |
| Increase in current assets: | | |
| - Inventory | (26,923,077) | - |
| - Trade debts | (36,275,000) | - |
| - Advances and other receivables | (2,651,596) | (49,000) |
| - Tax refund due from Government | (15,033,301) | - |
| Increase / (decrease) in current liabilities: | | |
| - Trade and other payables | 3,425,867 | (201,800) |
| | <u>(77,457,107)</u> | <u>(250,800)</u> |
| Cash used in operating activities | (176,696,589) | (605,265) |
| Income tax paid | (2,348,863) | - |
| Net Cash Used in Operating Activities | (179,045,452) | (605,265) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (172,496,623) | - |
| Long term investment | (400,000,000) | - |
| Interest income received | 18,178,188 | - |
| Short term investment made during the period | (1,480,000,000) | - |
| Short term investment encashed | 100,000,000 | - |
| Net Cash Used in Investing Activities | (1,934,318,435) | - |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Right share issued | 2,341,163,280 | - |
| Repayment of short term financing | (163,356,537) | - |
| Receipt of loan from director | - | 586,800 |
| Repayment of loan from director | (17,409,765) | - |
| Net Cash Generated from Financing Activities | <u>2,160,396,978</u> | <u>586,800</u> |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 47,033,091 | (18,465) |
| Cash and cash equivalents at the beginning of the period | 202,062 | 220,607 |
| Cash and Cash Equivalents at the End of the Period | <u>47,235,153</u> | <u>202,142</u> |

The annexed notes from 1 to 17 form an integral part of these condensed interim financial statements (un-audited).


ATIQUE AHMAD KHAN
(Chief Executive Officer)


ASIM MAHMUD
(Chief Financial Officer)


MASROOR AHMAD KHAN
(Director)

G3 TECHNOLOGIES LIMITED
(FORMERLY SERVICE FABRICS LIMITED)

NOTES TO AND FORMING PART OF
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Note 1

The Company and its Operations

G3 Technologies Limited (formerly Service Fabrics Limited) (the Company) was incorporated in Pakistan on December 01, 1987 as a Public Limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). Name of the Company was changed to G3 Technologies Limited on November 17, 2021. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company's registered office is situated at 10-N, Model Town Extension, Lahore. The principal business activities of the Company includes manufacturing and trading of chemicals.

Note 2

Basis of Preparation

2.1 Statement of compliance

2.1.1 These condensed interim financial statements of the Company 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 (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.1.2 These condensed interim financial statements comprise of the condensed interim statement of financial position as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the notes forming part thereof.

2.1.3 These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended June 30, 2021.

2.1.4 The comparative 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 June 30, 2021, whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the six months period ended December 31, 2020.

2.1.5 These condensed interim financial statements are unaudited and have been subjected to limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017 and by the Companies (Code of Corporate Governance) Regulations, 2019. The figures for the quarters ended on December 31, 2020 and 2021 presented in the condensed interim financial statements have not been reviewed by the external auditors.

2.2 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional currency and reporting currency.

Judgments and Estimates

The preparation of these condensed interim financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant Accounting Policies

The Company's accounting and financial risk management policies and methods of computation adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2021. Following new policies have been adopted during the period:

4.1 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the investee company.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

4.2 Inventories

The Company records its inventories using lower of cost and net realizable value. Valuation of inventories is reviewed at regular intervals for determination of possible impairment, if any. Any possible impairment may change the future value of inventories.

4.3 Trade debts

Trade receivables represent the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.4 Short term investments

The Company takes into account the prevailing market values of investments in determining the fair value of its short term investments. Instances where market values are deteriorated may cast a downward impact on the value of these investments.

4.5 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control (i.e. at the time of transfer of physical possession) of a promised good to a customer, and control at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Note 5

Property, Plant and Equipment

| | | Un audited December 31, 2021 | Audited June 30, 2021 |
|--|------|---|----------------------------------|
| | Note | Rupees | Rupees |
| Land | 5.1 | 125,000,000 | - |
| Capital work in progress - at cost | 5.2 | 134,713,623 | - |
| Advances against purchase of vehicles | | 2,783,000 | - |
| Advances against purchase of long term asset | | - | 1,000,000 |
| | | <u>262,496,623</u> | <u>1,000,000</u> |

- 5.1** This represent purchase of freehold land of 6.25 acre situated in Hattar special economic zone, Dhorian chowk near tanoli filling station, district Haripur in the province of Khyber Pakhtunkhwa, Pakistan. The transfer of title of land in the name of the company is in process as at the end of the reporting period.

| | | Un audited December 31, 2021 | Audited June 30, 2021 |
|---|--|---|----------------------------------|
| | | Rupees | Rupees |
| 5.2 Capital work in progress - at cost | | | |
| Opening balance | | - | - |
| Additions during the period / year | | 134,713,623 | - |
| | | <u>134,713,623</u> | - |
| Transfer during the period / year | | - | - |
| Closing balance | | <u>134,713,623</u> | <u>-</u> |

Note 6

Long Term Investment

| | | Un audited December 31, 2021 | Audited June 30, 2021 |
|--|--|---|----------------------------------|
| | | Rupees | Rupees |
| Investment in subsidiary - HK Securities (Private) Limited | | | |
| Opening balance | | 15,628,969 | 15,628,969 |
| Less: Loss allowance recognized during the period | | (15,628,969) | - |
| | | - | 15,628,969 |
| Investment in associate - Ghani Chemical Industries Limited | | | |
| Cost of investment made during the period | | 400,000,000 | - |
| Share of net profit for the period | | 9,989,031 | - |
| | | 409,989,031 | - |
| | | <u>409,989,031</u> | <u>15,628,969</u> |

Note 7

Deferred Tax Asset

Being prudent, the Company has not recognized deferred tax asset amounting to Rs. 9.404 million (June 30, 2021: Nil).

Note 8

Short Term Investment

| | | Un audited December 31, 2021 | Audited June 30, 2021 |
|-------------------------------|------|---|----------------------------------|
| | Note | Rupees | Rupees |
| Term deposits receipts - TDRs | 8.1 | <u>1,380,000,000</u> | <u>-</u> |

8.1 This investment yields profit ranging from 7.25% to 10.30% (2021: Nil) per annum.

Note 9

Issued, subscribed and paid up capital

| | Un audited December 31, 2021 | Audited June 30, 2021 | | Un audited December 31, 2021 | Audited June 30, 2021 |
|--|---|--------------------------------------|--|---|----------------------------------|
| | Number of shares | Number of shares | | Rupees | Rupees |
| | 15,504,800 | 15,504,800 | Ordinary shares of Rs. 10 each fully paid in cash | 155,048,000 | 155,048,000 |
| | 250,000 | 250,000 | Ordinary shares of Rupees 10 each issued for consideration other than cash | 2,500,000 | 2,500,000 |
| | 234,116,328 | - | Right shares issued of Rupees 10 each issued during the period | 2,341,163,280 | - |
| | <u>249,871,128</u> | <u>15,754,800</u> | | <u>2,498,711,280</u> | <u>157,548,000</u> |

9.1 Reconciliation of number of shares outstanding is as under:

| | Un audited December 31, 2021 | Audited June 30, 2021 |
|--|---|----------------------------------|
| | Number of shares | |
| Number of shares outstanding at the beginning of the period / year | 15,754,800 | 15,754,800 |
| Right issue of ordinary shares fully paid in cash | 234,116,328 | - |
| Number of shares outstanding at the end of the period / year | <u>249,871,128</u> | <u>15,754,800</u> |

Note 10

Trade and Other Payables

| | Un audited December 31, 2021 | Audited June 30, 2021 |
|---|---|----------------------------------|
| | Rupees | Rupees |
| Creditors | - | 4,750,413 |
| Payable to legal advisor and consultants | - | 16,800,000 |
| Accrued liabilities | 355,673 | 925,000 |
| Contract liabilities | - | 34,215,182 |
| Zakat payable | 301,072 | 301,072 |
| Withholding tax payable | 5,058,187 | 1,062,993 |
| Payable to related party against purchase of land | 90,000,000 | - |
| | <u>95,714,932</u> | <u>58,054,660</u> |

Contingencies and Commitments**11.1 Contingencies**

There is no material change in the status of contingencies as reported in the financial statements of the Company for the year ended June 30, 2021.

11.2 Commitments

11.2.1 Commitments under letter of credits for capital expenditure amount to Rs. 447.010 million (June 30, 2021: Nil).

Other Operating Expenses

This includes Rs. 86.970 million relating to expenses incurred on issuance of right shares of Rs. 2,341,163,280 during the period.

Balances and Transactions With Related Parties

Related parties comprise of associated companies due to common directorship, directors of the Company, key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions with related parties during the period

| Related party | Relationship | Nature of Transaction | Un audited | Un audited |
|-----------------------------------|--------------|--------------------------------------|-------------------|-------------------|
| | | | December 31, 2021 | December 31, 2020 |
| | | | Rupees | Rupees |
| Ghani Chemical Industries Limited | Associates | Investment in associate | 400,000,000 | - |
| | | Purchase of freehold land | 125,000,000 | - |
| | | Amount paid against purchase of land | (35,000,000) | - |
| | | Purchase of goods | 53,100,000 | - |
| | | Payment made against purchases | (53,100,000) | - |
| Ghani Global Glass Limited | Associates | Purchase of goods | 14,000,000 | - |
| | | Payment made against purchases | (14,000,000) | - |
| Director | | Loan (repaid) / received | (17,409,765) | 1,060,700 |
| | | | Un audited | Audited |
| | | | December 31, 2021 | June 30, 2021 |
| | | | Rupees | Rupees |

Balances with related parties - as at

| | | |
|--|--------------|--------------|
| Payable to HK Securities (Private) Limited | - | (10,028,205) |
| Loan from director | - | 17,409,765 |
| Ghani Chemical Industries Limited | (90,000,000) | - |

Note 14

Segment Information

There is only one operating segment during the period.

Note 15

Financial Risk Management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended June 30, 2021.

Note 16

Authorization of Financial Statements

These condensed interim financial statements (un-audited) for the half year ended December 31, 2021 were approved and authorized for issue by the Board of Directors on February 28,2022.

Note 17

General

Corresponding figures have been re-arranged / re-classified wherever necessary to facilitate comparison. However, no significant reclassification has been made in these condensed interim financial statements.



ATIQUE AHMAD KHAN
(Chief Executive Officer)



ASIM MAHMUD
(Chief Financial Officer)



MASROOR AHMAD KHAN
(Director)



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