

FOR ALL CONCERNED

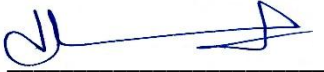
**PLACEMENT OF DRAFT PROSPECTUS OF “SELECT TECHNOLOGIES LIMITED” ON PSX WEBSITE
FOR SEEKING PUBLIC COMMENTS**

Pakistan Stock Exchange Limited (“PSX”) is pleased to inform all concerned that **Select Technologies Limited (“the Company”)** has applied for listing on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises of 88,888,889 Ordinary Shares having par value of PKR 10/- each using Book Building Method at a Floor Price of PKR 28/- per share. Arif Habib Limited and Intermarket Securities Limited are the Joint Lead Managers to the Issue.

Pursuant to Clause 3A.(2) of the Public Offering Regulations, 2017, the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of “**Public Comments on Draft Prospectus of Select Technologies Limited**”. Details about the Issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at comments.draftprospectus@psx.com.pk latest by **COB Thursday, May 14, 2026**.



Syed Ahmad Abbas

Head of Business Development & Listing

Copy to:

1. The HOD, PMADD (SMD), SECP
2. The Chief Executive Officer, PSX
3. Select Technologies Limited
4. Arif Habib Limited
5. Intermarket Securities Limited
6. PSX Website

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INDIVIDUALS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE IF ANY, UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.



Select Technologies Limited

PROSPECTUS FOR INITIAL PUBLIC OFFERING

Date and place of incorporation: 13th October 2021, Lahore, **Incorporation number:** 0185953, **Registered & Corporate Office:** 152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan, **Contact No:** 042-35151345, **Website:** <https://selecttechnologies.pk/> **Email:** info@selecttechnologies.pk, **Contact Persons:** Mr. Amer Latif (Company Secretary), **Phone:** 042-35151345 | **Email:** company.secretary@selecttechnologies.pk; Mr. Nusrat Mahmood (Chief Financial Officer), **Phone:** 042-111667468, **Email:** nusrat@selecttechnologies.pk.

Issue Size: The Issue consists of 88,888,889 Ordinary Shares (i.e. 10% of the total post-IPO paid up capital of Select Technologies Limited) of face value of PKR 10/- each.

Method of Offering: Book Building Method

Book Building Method and Floor Price: Seventy five percent (75%) of the Issue size i.e. 66,666,667 shares will be offered through Book Building Method at a Floor Price of PKR 28/- per share (including premium of PKR 18/- per share) with a maximum price band of up to 50% (Rs. 42.00). Justification of premium is given under "Valuation section", i.e. Section 4A). The Bidders shall place Bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which seventy five percent (75%) of the Issue is subscribed. The remaining twenty-five percent (25%) i.e. 22,222,222 shares shall be offered to the retail investors through General Public portion.

Retail/General Public Portion: General Public portion of the Issue comprises of 22,222,222 ordinary shares (25% of the total issue) at the Strike Price. The retail portion of the public offer shall be fully underwritten.

Public Comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from [] to [] and all public comments received were duly addressed by the Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on [] and will close at 3:00 pm on [], 2025

BIDDING PERIOD DATES: From [] to [], From: 9:00 am to 5:00 pm

DATE OF PUBLIC SUBSCRIPTION: From [] to [] (both days inclusive)

<u>Lead Manager / Consultant to the Issue</u>	<u>Joint Consultant to the Issue</u>	<u>Eligible Participants for Book Building</u> Securities Brokers, Mutual Funds, Scheduled Banks and Development Finance Institutions that are clearing members of the NCCPL, and trading only brokers ¹	<u>Underwriters to the Issue</u>

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and www.cdceipo.com. There is no transaction limit on making payment through e-banking channels. Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e-IPO platforms. For details, please refer to Section 13.3 of the Prospectus.

Date of Publication of this Prospectus: []

Prospectus and Bidding Form can be downloaded from the following websites: <https://selecttechnologies.pk/>, <http://www.psx.com.pk>, www.cdceipo.com and <http://www.arifhabibtd.com>

For Further Queries you may Contact




Select Technologies Limited: Mr. Amer Latif (Company Secretary), **Phone:** 042-35151345 | **Email:** company.secretary@selecttechnologies.pk, Mr. Nusrat Mahmood (Chief Financial Officer), **Phone:** 042-111667468, **Email:** nusrat@selecttechnologies.pk; **Arif Habib Limited:** Hamza Rehan (AVP – Investment Banking), **Phone:** +92-21-38280273 | **Email:** hamza.rehan@arifhabibtd.com; Tasweeb Fathe Khan (Analyst – Investment Banking), **Phone:** +92-21-3828-0635 | **Email:** tasweeb.fathe@arifhabibtd.com; Muhammad Sufyan Khan (Analyst – Investment Banking), **Phone:** +92-21-3828 0637 | **Email:** sufyan.khan@arifhabibtd.com; **Intermarket Securities Limited:** Ibrar Hussain (VP – Investment Banking), **Phone:** +92 307 2179629 | **Email:** ibrar.hussain@imsecurities.com.pk; Mansoor Arif (Associate – Investment Banking), **Email:** mansoor.arif@imsecurities.com.pk **Underwriter | Dawood Equities Limited:** Abdul Aziz Habib (Chief Executive Officer), **Phone:** +92 21 32271881-3, **Email:** aziz@dawoodequities.com; **Ismail Iqbal Securities:** Ahfaz Mustafa (Chief Executive Officer), **Phone:** +92-21-34302121, **Email:** ahfaz.mustafa@ismailiqbal.com; **Sherman Securities Limited:** M. Umair Ansari (Chief Financial Officer), **Phone:** +92-315-2162330, **Email:** umairansari@shermansecurities.com

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

¹ Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER


E-STAMP

ID :	PB-LHR-01DA449C399E24FC
Type :	Low Denomination
Amount :	Rs 300/-

Description :	AFFIDAVIT - 4
Applicant :	Select Technologies Limited (35202-2849692-9)
Representative From :	Select Technologies Limited
Agent :	MUHAMMAD ZAHID IQBAL (35201-1219907-3)
Address :	LAHORE
Issue Date :	27-Feb-2026 10:31:07 AM
Delisted On/Validity :	6-Mar-2026
Amount in Words :	Three Hundred Rupees Only
Reason :	AFFIDAVIT - 4
Vendor information :	Muhammad Abid Awan PB-LHR-496 Sua Acal

Stamp Vendor Lic.#496
Stamp paper issued without writing.
0321-3777774
Serial NoSig



نوٹ یہ فراہم کرنے والے کے ساتھ ساتھ اس کا ایک کاپی ایف ایف ایف کے ساتھ فراہم کیا جائے گا اور اس کا ایک کاپی بھی

Dated: 31st March 2026

UNDERTAKING



Adnan Aftab
Chief Executive Officer



Nusrat Mahmood
Chief Financial Officer







Note: This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Select Technologies Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Select Technologies Limited earlier published on (..)

Select Technologies Limited

- FLOOR PRICE: PKR 28.00/- PER SHARE
- STRIKE PRICE: PKR [.] /- PER SHARE
- ISSUE PRICE: PKR [.] /- PER SHARE
- PRICE BAND (MAXIMUM 50%): PKR 42.00/- PER SHARE

Underwriters to the retail portion of the issue if any

S. No	Name(s) of Underwriters	Number of Shares Underwritten	Amount Underwritten (at Floor)	Amount Underwritten (at Cap)	Underwriting Fee (%)	Take-up Commission (%)
1.	Intermarket Securities Limited	10,714,286	300,000,008	450,000,012	1%	1%
2.	Dawood Equities Limited	4,761,905	133,333,340	200,000,010		
3.	Ismail Iqbal Securities (Private) Limited	3,571,429	100,000,012	150,000,018		
4	Sherman Securities (Private) Limited	3,174,602	88,888,856	133,333,284		
Total		22,222,222	622,222,216	933,333,324		

Category Wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of Shares Provisionally Allocated
1	Commercial Banks	•	•
2	Development Financial Institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	Total Institutional Investors	•	•
	Individual Investors:	•	•
12	Foreign Investors	•	•
13	Local	•	•
	Total Individual Investors	•	•
	GRAND TOTAL		

Glossary of Technical Terms

ACT	Securities Act, 2015
AHL	Arif Habib Limited
B2B	Business to business
Bn	Billion
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-PO System
CKD	Completed Knocked Down
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CPI	Consumer Price Index
CY	Calendar Year
EPS	Earnings Per Share
FY	Financial Year
GDP	Gross Domestic Product
IPO	Initial Public Offering
LC	Letter of Credit
LCM	Liquid Crystal Module
LG	Letter of Guarantee
Mn	Million
NCCPL	National Clearing Company of Pakistan Limited
NICOP	National Identity Card for Overseas Pakistani
NIP	National Industrial Park
NOC	No Objection Certificates
P.A.	Per Annum
PACRA	Pakistan Credit Rating Agency
PAT	Profit After Tax
PBT	Profit Before Tax
PCM	Professional Clearing Member
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant and Equipment
PSX / Exchange	Pakistan Stock Exchange Limited
S&P	Standard and Poor
SBP	State Bank of Pakistan

SKD	Semi-Knocked Down
SLA	Straight-line amortization
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USD	United States Dollar

DEFINITIONS

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder which is equivalent to the product of the Bid Price and the number of shares.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Select Technologies Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 50% of the Floor Price. Please refer to Section 12.2 for details.
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid price.
Bid Price	The price at which bid is made for a specified number of shares.
Bid Revision	<p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</p> <p>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</p>
Bidder	An Eligible Investor who makes bids for shares in the Book Building process.
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Building System	An online electronic system operated by the Designated Institution (i.e. PSX) for conducting Book Building.
Company	Select Technologies Limited (the “ Company ” or the “ Issuer ”).
Company’s Legal Advisor	Ahmad and Dhariwal, Advocates and Corporate Consultants
Commission	Securities & Exchange Commission of Pakistan (“ SECP ”).

Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Consultant to the Issue	<p>Any person licensed by the Commission to act as Consultant to the Issue.</p> <p>Arif Habib Limited has been appointed as Lead Manager/Consultant to the Issue by the Issuer.</p> <p>Intermarket Securities Limited has been appointed as the Joint Consultant to the Issue by the Issuer</p>
Designated Institution	Includes the securities exchange, central depository and clearing company to provide Book Building System;
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.
E-IPO platform	<p>“E-PO Platform” means an electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. Retail investors shall be able to participate in the public subscription through only the E-IPO platforms provided by CDC and PSX.</p> <p>The following systems are available for e-PO:</p> <ul style="list-style-type: none"> ▪ PSX’s E-IPO System (PES): To facilitate investors, the Pakistan Stock Exchange Limited (“PSX”) has developed an e-IPO System (“PES”) through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK’s and NIFT’s member banks available for PES. 1 Link through Memo dated August 22, 2024 has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e - IPO platforms. There is no transaction limit on making payment through e – banking channels. <p>For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or • the Bank with whom the investor has a bank account. <p>Similarly, an e-IPO application can be filed by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or • the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on Date.

- **Centralized e-IPO System (CES):** To facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-PO System (“CES”) through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES. There is no transaction limit on making payment through e – banking channels. For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors’ subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC’s IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on Date.

IPO Facilitation Account (IFA):

Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked

Eligible Investor	<p>for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.</p> <p>An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000 (Two Million Rupees only).</p>
Eligible Participant for Book Building (Eligible Participant)	<p>Eligible Participant shall include securities brokers (Trading and Clearing, Trading and Self-Clearing, and Trading Only), mutual funds, scheduled banks, and development finance institutions (DFIs) that are clearing member of NCCPL.</p> <p>Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO brokers. TO brokers shall be allowed to participate in the Book Building from proprietary account and may also on-board its clients.</p> <p>Provided further that in case of Trading Only Securities Broker, Professional clearing member shall collect the margin money from the bidders and deposit the same with NCCPL.</p>
Floor Price	<p>In case of book building means the minimum price per share set by the Issuer in consultation with Consultant to the Issue.</p>
GDP	<p>Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.</p>
General Public	<p>All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.</p>
Initial Public Offer (IPO)	<p>Initial Public Offering or IPO means first time offer of securities to the general public.</p>
Institutional Investors	<p>Any of the following entities:</p> <ul style="list-style-type: none"> (i) A financial institution; (ii) A company as defined in the Companies Act, 2017; (iii) An insurance company established under the Insurance Ordinance, 2000; (iv) A securities broker; (v) A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; (vi) A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; (vii) A private fund established under Private Fund Regulations, 2015; (viii) Any employee's fund established for the benefit of employees; (ix) Any other fund established under any special enactment; (x) A foreign company or any other foreign legal person; and

	(xi) Any other entity as specified by the Commission.
Issue	The Issue comprises 88,888,889 Ordinary Shares representing 10% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Strike Price will be the Issue Price.
Issuer	Select Technologies Limited (the “Company” or “SELECT”)
Key Employees	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.
Limit Bid	A bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method.
Limit Price	The maximum price (up to 50% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled ‘Listing of Companies and Securities Regulation’. The aforementioned regulations can be found at the following link; https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-November-24-2025-updated.pdf
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. Eligible participants shall collect the margin money from the bidders and deposit the same with the NCCPL. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant Provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment. Eligible Participants that are Banks, Development Finance Institutions, and Mutual Funds shall be allowed to participate in the book building with 0% margin money for proprietary trade. Provided that the Banks and Development Finance Institutions shall provide standing instruction to the NCCPL to directly debit the bank account in case of default
Minimum Bid Size	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-).
Ordinary Shares	Ordinary Shares of Select Technologies Limited having face value of PKR 10/- each.
PO Regulations	The Public Offering Regulations, 2017. secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&refresh=68c2b70f425cc1757591311

Price Band	Floor Price with an upper limit of 50% above the Floor Price, i.e. PKR 28/- and PKR 42.00/-, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a Company or body corporate or entity.
Registration Period	<p>The period during which registration of bidders is carried out. The registration period shall commence three days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.</p> <p>The bidding shall remain open for at least two working days. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.</p>
Related Employees	Related Employees mean such employees of the Issuer, the Consultant to the Issue, and the Joint Consultant to the Issue who are involved in the Issue. Please refer to Section 3A (vi) for further details.
Sponsor	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees Two Million (PKR 2,000,000/-).
Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within One (1) working day of the close of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE

EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 Approval of the Securities and Exchange Commission of Pakistan

Approval of the Pakistan Stock Exchange (the "**Securities Exchange**" or the "**PSX**") has been obtained by Select Technologies Limited (or "**SELECT**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No PSX/_____ dated [].

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Select Technologies Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter Ref. No _____ dated [].

DISCLAIMER:

- (a) The Securities Exchange and Commission has not evaluated the quality of the issue and its approval should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the issue before subscribing.
- (b) The publication of this document does not represent solicitation by the Securities Exchange and Commission.
- (c) The contents of this document do not constitute an invitation to invest in shares or subscribe for any securities or other financial instrument by the Securities Exchange and Commission, nor should it or any part of it form the basis of, or be relied upon in any connection with any contract or commitment whatsoever of the Exchange and Commission.
- (d) It is clarified that information in this Prospectus should not be construed as advice on any particular matter by the Securities Exchange and Commission and must not be treated as a substitute for specific advice.
- (e) The Securities Exchange and Commission disclaims any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
- (f) Securities Exchange and Commission does not take any responsibility for the financial soundness of the Company and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Prospectus.

Advice from a suitably qualified professional should always be sought by investors in relation to any particular investment

1.2. Filing of Prospectus and other Documents with the Registrar of Companies

Select Technologies Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of the Company.

1.3. Listing on PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this Prospectus shall be void if such permission has not been applied for within seven (7) days after the first issue of this Prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this Prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of

default in complying with this requirement, the Company and every officer who authorizes or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.

2. SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF SELECT TECHNOLOGIES LIMITED

Select Technologies Limited, hereinafter referred to as "Select Technologies Limited", "SELECT", or "the Company", was founded in October 2021, with its primary business being the manufacturing and assembly of smartphones and other consumer appliances in Pakistan. The Company's registered head office is located at 152-1-M Quaid-e-Azam Industrial Area Kot Lakhpat, Lahore, Punjab, Pakistan.

SELECT is an initiative of Air Link Communication Limited to promote the manufacturing and assembly of state-of-the-art smart devices and support the Sponsor's vision of promoting "Made in Pakistan" products. In its short-lifespan Select Technologies Limited has successfully penetrated Pakistan's telecom market, capturing a **13%** market share of the smartphone assembling sector and **8%** market share of total mobile devices manufactured². This expansion has been enabled through SELECT's strategic partnership with Xiaomi Inc, a globally leading smartphone and smart devices manufacturer.

With its recent initiatives Select Technologies Limited has also expanded into the consumer appliances industry, initially focusing on the Smart-TVs and Air Conditioners market. In this respect SELECT has manufacturing supply agreements with Xiaomi Inc and Hisense Singapore Ltd, two of the world's leading brands in the home-appliances industry. These partnerships combine the brand image and leading technology of Xiaomi and Hisense with SELECT's strong local manufacturing capabilities. Expansion into the consumer appliances industry reflects diversification of SELECT's product portfolio and broadening of its customer base, thereby reducing reliance on a single product line or principal.

SELECT's parent company Air Link Communications is one of the leading manufacturers, distributors, and retailers of smartphone and smart-devices in Pakistan³. Over the course of its lifespan Air Link Communication Limited has built partnerships with globally recognizable brands, including Xiaomi, Acer, and IMIKI⁴. These partnerships have been pivotal in Airlink's success in the smart-phone and smart-devices industry. SELECT benefits from the strong support of its parent Airlink, which has been a key driver in allowing the Company to reach business partnerships with globally leading smartphones brands.

Select Technologies Limited has a state-of-the-art production facility at Quaid-e-Azam Industrial and is in the process of commencing operations at its new facility in Sundar Green SEZ. These two facilities will have a combined annual capacity of 7 million smartphones, 360,000 televisions and 400,000 air-conditioner units. In addition, the Sundar Green facility will in a Special Economic Zone (SEZ), providing the Company with the key strategic benefit of income tax exemption till FY 2035. Through this tax benefit SELECT will be able to generate higher net margins, leading to improved returns for shareholders.

SELECT's credit position is robust, with a long-term credit rating of "A" and short-term rating of "A1" by PACRA as on February 21st, 2025, highlighting the Company's stable outlook and strong ability to pay debts when they fall due⁵.

2.2. SPONSORS OF SELECT TECHNOLOGIES LIMITED

Air Link Communication Limited, listed on PSX as AIRLINK, is the Sponsor and sole shareholder of Select Technologies Limited.

2.3. SALIENT FEATURES OF THE ISSUE

The Offer comprises of 88,888,889 ordinary shares of SELECT of face value of PKR 10/- each, which constitutes 10% of the post-IPO paid-up capital of the company.

Of the 88,888,889 ordinary shares, 75% (seventy-five percent) i.e. 66,666,667 shares will be offered through the book building process at a Floor price of PKR 28/- per share with a price band of 50% above the floor price i.e. PKR 42.00/-.

² <https://www.pacra.com/rating-report/MTQwNzU=>

³ <https://www.pacra.com/api/rating-report/MTUxODE=>

⁴ <https://www.pacra.com/api/rating-report/MTUxODE=>

⁵ <https://www.pacra.com/rating-report/MTQwNzU=>

The bidders shall be allowed to place bids for seventy-five percent (75%) of the offer size i.e. 66,666,667 shares, and the strike price shall be the price at which 75% of the offer is subscribed. Successful bidders will be allotted 75% of the issue size i.e. 66,666,667 shares, with the remaining 25% i.e. 22,222,222 being offered to retail investors at the strike price determined through the book building process. The retail portion shall be fully underwritten, with Arif Habib Limited, Dawood Equities Limited, Intermarket Securities Limited, Ismail Iqbal Securities (Private) Limited acting as the underwriters to the issue.

2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held	Ownership %	Shares Held	Ownership %
Sponsors:				
Air Link Communication Limited	799,999,993	100.00%	799,999,993	90.00%
Directors:				
Muzzaffar Hayat Piracha	1	0.00%	1	0.00%
Adnan Aftab	1	0.00%	1	0.00%
Sharique Azim Siddiqui	1	0.00%	1	0.00%
Shaista Bano Gilani	1	0.00%	1	0.00%
Aqduus Faraz Tahir	1	0.00%	1	0.00%
Rabiya Muzzaffar	1	0.00%	1	0.00%
Mariam Sajjad	1	0.00%	1	0.00%
Public Offering	-	-	88,888,889	10%
Total	800,000,000	100%	888,888,889	100%

2.5. PRINCIPAL PURPOSE OF THE ISSUE

The principal purpose of the issue is to finance the construction of a new state-of-the-art production facility at E4 and E5(S) Sundar Green Special Economic Zone for the manufacturing and assembly of Air Conditioner (AC) units. This will provide scope for expansion of SELECT's operations and diversification of its product portfolio, allowing the Company to reduce reliance on a single product and customer and seek sustained business growth.

Moreover, this new facility will operate in a Special Economic Zone (SEZ), providing Select Technologies Limited with the key strategic benefit of income tax exemption till FY 2035. Through this tax benefit SELECT will be able to generate higher net margins, leading to improved returns for shareholders.

In addition, 51% of the proceeds will be used to finance the working capital needs of the Company. The working capital requirements of Select Technologies Limited remain substantially high due to the need to maintain cash margin deposits for Letter of Credit (LC) on imports. Furthermore, SELECT has diversified its product portfolio to include other product lines, i.e. Television sets and Air Conditioning Units. These products intrinsically have a slower turnover cycle, highlighting that further investment is needed to finance the working capital needs of the Company.

2.5.1 Sources of Funding:

SELECT intends to raise PKR 2,488,888,892 million through an Initial Public Offering (IPO), issuing 88,888,889 ordinary shares at a floor price of PKR 28.00/- per share.

2.5.2 Utilization of IPO Proceeds:

The IPO proceeds will be used primarily to establish a production facility at Sundar Green Special Economic Zone for the manufacturing and assembly of Air Conditioner (AC) units, with the objective of enhancing production capacity, expanding product range and availing regulatory tax benefits. A portion of the proceeds will be utilized towards expanding the TV production line to support large scale TV models. Capital expenditure will also be undertaken on smartphone plant & machinery, allowing Select Technologies Limited to keep its operations up-to-date with technological advancements in the industry. The remainder of the proceeds raised will be utilized in financing the working capital needs of the Company, which remain high due to need to finance inventories.

Detailed breakdown of the utilization of proceeds is provided hereunder:

S. No.	Proceeds Utilization	Amount (PKR)	(%)
1	Plant & Machinery - AC Assembly line	624,174,707	25%
2	Plant & Machinery – Smartphones	433,351,038	17%
3	Plant & Machinery – Large Scale TV Assembly Line	373,116,320	15%
4	Working Capital	1,058,246,828	43%
Total		2,488,888,892	100%

Further details pertaining to the utilization of proceeds is provided in Section 4.3.

Any excess funds raised, in case the Strike price is determined above the Floor price, would be utilized towards financing the working capital needs of the Company.

2.6. JUSTIFICATION IN FAVOR OF THE FLOOR PRICE OF PKR 28.00/- PER SHARE

Justification given by the Lead Manager/consultant to the issue in favor of floor price of PKR 28.00/- per share may be seen at section 4A of the prospectus, titled VALUATION SECTION.

2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

No qualified opinion was given on the financial statements of Select Technologies Limited during the last three financial years, i.e. FY25, FY24, FY23, by the Company's Auditors, i.e. BDO Ebrahim & CO. Chartered Accountants (for FY25 and FY 24) and EY Ford Rhodes Chartered Accountants (for FY 23).

2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.6 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
	Audited	Audited	Audited	Unaudited
Paid-up Capital	5,500	8,000	8,000	8,000
Shareholders' Equity	5,447	9,514	10,818	11,996
Revenue ⁶	15,430	73,460	48,893	18,612
Gross Margin ⁷	8%	5%	9%	14%
Operating Margin ⁸	7%	5%	8%	13%
Profit After Tax	66	1,566	1,304	1,178
Net Margin ⁹	0.4%	2%	3%	6%
Earnings per Share	0.12	1.96	1.63	1.47
Break-up Value per Share	9.90	11.89	13.52	14.99
Total borrowings ¹⁰	6,436	13,149	17,027	15,137
Total debt to equity ¹¹	118%	138%	157%	126%

⁶ Sales remained deflated in FY 2023 due to government restrictions on LCs, which were withdrawn in the following year. As such, demand for FY 2023 was satisfied in the subsequent year, leading to sales rising by 376% in FY 2024, before normalizing in FY 2025.

⁷ Gross margins improved in FY 2025 as a result of lower cost of goods sold (COS) and enhanced operational efficiency.

⁸ Improvements in gross profit margins in FY 2025 translated to an improved operating margin for the Company.

⁹ Improved operational performance, increased non-operating income and reduced non-operating expenses contributed to the increase in net margin in FY 2025.

¹⁰ The change in total borrowings levels predominately arises due to changes in SELECT's short-term borrowings arising as a result of the Company's short-term borrowings.

¹¹ The Debt to Equity (D/E) ratio rose during the period primarily as a result of greater short-term borrowings undertaken by SELECT to finance its working capital needs.

Cash Flow from Operations ¹²	1,131	(4,037)	(2,964)	397
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Detailed financial analysis of the company can be found in Section 0.

2.9. OUTSTANDING LEGAL PROCEEDINGS

The company affirms that, as of April 2026, there are no pending litigations, claims, or legal actions against the parent company, group companies, its sponsors, substantial shareholders, or directors.

2.10. RISK FACTORS

Kindly refer to section 5 of this prospectus for details regarding the risks faced by Select Technologies Limited.

2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

The related party transactions undertaken by Select Technologies Limited is provided hereunder. For further details, kindly refer to Note 33 of the audited financial statements.

PKR Mn	FY 2023	FY 2024	FY 2025
Transactions during the year			
Air Link Communication Limited – Parent Company			
Expenses paid by the Parent on behalf of SELECT	3,074	80,721	54,080
Expenses reimbursed by SELECT	2,118	78,870	54,185
Expenses paid on behalf of Parent	10,613	55,945	37,315
Expenses reimbursed by Parent	10,613	55,945	37,315
Markup Expense	4	40	506
Sale to Parent	-	-	649
Balances outstanding as at the end of the year			
Payable to the Parent – Air Link Communication Limited	1,908	3,799	4,125

All transactions have been carried out on an arm's length basis.

¹² SELECT recorded negative cash flows in FY 2024 and FY 2025 as a result of its working capital needs, which remain high due to the need to finance inventories,

3. OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY HISTORY & OVERVIEW

Name	Select Technologies Limited
Incorporation Number	0185953
Date of Incorporation and Place	October 13 th , 2021
Date of Commencement of Business	Not Applicable as Select Technologies Limited was incorporated as a private limited company
Date of Conversion from Private to Public	January 20 th , 2026

Select Technologies Limited (SELECT) is a company engaged in the manufacturing and assembly of Smartphones, Smart TVs, Air Conditioners, and other consumer appliances in Pakistan for renowned brands. The Company is a wholly owned subsidiary of Air Link Communication Limited (AIRLINK), having its registered office at 152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan.

SELECT was founded in 2021 to establish and operate advanced assembly facilities in Pakistan. The Company plays a pivotal role in advancing local production capabilities within Pakistan and contributing to the growth of country's tech industry, bringing to life the Sponsor's vision of promoting "Made in Pakistan" products.

Through strong backing from Air Link Communication Limited, scalable infrastructure, and collaborations with leading global technology brands, SELECT is positioned as a growth-focused manufacturing platform. The Company contributes to the propagation of technology across Pakistan by enabling the availability of devices across urban centers as well as semi-urban and underserved regions, helping bring digital connectivity to every corner of the country.

Within its short life-span SELECT has established itself as a key player within Pakistan's technology industry, gaining a **13%** market share of the local smartphone assembly market and an **8%** market share of total mobile devices manufactured¹³.

Select Technologies Limited is in the process of commencing operations at its new state-of-the-art facility in Sundar Green Special Economic Zone. This expansion provides SELECT with the strategic benefit of tax-exemption till FY 2035, alongside a onetime GST exemption on import of machinery¹⁴. The new Sundar facility, combined with SELECT's existing operations at QIE, will result in a total annual capacity of 7 million smartphones, 360,000 televisions and 400,000 air-conditioner units. The Company intends on transitioning its smartphone production to Sundar SEZ over time, with AC and TV production to be shifted in FY 2027.

On November 01, 2021, Select Technologies Limited entered into an agreement with Xiaomi Inc. for the manufacturing and assembly of Xiaomi smartphones in Pakistan. Xiaomi stands as a market leader in the global smartphone industry, holding the third largest chunk of the market¹⁵. SELECT's partnership with the global tech giant provides an avenue for advancing innovation and scale in the local smartphone manufacturing industry.

The strategic partnership between SELECT and Xiaomi further deepened in 2023 whereby SELECT reached a manufacturing supply agreement with Xiaomi for the manufacturing and assembly of Xiaomi Smart-TVs in Pakistan. This signified not only the strengthening of the business relations between the two parties, but also the diversification of SELECT's product portfolio.

On January 01, 2026, Select Technologies Limited entered into an agreement with Hisense International Singapore Holdings Pte. Limited for the manufacturing and distribution of Hisense home appliances in Pakistan, initially focusing on Smart-TVs and Air Conditioners. Expansion of business through the onboarding of another globally leading tech brand signifies SELECT's historic success and flagship manufacturing capabilities. This agreement shall provide an avenue for strengthening local manufacturing, enhancing product availability, and offering high-quality home appliances tailored to local consumer needs.

These partnerships combine the brand image and leading technology of Xiaomi and Hisense with SELECT's strong local manufacturing capabilities. In addition, expansion into the consumer appliances industry reflects

¹³ <https://www.pacra.com/rating-report/MTQwNzU=>

¹⁴ <https://www.sundergreen.com/>

¹⁵ <https://www.idc.com/promo/smartphone-market-share/>

diversification of SELECT's product portfolio and broadening of its customer base, thereby reducing reliance on a single product line or principal.

Select Technologies Limited obtained a long-term rating of "A" and short-term rating of "A1" by PACRA on February 21st, 2025, highlighting the Company's stable outlook and strong ability to pay debts when they fall due¹⁶.

3.2. PATTERN OF SHAREHOLDING

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held	Ownership %	Shares Held	Ownership %
Sponsors:				
Air Link Communication Limited	799,999,993	100.00%	799,999,993	90.00%
Directors:				
Muzzaffar Hayat Piracha*	1	0.00%	1	0.00%
Adnan Aftab	1	0.00%	1	0.00%
Sharique Azim Siddiqui	1	0.00%	1	0.00%
Shaista Bano Gilani	1	0.00%	1	0.00%
Aqdu Faraz Tahir	1	0.00%	1	0.00%
Rabiya Muzzaffar*	1	0.00%	1	0.00%
Mariam Sajjad	1	0.00%	1	0.00%
Public Offering	-	-	88,888,889	10.00%
Total	800,000,000	100%	888,888,889	100%

* Mr. Muzzaffar Hayat Piracha and Ms. Rabiya Muzzaffar are Husband and Wife.

Details of major shareholders are as follows:

Air Link Communication Limited (AIRLINK):

Air Link Communication Limited (AIRLINK) is the sole sponsor and shareholder of Select Technologies Limited. The company is principally engaged in the assembly, distribution and retail of smartphones and IT related products and services.

AIRLINK was incorporated on January 02, 2014 as a private limited company, and became listed on the Pakistan Stock Exchange on September 22, 2021. The registered office of the company is at 152/1-M, Quaid-e-Azam Industrial Estate, Kotlakhpat, Lahore.

Airlink's operational expertise and its standing as a leading mobile phone distributor in Pakistan¹⁷ plays a key role in the commercial and financial success of Select Technologies Limited.

On December 01, 2025, Airlink announced the incorporation of a wholly owned subsidiary under the name of Zexo Technologies (Private) Limited. The primary objective of the new subsidiary is to undertake manufacturing, import, export, distribution, retail and e-commerce operations of smartphones, laptops, related accessories, electronics, home appliances, and other technology-related products

¹⁶ <https://www.pacra.com/rating-report/MTQwNzU=>

¹⁷ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%20_1768314771.pdf

3.3. REVENUE DRIVERS

Breakdown of SELECT's revenue for the preceding three financial years is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Xiaomi				
Mobile Phones	15,430	73,460	47,943	18,095
<i>As % of total Revenue</i>	100.00%	100.00%	98.10%	97.22%
LED TV	-	-	538	517
<i>As % of total Revenue</i>	-	-	1.1%	2.78%
Sub-total	15,430	73,460	48,481	18,612
Apple – Mobile Phones ¹⁸	0.56	-	412	-
<i>As % of total Revenue</i>	0.00%	-	0.84%	-
Total	15,430	73,460	48,893	18,612

3.3.1. Partnership with Xiaomi:

Select Technologies Limited operates in the business to business (B2B) market, targeting institutions and businesses. One of SELECT's key business partnerships is with Xiaomi Inc for the manufacturing and assembly of Xiaomi smartphones in Pakistan. SELECT's collaboration with one of the world's leading smartphone and electronics brands is the key driving factor behind the Company's sales demand.

An Overview of Sales made by SELECT to Xiaomi Pakistan Limited is provided hereunder:

PKR Mn	FY 2022	FY 2023	FY 2024	FY 2025
Xiaomi	2,872	15,429.50	73,460	48,481
<i>As % of total Revenue</i>	94%	99.996%	100%	99%
Others	195	0.56	-	412
<i>As % of total Revenue</i>	6%	0.004%	-	1%
Total	3,067	15,430	73,460	48,893

3.3.2. Diversification of Product Portfolio:

Select Technologies Limited is principally engaged in the manufacturing and sale of smartphones. However, the Company has undertaken steps to expand its product portfolio to include other IT and electronic products. Namely, SELECT has added the following products to its portfolio:

- **TVs:**
In FY 2025 SELECT partnered with Xiaomi for the production and distribution of Xiaomi's full range of innovative and high-performance televisions, known for their cutting-edge technology and superior functionality.
- **Air Conditioners (ACs):**
Select Technologies Limited has entered into an agreement with Hisense for the manufacturing and assembly of Air Conditioning Units. This offers not only diversification in terms of product portfolio, but also indicates the expansion of the Company's customer base through the acquisition of another high-profile corporate client.

3.3.3. Localization Incentives:

The local government in Pakistan has introduced various incentives to curtail smartphone imports and reduce import dependence. Amongst these is the Mobile Device Manufacturing (MDM) regulations introduced by the Pakistan Telecommunications Authority (PTA) in 2021, focused on facilitating local smartphone manufacturing and assembly. These have been a key driver for local smartphone production, with over 68% of smartphones

¹⁸ Revenue from apple smartphones is attributable to the resale of CBU smartphones imported by Select Technologies Limited

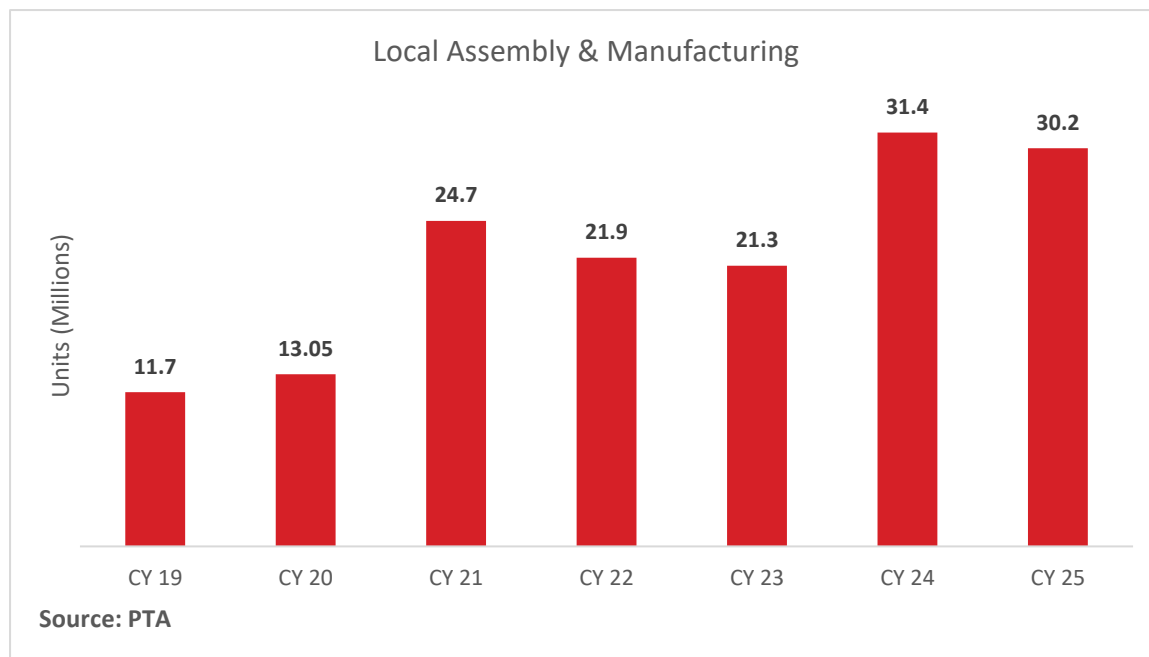
being locally manufactured¹⁹. Such local incentives contribute positively to SELECT's and Airlink's mission of promoting local production and reducing import dependency.

3.3.4. Expansion of the Local Industry:

The smartphone and smart-devices industry is rapidly expanding, supported by rising technological demand, improvements in network infrastructure facilities, and widespread adoption of smart phones in the country.

The number of cellular subscribers, which can be used as a close proxy for mobile phone demand, rose from 184.2 million in FY19 to 197.8 million in FY25²⁰.

The number of smartphones assembled locally has also seen exponential growth, going from 11.74 million units in CY19 to 30.21 million units in CY25²¹, reflecting a CAGR of **17%**.



Much of this growth has been fueled by the introduction of the Device Identification Registration and Blocking System (DIRBS) by PTA, aimed at curtailing illegal imports and supporting local manufacturing²².

This robust growth in network subscribers and local manufacturing signals strong future demand for smartphones and smart devices. Furthermore, the launch of 5G services in Pakistan is expected to take place in early CY26, aimed at enhancing internet connectivity and digital services²³. This should lead to increased demand for newer smartphones models that support 5G connectivity.

¹⁹ https://www.pakistantoday.com.pk/2026/01/07/pta-blocks-nearly-100-million-mobile-devices-in-one-year/?utm_source=chatgpt.com

²⁰ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

²¹ <https://www.pta.gov.pk/category/telecom-indicators/171>

²² <https://www.pacra.com/rating-report/MTQwNzU=>

²³ <https://www.samaa.tv/2087343571-pakistan-to-launch-5g-in-2026-after-spectrum-auction-approval>

3.4. COST DRIVERS

Breakdown of SELECT's costs for the preceding three financial years is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Cost of Goods Sold	14,176	69,488	44,720	16,076
<i>As % of Total Cost</i>	<i>98.82%</i>	<i>99.74%</i>	<i>99.56%</i>	<i>99.43%</i>
Administrative Expenses	169	182	197	92
<i>As % of Total Cost</i>	<i>1.18%</i>	<i>0.26%</i>	<i>0.44%</i>	<i>0.57%</i>
Total Costs	14,345	69,670	44,917	16,168

3.4.1. Cost of Raw Materials and Production Components:

The key cost drivers for SELECT are the procurement costs incurred by the Company with respect to its raw materials, which predominately include **SKD and CKD kits** for the manufacturing of smartphones and consumer appliances. Due to the local industry not being mature enough to produce components locally, SELECT has to rely in importing its raw materials from overseas. The Company has manufacturing supply agreements with Xiaomi Inc and Hisense Singapore Ltd under which it imports the requisite production components at a price determined by the respective vendor.

An overview of raw materials cost incurred by SELECT is provided below:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Raw Materials Consumed	12,475	68,340	44,851	14,728
<i>As % of Sales</i>	<i>81%</i>	<i>93%</i>	<i>92%</i>	<i>79%</i>

3.4.2. Staff Salaries and Wages:

The second largest production expense incurred by the Company is staff salaries and wages. SELECT has a team of over 950 skilled professionals and technicians, all of whom are instrumental in the success of the Company as an efficient and innovative smart-devices operator.

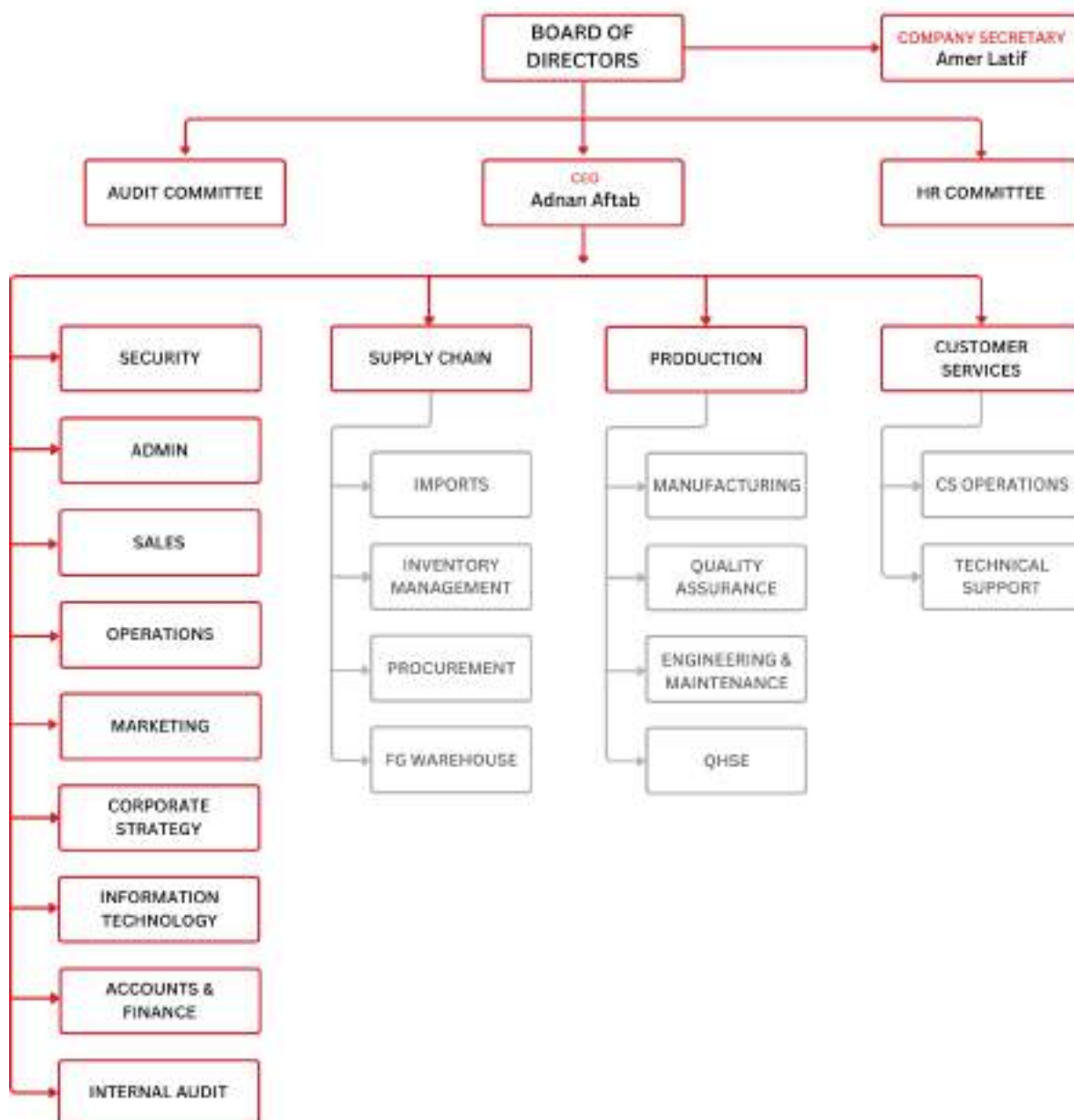
SELECT also makes the regular use of foreign consultants to provide advice and guidance using their technical expertise and knowledge.

An overview of SELECT's workforce and their associated expenditures is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025
Staff Salaries and Wages	329	633	679
<i>As % of Sales</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>
Foreign Consultants Fee	51	10	-
<i>As % of Sales</i>	<i>0.33%</i>	<i>0.01%</i>	<i>-</i>
Number of Employees			
As at reporting period	525	1,541	977
Average during the year	527	1,033	1,259
Foreign employees	16	6	4

3.5. ORGANIZATIONAL STRUCTURE OF THE ISSUER

SELECT TECHNOLOGIES LIMITED



3.6. MAJOR EVENTS IN THE HISTORY OF THE ISSUER

Year	Milestones
2021	<ul style="list-style-type: none"> SELECT was incorporated as a private limited company
2022	<ul style="list-style-type: none"> Select Technologies Limited Joins Hands with Xiaomi as its Manufacturing Business Partner PTA grants license to Select Technologies Limited for Xiaomi's smartphone production facility
2024	<ul style="list-style-type: none"> SELECT reaches a topline of PKR 73 Bn and a PAT of PKR 1.5 Bn.
2025	<ul style="list-style-type: none"> SELECT receives tax exemption for its operations at Sundar Green Special Economic Zone.
2026	<ul style="list-style-type: none"> SELECT reaches an agreement with Hisense for the manufacturing and assembly of TVs and AC units.

3.7. NATURE AND LOCATION OF THE COMPANY'S PROJECTS

SELECT's production facility is located at 152-M Quaid-e-Azam Industrial Area (QIE), Kot Lakhpat, Lahore, spanning over 77,637 square feet. In addition, the Company has constructed a production facility at Sundar Special Economic Zone in order to benefit from tax exempt status.

Brief overview of SELECT's production facilities is provided hereunder:

Description	Operational Status	Monthly Production Capacity (Units)	Available Annual Capacity (Units)	Actual Production (Units)*	Capacity Utilization (%)
Factory – QIE					
Smartphones	Fully Operational	500,000 to 800,000	3,500,000	2,015,529	58%
TVs		18,000 to 24,000	180,000	9,496	5%
Factory – Sundar					
Smartphones	Production to Commence in 3QFY26	500,000 to 800,000	3,500,000	-	-
TVs		18,000 to 24,000	180,000	-	-
TV – Large-scale Models	Plant Under Construction	200 to 250	3,000	-	-
Air Conditioners	Plant under construction	25,000	400,000	-	-

* the production levels reflect actual production for the financial year ended June 30, 2025.

3.8. INFRASTRUCTURE OVERVIEW

3.8.1. Manufacturing Process Overview:

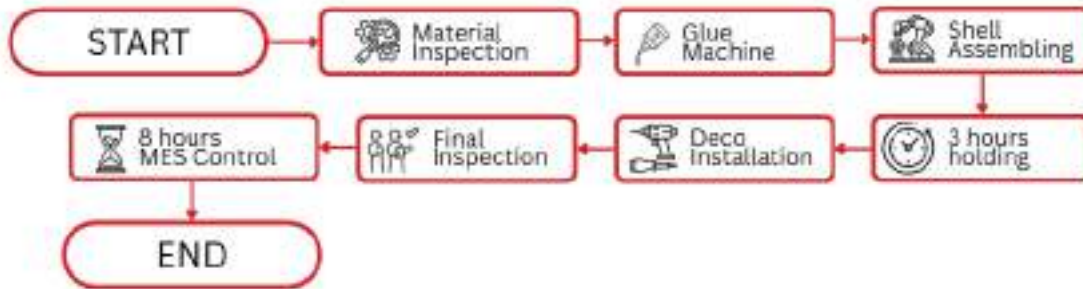
Select Technologies Limited has been a pioneer in promoting localized production and advancing innovation within Pakistan. The Company has set up state-of-the-art production facilities in Quaid-e-Azam Industrial Area and Sundar Special Economic Zone, with the objective of promoting smartphone and electronics production within the country. These facilities are equipped with cutting edge facilities to enable the manufacturing and assembly of the modern electronic devices.

The production lines are segregated between each of SELECT’s product segment, allowing for specialized production that enhances efficiency and minimizes production delays caused due to machine changeover.

Smartphone Assembly Process:

Below is a breakdown of the smartphone assembly process at Select Technologies Limited:

GLUE LINE PROCESS FLOW



The manufacturing process starts with the Glue Line, whereby the components go through the glue machine for the making of touch-panels. Glue is applied on Housing and held static for 8 hours before being transferred to the assembly line.

ASSEMBLY LINE PROCESS FLOW



At the assembly line all key components for the smartphone, including the Motherboard, Camera, and Battery, are installed. During the assembly process various tests are conducted, including GPS, signal, and WLAN testing. The IMEI is programmed into the device before it proceeds to the Burn-in Test. The Burn-In Testing is a reliability test performed on mobile phones to identify early failures and ensure long-term durability. During this process, the device is operated under elevated stress conditions for Several Hours (like higher temperature, voltage, or continuous usage). Further tests are performed to test the functionality of key components. Subsequently, protective layers of coating are applied to the display and frame to enhance durability and appearance.

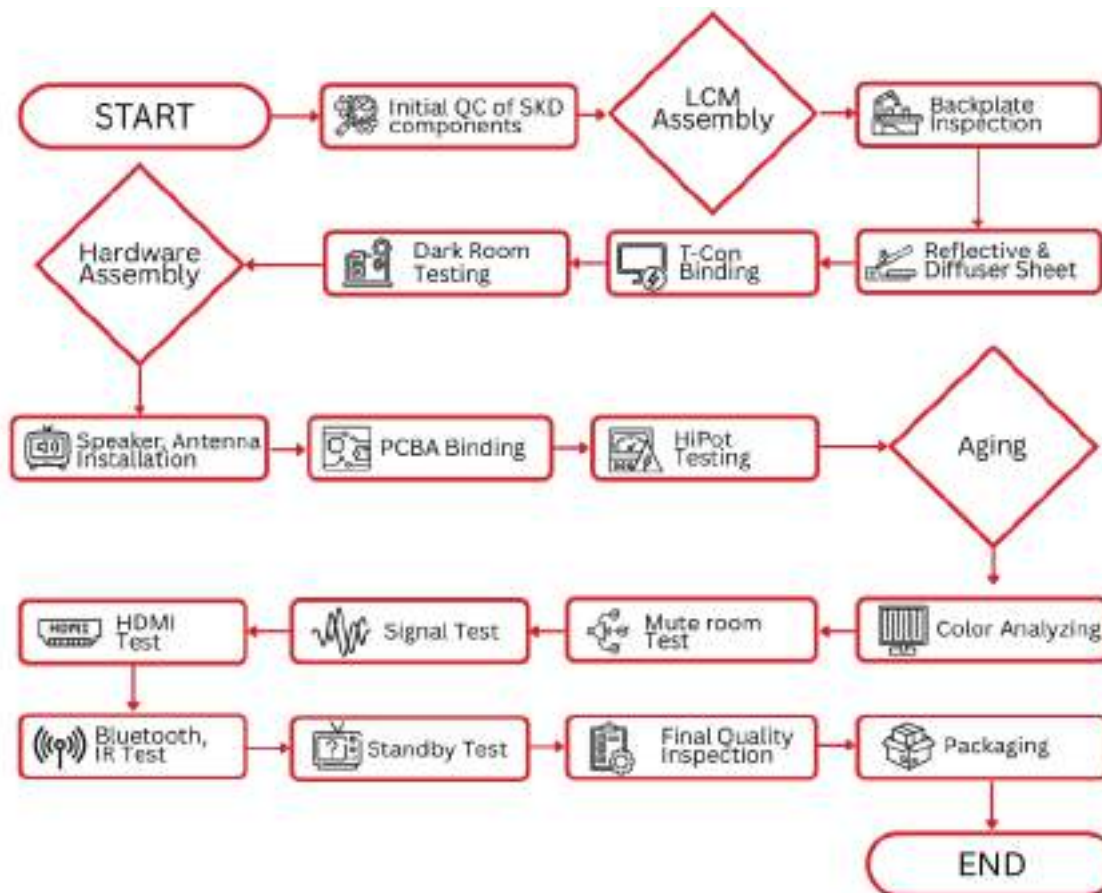
PACKAGING LINE PROCESS FLOW



The units are then passed through the packaging line, which involves the installation of MIUI software and the assignment of specific device identifiers, ensuring each mobile device is fully prepared for final packaging before being transferred to dispatch.

Smart-TV assembly process:

The flowchart below provides a breakdown of the TV assembly process at Select Technologies Limited



The Company imports SKD kits into its warehouse for further assembly, where they are stored before running quality checks. Approved components are then passed through the Liquid Crystal Module (LCM) assembly line. This key step involves the integration of assembly components to form a display unit. Diffuser sheets and reflective sheets are added to ensure proper light diffusion and backlighting. T-Con (timing controller) binding is undertaken to manage pixel timing, voltage, and image signals.

The units then go through initial testing to ensure proper functionality. Light output and color characteristics are checked via Dark room testing. Subsequently, the remaining components including Speakers/Antennas, PCBA, are installed.

Product safety is ensured using HiPot testing, which ensures that the product can withstand high voltages and prevent current leaks. This is done via applying high voltages to electrical insulation in order to identify any defects.

Outgoing quality checks are performed before the product leaves the assembly lines. Once all steps are completed the finished good are packed and stored ready for distribution.

An overview of SELECT’s assembly lines is provided hereunder:

S. No	Particulars	No. of Assembly Lines	Avg. Daily Production	Shifts	Operational Status
1.	Smartphones	6	1,500	2	Operational
2.	LED TVs	1	600-800	2	Operational
3.	Air Conditioners	1	800-1000	2	To be established

Details of material properties of SELECT are given below:

S. No	Particulars	Ownership Status	Location	Total Area
1.	Factory – QIE	Owned	152/1-M, QIE, Lahore	150,000 Sq. ft
2.	Land	Owned (Freehold)	E3 and E4, Sundar SEZ	217,800 Sq. ft

Safety Features:

Select Technologies Limited has established and implemented comprehensive Quality Assurance, Health, Safety, and Environmental (QA/HSE) management systems that are fully integrated into its manufacturing operations. These systems are designed not only to ensure regulatory compliance, but also to proactively prevent incidents, protect workers, maintain equipment reliability, and ensure uninterrupted production. These Quality management systems include:

1. Risk Assessment & Hazard Control in Manufacturing Operations
2. Emergency Preparedness & Response Integration
3. Incident Reporting & Investigation Mechanism
4. Contractor Safety Management within Production Areas
5. Worker Training Competency & Awareness
6. Preventive Maintenance & Equipment Safety
7. Continuous Monitoring & Improvement.

Through the structured integration of QHSE systems into its manufacturing processes, Select Technologies Limited ensures a safe, controlled, and efficient operating environment. These measures proactively prevent incidents, safeguard employees, protect machinery and assets, and support sustainable business continuity key factors supporting the company's readiness for public listing and long-term growth

3.8.2. Process Support Facilities:

The electricity supplier of the Company is the Lahore Electric Supplier Company (LESCO). Moreover, the company the Company has standby generators to meet capacity demands. The capacity breakdown of these sources is listed below:

S. No	Sources	Capacity
1.	Electricity Connection Capacity	630 KW
2.	Generator Capacity	550 KVA

The water supplier of the Company is the Water and Sanitation Agency, Lahore (WASA).

3.8.3. Suppliers' Profile:

- **Izhar group of industries:**

The Izhar group is a leading construction group of Pakistan with over 60 years of experience in the industry, earning numerous recognitions of consistent performance matching international standards of quality and safety. Their head office is located at 35-Tipu Block, New Garden Town, Ferozepur Road, Lahore, Pakistan.

- **Lahore Electric Supplier Company (LESCO):**

Lahore Electric Supply Company is a Pakistani government-owned electric distribution company. Founded in 1912 by Lala Harkishen Lal, LESCO supplies electricity to the districts of Lahore, Okara, Sheikhpura, Nankana and Kasur in Pakistan.


- **Water and Sanitation Agency (WASA):**

The Water and Sanitation Agency (WASA) Lahore was established in 1976 under the Lahore Development Authority Act of 1975. WASA functions to deliver water supply, sewerage, and drainage services in Lahore.

3.9. PRODUCTS OF THE ISSUER


Select Technologies Limited manufactures a variety of IT and electronic products under the name of renowned global brands.

Details regarding the key products of the Company are provided below:


Segment											
Segment	 <p>Xiaomi Smartphones</p>										
Overview	SELECT is the official assembly partner of Xiaomi in Pakistan, manufacturing and assembling the complete range of Xiaomi smartphones (excl. the latest Xiaomi-15 series).										
Variants*	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Model</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Redmi A3X</td> <td> <ul style="list-style-type: none"> 6.71-inch display 3GB RAM and 64GB ROM 5000 mAh battery 8+QVGA Main Camera 5MP Selfie Camera </td> </tr> <tr> <td>Redmi A5</td> <td> <ul style="list-style-type: none"> 6.88-inch display 4GB RAM and 64GB/128GB ROM 5200 mAh battery 32+QVGA Main Camera 8MP Selfie Camera </td> </tr> <tr> <td>Redmi 14C</td> <td> <ul style="list-style-type: none"> 6.88-inch display 4GB/6GB RAM and 128GB ROM 5160 mAh battery 50+QVGA Main Camera 13MP Selfie Camera </td> </tr> <tr> <td>Redmi 15C</td> <td> <ul style="list-style-type: none"> 6.9-inch display 4GB/6GB RAM and 128GB ROM 6000 mAh battery 50+QVGA Main Camera </td> </tr> </tbody> </table>	Model	Description	Redmi A3X	<ul style="list-style-type: none"> 6.71-inch display 3GB RAM and 64GB ROM 5000 mAh battery 8+QVGA Main Camera 5MP Selfie Camera 	Redmi A5	<ul style="list-style-type: none"> 6.88-inch display 4GB RAM and 64GB/128GB ROM 5200 mAh battery 32+QVGA Main Camera 8MP Selfie Camera 	Redmi 14C	<ul style="list-style-type: none"> 6.88-inch display 4GB/6GB RAM and 128GB ROM 5160 mAh battery 50+QVGA Main Camera 13MP Selfie Camera 	Redmi 15C	<ul style="list-style-type: none"> 6.9-inch display 4GB/6GB RAM and 128GB ROM 6000 mAh battery 50+QVGA Main Camera
	Model	Description									
	Redmi A3X	<ul style="list-style-type: none"> 6.71-inch display 3GB RAM and 64GB ROM 5000 mAh battery 8+QVGA Main Camera 5MP Selfie Camera 									
	Redmi A5	<ul style="list-style-type: none"> 6.88-inch display 4GB RAM and 64GB/128GB ROM 5200 mAh battery 32+QVGA Main Camera 8MP Selfie Camera 									
	Redmi 14C	<ul style="list-style-type: none"> 6.88-inch display 4GB/6GB RAM and 128GB ROM 5160 mAh battery 50+QVGA Main Camera 13MP Selfie Camera 									
Redmi 15C	<ul style="list-style-type: none"> 6.9-inch display 4GB/6GB RAM and 128GB ROM 6000 mAh battery 50+QVGA Main Camera 										

		<ul style="list-style-type: none"> • 8MP Selfie Camera
	Redmi 13	<ul style="list-style-type: none"> • 6.79-inch display • 8GB RAM and 128GB ROM • 5030 mAh battery • 108 + 2MP Main Camera • 13MP Selfie Camera
	Redmi 15	<ul style="list-style-type: none"> • 6.9-inch display • 8GB RAM and 128GB ROM • 7000 mAh battery • 50+QVGA Main Camera • 8MP Selfie Camera
	Redmi Note 14	<ul style="list-style-type: none"> • 6.67-inch display • 8GB RAM and 128GB/256GB ROM • 5500 mAh battery • 108 + 2 + 2MP Main Camera • 20MP Selfie Camera
	Redmi Note 14 pro	<ul style="list-style-type: none"> • 6.67-inch display • 8GB/12GB RAM and 256GB/512GB ROM • 5500 mAh battery • 200 + 8 + 2MP Main Camera • 32MP Selfie Camera
	Redmi Note 14 Pro+	<ul style="list-style-type: none"> • 6.67-inch display • 5G Connectivity • 12GB RAM and 512GB ROM • 5110 mAh battery • 200 + 8 + 2MP Main Camera • 20MP Selfie Camera


* The product variants listed here are subject to change as per the order requirements of Xiaomi

<p>Segment</p>	 <p style="text-align: center;">Xiaomi LED TVs</p>	
<p>Overview</p>	<p>SELECT manufacturers Google-certified Smart TVs for Xiaomi, with screen sizes ranging from 32” to 65”, built for immersive entertainment and modern connectivity.</p>	
<p>Variants*</p>	<p>Model</p>	<p>Description</p>
	<p>Xiaomi TV A Series</p>	<p>32-inch HD and 42-inch FHD models:</p> <ul style="list-style-type: none"> • Premium Bezel-less design • Smart home control hub • Google Assistant built-in • Google Chromecast built-in • Bluetooth 5.0 • Dolby Audio
	<p>Xiaomi TV A Pro Series</p>	<p>43-inch, 55-inch, and 65-inch QLED TVs:</p> <ul style="list-style-type: none"> • 4K UHD Resolution • Google TV • Google Assistant built-in • Google Chromecast built-in • Supports Miracast and Apple Airplay • Premium Bezel-less design • 360° Bluetooth remote

* The product variants listed here are subject to change as per the order requirements of Xiaomi.

<p>Segment</p>	 <p style="text-align: center;">Hisense LED TVs</p>	
<p>Overview</p>	<p>SELECT’s recently announced partnership with Hisense involves it manufacturing smart TVs for the global tech giant.</p>	
<p>Variants*</p>	<p>Model</p>	<p>Description</p>
	<p>Hisense A4N Smart TV</p>	<p>32-inch and 43-inch FHD models:</p> <ul style="list-style-type: none"> • Android OS • 250 nits Brightness • 60Hz Refresh Rate • Bluetooth 5.0
	<p>Hisense Ultra HD Smart LED</p>	<p>43-inch, 55-inch, and 65-inch 4K TVs:</p> <ul style="list-style-type: none"> • 4K UHD Resolution • Google TV • 120Hz Refresh Rate • Airplay 2 • Dolby Audio
	<p>Hisense Q6N QLED TV</p>	<p>43-inch, 55-inch, 65-inch and 75-inch QLED TVs:</p> <ul style="list-style-type: none"> • 4K UHD Resolution • Google TV • 400 nits Brightness • 120Hz Refresh Rate • Airplay 2 • Dolby Audio • Bluetooth 5.3

* The product variants listed here are subject to change as per the order requirements of Hisense.

<p>Segment</p>	<div style="text-align: center;">  <p>Hisense Air Conditioners</p> </div>
<p>Overview*</p>	<p>Select Technologies Limited has entered into a manufacturing agreement with Hisense to produce its air conditioning units across all segments, from entry-level to premium models.</p>

** The product variants yet to be finalized.*

3.10. MARKETING ACTIVITIES

Select Technologies Limited operates in the business-to-business market, having marketing activities that primarily involve targeting institutions and corporate clients. As a manufacturing-focused firm, SELECT adopts corporate and industry-focused promotions rather than mass consumer advertising. Select Technologies Limited’ strategic position as a subsidiary of Airlink allows it to benefit from the marketing activities of the Group.

The marketing activities of the Company predominantly include engaging in industry exhibitions, technology forums, and trade events. Namely, these include participation in **Xiaomi Global Summit 2023** held in China, allowing the Company to strengthen ties with its long-term strategic partner Xiaomi.

SELECT also participated in the **ITCN Summit 2024** and **ITCN Summit 2026** held in Pakistan, allowing the Company an avenue to network and showcase its capabilities with other sector leaders, exploring partnerships to expand its operations.

3.11. END USERS, DEMAND FOR THE PRODUCTS AND KEY COMPETITORS

Select Technologies Limited primarily operates in the Business-to-business (B2B) market, targeting institutions and corporate customers. Over time, the Company has established strategic partnerships with globally renowned brands for the manufacturing and assembly of IT and electronic components.

The principal customer of the Company is Xiaomi Inc, one of the leading smartphones and smart-devices brand in the world. SELECT partnered with Xiaomi in 2021, becoming its official assembly partner in Pakistan.

On January 01, 2026, SELECT also reached an agreement with Hisense International Singapore Holdings Pte. Ltd for the manufacturing and distribution of Hisense home appliances in Pakistan. This represents a key diversification in the Company's product portfolio.

In addition, a portion of SELECT's revenue is attributable to trading income earned through buying and reselling Apple smartphones. These are sold to SELECT's parent Airlink, who then distributes its via its own network.

Breakdown of SELECT's revenue by customer base is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Xiaomi				
Mobile Phones	15,430	73,460	47,943	18,095
<i>As % of total Revenue</i>	100.00%	100.00%	98.10%	97.22%
LED TV	-	-	538	517
<i>As % of total Revenue</i>	-	-	1.1%	2.78%
Sub-total	15,430	73,460	48,481	18,612
Apple	0.56	-	412	-
<i>As % of total Revenue</i>	0.00%	-	0.84%	-
Total	15,430	73,460	48,893	18,612

Competitors:

Select Technologies Limited is a key player in Pakistan's technology sector, principally engaged in the manufacturing and assembly of smartphones and smart-devices in Pakistan. SELECT manufactures smartphones for Xiaomi Inc, one of leading global smartphones brand.

The Company was authorized by PTA on November 26, 2021 to undertake manufacturing of smartphones in Pakistan, under MDM regulations, 2021. Apart from SELECT, there are 34 other operators authorized by PTA under the MDM regulations²⁴:

Company Name	Approval Date	Brand
Young Tech Private Limited	18-Mar-21	Me Mobile, SD Mobile, KXD
A.S Telecom Private Limited	18-Mar-21	OALE, Gresso Mobile, Remaxx, Emarat, Oukitel, Zeetell, AllCall, I You Mobile
Pole Communication Technology Pvt. Ltd	18-Mar-21	HELLO TECH, Gresso
Bazz Mobile Technologies Pvt Ltd	18-Mar-21	ITEL, FIGI, Qmobile, SEGO
Bellco Trading Company Pvt. Ltd	18-Mar-21	E-TACHI
G-Five Mobile Private Limited	1-Apr-21	G'Five, Wintel
Coastal Jade Technology (Pvt.) Ltd.	6-Apr-21	VIVO
Rawdas (Pvt.) Ltd.	6-Apr-21	Spice
Transsion Tecno Electronics (Pvt.) Ltd.	16-Apr-21	Infinix, Tecno, Itel
Inovi Telecom (Pvt.) Ltd.	9-Apr-21	Infinix, Itel, Tecno, SEGO, Villaon
Infocom Gadgets Pvt Ltd	22-Apr-21	Calme, KXD, ZINC, X-Cell
Deploy Private Limited	12-Apr-21	Xcell, Qmobile, Qsmart, Qtab, MAXX, Maxfone, Gionee, X Mobile, Sparx, XSmart
Air Link Communication Limited	12-Apr-21	Itel, Tecno, TCL, Alcatel, Qmobile, Qsmart, Qtab, MAXX

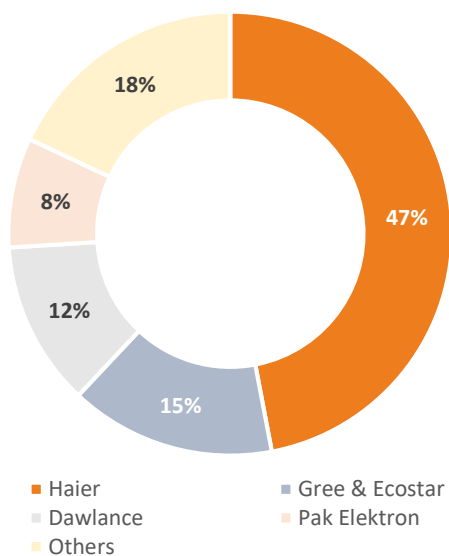
²⁴ <https://www.pta.gov.pk/assets/media/2025-07-23-Copy-of-MDM-Contact-List--Master-22-07-2025.pdf>

Premier Code Private Limited	6-Apr-21	DCODE
Alpha Enetwork (Pvt.) Ltd.	15-Apr-21	Alpha, FONROX
Exert Tech (Pvt.) Ltd.	29-Apr-21	Oppo, Realme, OnePlus
S.S.H Telecom (SMC Pvt.) Ltd.	20-May-21	VGOTEL
Swift Biz Solutions (Pvt.) Ltd.	8-Jun-21	Digit, FONROX
Tecno Pack Electronics (Pvt.) Ltd.	8-Jun-21	Nokia, TECNO, Itel, HMD
Club Mobile (Pvt.) Ltd.	15-Jun-21	Club, XTEL
High Star Mobile (Pvt.) Ltd.	25-Jun-21	Go
United Communication (Pvt.) Ltd.	13-Jul-21	VNUS, VOICE, Qmobile, Qsmart, Qtab, MAXX, ZTE, TECNO, Sparx, Xmobile, LvTel, DCODE
Lucky Motor Corporation Ltd.	5-Aug-21	Samsung
Faywa Trading (Pvt.) Ltd.	3-Sep-21	Faywa, Zeetell
Enercom Technologies (Pvt.) Ltd.	20-Oct-21	MAXFONE, Qmobile, Qsmart, Qtab, MAXX, Itel, Tecno, PHILIPS, HMD
Select Technologies Limited (Pvt.) Ltd.	26-Nov-21	Xiaomi, Redmi, MI, POCO
DB Link Technologies (Pvt) Ltd.	30-Nov-22	X TELL, QMobile
MOBO Mobile Pvt Ltd	30-Nov-22	Mobo, Sea Shark
Zeetell Communications (Pvt.) Ltd	6-Mar-23	Zeetell
AM4Y International (Pvt.) Ltd	27-Apr-23	C-Phone, U-Tell
Redway Innovation (Pvt.) Ltd	10-May-23	MYFON
Azure Tech (Pvt.) Ltd.	4-Oct-23	ZTE Blade A, Qmobile, Nubia, SEGO
Veribest Brands Pakistan (Pvt.) Ltd	8-Apr-24	ZTE Mobile Phones, Nubia, Sparx, Xmobile
Siccotel Telecom (Pvt.) Ltd.	10-Sep-24	Infinix, Zentality, HMD. Xsmart, Sparx, X-Mobile
Umar Telecom (Pvt) Limited	4-Oct-24	ETEL, SD Mobile, INFEX Mobile

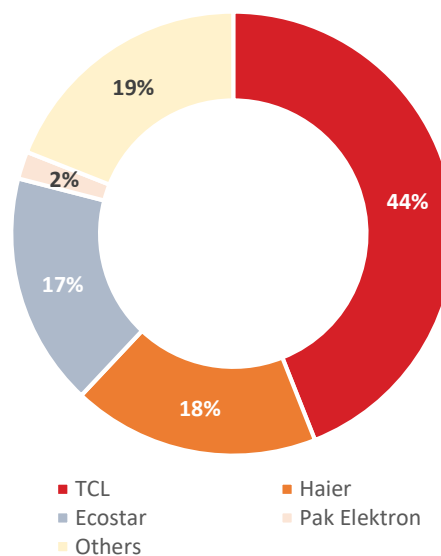
Select Technologies Limited has also taken steps to expand into the consumer appliances industry, with an initial focus on Televisions and Air Conditioners. Pakistan’s household industry reflects an organized structure, with local and international brands dominating the market. The competition in the industry is brand driven, characterized by high entry barriers and strong emphasis on branding and pricing strategy.

Key players in the TV and AC industry are highlighted below:

Market Share CY24 - Air Conditioners



Market Share CY24 - LED TV



Source: PACRA

3.12. INTELLECTUAL PROPERTY RIGHTS

S. No	Registration No.	Description	Initial Registration Date	Validity
1.	51090	Copyright	10/07/2024	-
2.	717849	Trademark	21/08/2023	10 years
3.	717849	Trademark	21/08/2023	10 years
4.	717852	Trademark	21/08/2023	10 years
5.	717851	Trademark	21/08/2023	10 years
6.	717850	Trademark	21/08/2023	10 years
7.	717856	Trademark	21/08/2023	10 years
8.	717854	Trademark	21/08/2023	10 years
9.	717853	Trademark	21/08/2023	10 years
10.	717848	Trademark	21/08/2023	10 years
11.	717849	Trademark	21/08/2023	10 years

3.13. DETAILS OF MATERIAL PROPERTY

Details of SELECT's material properties, as at June 30, 2025, are provided hereunder:

Description	Ownership Status	Property Address	Usage	Property Area
Registered office and Plant	Owned (Freehold)	152/1-M Quaid-e-Azam Industrial Area, Kot Lakh Pat, Lahore	Production Plant and Head office	77,637 Sq. ft
Land - Sundar	Owned (Freehold)	E3 and E4 Sundar Green Special Economic Zone	Production Plant	217,800 Sq. ft
Investment Property*	Owned (Freehold)	104 B-I, MM Alam Road, Gulberg III	Rented Out	3,790 Sq. ft

* These investment properties are held for capital appreciation and rental income.

3.14. FUTURE PROSPECTS AND DEMAND OUTLOOK

3.14.1. Growth in Domestic Smartphone Production:

The smartphone industry in Pakistan has seen rapid growth in recent periods, with locally manufactured smartphones reaching **30.2** million units in CY 2025 compared to **13.05** million units in CY 2020, reflecting 5-year compounded growth of **18%**²⁵. In comparison, the number of mobile phones imported in CY 2025 stood at **2.0 million**, highlighting a shift in the industry to local production rather than relying on imports. This trend is expected to continue as the government continues to offer increased localization incentives to support domestic production.

3.14.2. Expansion of Mobile Network Coverage:

Demand for smartphones in the country is expected to grow, as indicated by the rising number of cellular subscribers, which reached **197.8** million in FY 2025, a **2.75%** increase compared to FY 2024²⁶. Future demand should also benefit from improved network and cellular coverage, particularly the implementation of 5G connectivity within Pakistan in 2026²⁷. This should lead to increased consumer demand for upgrading to newer models that are 5G compatible.

²⁵ <https://www.pta.gov.pk/category/telecom-indicators/171>

²⁶ <https://www.pta.gov.pk/category/telecom-indicators/164>

²⁷ <https://www.pta.gov.pk/assets/media/2026-01-09-Information-Memorandum-for-Spectrum-Auction-in-Pakistan-2026.pdf>

3.14.3. Market Growth in Household Appliances:

The global household appliance industry is set to see strong future growth, with the global industry market size forecasted to reach USD **971 Bn** by CY 2030, reflecting a CAGR of **7%** against the current industry size at USD **687 Bn**²⁸.

Increases in the adoption of AI and smart-technology should also lead to greater user demand for smart-appliances²⁹. In addition, rise in per capita income levels should improve the consumer buying power and thereby lead to greater demand in the sector.

3.15. VENDORS TO THE ISSUER

Vendor	Product	FY 2023		FY 2024		FY 2025	
		Quantity	Cost (CNY)	Quantity	Cost (CNY)	Quantity	Cost (CNY)
Xiaomi Pakistan	SKD Kits	1,408,000	757,041,909	2,500,590	1,323,305,925	1,465,100	708,999,662

Xiaomi Inc.: SELECT's principal supplier is Xiaomi Inc, one of the world's leading smartphone and smart-devices manufacturers. Xiaomi ranks third worldwide in terms of market share, having strong market penetration in Southeast Asia, MEA and Latin America.

Hisense: Hisense is a Chinese multinational appliance and electronics manufacturer headquartered in Qingdao, Shandong province, focusing on the production of Television sets and other IT products.

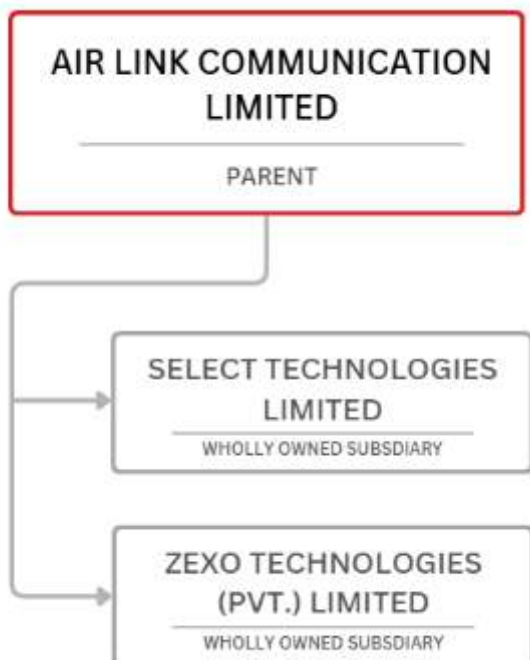
3.16. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

Select Technologies Limited was authorized by the Pakistan Telecommunications Authority (PTA), on November 26, 2021 to undertake manufacturing of smartphones in Pakistan, under MDM regulations, 2021.

²⁸ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Household%20Appliances%20-%20Mar%2725_1741609486.pdf

²⁹ <https://www.microsoft.com/en-us/corporate-responsibility/topics/ai-economy-institute/reports/global-ai-adoption-2025/>

3.17. GROUP STRUCTURE



3.18. ASSOCIATED COMPANIES

Name of Company	Nature of Business	Operational Status	Listing Status	Nature of Relation	% Shareholding in Issuer	% Shareholding of Issuer
Air Link Communication Limited	Telecommunications	Fully Operational	Listed	Parent Company	100%	-
Select Communication (Private) Limited	Distribution and retail of communication equipment	Inactive	Private Company	Common Directorship	-	-
Airlink Communication Inc. Canada	Retail of Communication Equipment	Inactive	-	Common Directorship	-	-
Air Link Communication DMCC, UAE	Distribution and retail of communication equipment	Inactive	-	Common Directorship	-	-
Vital Farms (Private) Limited	Agriculture	Registered	Private Company	Common Directorship	-	-
Coral Farms (Pvt.) Limited	Agriculture	Registered	Private Company	Common Directorship	-	-
Fast Cables Limited	Cable and Electrical Goods	Fully Operational	Listed	Common Directorship	-	-
Zexo Technologies (Private) Limited	Manufacturing, assembling, and distribution	Registered	Private Company	Associated Company	-	-
Next Agro (Private) Limited	Agriculture	Fully Operational	Private Company	Common Directorship	-	-
Tariq Glass Industries Limited	Manufacturing and Distribution	Fully Operational	Listed	Common Directorship	-	-
Pakistan International Containers Limited	Transport	Fully Operational	Listed	Common Directorship	-	-
Pakistan International Bulk Terminals Limited	Transport	Fully Operational	Listed	Common Directorship	-	-
Best Electronics (Private) Ltd	Distribution and retail of communication equipment	In-active	Private Company	Common Directorship	-	-

COMMON DIRECTORS

Company	Common Directors
Air Link Communication Limited	<ul style="list-style-type: none"> • Muzzaffar Hayat Piracha • Sharique Azim Siddiqui • Aqdu Faraz Tahir • Rabiya Muzzaffar

Select Communication (Private) Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Airlink Communication Inc. Canada	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Air Link Communication DMCC, UAE	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Vital Farms (Private) Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Coral Farms (Pvt.) Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Fast Cables Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha
Zexo Technologies (Private) Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha Rabiya Muzzaffar
Next Agro (Private) Limited	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha Rabiya Muzzaffar
Tariq Glass Industries Limited	<ul style="list-style-type: none"> Adnan Aftab
Pakistan International Containers Limited	<ul style="list-style-type: none"> Sharique Azam Siddiqui
Pakistan International Bulk Terminals Limited	<ul style="list-style-type: none"> Sharique Azam Siddiqui
Best Electronics (Pvt.) Ltd	<ul style="list-style-type: none"> Muzzaffar Hayat Piracha Rabiya Muzzaffar
Sindh Bank Limited	<ul style="list-style-type: none"> Shaista Bano Gilani
Thatta Cement Company Limited	<ul style="list-style-type: none"> Shaista Bano Gilani

3.19. RELATED PARTY TRANSACTIONS

Details of SELECT's related parties' transactions undertaken during the last three financial years ended June 30, 2025, including their financial impact, are provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025
Transactions during the year			
Air Link Communication Limited – Parent Company			
Expenses paid by the Parent on behalf of SELECT	3,074	80,721	54,080
Expenses reimbursed by SELECT	2,118	78,870	54,185
Expenses paid on behalf of Parent	10,613	55,945	37,315
Expenses reimbursed by Parent	10,613	55,945	37,315
Markup Expense	4	40	506
Sale to Parent	-	-	649
Balances outstanding as at the end of the year			
Payable to the Parent – Air Link Communication Limited	1,908	3,799	4,125

All transactions have been carried out on an arm's length basis. For further details, kindly refer to Note 33 of the audited financial statements.

3.20. PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER WHICH THE ISSUER HAS CONTROL ALONG WITH FOLLOWING INFORMATION:

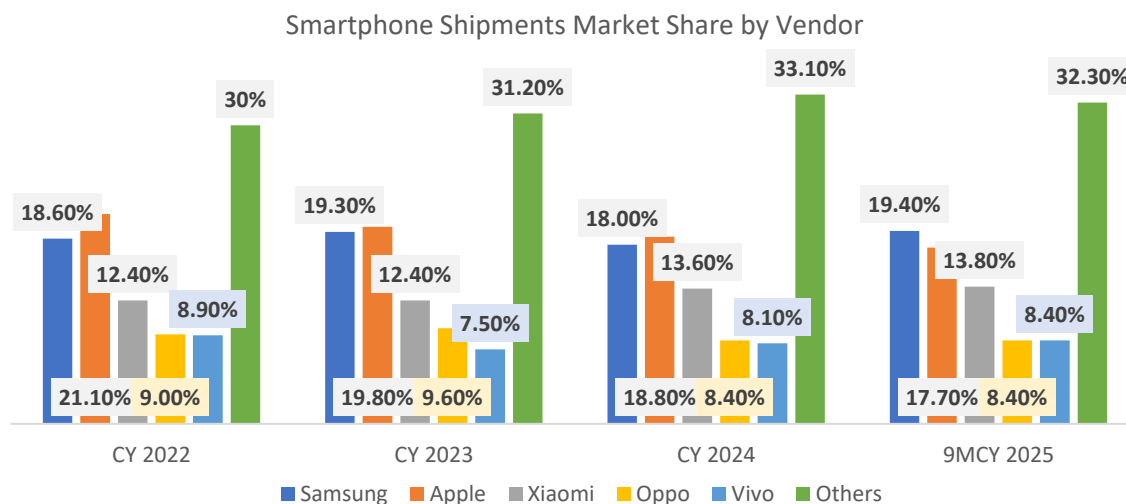
The issuer, Select Technologies Limited, does not have control over any associated listed company.

3.21. INDUSTRY OVERVIEW

Global Smartphone Industry Overview:

The global smartphone manufacturing market reflects an oligopolistic structure, with a few players holding a significant share of the market. As per the data from the International Data Corporation, the leading smartphone brands by shipment volume in CY2025 were Samsung, Apple and Xiaomi³⁰. Samsung held the largest chunk of the market at **19.4%**, followed closely by Apple at **17.7%**. Xiaomi maintained its market share at **13.8%**, gaining from its regional focus and competitive product offerings³¹.

The global smartphone shipments by vendor is provided hereunder:



Source: International Data Corporation

Total global smartphone shipments grew **3.5%** year-on-year to **325.7** million units in the third-quarter of CY 2025, fueled primarily by upgrade demand in the premium segment, driven by new and affordable AI-enabled smartphones³².

Global smartphone penetration rate was recorded at **71%** in CY 2024, with the number of unique mobile subscribers being **5.8 Bn**. This is projected to reach **6.5 Bn** in CY 2030, resulting in a penetration rate of **76%**³³.

One of the key drivers for smartphone upgradation is the adoption of 5G, as consumers upgrade to latest devices to take advantage of 5G connectivity. 5G as percentage of total connections stands at **25%** in CY 2024 and is projected to reach **57%** by CY 2030³⁴.

Smartphone Industry in Pakistan:

Pakistan's smartphone industry is highly competitive, with a number of vendors operating in the market. Affordability remains a key factor behind smartphone purchases within the country, leading to budget and mid-range brands securing the strongest positions in the market. Infinix holds the largest chunk of the market at **16%**, followed closely by Vivo and Samsung³⁵. Apple's market share remains the lowest, reflecting the limited demand for smartphones at premium price in a price sensitive market such as Pakistan.

The smartphone industry market share by vendor is provided hereunder:

³⁰ <https://www.idc.com/promo/smartphone-market-share/>

³¹ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

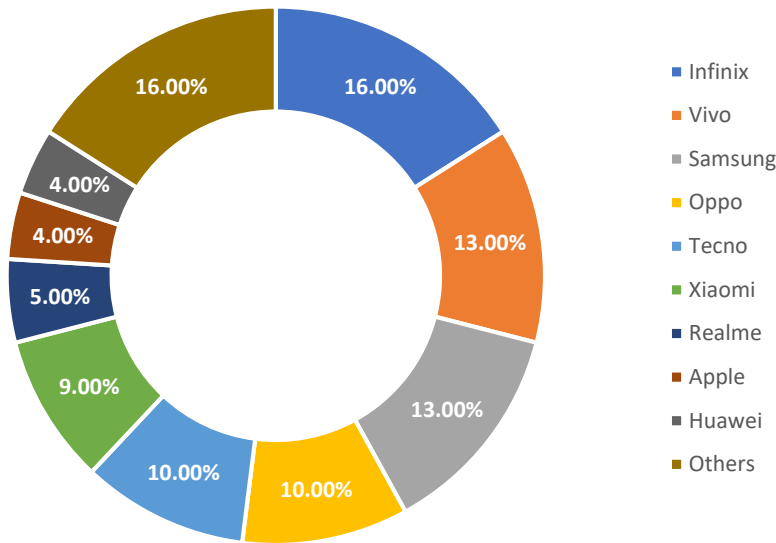
³² <https://www.idc.com/promo/smartphone-market-share/>

³³ https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/wp-content/uploads/2025/02/ME_2025_Infographic.pdf

³⁴ https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/wp-content/uploads/2025/02/ME_2025_Infographic.pdf

³⁵ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

Market Share by Vendor

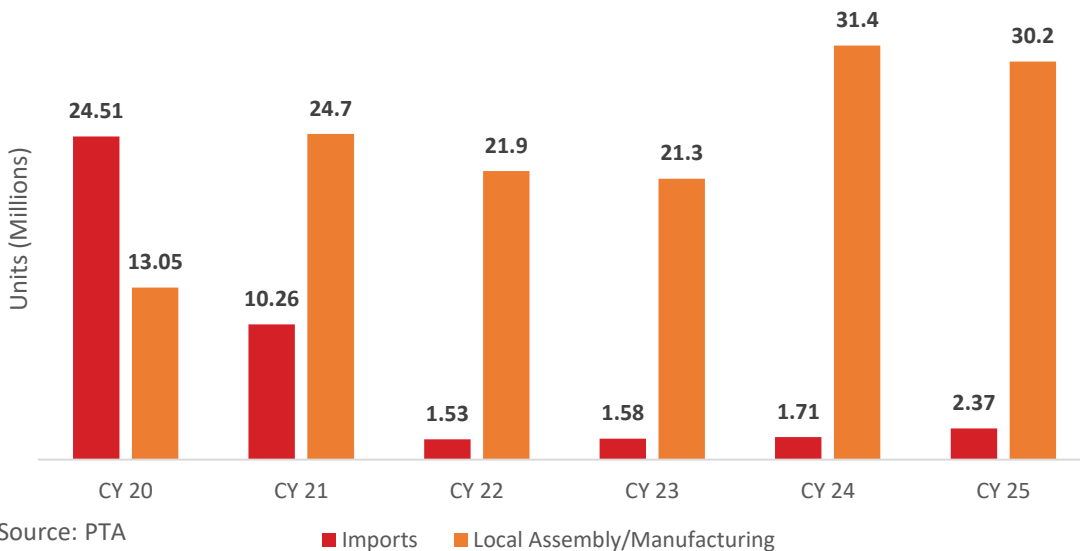


Source: PACRA

Following the implementation of the Device Identification Registration and Blocking System (DIRBS) by PTA in 2021, a number of vendors have shifted focus from imports to local manufacturing within Pakistan. Since then, a total of 36 manufacturing authorizations have been issued to local and international companies, resulting in more than **68%** of smartphones on Pakistan networks being locally manufactured³⁶.

An overview of smartphones imported and manufactured locally is provided hereunder:

Commercial Imports vs Local Assembly/Manufacturing



Source: PTA

Distribution channels within the region are dominated by four major players, who engage in the assembly and distribution of international and local phones. In FY 2025 the top-four distributors within the region were Air

³⁶ <https://propakistani.pk/2026/01/06/pta-blocks-nearly-100-million-mobile-devices-in-one-year/>

Link Communication Limited, Muller and Philips (M&P), Burque Corporation, and Advance Telecom, with Airlink having the largest market share³⁷.

Airlink serves as the authorized distributor for Samsung, Huawei, TCL, and Transsion, alongside having an assembly and distribution agreement with Xiaomi through its subsidiary Select Technologies Limited. SELECT has a unique position within the industry as it is solely a manufacturer that operates only in the B2B market. The Company holds a **13%** market share of the local smartphone assembly market and an **8%** market share of total mobile devices manufactured³⁸.

The Global Household Appliances Industry:

The household appliances industry covers consumer appliances used for domestic purposes, including TVs, Air Conditioners, Washing Machines, and other domestic appliances. The industry is set to experience strong future growth, with a projected size of USD **971 Bn** by CY 2030³⁹.

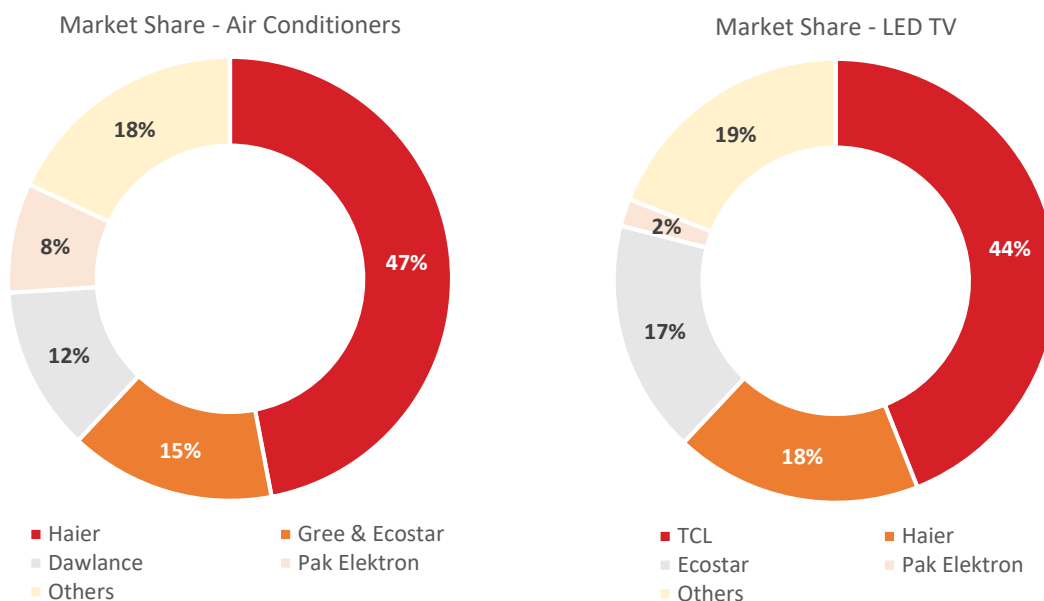
Increased adoption and integration of AI has led to a surge in demand for smart home devices, with users seeking solutions that offer seamless integration and control features⁴⁰.

The Household Appliances Industry in Pakistan:

The household appliances industry in Pakistan generated a revenue of PKR **328.6 Bn** in CY 2024, reflecting a year-on-year increase of **0.5%** compared to PKR 327 Bn generated in CY 2023⁴¹.

The industry is quite competitive, with a few key players dominating the market. Operators such as Haier and Samsung gain strategic benefits from their positions as international operators. Success in the industry is influenced heavily by brand strength, with the industry reflecting an organized structure.

The market shares for the sub-segments within the industry is provided hereunder:



Source: PACRA

Haier leads the AC segment, boasting a significant **47%** share of the market, followed by Gree and Dawlance who hold a market share of **15%** and **12%**, respectively.

³⁷ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

³⁸ <https://www.pacra.com/rating-report/MTQwNzU=>

³⁹ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Household%20Appliances%20-%20Mar%2725_1741609486.pdf

⁴⁰ <https://www.statista.com/outlook/cmo/household-appliances/worldwide#key-players>

⁴¹ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Household%20Appliances%20-%20Mar%2725_1741609486.pdf

Given the discretionary nature of the industry's offerings, demand is significantly driven by factors such as disposable income and inflation levels.

3A. SHARE CAPITAL AND RELATED MATTERS

3A (i) Share Capital

The current share capital of Select Technologies Limited is as follows:

Share Capital	No. of Shares	Face Value Per Share (PKR)	Premium (PKR)	Total at Par (PKR)
Authorized Share Capital				
Ordinary Shares	1,000,000,000	10	-	10,000,000,000
Issued, Subscribed & Paid-Up Capital				
Ordinary Shares of PKR 10/- each fully paid	800,000,000	10	-	8,000,000,000
Breakdown of Issued, Subscribed and Paid-up capital:	No. of Shares	Face Value Per Share (PKR)	Premium (PKR)	Total at Par (PKR)
Sponsors:			-	
Air Link Communication Limited	799,999,993	10	-	7,999,999,930
Directors and their Family:			-	
Muzaffar Hayat Piracha	1	10	-	10
Adnan Aftab	1	10	-	10
Sharique Azim Siddiqui	1	10	-	10
Shaista Bano Gilani	1	10	-	10
Aqdu Faraz Tahir	1	10	-	10
Rabiya Muzaffar	1	10	-	10
Mariam Sajjad	1	10	-	10
Sub Total	800,000,000	10	-	8,000,000,000
New Issue of Ordinary Shares	No. of Shares	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total at Par (PKR)
Allocation to institutions / High Net worth individual investors through Book Building process at Strike Price	66,666,667	10	18	666,666,670
General Public Portion	22,222,222	10	18	222,222,220
Sub-total	88,888,889	10	18	888,888,890
Post IPO Paid Up Capital	No. of Shares	Face Value Per Share (PKR)	Total at Par (PKR)	
Total Paid Up Capital Post IPO	888,888,889	10	8,888,888,890	

3A (ii) Pattern of Shareholding

SELECT's current pattern of shareholding is provided hereunder:

Name	Pre-IPO Shareholding	
	Shares Held	Ownership %
Air Link Communication Limited	799,999,993	100%
Muzaffar Hayat Piracha	1	0.00%
Adnan Aftab	1	0.00%
Sharique Azim Siddiqui	1	0.00%

Shaista Bano Gilani	1	0.00%
Aqduş Faraz Tahir	1	0.00%
Rabiya Muzzaffar	1	0.00%
Mariam Sajjad	1	0.00%
Total	800,000,000	100%

3A (iii) Sponsors Shares to be kept in Blocked Form:

- As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Post Issue Paid Up Capital of the Company for not less than three years from the last date for the public subscription;
- As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (iii) above shall be kept unencumbered in a blocked account with the CDC;
- As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations. Provided that a sale of at least 5% of the post issue paid up capital or PKR. 50 million, whichever is lower, shall constitute a block sale during the lock-in period.

Breakdown of the shareholding of Select Technologies Limited's sponsors is provided hereunder:

Name	Pre-IPO Shareholding		Post-IPO Shareholding	
	Shares Held	Ownership %	Shares Held	Ownership %
Sponsors:				
Air Link Communication Limited	799,999,993	100.00%	799,999,993	90.00%
Total	799,999,993	100.00%	799,999,993	90.00%

3A (iv) Present Issue

The offer comprises of 88,888,889 shares (10% of the Post IPO paid-up capital of the Company) of face value of PKR 10/- each.

Of the entire Issue of 88,888,889 Ordinary Shares, seventy five percent (75%) of the issue i.e. 66,666,667 ordinary shares will be offered through the Book Building process at a Floor Price of PKR 28/- per share with a price band of 50% above the floor price i.e. PKR 42.00/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue i.e. 22,222,222 ordinary shares will be offered to retail investors. The retail portion will be fully underwritten, with Arif Habib Limited, Dawood Equities Limited, Intermarket Securities Limited and Ismail Iqbal Securities (Private) Limited acting as the underwriters to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriters to the issue.

3A (v) Shares Issued in Preceding Years

Break-up of shares issued since the inception of the company, including bonus shares, right shares and non-cash shares, has been provided below:

S. No.	No. of shares issued	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total Value (PKR)	Date of issuance
1	50,000,000	10	-	500,000,000	At Inc.

2	250,000,000	10	-	2,500,000,000	29-03-2022
3	250,000,000	10	-	2,500,000,000	28-09-2022
4	250,000,000	10	-	2,500,000,000	25-06-2024
Total	800,000,000			8,000,000,000	

3A (vi) Employee Stock Option Scheme

SELECT does not have any employee stock option scheme.

3A (vi) Related Employees

Related Employees of the Company (Select Technologies Limited) are as follows:

S. No	Name	Designation
1	Adnan Aftab	Chief Executive Officer
2	Nusrat Mahmood	Chief Financial Officer
3	Amer Latif	Company Secretary

Related employees of the Lead Manager/Consultant to the Issue (Arif Habib Limited) are as follows:




S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Farhan Rizvi	Managing Director, Investment Banking
3	Mr. Hamza Rehan	Assistant Vice President, Investment Banking
4	Mr. Malik Harris Rehman	Assistant Vice President, Investment Banking
5	Mr. Raheel Ahmed	Senior Associate, Investment Banking
6	Mr. Saif Ul Haq	Associate, Investment Banking
7	Mr. Ismail Memon	Associate, Investment Banking
7	Mr. Ali Raza	Senior Analyst, Investment Banking
8	Mr. Muhammad Faizan Qureshi	Senior Analyst, Investment Banking
9	Mr. Naveed Said	Senior Analyst, Investment Banking
10	Mr. Muhammad Ali Bikiya	Analyst, Investment Banking
11	Mr. Muhammad Sufyan Khan	Analyst, Investment Banking
12	Mr. Muhammad Ali Chandio	Analyst, Investment Banking
13	Mr. Tasweeb Fathe Khan	Analyst, Investment Banking

Related employees of the Joint Consultant to the Issue (Intermarket Securities Limited) are as follows:

S. No	Name	Designation
1	Wajid Hussain	Chief Executive Officer
2	Khurram Bashir	Deputy Chief Executive Officer
3	Ibrar Hussain	Vice President, Investment Banking
4	Mansoor Arif	Associate, Investment Banking

3A (vii) UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION

E-STAMP






ID :	PB-LHR-031F5AC2A82AE6C7
Type :	Low Denomination
Amount :	Rs 300/-
Description : AFFIDAVIT - 4	
Applicant :	Select Technologies Limited [35202-2849693-9]
Representative From :	Select Technologies Limited
Agent :	MUHAMMAD ZAHID IQBAL [35201-1219907-3]
Address :	LAHORE
Issue Date :	17-Mar-2026 1:13:26 PM
Delisted On/Validity :	24-Mar-2026
Amount in Words :	Three Hundred Rupees Only
Reason :	AFFIDAVIT - 4
Vendor Information :	Muhammad Abid Awan PB-LHR-496 Sus Asal

MLABID AWAN
 Stamp Vendor Lic #496
 Stamp paper issued without writing.
 0321-3777774
 Serial No. _____ Sig: _____

نوٹ: یہ فراہم کردہ تاریخ اور اس سے منسلک ہونے والے ایف ڈی ایم کے استعمال پر، اس اسٹامپ کی تصدیق بذریعہ ویب سائٹ: www.sea.gov.pk کی ضرورت ہے۔


Pakistan Stock Exchange
 Stock Exchange Building
 Stock Exchange Road
 Karachi – 74000, Pakistan



UNDERTAKING


We, Air Link Communication Limited, being sponsor of Select Technologies Limited, having registered office at 152/1-M, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, do hereby state on solemn affirmation as under:

- (1) That we are the sponsor and majority shareholder/owner of the shares of Select Technologies Limited (the "Issuer");
- (2) That the IPO Proceeds of Select Technologies Limited shall be utilized as per the purpose disclosed in the Prospectus.




.....
Muzaffar Hayat Piracha
 (On behalf of Air Link Communication Limited)

Date: 30th March 2026



ATTESTED
 IMRAN SAFDAR JUTT
 Advocate High Court
 OATH COMMISSIONER LAHORE



4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING AGREEMENTS

4.1. Principal Purpose of the Issue

To fund future business expansion, meet growing demand, and diversify the Company's current product portfolio, Select Technologies Limited aims to issue new equity with **88,888,889** shares at a floor price of **PKR 28.00/-** per share, amounting to total proceeds of **PKR 2,488,888,892/-**.

The principal purpose of the issue is to finance the construction of a new state-of-the-art production facility at E4 and E5(S) Sundar Green Special Economic Zone for the manufacturing and assembly of Air Conditioner (AC) units. This will provide scope for expansion of SELECT's operations and diversification of its product portfolio, allowing the Company to reduce reliance on a single product and customer, and seek sustained business growth.

A portion of the proceeds will be utilized towards expanding the TV production line, allowing the Company to expand production into the large-scale (75-100 inches) product lines. Capital expenditure will also be undertaken on smartphone plant & machinery, allowing Select Technologies Limited to keep its operations up-to-date with technological advancements in the industry.

These new facilities will operate in a Special Economic Zone (SEZ), providing Select Technologies Limited with the key strategic benefit of income tax exemption till FY 2035. Through this tax benefit SELECT will be able to generate higher net margins, leading to improved returns for shareholders.

In addition, 43% of the proceeds will be used to finance the working capital needs of the Company. The working capital requirements of Select Technologies Limited remain substantially high due to the need to maintain cash margin deposits for Letter of Credit (LC) on imports. Furthermore, SELECT has diversified its product portfolio to include other product lines, i.e. Television sets and Air Conditioning Units. These products intrinsically have a slower turnover cycle, highlighting that further investment is needed to finance the working capital needs of the Company.

4.2. Source of Funds

Select Technologies Limited intends to raise PKR 2.49 billion through an Initial Public Offering (IPO), issuing 88,888,889 ordinary shares at a floor price of PKR 28.00/- per share.

Particulars	Cost (PKR)	Percentage (%)
Proceeds from Initial Public Offering	2,488,888,892	100%

4.3. Utilization of IPO Proceeds

The IPO proceeds will be used primarily to establish a production facility at Sundar Green Special Economic Zone for the manufacturing and assembly of Air Conditioner (AC) units, with the objective of enhancing production capacity, expanding product range and availing regulatory tax benefits. A portion of the proceeds will be utilized towards expanding the TV production line to support large scale TV models. Capital expenditure will also be undertaken on smartphone plant & machinery, allowing Select Technologies Limited to keep its operations up-to-date with technological advancements in the industry.

The remainder of the proceeds raised will be utilized in financing the working capital needs of the Company, which remain high due to need to finance inventories.

The breakdown of the utilization of proceeds raised via this public offering, calculated at the floor price of PKR 28.00 per share, is provided hereunder:

S. No.	Proceeds Utilization	Amount (PKR)	(%)
1	Plant & Machinery - AC Assembly line	624,174,707	25%
2	Plant & Machinery – Smartphones	433,351,038	17%
3	Plant & Machinery – Large Scale TV Assembly Line	373,116,320	15%
4	Working Capital	1,058,246,827	43%
Total		2,488,888,892	100%

4.4. Additional Disclosures Relating to the Purpose of the Issue

4.4.1. Details of Plant & Machinery – AC Assembly Line:

The plant and machinery cost for the Air Conditioner (AC) production line amounts to **PKR 402,563,500**, the installation costs amount to **PKR 40,256,350** and duties and other charges amount to **PKR 181,354,857**. The table below shows the detail of Plant and Machinery to be delivered using IPO proceeds:

Particulars	Cost (PKR)	Installation Costs (PKR)	Duties & Other Charges (PKR)	Total Cost (PKR)	%
Plant and Machinery – AC	402,563,500	40,256,350	181,354,857	624,174,707	100%
Total	402,563,500	40,256,350	181,354,857	624,174,707	100%

The detailed cost breakdown of the plant and machinery to be delivered is provided hereunder:

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
Indoor Assembly Line	125,000	36,250,000	56,313	12,500	193,813	56,205,625	9.00%
Outdoor Assembly Line	175,000	50,750,000	78,838	17,500	271,338	78,687,875	12.61%
Performance Test Cabinet	195,000	56,550,000	87,848	19,500	302,348	87,680,775	14.05%
Standard Indoor Test Unit	282,000	81,780,000	127,041	28,200	437,241	126,799,890	20.31%
Gas Charging Machine	55,000	15,950,000	24,778	5,500	85,278	24,730,475	3.96%
Vacuum Pump 8L	300,000	87,000,000	135,150	30,000	465,150	134,893,500	21.61%
Halogen Leak Detector	27,900	8,091,000	12,569	2,790	43,259	12,545,096	2.01%
AC Power Distribution Panel	50,000	14,500,000	22,525	5,000	77,525	22,482,250	3.60%
Electrical Safety Tester	64,000	18,560,000	28,832	6,400	99,232	28,777,280	4.61%
Automatic Packing Machine	15,000	4,350,000	6,758	1,500	23,258	6,744,675	1.08%
Automatic Sealer Machine	18,000	5,220,000	8,109	1,800	27,909	8,093,610	1.30%
Condenser Bending Machine	35,000	10,150,000	15,768	3,500	54,268	15,737,575	2.52%
Copper Tube Cutting Device	3,200	928,000	1,442	320	4,962	1,438,864	0.23%
Soldering Gun (Industrial)	18,000	5,220,000	8,109	1,800	27,909	8,093,610	1.30%
Air Screw Driver	2,400	696,000	1,081	240	3,721	1,079,148	0.17%
90-degree Air Screw Driver	750	217,500	338	75	1,163	337,234	0.05%
Air Pipe & Connector Set	14,000	4,060,000	6,307	1,400	21,707	6,295,030	1.01%
Manual Sealing Pincers	100	29,000	45	10	155	44,965	0.01%

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
Fluorine Resistant Pipe (Bulk)	400	116,000	180	40	620	179,858	0.03%
Rubber Pipe (Gas)	400	116,000	180	40	620	179,858	0.03%
Rubber Pipe (O2)	200	58,000	90	20	310	89,929	0.01%
O Type Sealing Rings (Bulk)	800	232,000	360	80	1,240	359,716	0.06%
Fire Defending Device	4,000	1,160,000	1,802	400	6,202	1,798,580	0.29%
Hexagon Ring Spanner Set	2,000	580,000	901	200	3,101	899,290	0.14%
Total	1,388,150	402,563,500	625,362	138,815	2,152,327	624,174,707	100.00%

* the Company has assumed an exchange rate of PKR 290 for USD while computing the CapEx requirements.

** duties, taxes and other charges are inclusive of CIF charges and clearing & transportation costs.

Additional details of the plant and machinery which will be financed via the IPO proceeds is provided below:

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
Indoor Assembly Line	Gree Intelligent Equipment	10 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Outdoor Assembly Line	Hisense HVAC Equipment	10 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Performance Test Cabinet	Guangzhou Kinte Electric	8 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Standard Indoor Test Unit	Wuxi Testing Equipment Co.	8 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Gas Charging Machine	Sanhua Group	8 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Vacuum Pump 8L	Robinair	5 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Halogen Leak Detector	INFICON	4 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
AC Power Distribution Panel	Schneider Electric	12 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Electrical Safety Tester	GW Instek	8 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Automatic Packing Machine	Youngsun Packaging	10 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Automatic Sealer Machine	BestPack	8 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Condenser Bending Machine	Zhangjiagang King-Macc	10 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
Copper Tube Cutting Device	RIDGID	5 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Soldering Gun (Industrial)	Weller	3 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Air Screw Driver	Ingersoll Rand	4 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
90-degree Air Screw Driver	Chicago Pneumatic	4 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Air Pipe & Connector Set	SMC Corporation	6 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Manual Sealing Pincers	TBD	3-5 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Fluorine Resistant Pipe (Bulk)	Parker Hannifin	3 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Rubber Pipe (Gas)	Gates Corporation	3 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Rubber Pipe (O2)	TBD	3 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
O Type Sealing Rings (Bulk)	Freudenberg Sealing	2 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Fire Defending Device	Honeywell	10 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		
Hexagon Ring Spanner Set	Stanley Tools	15 years	P.O: 23-Feb-2026	10-Jul-26	Placed
			LC: 10-Mar-2026		

4.4.2. Details of Plant & Machinery – TV Assembly Line:

The Plant and machinery cost for the Large-scale TV assembly line amounts to **PKR 225,040,000**, whilst the installation costs amount to **PKR 22,504,000** and the duties and other charges amount to **PKR 125,572,320**.

The table below outlines the details of the Plant and Machinery to be delivered using the IPO proceeds:

Particulars	Cost (PKR)	Installation Costs (PKR)	Duties & Other Charges (PKR)	Total Cost (PKR)	%
Plant and Machinery – Large-scale TV	225,040,000	22,504,000	125,572,320	373,116,320	100%
Total	225,040,000	22,504,000	125,572,320	373,116,320	100%

The detailed cost breakdown of the plant and machinery to be delivered is provided hereunder:

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
Solder Paste Printer	25,000	7,250,000	13,950	2,500	41,450	12,020,500	3.22%
Pick & Place Machine	150,000	43,500,000	83,700	15,000	248,700	72,123,000	19.33%
Reflow Oven	30,000	8,700,000	16,740	3,000	49,740	14,424,600	3.87%
AOI System	25,000	7,250,000	13,950	2,500	41,450	12,020,500	3.22%
Loader/Unloader Conveyor	18,000	5,220,000	10,044	1,800	29,844	8,654,760	2.32%
Panel Handling System	28,000	8,120,000	15,624	2,800	46,424	13,462,960	3.61%
Backlight Assembly Line	30,000	8,700,000	16,740	3,000	49,740	14,424,600	3.87%
COF/TAB Bonding Machine	50,000	14,500,000	27,900	5,000	82,900	24,041,000	6.44%
Optical Alignment System	35,000	10,150,000	19,530	3,500	58,030	16,828,700	4.51%
Heavy Duty Conveyor	120,000	34,800,000	66,960	12,000	198,960	57,698,400	15.46%
Workstations	12,000	3,480,000	6,696	1,200	19,896	5,769,840	1.55%
PLC Control System	11,000	3,190,000	6,138	1,100	18,238	5,289,020	1.42%
Aging Racks	12,000	3,480,000	6,696	1,200	19,896	5,769,840	1.55%
Signal Testing System	10,000	2,900,000	5,580	1,000	16,580	4,808,200	1.29%
Dark Room Setup	10,000	2,900,000	5,580	1,000	16,580	4,808,200	1.29%
Cleanroom Setup	50,000	14,500,000	27,900	5,000	82,900	24,041,000	6.44%
HVAC System	35,000	10,150,000	19,530	3,500	58,030	16,828,700	4.51%
HEPA Filters	25,000	7,250,000	13,950	2,500	41,450	12,020,500	3.22%
Casing Assembly Line	15,000	4,350,000	8,370	1,500	24,870	7,212,300	1.93%
Screw Fastening Machine	15,000	4,350,000	8,370	1,500	24,870	7,212,300	1.93%
Packaging Line	15,000	4,350,000	8,370	1,500	24,870	7,212,300	1.93%
Air Compressor	15,000	4,350,000	8,370	1,500	24,870	7,212,300	1.93%
Power Distribution	22,000	6,380,000	12,276	2,200	36,476	10,578,040	2.84%
Installation & Training	18,000	5,220,000	10,044	1,800	29,844	8,654,760	2.32%
	776,000	225,040,000	433,008	77,600	1,286,608	373,116,320	100%

* the Company has assumed an exchange rate of PKR 290 for USD while computing the CapEx requirements.

** duties, taxes and other charges are inclusive of CIF charges and clearing & transportation costs.

Additional details of the plant and machinery which will be financed via the IPO proceeds is provided below:

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
Solder Paste Printer	GKG, DEK (ASM), Panasonic	7 years	1-Jun-26	31-Aug-26	Pending
Pick & Place Machine	Yamaha, Fuji, Juki	8 years	1-Jun-26	31-Aug-26	Pending
Reflow Oven	Heller, BTU, JT	10 years	1-Jun-26	31-Aug-26	Pending
AOI System	Koh Young, Mirtec	7 years	1-Jun-26	31-Aug-26	Pending
Loader/Unloader Conveyor	Asys, Nutek	10 years	1-Jun-26	31-Aug-26	Pending
Panel Handling System	BOE Equip, Foxconn Systems	8 years	1-Jun-26	31-Aug-26	Pending
Backlight Assembly Line	Skyworth, TCL Tech	8 years	1-Jun-26	31-Aug-26	Pending
COF/TAB Bonding Machine	Toray, Shibaura	7 years	1-Jun-26	31-Aug-26	Pending
Optical Alignment System	Shenzhen Optronics	7 years	1-Jun-26	31-Aug-26	Pending
Heavy Duty Conveyor	FlexLink, Bosch Rexroth	10 years	1-Jun-26	31-Aug-26	Pending
Workstations	Local Fabricators	10 years	1-Jun-26	31-Aug-26	Pending
PLC Control System	Siemens, Mitsubishi	8 years	1-Jun-26	31-Aug-26	Pending
Aging Racks	Custom OEM China	10 years	1-Jun-26	31-Aug-26	Pending
Signal Testing System	Quantum Data	7 years	1-Jun-26	31-Aug-26	Pending
Dark Room Setup	Local Vendors	10 years	1-Jun-26	31-Aug-26	Pending
Cleanroom Setup	Camfil, Clean Air	15 years	1-Jun-26	31-Aug-26	Pending
HVAC System	Daikin, Trane	10 years	1-Jun-26	31-Aug-26	Pending
HEPA Filters	AAF, Camfil	3 years	1-Jun-26	31-Aug-26	Pending
Casing Assembly Line	Custom OEM	10 years	1-Jun-26	31-Aug-26	Pending
Screw Fastening Machine	Atlas Copco	8 years	1-Jun-26	31-Aug-26	Pending
Packaging Line	Bosch Packaging	10 years	1-Jun-26	31-Aug-26	Pending
Air Compressor	Atlas Copco, Ingersoll Rand	10 years	1-Jun-26	31-Aug-26	Pending
Power Distribution	Schneider Electric	15 years	1-Jun-26	31-Aug-26	Pending

4.4.3. Details of Plant & Machinery – Smartphones:

The plant and machinery cost for the Smartphone segment amounts to PKR **261,369,745**, the installation costs amount to PKR **26,136,975** and the duties and other charges amount to PKR **145,844,318**.

The table below outlines the details of the Plant and Machinery to be delivered using the IPO proceeds:

Particulars	Cost (PKR)	Installation Costs (PKR)	Duties & Other Charges (PKR)	Total Cost (PKR)	%
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Plant and Machinery – Smartphones	261,369,745	26,136,975	145,844,318	433,351,038	100%
Total	261,369,745	26,136,975	145,844,318	433,351,038	100%

The detailed cost breakdown of the plant and machinery to be delivered is provided hereunder:

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
Three-platen pressure box	49,185	14,263,650	27,445	4,919	81,549	23,649,132	5.46%
On-line BTB pressing machine equipment (1-in-3)	30,969	8,980,949	17,281	3,097	51,346	14,890,414	3.44%
Protective cover for the whole machine	3,060	887,400	1,707	306	5,073	1,471,309	0.34%
CCD Composite Plate Equipment	160,475	46,537,640	89,545	16,047	266,067	77,159,407	17.81%
Lens positioning and pressing machine (one for two) (with positioning fixture, UPH550)	10,851	3,146,831	6,055	1,085	17,991	5,217,445	1.20%
3-in-1 dismantling and positioning fixture	2,859	829,209	1,596	286	4,741	1,374,828	0.32%
The current fixture of the whole machine	3,449	1,000,343	1,925	345	5,719	1,658,569	0.38%
screw bits	2,036	590,556	1,136	204	3,376	979,142	0.23%
Electric batch, drivers & cables	2,286	663,065	1,276	229	3,791	1,099,361	0.25%
Sealing ring (hot glue)	2,462	714,096	1,374	246	4,083	1,183,971	0.27%
Dispenser	6,683	1,938,189	3,729	668	11,081	3,213,517	0.74%
Bag cutter	2,301	667,151	1,284	230	3,814	1,106,136	0.26%
sealing cutter	2,301	667,151	1,284	230	3,814	1,106,136	0.26%
Chamfer cutter	3,419	991,522	1,908	342	5,669	1,643,943	0.38%
Spool	48,542	14,077,035	27,086	4,854	80,482	23,339,724	5.39%
Needle	10,693	3,101,098	5,967	1,069	17,730	5,141,620	1.19%
Dispenser controller with SD card	11,045	3,203,114	6,163	1,105	18,313	5,310,763	1.23%
3D inspection camera	17,236	4,998,486	9,618	1,724	28,578	8,287,490	1.91%
Controller card	4,221	1,224,119	2,355	422	6,999	2,029,589	0.47%
Glue dispenser head	9,251	2,682,860	5,162	925	15,339	4,448,181	1.03%
C to C USB Bits	10,990	3,187,100	6,132	1,099	18,221	5,284,212	1.22%
Free field microphone	2,374	688,562	1,325	237	3,937	1,141,635	0.26%

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
B to C USB Bits	2,798	811,493	1,561	280	4,639	1,345,455	0.31%
2-in-1 Bright Fixture (Universal 3-in-1)	10,759	3,120,250	6,004	1,076	17,839	5,173,375	1.19%
Whole Machine Current Fixture	3,139	910,249	1,751	314	5,204	1,509,193	0.35%
Audio Test Fixture	9,117	2,643,855	5,087	912	15,116	4,383,511	1.01%
CMW100 5G	17,169	4,979,079	9,580	1,717	28,467	8,255,313	1.90%
Electronic Level (including Control Box)	4,919	1,426,400	2,745	492	8,155	2,364,971	0.55%
Audio Box (Included A set of	38,119	11,054,600	21,271	3,812	63,202	18,328,527	4.23%
PC (CAM1)	13,526	3,922,600	7,548	1,353	22,426	6,503,671	1.50%
Film Pasting Equipment with Film Fixture	40,169	11,648,934	22,414	4,017	66,600	19,313,932	4.46%
Machine Head LOGO Detection Equipment	23,568	6,834,834	13,151	2,357	39,076	11,332,154	2.62%
Color Box LOGO Testing Equipment	22,954	6,656,534	12,808	2,295	38,057	11,036,533	2.55%
Screw Feeder	3,959	1,148,075	2,209	396	6,564	1,903,509	0.44%
Intelligent Electric Batch	8,126	2,356,506	4,534	813	13,473	3,907,087	0.90%
UV Controller Head	7,072	2,050,882	3,946	707	11,725	3,400,363	0.78%
BTB Pressing Machine with Fixture Upper and Lower Die	19,706	5,714,856	10,996	1,971	32,673	9,475,231	2.19%
Lens Pressing Machine with Fixture Upper and Lower Die	14,153	4,104,277	7,897	1,415	23,465	6,804,892	1.57%
Battery Cover Pressing Machine with Fixture Upper and Lower Die	114,954	33,336,660	64,144	11,495	190,594	55,272,182	12.75%
DECO Brackets & Plate Pressing Machine with Pressing Upper and Lower	12,973	3,762,254	7,239	1,297	21,510	6,237,817	1.44%
Hardware DECO Pressing Machine with Pressing Upper and Lower Die	12,973	3,762,254	7,239	1,297	21,510	6,237,817	1.44%
3D Film Pasting Machine with Whole Machine Film Fixture	53,959	15,648,151	30,109	5,396	89,464	25,944,634	5.99%

Name	FOB Cost (USD)	Amount in PKR*	Duties, Taxes & Other Charges (USD)**	Installation Costs (USD)	Total Cost (USD)	Total Cost (PKR)*	% of Cost to Total CapEx
UV Film Curing Machine	19,578	5,677,585	10,924	1,958	32,460	9,413,436	2.17%
Current Test Fixture (Carrier & Dial)	6,235	1,808,092	3,479	623	10,337	2,997,817	0.69%
Modular	13,789	3,998,729	7,694	1,379	22,862	6,629,892	1.53%
Extended Base Machine	30,871	8,952,474	17,226	3,087	51,183	14,843,202	3.43%
Total	901,275	261,369,745	502,911	90,127	1,494,314	433,351,038	100.00%

* the Company has assumed an exchange rate of PKR 290 for USD while computing the CapEx requirements.

** duties, taxes and other charges are inclusive of CIF charges and clearing & transportation costs.

Additional details of the plant and machinery which will be financed via the IPO proceeds is provided below:

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
Three-platen pressure box	Custom OEM (Alibaba / Made-in-China)	10 years	1-Apr-26	30-Jun-26	Placed
On-line BTB pressing machine equipment (1-in-3)	Custom OEM (China), Janome	10 years	1-Apr-26	30-Jun-26	Placed
Protective cover for the whole machine	Local Fabricator	10 years	1-Apr-26	30-Jun-26	Placed
CCD Composite Plate Equipment	Cognex, Keyence	10 years	1-Apr-26	30-Jun-26	Placed
Lens positioning and pressing machine (one for two) (with positioning fixture, UPH550)	Custom OEM (China), Janome	10 years	1-Apr-26	30-Jun-26	Placed
3-in-1 dismantling and positioning fixture	Local Precision Fixture Maker	3 years	1-Apr-26	30-Jun-26	Placed
The current fixture of the whole machine	Local Precision Fixture Maker	10 years	1-Apr-26	30-Jun-26	Placed
screw bits	Wiha, Vessel	4 years	1-Apr-26	30-Jun-26	Placed
Electric batch, drivers & cables	Atlas Copco, Kilews	4 years	1-Apr-26	30-Jun-26	Placed
Sealing ring (hot glue)	Henkel, 3M	4 years	1-Apr-26	30-Jun-26	Placed
Dispenser	Nordson EFD, Musashi	3 years	1-Apr-26	30-Jun-26	Placed
Bag cutter	Local Industrial Supplier	3 years	1-Apr-26	30-Jun-26	Placed
sealing cutter	Local Industrial Supplier	3 years	1-Apr-26	30-Jun-26	Placed
Chamfer cutter	Local Industrial Supplier	3 years	1-Apr-26	30-Jun-26	Placed
Spool	Local Supplier / OEM	4 years	1-Apr-26	30-Jun-26	Placed
Needle	Nordson EFD	3 years	1-Apr-26	30-Jun-26	Placed

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
Dispenser controller with SD card	Nordson EFD, Musashi	3 years	1-Apr-26	30-Jun-26	Placed
3D inspection camera	Cognex, Mech-Mind	3 years	1-Apr-26	30-Jun-26	Placed
Controller card	Advantech, Beckhoff	3 years	1-Apr-26	30-Jun-26	Placed
Glue dispenser head	Nordson EFD	3 years	1-Apr-26	30-Jun-26	Placed
C to C USB Bits	Local Supplier	3 years	1-Apr-26	30-Jun-26	Placed
Free field microphone	Brüel & Kjær, GRAS	3 years	1-Apr-26	30-Jun-26	Placed
B to C USB Bits	Local Supplier	3 years	1-Apr-26	30-Jun-26	Placed
2-in-1 Bright Fixture (Universal 3-in-1)	Local Precision Fixture Maker	3 years	1-Apr-26	30-Jun-26	Placed
Whole Machine Current Fixture	Local Precision Fixture Maker	5 years	1-Apr-26	30-Jun-26	Placed
Audio Test Fixture	Local Integrator + Rohde & Schwarz	4 years	1-Apr-26	30-Jun-26	Placed
CMW100 5G	Rohde & Schwarz	4 years	1-Apr-26	30-Jun-26	Placed
Electronic Level (including Control Box)	Mitutoyo, Bosch	4 years	1-Apr-26	30-Jun-26	Placed
Audio Box (Included A set of)	Local Integrator	4 years	1-Apr-26	30-Jun-26	Placed
PC (CAM1)	Dell, HP, Advantech	4 years	1-Apr-26	30-Jun-26	Placed
Film Pasting Equipment with Film Fixture	Custom OEM (China)	5 years	1-Apr-26	30-Jun-26	Placed
Machine Head LOGO Detection Equipment	Cognex, Keyence	10 years	1-Apr-26	30-Jun-26	Placed
Color Box LOGO Testing Equipment	Cognex, Keyence	10 years	1-Apr-26	30-Jun-26	Placed
Screw Feeder	Carlson Engineering, Janome	5 years	1-Apr-26	30-Jun-26	Placed
Intelligent Electric Batch	Atlas Copco, Kilews	5 years	1-Apr-26	30-Jun-26	Placed
UV Controller Head	Dymax, Nordson	4 years	1-Apr-26	30-Jun-26	Placed
BTB Pressing Machine with Fixture Upper and Lower Die	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed
Lens Pressing Machine with Fixture Upper and Lower Die	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed
Battery Cover Pressing Machine with Fixture Upper and Lower Die	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed

Name	Expected Supplier	Useful Life (years)	Expected Order Date	Expected Supply Date	Order Status
DECO Brackets & Plate Pressing Machine with Pressing Upper and Lower	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed
Hardware DECO Pressing Machine with Pressing Upper and Lower Die	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed
3D Film Pasting Machine with Whole Machine Film Fixture	Custom OEM (China)	10 years	1-Apr-26	30-Jun-26	Placed
UV Film Curing Machine	Dymax, Nordson	10 years	1-Apr-26	30-Jun-26	Placed
Current Test Fixture (Carrier & Dial)	Local Integrator + R&S	5 years	1-Apr-26	30-Jun-26	Placed
Modular	Local Fabricator	5 years	1-Apr-26	30-Jun-26	Placed
Extended Base Machine	Local Fabricator	10 years	1-Apr-26	30-Jun-26	Placed

4.4.4. Details of Working Capital Requirements:

Select Technologies Limited operates a highly working-capital intensive business, primarily stemming from the need to finance inventories. The Company is required to maintain cash margin for the opening of LCs in order to import raw materials and components. These margin requirements are predominately financed via debt, resulting in SELECT operating with a highly leveraged capital structure.

The expected expansion into Sundar SEZ is expected to double SELECT's existing production capacity of smartphones and TVs to a respective 7,000,000 and 360,000 annual units, whilst also creating a new AC production facility with an annual capacity of 400,000 units. Capacity expansion and business diversification into the home appliances industry is expected to significantly increase Select Technologies Limited's working capital requirements. As such, of the total IPO proceeds of PKR 2,488,888,892, **PKR 1,058,246,828** (43%) will be utilized to finance the working capital needs of the Company. This strategic allocation will lead to an improved liquidity position and more optimized capital structure, allowing SELECT to reduce reliance on debt and support continued business growth following production expansion.

4.5. Details Regarding Financial Close of the Project

The expenditure on both the AC Production Plant and Smartphone Production Plant is expected to commence from Q3 FY 2026. Both the plants are expected to be operationally available by Q1 FY 2027.

4.6. Implementation Schedule

S. No.	Particular	Start Date	Completion / Approval Date	Status
Plant & Machinery - AC Assembly line				
1.	Purchase Order Issuance and LC Opening	Q3 FY 2026	Q3 FY 2026	The company has shortlisted suppliers and is in process of opening LCs for importing the respective Plant & Machinery.
2.	Equipment Manufacturing by Supplier	Q3 FY 2026	Q4 FY 2026	

3.	Shipment, Port Clearance and Inland Transport	Q4 FY 2026	Q1 FY 2027	
4.	Equipment Unloading, Mechanical Installation, Electric & Utility Connections	Q1 FY 2027	Q1 FY 2027	
5.	Machine Calibration, Trial Runs and Pilot Production	Q1 FY 2027	Q1 FY 2027	
6.	Commencement of Commercial Production	Q1 FY 2027	Q1 FY 2027	
Plant & Machinery – Smartphone				
1.	Purchase and delivery of Plant & Machinery	Q3 FY 2026	Q4 FY 2026	The Company is currently in the process of negotiating with potential suppliers.
2.	Equipment Unloading, Positioning, and Installation	Q1 FY 2027	Q1 FY 2027	
3.	Trial Run and Pilot Production	Q1 FY 2027	Q1 FY 2027	
4.	Commencement of Commercial Production	Q1 FY 2027	Q1 FY 2027	

4.7. Utilization of excess IPO Funds, in the case the Strike Price is Determined above the Floor

Any excess funds raised, in case the Strike price is determined above the Floor price, would be utilized towards financing the working capital needs of the Company.

4 (AI) POST ISSUE MATTERS. (REPORTING AND EXIT OPPORTUNITY)**i. Post issuance reporting requirements as per regulation 16 of these regulations**

The issuer, Select Technologies Limited, upon completion of the public offer shall:

- a. Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly/half-yearly and annual accounts (till the fulfilments of the commitments mentioned in the prospectus).
- b. submit a: (a) Half Yearly progress report; and (b) annual progress report reviewed by the auditor, to the securities exchange till the fulfilment of the commitments mentioned in the prospectus stating the following:
 - Implementation status of the project/commitment made in the prospectus as per format given below:
 - Detailed Break-up utilization of the proceeds raised from the issue:
- c. Submit a final report reviewed by the auditor after the fulfilment of the commitments mentioned in the prospectus.

ii. Exit Opportunity Mechanism as per regulation 16(a) of these regulations

- a. The Issuer shall not, at any time change the principal purpose of the issue as disclosed in the Prospectus.
- b. In exceptional circumstances, the issuer may change the principal purpose of the issue subject to passing of special resolution and offering an exit opportunity to dissenting shareholders who have not agreed to the change in principal purpose of the issue as disclosed in the Prospectus.
- c. Offering an exit opportunity shall also be mandatory where the principal purpose of issue was undertaken and thereafter funds were diverted to other purposes, which resulted in non-completion of principal purpose of issue in a timely manner as disclosed in the prospectus.
- d. The mechanism for an exit offer opportunity shall be as under:
 - i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of Companies Act, 2017.
 - ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
 1. Intrinsic value based on the latest available audited accounts;
 2. Weighted average closing price for last six preceding months
 3. offer price at which the shares were subscribed through IPO.
 - iii. The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.

4A VALUATION SECTION:

4A (I) JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND. THE JUSTIFICATION MUST INCLUDE APPROPRIATE VALUATION MODELS, INCLUDING THE DISCOUNTED CASH FLOW (DCF) MODEL, DIVIDEND DISCOUNT MODEL (DDM), AND/OR GORDON GROWTH MODEL (GGM).

Disclaimer:

The offer price/floor price and price band are set by the Issuer and Consultant to the Issue using appropriate valuation models, and that the Commission and the Securities Exchange have neither assessed nor validated the pricing or the underlying valuation model. The Commission and the Securities Exchange do not assess, validate or endorse the price of a transaction, as pricing is purely a function of market forces; whereby minimum price is determined by the Consultant to the Issue/Issuer and final price is set by the investors.

Valuation – Free Cash Flow to the Firm (FCFF):

	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Cost of Equity						
Risk free rate ⁴²	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Equity Beta ⁴³	1.33	1.33	1.33	1.33	1.33	1.33
Equity Risk Premium ⁴⁴	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cost of Equity⁴⁵	20.01%	20.01%	20.01%	20.01%	20.01%	20.01%

Cost of Debt						
Finance Cost (PKR Mn)	2,217	2,481	2,849	3,080	3,350	3,402
Average Debt (PKR Mn)	16,858	18,564	21,675	23,253	24,906	25,396
Pre-tax Cost of Debt ⁴⁶	13.15%	13.36%	13.15%	13.25%	13.45%	13.40%
Tax Rate	31.20%	16.22%	6.34%	6.41%	6.28%	6.10%
After Tax Cost of Debt	9.05%	11.19%	12.31%	12.40%	12.61%	12.58%

Running WACC						
Total Debt (PKR Mn)	16,689	20,440	22,910	23,597	26,214	24,578
Total Equity (PKR Mn)	14,511	15,807	17,352	20,965	25,953	31,893
Debt Weight	53%	57%	57%	53%	50%	44%
Equity Weight	47%	43%	43%	47%	50%	56%
WACC	14.14%	15.04%	15.63%	15.98%	16.29%	16.77%

PKR Mn	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Operating Profit	5,338	5,232	5,821	10,164	13,167	15,032
Less: Tax	(1,666)	(849)	(369)	(651)	(827)	(918)
NOPAT	3,673	4,383	5,452	9,513	12,340	14,114

⁴² Risk free rate is based on the prevailing yield of the five-year Pakistan Investment Bond as at April 15th 2026, implying the time horizon for investment in equities which is typically 3- 5 years.

⁴³ The equity beta for SELECT has been calculated by using the weighted average adjusted asset (deleveraged) of Airlink, PAEL and WAVESAPP, and then re-leveraging it using the market value of SELECT's debt and equity.

⁴⁴ Equity Risk Premium has been derived from the implied equity return over the past 20 years, which has averaged approximately 6.00% above the average long-term Government bond yield.

⁴⁵ Cost of Equity has been calculated using the Capital Asset Pricing Model (CAPM): Cost of Equity = Risk Free Rate + (Equity Risk Premium)*Equity Beta

⁴⁶ Finance Cost / Average Interest-Bearing Debt

Add: Depreciation	604	704	713	724	737	750
Add: Amortization	-	-	-	-	-	-
Adj: Changes in Working Capital	1,515	(3,699)	(3,501)	(3,625)	(5,835)	(2,468)
Less: CapEx	(3,330)	(2,143)	(863)	(886)	(909)	(932)
FCFF	2,462	(755)	1,800	5,727	6,333	11,464
Terminal Value						89,391

Discounting

Year	0.25	1.25	2.25	3.25	4.25	5.25
Discount Factor	0.967	0.839	0.721	0.618	0.527	0.443

PV of Payouts	2,382	(634)	1,299	3,537	3,335	5,079
PV of Terminal Value						39,605

Enterprise Value	54,603
Less: Debt	(17,027)
Add: Investment Property	1,936
Add: Short-term investments	1,800
Add: Cash	245
Equity value	41,556
No. of Shares (Mn)	889
Value per Share (PKR)	46.75

Floor Price (PKR)	28.00
<i>Upside (PKR)</i>	67%

Justification for the Premium: 50% Upside

Based on the valuation assessment, the DCF model yields a fair value of **PKR 46.75** per share, reflecting a potential upside of **67%** from the floor price of **PKR 28.00** per share and **11%** from the limit price of **PKR 42.00** per share.

The Company is offering a Price-to-Earning ("P/E") multiple of **12.19x** at the Floor Price of PKR 28.00/- per Ordinary Share based on the earnings per share of the Company for the twelve-month period ended December 31, 2025 of PKR 2.30/-. This reflects a **33%** discount against the weighted average sector P/E multiple of **18.15x**.

The positive upside indicated by the FCFF valuation and the attractive relative valuation of the combine collectively support the appropriateness of the proposed 50% price band.

Dividend Discount Model (DDM):

Select Technologies Limited is a growth-oriented company, focused on seeking sustained business expansion through capacity enhancement and product portfolio diversification. The Company intends on incurring significant capital expenditure in order to meet its long-term business strategy, and therefore is prioritizing retaining earnings for reinvestment purposes to meet expenditure and working capital needs. Furthermore, SELECT has no history of paying dividends to its shareholders, and expected future dividends are not a major portion of the earnings and paid-out solely to provide a cash return to the minority shareholders.

The dividend discount model (DDM) is a suitable valuation model for mature businesses with a stable dividend payout policy. As such, given the lack of a regular historical dividend policy on part of the Company, the dividend discount model is not appropriate to determine the intrinsic value of Select Technologies Limited.

Strategic Partnerships with Global Brands:

Over its short lifespan, Select Technologies Limited has secured manufacturing partnerships with some of the leading global consumer electronic brands, including Xiaomi Inc and Hisense Technologies.

Select Technologies Limited stands as the exclusive partner for the assembly of Xiaomi smartphones in Pakistan. Xiaomi stands as the third largest global smartphone operator, holding a substantial **13.80%** of the market⁴⁷. It also holds a sizeable **9%** share of Pakistan’s smartphone industry, reflecting the brand’s strong position in the domestic landscape.

Hisense Technologies is a key player in the global home appliances and consumer electronics industry, holding the 2nd largest market share at **14%** of the Smart-TV industry⁴⁸.

These partnerships underscore SELECT’s reliability and cutting-edge innovation, positioning it as the preferred local manufacturing partner for top-tier international brands.

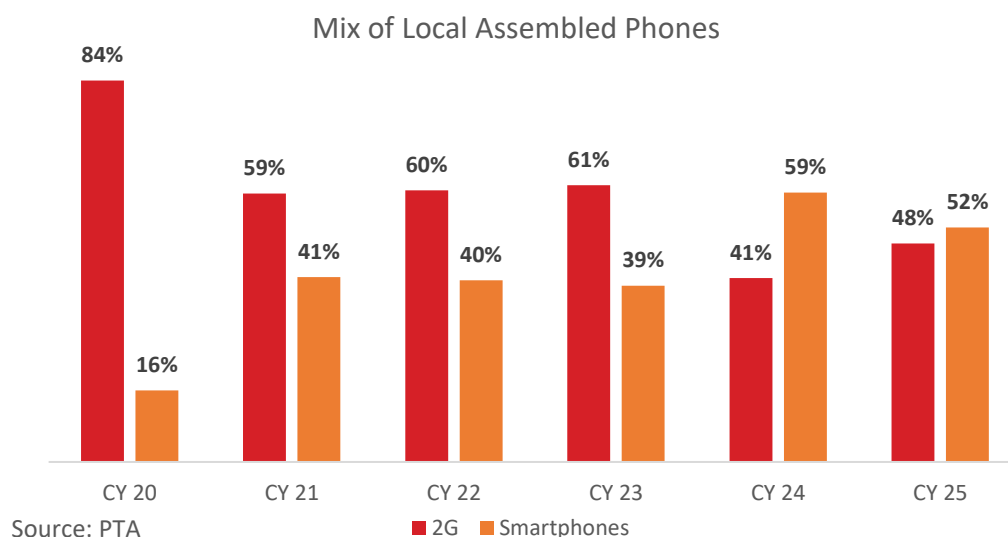
Diversification of Product Portfolio:

Select Technologies Limited entered into an agreement with Hisense International Singapore Pte. Ltd, effective January 1, 2026, for the manufacturing of home appliances in Pakistan, with an initial focus on Smart TVs and Air Conditioners⁴⁹.

This reflects the diversification of SELECT’s product portfolio into the consumer appliances sector, allowing the Company to reduce its dependence on a single sector. This agreement with Hisense allows SELECT to gain exposure to Pakistan’s household appliances industry, valued at PKR 328.6 Bn⁵⁰, whilst minimizing the risks associated with a new market entry.

Favorable Future Prospects:

Pakistan’s smartphone industry has experienced strong growth in recent periods, with the number of locally manufactured devices rising to **30.2** million units in 2025 (CY20: 13.1 million), reflecting a CAGR of **18%**⁵¹. The increase in local manufacturing and reduced dependence on imports has been driven by the introduction of MDM regulations and DIRBS in 2021, aimed at curtailing imports. In addition, rising connectivity and internet adoption have led to a structural shift in the industry towards smartphones from 2G devices.



⁴⁷ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

⁴⁸ <https://global.hisense.com/about-hisense/newsroom/hisense-tv-retains-global-no2-ranking-in-2024-and-leads-the-100-inch-tv-market-worldwide>

⁴⁹ <https://dps.psx.com.pk/download/document/268997.pdf>

⁵⁰ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Household%20Appliances%20-%20Mar%2725_1741609486.pdf

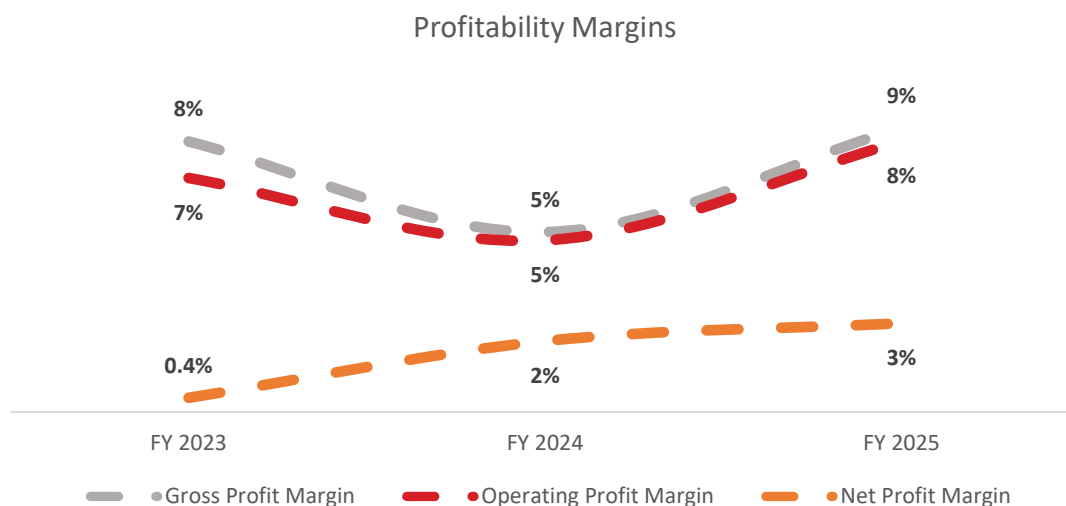
⁵¹ <https://www.pta.gov.pk/category/telecom-indicators/171>

This transition highlights rising consumer demand for locally assembled smartphones and supports long-term volume growth.

SELECT is well-positioned to meet this rising demand, with the development of the new facility and Sundar SEZ expected to double the Company's manufacturing capacity to an annual 7 million smartphones.

Robust Financial Performance:

During the period from FY 2022 to FY 2025 Select Technologies Limited experienced a CAGR of **152%** in its net sales, recording a topline of PKR 48.8 Bn in FY 2025. Alongside this, the Company displayed strong profitability, recording a gross margin of **9%** (FY24: 5%), operating margin of **8%** (FY 24: 5%) and net margin of **3%** (FY24: 2%) in FY 2025.



Tax Exemption:

Select Technologies Limited is set to commence production at its new state-of-the-art facility at E4 and E5(S) Sundar Green SEZ. This new facility will operate in a Special Economic Zone (SEZ), providing SELECT with a ten years tax exemption till FY 2035.

SELECT's Sundar Green Facility will be able to obtain the following tax benefits⁵²:

- One-time custom-duty exemption on import of plant, machinery, and equipment under SEZ Act, 2012.
- 10-Year exemption on all income taxes (till tax year 2035).
- Turnover tax / minimum tax exemption under Section 113.
- Alternative Corporate Tax (17% of specified accounting income) exempted under Section 113C.
- Income tax exemption under Section 235 on utility bills (electricity, gas, etc.).
- Super tax exemption under Section 4C.
- Tax exemption on certain imports under Section 148.
- Tax exemption under Section 236K for Zone Enterprises for purchase of property in SEZ.

Through these tax benefits Select Technologies Limited will be able to incur lower costs and generate higher margins, leading to improved returns for shareholders.

Parent & Sponsor Support:

Air Link Communication Limited is the sole sponsor and shareholder of Select Technologies Limited. Airlink's position as Pakistan's largest smartphone distributor⁵³, alongside its relationships with some of the leading global brands including Samsung, Transsion, TCL, Xiaomi, provides SELECT with key strategic support and

⁵² <https://www.sundergreen.com/>

⁵³ https://www.pacra.com/view/storage/app/PACRA%20Research%20-%20Mobile%20Phones%20&%20Allied%20Products%20-%20Jan%2725%202_1768314771.pdf

credibility. This has been instrumental in enhancing the SELECT's ability to secure business partnerships with some of the world's leading consumer electronics brand.

Select Technologies Limited also benefits from Airlink's financial backing, including sustained working capital support to meet the Company's liquidity needs.

Justification:

Based on our review, the Consultant to the Issue and Joint Consultant to the Issue are of the opinion the strong historical performance of the Company, strategic partnerships with globally leading brands, expansion into the home appliances industry, strong sponsor support, and future tax benefits highlight strong future demand and sustainability of business performance, justifying the floor price of PKR 28.00 per share.

Based on the valuation assessment, the DCF model yields a fair value of **PKR 46.75** per share, reflecting a potential upside of 67% against the floor price and 11% against the limit price, supporting the appropriateness of the proposed 50% price band.

The Company is offering a Price-to-Earning ("P/E") multiple of **12.19x** at the Floor Price of PKR 28.00/- per Ordinary Share based on the earnings per share of the Company for the twelve-month period ended December 31, 2025 of PKR 2.30/-. This reflects a **33%** discount against the weighted average sector P/E multiple of 18.15x.

4A (II) DISCLOSURE OF POST ISSUE FREE FLOAT

Post IPO, the share capital of SELECT will increase from 800,000,000 Ordinary Shares to 888,888,889 Ordinary Shares. The free float status of SELECT post IPO is provided hereunder:

Description	Number of Shares	% Shareholding	Total Free Float
Existing Shareholders:			
Sponsors	799,999,993	90.00%	
Directors	7	0.00%	
Public Offering	88,888,889	10.00%	10.00%
Total	888,888,889	100%	10.00%

4A (III) PEER GROUP COMPARISON

Select Technologies Limited is set to be the first sole mobile and smart devices manufacturer to be listed on PSX. Please note that financial performance of SELECT cannot be directly compared with other listed companies. However, listed companies operating in the Cable & Electrical Goods and & Technology and Communication sector have been taken for comparative purposes.

Company	EPS (TTM)	Gross Profit Margin	Net Profit Margin	BVPS	Price	P/E	P/B	ROE (TTM)	ROA (TTM)	Free Float (Shares - Mn)	Free Float %
NETSOL	22.70	47%	18%	129.49	124.61	5.49x	0.96x	19%	14%	27	30%
AVN	3.61	26%	11%	33.30	32.15	8.90x	0.97x	12%	6%	148	35%
SYS	6.77	26%	13%	31.02	153.59	22.69x	4.95x	24%	17%	884	60%
OCTOPUS	0.75	41%	10%	17.30	33.59	44.70x	1.94x	4%	4%	47	30%
AIRLINK	13.87	13%	6%	44.84	143.30	10.33x	3.20x	33%	10%	119	30%
SYM	0.74	53%	26%	7.19	11.00	14.82x	1.53x	14%	11%	128	45%
ZAL	5.62	27%	66%	11.97	47.20	8.39x	3.94x	72%	66%	66	25%

Company	EPS (TTM)	Gross Profit Margin	Net Profit Margin	BVPS	Price	P/E	P/B	ROE (TTM)	ROA (TTM)	Free Float (Shares - Mn)	Free Float %
PAKD	9.66	19%	6%	120.65	130.02	13.46x	1.08x	8%	6%	5	43%
STL	151.88	NMF	NMF	255.05	62.34	0.41x	0.24x	79%	9%	0.10	20%
TELE	0.37	25%	1%	15.05	8.44	22.66x	0.56x	3%	1%	326	96%
PAEL	4.16	27%	6%	53.52	41.37	9.93x	0.77x	8%	5%	508	65%
WAVESAPP	0.71	20%	4%	30.22	7.77	11.00x	0.26x	2%	2%	134	50%
PTC	(1.91)	33%	NMF	7.23	55.25	NMF	7.64x	NMF	NMF	593	15.72%
WTL	(0.09)	NMF	NMF	NMF	1.51	NMF	NMF	NMF	NMF	4,235	85%
Sector W. Avg Mean						18.15x	5.46x				
Sector Median						10.67x	1.08x				
KSE 100						8.22x	1.53x				
SELECT Pre-Issue	2.30	14%	5%	14.99	28	12.19x	1.87x	17%	6%	89	10%
SELECT Post-Issue	2.03			16.79	28	13.55x	1.67x				

* Prices and multiples as at 15th April 2026.

5. RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. Customer Concentration Risk:

Select Technologies Limited has a Manufacturing supply agreement with Xiaomi Pakistan Limited for manufacturing and selling smartphones and related products. Sales to Xiaomi Pakistan accounts for the majority of SELECT's revenue, thereby making the Company reliant on a single customer. SELECT's sales demand is primarily determined by the purchasing needs of Xiaomi, which in turn is also influenced by the overall consumer demand for Xiaomi models in Pakistan. As such, any reduction in the local demand for Xiaomi products could result in a sizeable reduction in the sales revenue of Select Technologies Limited.

The break-up of SELECT's revenue for the latest financial years is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025
Xiaomi	15,429.50	73,460	48,481
<i>As % of total Revenue</i>	<i>99.996%</i>	<i>100%</i>	<i>99%</i>
Others	0.56	-	412
<i>As % of total Revenue</i>	<i>0.004%</i>	<i>-</i>	<i>1%</i>
Total	15,430	73,460	48,893

5.1.2. High Financial Gearing:

Select Technologies Limited operates with a highly leverage capital structure, having a debt to equity ratio of **1.57x** (157%) as of June 30, 2025. Such high levels of gearing expose SELECT to high financial risk, whereby the Company's profitability and business operations could be adversely affected were it to fail in servicing its debt obligations on a timely basis.

The majority of SELECT's debt relates to short-term borrowings undertaken by the Company to finance its working capital needs, which remain high due to the requirement to maintain a cash margin deposits for Letter of Credit (LC) used by SELECT on its import purchases.

Breakdown of SELECT's leverage position is provided in the table below.

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 26
Long-term Loans	2,018	1,862	1,677	1,235
Lease Liabilities	-	54	69	46
Payable to Related Party	1,908	3,799	4,125	2,782
Short-term Borrowings	2,511	7,435	11,157	11,074
Total Debt	6,436	13,149	17,027	15,137
Total equity	5,447	9,514	10,818	11,996
Total Assets	16,155	28,179	37,608	31,129
Debt to Equity	118%	138%	157%	126%
Debt to Assets	40%	47%	45%	56%

5.1.3. Interest Rate Risk:

Select Technologies Limited is exposed to interest rate risk, whereby the Company's cash flows may be affected as a result of changes in market interest rates. Majority of this risk arises from SELECT's high debt levels, which accrue interest at a floating rate. As such, any increases in the benchmark rates will lead to higher levels of finance cost paid by the Company.

Below is an overview of SELECT's **variable rate** instruments and yearly finance cost charges:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 26
Financial Liabilities:				
Long-term loans	2,082	1,939	1,713	1,235
Lease Liabilities	-	54	69	46
Short-term borrowings	2,511	7,435	11,157	11,074
Finance Cost	(1,114)	(1,711)	(2,396)	(1,256)

5.1.4. Liquidity Risk

Select Technologies Limited is exposed to liquidity risk, whereby the Company may fail to meet its obligations when they fall due. The liquidity needs of SELECT remain high due to the extensive working capital requirements of the Company, which primarily stem from having to finance inventories.

SELECT imports majority of its raw materials (SKD kits and components) from Xiaomi as per their Manufacturing Supply Agreement, according to which SELECT has to make payments via Letter of Credit (LC). Given the requirement to maintain a cash margin deposits for Letter of Credit (LCs), high investment in working capital is needed.

The table below outlines the gross working capital cycle of Select Technologies Limited:

	FY 2023	FY 2024	FY 2025
Gross Working Capital Days	124	28	112

5.1.5. Risk of Technological Obsolescence:

SELECT operates in the smartphone and smart devices market, an industry with short product life-cycles and rapid technological and technical advancements. Failure of the Company to update its facilities and production lines in time may lead to obsolescence of assets, resulting in impairment write-downs and reduced overall competitiveness.

5.1.6. Negative cashflow from operating activities in the last three preceding financial years:

The table below outlines SELECT's cash flow from operating activities for the three preceding financial years

PKR Mn	FY 2023	FY 2024	FY 2025
Cash Flow from Operations	1,131	(4,037)	(2,964)

Select Technologies Limited generated negative cash flows in FY 2024 and FY 2025 primarily due to the effect of working capital changes. The Company's working capital needs remain high due to having to finance inventories.

5.1.7. Risk of Non-compliance with PSX and SECP regulations:

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in trading or delisting.

5.2. EXTERNAL RISKS:

5.2.1. Regulatory Risk:

Select Technologies Limited is in the business of smartphone assembly, allowing it to benefit from various incentives from the local government, including favorable import duties on Semi-knocked Down (SKD) smartphone kits imported. The Company is also in the process of commencing its production operations in Sundar Industrial Estate (SIE), a Special Economic Zone (SEZ) that allows the Company to benefit from tax exemptions (see section 4A(i)).

Any change or withdrawal of government incentives, including those relating to import duties and corporate tax, may materially and adversely affect the cost structure and competitiveness of the Company.

5.2.2. Macroeconomic Risk:

SELECT's performance and profitability may be affected as a result of macroeconomic factors outside the control of the entity, including changes in interest rates, inflation rates, and tax rates.

In particular, any increase in policy rates will lead to greater finance costs incurred by the Company, thereby reducing net margins. Economic slowdown and high inflation may undermine consumer spending power, leading to reduced local demand for smartphones and smart-devices.

5.2.3. Supply Chain Disruption Risk:

SELECT acquires most of its production components, primarily including SKD and CKD kits, via international imports. Any disruptions in the global supply chain, including component shortages, logistic constraints, or geopolitical issues could affect the availability of key components, leading to production disruptions.

Furthermore, any protectionist measures imposed by the local government, such as high duties, tariffs, or administrative red-tape, could undermine SELECT's ability to import the requisite production components, thereby hindering production and reducing sales.

5.2.4. Foreign Currency Risk:

A substantial portion of SELECT's raw material imports are denominated in foreign currency (i.e. CNY), indicating that any depreciation of Pakistan rupee against the CNY will lead to increased input costs for the Company. However, as per SELECT's Manufacturing Supply Agreement with Xiaomi, any foreign exchange gains (and losses) on such imports are chargeable to Xiaomi Pakistan (Private) Limited, via debit (or credit) note. This mitigates most of the forex risk faced by the Company.

5.2.5. Threat of New Entrants:

Select Technologies Limited is one of the leading smartphone manufacturers and assemblers in Pakistan, having a **13%** share of the locally assembled smartphones market⁵⁴. The Company's strategic position may be undermined as a result of the entry of new competitors into the market.

The smartphone and home appliances industries require extensive capital expenditure and investment in working capital, creating barriers to entry for new entrants into the market.

To the best of our knowledge and belief, all risk factors applicable to the issuer i.e. Select Technologies Limited have been disclosed.

⁵⁴ <https://www.pacra.com/rating-report/MTQwNzU=>

5.3. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER



Dated: ¹⁵ 31st March 2026

Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer

We being the Chief Executive Officer and Chief Financial Officer of Select Technologies Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Select Technologies Limited


 Adnan Aftab
 Chief Executive Officer


 Nusrat Mahmood
 Chief Financial Officer



Select Technologies Limited
 152/1-M, Quaid-e-Azam Industrial Estate,
 Kot Lakh Pat, Lahore Pakistan

 info@selecttechnologies.pk
 042-35151345

5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

5506 12:27 PM

Government of Punjab, Secretary of Public Finance

E-STAMP

ID : PB-LHR-4181AF3DC63C6018
 Type : Low Denomination
 Amount : Rs 300/-

Description : AFFIDAVIT - 4
 Applicant : Select Technologies Limited (35202-2849692-9)
 Representative From : Select Technologies Limited
 Agent : MUHAMMAD ZAHID IQBAL (35201-1219907-3)
 Address : LAHORE
 Issue Date : 5-May-2026 12:27:37 PM
 Delisted On/Validty : 12-May-2026
 Amount in Words : Three Hundred Rupees Only
 Reason : AFFIDAVIT - 4
 Vendor Information : Muhammad Abid Awan | PB-LHR-496 | Sua Asal

Stamp for online verification
 Stamp Value: 300/-
 Serial No: 0321-3777774
 Sig: [Signature]

NOTARIZED
 Attested & Notarized to Take Effect in All Continents Out of Pakistan Under International Law

توثیق اور تصدیق کے لیے اس کا استعمال ہے۔ اس کا استعمال کی تصدیق باہر کے ممالک اور دیگر ممالک کے لیے ہے۔

Date: 05th May, 2026
 Pakistan Stock Exchange Limited
 Stock Exchange Building
 Stock Exchange road
 Karachi - 74000, Pakistan

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

Select Technologies Limited and its Sponsors undertake that

- Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
 - Which had been declared defaulter by the securities exchange or futures exchanges; or
 - Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

For and on behalf of Select Technologies Limited

[Signature] Adnan Aftab
 Chief Executive Officer

[Signature] Nusrat Mahmood
 Chief Financial Officer
 ADVOCATE AT THE COURT
 (COURT COMMISSIONER LAHORE)

For and on behalf of SPONSORS and DIRECTORS of Select Technologies Limited

Scanned with CamScanner

ATTESTED
 M SIDDIQUE ADVOCATE
 NOTARY PUBLIC
 HIGH COURT LAHORE

Muzaffar Hayat Piracha
Chairman/Non-Executive Director

Adnan Aftab
CEO/Executive Director

Rabblya Muzaffar
Non-Executive Director

Marlam Sajjad
Executive Director

Sharique Azim Siddiqui
Independent Director

Aqduz Faraz Tahir
Independent Director

Ms. Shaista Bano Gilani
Independent Director

Mr. Muzaffar Hayat Piracha
(On Behalf of Air Link Communication Limited)

Amer Latif
Company Secretary
Select Technologies Limited



5.5. STATEMENT BY THE ISSUER



Dated: 31st March 2026 35

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of Select Technologies Limited or (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Select Technologies Limited


Adnan Aftab
Chief Executive Officer


Nusrat Mahmood
Chief Financial Officer



Select Technologies Limited
152/1-M, Quaid-e-Azam Industrial Estate,
Kot Lakh Pat, Lahore Pakistan

 info@selecttechnologies.pk
 042-35151345

5.6. STATEMENT BY THE CONSULTANT TO THE ISSUE

Date: 31st March 2026

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road
Karachi

Being mandated as the Consultant to the Issue to this Initial Public Offering of Select Technologies Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on behalf of Arif Habib Limited.



Farhan Abbas Rizvi
Managing Director, Investment Banking



Head Office / Corporate Office: Arif Habib Centre, 28 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 9953
Lahore Office: Office No. G-3 & G-6, Ground Floor, ISE Plaza, 19, Chayaban-e-Akbar-e-Iqbal, Lahore, | Tel: +92 41 3681 3700 - 11, 3681 3741 - 44
Islamabad Office: Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06
Peshawar Office: F16-F17, 1st Floor, The Mall Tower, Peshawar Cantt | Tel: +92 91 5253913
Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kohinoor City, Faisalabad. | Tel: +92 41 8531010-3
Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. | Tel: +92 61 4514412
csonline@arifhabibitd.com | www.arifhabibitd.com | www.ahitrade.com
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-050 / 01



Registered Office
 Bahria Complex-IV
 5th Floor, 5th Block,
 Ch. Khalique-uz-Zaman Road,
 G-11, Karachi-75600, Pakistan.
 (92 21) 111-467-000

14th April 2026

The Chief Executive
 Pakistan Stock Exchange Limited
 Stock Exchange Building
 Stock Exchange Road
 Karachi – 74000.

Being mandated as the Joint Consultant to the Issue to this Initial Public Offering of Select Technologies Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in the Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on Behalf of Intermarket Securities Limited


Wajid Hussain
 Chief Executive Officer



- | | | | | | |
|---|---|---|---|--|--|
| Branch - I
Pakistan Stock Exchange New Building
10th Floor, Room Nos. 1001NB-1010NB
Stock Exchange Road, Karachi-74000
Pakistan
(92 21) 111-467-000 | Branch - II
Plot # 38-A,
Adjacent Geonix Pharmacy,
Korangi Creek,
Karachi-75900, Pakistan
(92 21) 111-467-000 | Branch - III
Pakistan Stock Exchange
139-140 & 409, 3rd and 4th Floor,
Stock Exchange Building,
Stock Exchange Road, Karachi.
(92 21) 111-467-000 | Branch - IV
Suite No. 212, 2nd Floor,
Bafal Trade Centre,
Block-3, Plot No. 180,
D.M.C.H.S, Karachi
(92 21) 3402995,
3402995-6 | Branch - V
Office No. 34-35, Mezzanine Floor,
Business Arcade, Meyerspock Hotel,
Plot No. C-11, Survey No 2,
Dr. Ziauddin Ahmed Road Karachi
(92 21) 111-467-000 | Branch - VI
7th Floor, M.M Towers,
Property No. 28, Block K,
M.M Asem Road,
Gulberg III Lahore,
(92 42) 3538849, 3580966 |
|---|---|---|---|--|--|

6. FINANCIAL INFORMATION:

6.1. AUDITOR REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL



The Board of Directors,
Select Technologies Limited,
152-1-M, Quaid-e-Azam Industrial Estate,
Kot Lakhpat,
Lahore

March 17, 2026
S-08/AA-3932/26

AUDITORS' CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY

Respected Sirs,

We have been requested to provide you with a certificate on issued, subscribed and paid-up capital of Select Technologies Limited (the Company) based on the audited financial statements of the Company for the year ended June 30, 2025 audited by us on which audit report was issued on September 29, 2025, for onward submission to Pakistan Stock Exchange (PSX) as required under Clause 14 (i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management to provide auditors' certificate on the verification of the Statement prepared by the management showing the issued, subscribed and paid-up capital of the Company (the Statement). We have been informed that this certificate is required under Clause 14 (i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Management Responsibility

It is the management's responsibility to ensure that the statement showing the issued, subscribed and paid-up capital of the Company has been correctly prepared in compliance with Clause 14 (i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Management's responsibilities include the maintenance of the adequate accounting records and internal controls as deemed necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the Statement containing the issued, subscribed and paid-up capital of the Company as at June 30, 2025 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Our verification was limited to tracing the amount of issued, subscribed and paid-up capital included in the Statement from the audited financial statements of the Company for the year ended June 30, 2025.

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BDO Ebrahim & Co. Chartered Accountants Page - 1

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 Askari Corporate Tower,
 75/76 D-1, Main Boulevard
 Gulberg III, Lahore-54660
 Pakistan.

Certificate

Based on the procedures performed, we certify that the break-up of shareholding of the Company as at June 30, 2025 is as follows:

Issued, subscribed and paid-up capital	June 30, 2025 (Rupees)
800,000,000 ordinary shares of Rs. 10 each	8,000,000,000

Name of Shareholders	No. of Ordinary Shares of Rs 10 Each	Amount in Rs
Air Link Communication Limited	799,999,995	7,999,999,995
Mariam Sajjad	1	10
Adnan Aftab	1	10
Syed Nafees Halder	1	10
Amir Mahmood	1	10
Muzaffar Hayat Piracha	1	10
	800,000,000	8,000,000,000

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX for listing. Accordingly, this certificate is not to be used by any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours Faithfully



BDO Ebrahim & Co.
 Chartered Accountants

6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE



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Office No. 4, 6th Floor,
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Gulberg III, Lahore-54660
Pakistan.

The Board of Directors,
Select Technologies Limited,
152-1-M, Quaid-e-Azam Industrial Estate,
Kot Lakhpat,
Lahore

March 17, 2026
S-08/AA-3931/26

AUDITORS' CERTIFICATE ON BREAK UP VALUE PER SHARE OF THE COMPANY

Respected Sirs,

We have been requested to provide you with a certificate on breakup value of ordinary shares of The Select Technologies Limited (The Company) based on audited financial statements of the Company for the year ended June 30, 2025 audited by us on which audit report was issued on September 29, 2025, as required under Clause 14 (ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14 (ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 for onwards submission to the Pakistan Stock Exchange (PSX)

Management Responsibility

The responsibility for computation of break-up value of ordinary shares of the Company, based on the audited financial statements of the Company for the year ended June 30, 2025 in accordance with requirements of the "Technical Release 22" of the Institute of Chartered Accountants of Pakistan (ICAP) is primarily that of the management of the Company.

Management's responsibilities include the maintenance of the adequate accounting records and internal controls as deemed necessary to enable the computation of breakup-up value of ordinary shares such that it is free from material misstatement, whether due to fraud or error. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the break-up value of ordinary shares of the Company based on the audited financial statements of the Company for the year ended June 30, 2025, respectively, in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to trace the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Company from the audited financial statements of the Company for the year ended June 30, 2025. In this regard, we have also reviewed the compliance with the requirements of Technical Release 22 of the Institute of Chartered Accountants of Pakistan (ICAP).

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Certificate

Based on procedures mentioned above, we certify that break-up value of ordinary shares of the Company as at June 30, 2025, based on audited financial statements of the Company for the year ended June 30, 2025 is as follows:

	June 30, 2025
	Rupees
	Audited
Issued Subscribed and paid-up capital(A)	8,000,000,000
Accumulated Profit-revenue Reserve(B)	<u>2,817,508,184</u>
Total Shareholder's Equity(A+B=C)	10,817,508,184
No. of Shares as per Audited Financial Statements (D)	<u>800,000,000</u>
Break-up value per share (E = C/D)	<u>13.52</u>

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX for listing. Accordingly, this certificate is not to be used by any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours Faithfully



BDO Ebrahim & Co.
Chartered Accountants

6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017



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75/76 D-1, Main Boulevard
Gulberg III, Lahore-54660
Pakistan.

The Board of Directors,
Select Technologies Limited,
152-1-M, Quaid-e-Azam Industrial Estate
Kot Lakhpat
Lahore

March 17, 2026
S-08/AA-3927/26

AUDITORS' CERTIFICATE UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

Respected Sirs,

We have been requested to provide you with a certificate with respect information of Select Technologies Limited (the Company) as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to the Pakistan Stock Exchange.

Management Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. Management's responsibilities include the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the information as required by Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued in accordance with the 'Guidelines for issue of certificates for special purposes by practicing chartered accountant firms' issued by the Institute of Chartered Accountants of Pakistan (ICAP).

Our verification was limited to tracing the financial information included in the annexures. For this purpose, we traced the requisite information from the audited financial statements for the year ended June 30, 2025 and June 30, 2024, in terms of the requirements of Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

1/3/20



Certificate

Based on procedures mentioned above, we certify that the information contained in the annexures is correct. The annexures have been initialed for identification purposes only.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to the PSX for listing. Accordingly, this certificate is not to be used by any other third party without our prior written consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully,



BDO Ebrahim & Co.
Chartered Accountants

Select Technologies Limited

*Auditor's Report Under Clause 1 of
Section 2 of the First Schedule to the
Public Offering Regulations, 2017*

**Annexure 'A'
Statement of Financial Position.**

	2025 Rupees	2024 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	9,370,814,130	7,892,979,806
Investment property	1,935,770,352	1,401,500,000
Intangible assets	-	132,766
Long term deposits	38,899,173	12,347,073
	<u>11,345,483,655</u>	<u>9,306,959,645</u>
CURRENT ASSETS		
Stores and spares	1,763,096	2,119,691
Stock in trade	12,010,797,614	5,272,449,109
Trade debts	1,726,080,787	-
Prepayments and other receivables	8,084,153,437	10,265,739,818
Tax refunds due from Government	2,395,023,628	83,547,700
Short term investments	1,800,095,452	2,179,205,615
Bank balances	244,729,665	1,068,583,720
	<u>26,262,643,679</u>	<u>18,871,645,653</u>
TOTAL ASSETS	<u><u>37,608,127,334</u></u>	<u><u>28,178,605,298</u></u>
SHARE CAPITAL AND RESERVES		
Authorized share capital 800,000,000 (June 30, 2024: 800,000,000) ordinary shares of Rs. 10 each	<u>8,000,000,000</u>	<u>8,000,000,000</u>
Issued, subscribed and paid-up capital	8,000,000,000	8,000,000,000
Unappropriated profit - revenue reserve	<u>2,817,508,184</u>	<u>1,513,556,988</u>
	<u>10,817,508,184</u>	<u>9,513,556,988</u>
NON CURRENT LIABILITIES		
Long term loans	1,016,863,955	1,309,175,638
Lease liability	55,386,889	51,488,088
Deferred tax liability	858,563,295	425,969,321
	<u>1,930,814,139</u>	<u>1,786,633,047</u>
CURRENT LIABILITIES		
Trade payables, accrued and other liabilities	8,214,885,968	4,203,742,976
Payable to related party	4,125,171,168	3,798,653,654
Short term borrowings	11,156,946,000	7,434,826,431
Accrued markup	216,231,608	190,357,384
Provision for taxation	473,447,171	695,523,697
Current portion of non current liabilities	673,123,096	555,311,121
	<u>24,859,805,011</u>	<u>16,878,415,263</u>
TOTAL EQUITY AND LIABILITIES	<u><u>37,608,127,334</u></u>	<u><u>28,178,605,298</u></u>
CONTINGENCIES AND COMMITMENTS		

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Select Technologies Limited

*Auditor's Report Under Clause 1 of Section 2 of
the First Schedule to the Public Offering
Regulations, 2017*

Annexure 'B'
Statement of Profit and Loss

	2025 Rupees	2024 Rupees
Revenue from contracts with customers - Net	48,892,698,859	73,459,999,470
Cost of revenue	(44,720,373,237)	(69,487,573,731)
Gross profit	4,172,325,622	3,972,425,739
Administrative expense	(196,997,894)	(182,113,756)
Operating profit	3,975,327,728	3,790,311,983
Other income	639,905,835	462,720,378
Other expense	(126,335,025)	(151,025,981)
Finance cost	(2,395,600,857)	(1,711,038,466)
Profit before income tax and levy	2,093,297,681	2,390,967,914
Levy	-	-
Profit before income tax	2,093,297,681	2,390,967,914
Income tax	(789,346,485)	(824,811,686)
Profit for the year	1,303,951,196	1,566,156,228
Earning per share	1.63	1.96

12/20

Annexure 'C'
Statement of Comprehensive Income

Select Technologies Limited

*Auditor's Report Under Clause 1 of
Section 2 of the First Schedule to the
Public Offering Regulations, 2017*

	2025	2024
	Rupees	Rupees
Profit for the year	1,303,951,196	1,566,156,228
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,303,951,196</u>	<u>1,566,156,228</u>

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6.4. LATEST AUDITED ACCOUNTS AS AT 30TH JUNE 2025



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Office No. 4, 8th Floor,
 Akbar Corporate Tower,
 25/75 D-1, Main Boulevard
 Grafton II, Lahore-54600
 Pakistan.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SELECT TECHNOLOGIES (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Select Technologies (Private) Limited (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Page - 1

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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Page - 2






- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Sajjad Hussain Gill.

LAHORE

DATED: September 29, 2025

UDN: AR2025100870CFJKVqH2



BDO Ebrahim & Co.
BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

SELECT TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	9,370,814,130	7,892,979,806
Investment property	8	1,935,770,352	1,401,500,000
Intangible assets	9	-	132,766
Long term deposits		38,899,173	12,347,073
		<u>11,345,483,655</u>	<u>9,306,959,645</u>
CURRENT ASSETS			
Stores and spares		1,763,096	2,119,691
Stock in trade	10	12,010,797,614	5,272,449,109
Trade debts	11	1,726,080,787	-
Prepayments and other receivables	12	8,084,153,437	10,265,739,818
Tax refunds due from Government	13	2,395,023,628	83,547,700
Short term investments	14	1,800,095,452	2,179,205,615
Bank balances	15	244,729,665	1,068,583,720
		<u>26,262,643,679</u>	<u>18,871,645,653</u>
TOTAL ASSETS		<u>37,608,127,334</u>	<u>28,178,605,298</u>
SHARE CAPITAL AND RESERVES			
Authorized share capital			
800,000,000 (June 30, 2024: 800,000,000) ordinary shares of Rs. 10 each	16.1	8,000,000,000	8,000,000,000
Issued, subscribed and paid-up capital	16.2	8,000,000,000	8,000,000,000
Unappropriated profit - revenue reserve		2,817,508,184	1,513,556,988
		<u>10,817,508,184</u>	<u>9,513,556,988</u>
NON CURRENT LIABILITIES			
Long term loans	17	1,016,863,955	1,309,175,638
Lease liability	18	55,386,889	51,488,088
Deferred tax liability	19	858,563,295	425,969,321
		<u>1,930,814,139</u>	<u>1,786,633,047</u>
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities	20	8,214,885,968	4,203,742,976
Payable to related party	21	4,125,171,168	3,798,653,654
Short term borrowings	22	11,156,946,000	7,434,826,431
Accrued markup	23	216,231,608	190,357,384
Provision for taxation		473,447,171	695,523,697
Current portion of non current liabilities	24	673,123,096	555,311,121
		<u>24,859,805,011</u>	<u>16,878,415,263</u>
TOTAL EQUITY AND LIABILITIES		<u>37,608,127,334</u>	<u>28,178,605,298</u>
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

SELECT TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
Revenue from contracts with customers - Net	26	48,892,698,859	73,459,999,470
Cost of revenue	27	(44,720,373,237)	(69,487,573,731)
Gross profit		4,172,325,622	3,972,425,739
Administrative expense	28	(196,997,894)	(182,113,756)
Operating profit		3,975,327,728	3,790,311,983
Other income	29	639,905,835	462,720,378
Other expense	30	(126,335,025)	(151,025,981)
Finance cost	31	(2,395,600,857)	(1,711,038,466)
Profit before income tax and levy		2,093,297,681	2,390,967,914
Levy		-	-
Profit before income tax		2,093,297,681	2,390,967,914
Income tax	32	(789,346,485)	(824,811,686)
Profit for the year		1,303,951,196	1,566,156,228
Earning per share		1.63	1.96

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

**SELECT TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025	2024
	Rupees	Rupees
Profit for the year	1,303,951,196	1,566,156,228
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,303,951,196</u>	<u>1,566,156,228</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

SELECT TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

	Issued, subscribed and paid up capital	Revenue reserve		Total
		Unappropriated profit		
Rupees				
Balance as at July 01, 2023	5,500,000,000	(52,599,240)		5,447,400,760
Share capital issued	2,500,000,000	-		2,500,000,000
Profit for the year	-	1,566,156,228		1,566,156,228
Other comprehensive income for the year	-	-		-
Total comprehensive income	-	1,566,156,228		1,566,156,228
Balance as at June 30, 2024	8,000,000,000	1,513,556,988		9,513,556,988
Profit for the year	-	1,303,951,196		1,303,951,196
Other comprehensive income for the year	-	-		-
Total comprehensive income	-	1,303,951,196		1,303,951,196
Balance as at June 30, 2025	8,000,000,000	2,817,508,184		10,817,508,184

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

SELECT TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,093,297,681	2,390,967,914
Adjustments for non cash and non-operating items:			
Depreciation on property, plant and equipment		383,667,023	309,321,106
Amortization	9	132,766	261,938
Profit on short term investments	29	(348,047,952)	(360,404,296)
Fair value gain on investment property	29	(310,645,190)	(50,741,536)
Provision for Worker's Welfare Fund	30	21,670,141	31,477,585
Provision for Worker's Profit Participation Fund	30	104,664,884	119,548,396
Rental income	29	(63,162,462)	(51,574,546)
Mark up expense on loan from Parent Company	31	505,934,110	40,291,966
Mark up on lease liability	31	14,872,014	5,671,777
Finance cost	31	1,688,737,096	1,461,840,550
		<u>2,097,822,432</u>	<u>1,505,692,940</u>
Operating profit before working capital changes		4,191,120,113	3,896,660,854
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade	10	(6,738,348,505)	(1,184,608,573)
Stores and spares		356,595	(1,520,205)
Trade debts	11	(1,726,080,787)	667,155,325
Prepayments and other receivables	12	2,183,509,374	(8,048,014,732)
Tax refunds due from Government	13	(2,173,933,854)	(175,073)
		<u>(8,454,497,177)</u>	<u>(8,567,163,258)</u>
Increase / (decrease) in current liabilities			
Trade payables, accrued and other liabilities	20	3,378,873,857	190,148,873
Payable to related party	21	326,517,514	1,891,083,631
Cash used in operations		<u>(557,985,693)</u>	<u>(2,589,269,900)</u>
Long term security deposits paid		(26,552,100)	(5,231,073)
Finance cost paid		(1,662,862,872)	(1,396,063,454)
Taxes paid		(716,371,111)	(46,046,582)
		<u>(2,405,786,083)</u>	<u>(1,447,341,109)</u>
Net cash used in operating activities		<u>(2,963,771,776)</u>	<u>(4,036,611,099)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(757,757,096)	(36,988,445)
Additions in capital work in progress		(1,305,057,405)	(2,389,031,731)
Rental income received		61,239,469	38,121,723
Interest income received		277,158,115	356,908,257
Short term investment - Net		350,000,000	(599,500,000)
Net cash used in investing activities		<u>(1,374,416,917)</u>	<u>(2,630,490,196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds received against issuance of shares		-	2,500,000,000
Long term loans - Net		(184,924,931)	(155,889,422)
Lease liability repaid		(22,860,000)	(6,600,000)
Short term borrowings - Net		3,722,119,569	4,923,962,974
Net cash generated from financing activities		<u>3,514,334,638</u>	<u>7,261,473,552</u>
Net (decrease) / increase in cash and cash equivalents		<u>(823,854,055)</u>	<u>594,372,347</u>
Cash and cash equivalents at the beginning of the year		<u>1,068,583,720</u>	<u>474,211,373</u>
Cash and cash equivalents at the end of the year	15	<u>244,729,665</u>	<u>1,068,583,720</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER




DIRECTOR

**SELECT TECHNOLOGIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on October 13, 2021 as a private limited company under the Companies Act, 2017 having registered office at 152-1-M, Quaid-E-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan. The Company is a wholly-owned subsidiary of Air Link Communication Limited (the Parent Company). The Company has set up state-of-the-art smartphone assembly plant in Lahore. The idea is to promote 'Made in Pakistan' products and to create employment opportunities for skilled and unskilled labour.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical location and address of the Company's business unit and registered office is as follows;

BUSINESS UNIT ADDRESS

Head Office	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Land	E4 and E5(S) Sundar Green Special Economic Zone

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investment property which is recognized on the basis mentioned in Note 6.2.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (Rs.), which is also the Company's functional and presentation currency. All the financial information presented in Pakistani Rupees has been rounded off to the nearest Rupee, unless otherwise stated.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

Estimates and assumptions

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

- Impairment of non financial assets	6.6
- Depreciation and useful life of property, plant and equipment	6.1
- Investment property	6.2

5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

6 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these financial statements.

6.1 Property, plant and equipment

6.1.1 Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation (except for land) and accumulated impairment losses, if any. Freehold land is stated at historical cost less subsequent impairment losses. Depreciation is provided on straight line method at the rates given in schedule of property, plant and equipment and charged to statement of profit or loss to write off the depreciable amount of each asset at the rates specified in the Note 7.

Depreciation on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. Normal repairs and maintenance are charged to statement of profit or loss, while major renewals and improvements are capitalized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.1.2 Disposal

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

6.1.3 Estimate

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the management reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

6.1.4 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

6.1.5 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

6.1.6 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

6.1.7 Arrangement is not a lease

The Company has entered a 'Manufacturing supply agreement', dated November 01, 2021, for manufacturing and selling smartphones and related products with Xiaomi Pakistan (Private) Limited (the Buyer), the Company's sole customer. The Company has determined that the Company's plant is an identified asset (group of assets) but the Company has substantive right to substitute the asset throughout the period of use as the Company has the practical ability to substitute alternative assets throughout the period of use and the Company would benefit economically from the exercise of its right to substitute the asset (by for example deploying them elsewhere within the group to meet demands under higher margin agreements). The buyer has no right to 'direct the use of the asset'. Accordingly, the Company's arrangement with Xiaomi Pakistan (Private) Limited does not contain lease, as defined under IFRS 16 "Leases". The Company recognizes the consideration receivable under 'Manufacturing supply agreement' with reference to identifiable performance obligations, under IFRS 15. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to 'manufacture and sell smartphones and related products' as per the agreement.

Further, considering the Company's assessment of term of agreement, that the Buyer only have a right to take possession of and title to its property (that is used to produce goods upon payment) on the Company's option/ consent and quantum of fixed payments under the arrangement, amounts to be recognized in the profit or loss under both the operating lease arrangement, under IFRS 16, or contract with customers, under IFRS 15, are substantially consistent.

The Company enters arrangement for sale of goods included in the contract in which the Company act as Seller (Assembler / Manufacturer). The Company has determined that it controls the goods before they are transferred to Buyer (Xiaomi Pakistan Private Limited), because it has the ability to direct the use of these goods and obtain the benefits from them. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to provide goods because it directly deals with the Buyer and it is primarily responsible for the quality or suitability of the goods. In addition, the Company has inventory risk before the goods have been delivered to a customer. Therefore, the Company has concluded that it is the principal in these contracts. In addition, the Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

6.2 Investment property

Recognition and measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property measured at fair value. The changes in fair value recognised in the statement of profit or loss.

The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

6.3 Intangible assets

Intangibles are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to statement of profit or loss applying the straight line basis over its normal useful life as specified in Note 9. Amortization is charged to statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in statement of profit or loss.

6.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and cash at bank as specified in Note 15 that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above. TDRs are not included in cash and cash equivalents as they are not held for cash management purposes.

6.5 Stock, stores and spares

Stock in trade, stores and spares are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Cost has been determined as follows:

Raw and packing material	- weighted average cost
Material in transit	- actual cost
Work in process	- weighted average cost
Finished goods	- weighted average cost
Stores and spares	- weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

Estimation of net realizable value for stock in trade:

Inventory property is stated at the lower of cost and net realisable value (NRV). NRV for inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for the goods in the same geographical market.

6.6 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivable are generally due within 30 to 90 days of satisfaction of performance obligation.

6.7 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

6.8 Taxation

6.8.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

6.8.2 Deferred

Deferred tax is provided using the statement of financial position method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

6.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss account. Any excess of expected income tax paid or payable for the year under the Income tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

6.10 Revenue from contracts with customers

6.10.1 Sale of goods

The Company is in the business of selling cellular mobile phones, tablets, accessories and allied products. Revenue from contract with customers is recognized when control of goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery at specified location which may includes company's own warehouse.

6.10.2 Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

6.10.3 Determination of performance obligations

With respect to the sale of goods, the Company concluded the goods transferred in each contract constitute a single performance obligation. In relation to the product warranty provided to the customer (such as the goods will conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements, quality standards, and free from defect) as part of the agreements into which the Company enters. Accordingly, such a warranty is an assurance-type warranty and is thus accounted for under IAS 37. The Company has determined that the promise is the transfer of goods to the customer. Any warranty related to the ultimate customer such as after-sale services or the performance warranty is the responsibility of the brand owner (i.e. the group to which our customer belongs) towards its customer. Therefore, the Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

6.11 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using exchange rates applicable at the reporting date. All gains and losses on settlement and translation at period end are recognized in the statement of profit or loss.

6.12 Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.12.1 Financial assets

a) Financial assets - Initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include long term deposits, trade receivables, loans and advances, other receivables, short term investment and bank balances.

b) Financial assets - Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI at initial recognition. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company does not presently have financial asset at fair value through profit or loss.

d) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

-The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

-The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets include long term deposits, trade receivables, loans and advances, other receivables, short term investment and bank balances.

6.12.2 Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

6.12.3 Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

-The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

-The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange gains and losses and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses at the statement of financial position date.

6.12.4 Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

6.12.5 Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts and other receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the statement of profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For bank balances, the Company applies a general approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

6.13 Financial liabilities

6.13.1 Financial liabilities - Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long-term loans, long term payable, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

6.13.2 Financial liabilities - Subsequent measurement

a) Financial liabilities at amortized cost (loans, borrowings and long term payable)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category applies to long-term loans, short-term borrowings utilized under mark-up arrangements, trade and other payables, lease liabilities, accrued and other liabilities.

b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Financial liabilities - Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

6.13.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has legally enforceable right to offset the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

6.14 Shared expenses

The Company apportions salaries and factory utility expenses to the Parent Company based on their proportionate share of product assembly.

7 PROPERTY, PLANT AND EQUIPMENT

	Note	2025 Rpees	2024 Rpees
Operating fixed assets	7.1	8,226,498,839	5,441,371,247
Right of use assets	7.3	56,344,642	96,684,782
Capital work in progress (CWIP)	7.5	1,047,978,439	2,400,721,775
		<u>9,330,821,920</u>	<u>7,938,777,804</u>

7.1 Operating fixed assets

The following is the statement of operating fixed assets

Description	Freehold land	Building	Plant and machinery	Furniture and fixtures	Computers	Office equipment	Motor vehicles	Total
	Rpees							
Net carrying value basis								
Year ended June 30, 2025								
Opening net book value (NBV)	1,959,339,875	634,742,399	2,766,985,991	2,734,318	22,695,773	49,236,339	6,093,482	5,441,371,247
Additions (at cost)	357,600,000	128,695,060	238,232,242	4,151,553	3,084,177	15,961,350	18,532,588	757,357,096
Transfer from CWIP	-	-	2,394,385,569	-	-	-	-	2,394,385,569
Depreciation charge	-	(18,556,129)	(282,627,049)	(2,548,858)	(14,886,853)	(42,508,212)	(6,173,371)	(367,814,275)
Closing net book value	<u>2,316,939,875</u>	<u>757,881,290</u>	<u>5,117,499,743</u>	<u>4,336,412</u>	<u>10,941,099</u>	<u>22,688,877</u>	<u>36,452,339</u>	<u>8,226,498,839</u>
Gross carrying value basis								
Year ended June 30, 2025								
Cost	2,316,939,875	794,340,278	5,855,317,988	12,068,396	39,842,066	171,980,872	36,808,839	9,247,805,145
Accumulated depreciation	-	(56,358,982)	(737,858,165)	(7,732,478)	(49,000,967)	(149,291,995)	(20,347,719)	(1,020,589,596)
Net book value	<u>2,316,939,875</u>	<u>737,981,296</u>	<u>5,117,499,743</u>	<u>4,336,412</u>	<u>10,941,099</u>	<u>22,688,877</u>	<u>36,452,339</u>	<u>8,226,498,839</u>
Net carrying value basis								
Year ended June 30, 2024								
Opening net book value (NBV)	1,959,339,875	644,838,195	2,978,834,148	4,241,816	26,705,715	81,712,795	10,723,718	5,708,296,268
Additions (at cost)	-	1,721,665	-	1,032,411	9,269,769	14,817,423	-	26,834,218
Disposals (NBV)	-	3,800,389	4,376,747	-	577,091	-	-	18,254,227
Depreciation charge	-	(18,819,780)	(217,441,914)	(2,538,968)	(15,887,806)	(47,289,879)	(4,638,316)	(304,711,395)
Closing net book value	<u>1,959,339,875</u>	<u>634,742,399</u>	<u>2,766,985,991</u>	<u>2,734,318</u>	<u>22,695,773</u>	<u>49,236,339</u>	<u>6,093,482</u>	<u>5,441,371,247</u>
Gross carrying value basis								
Year ended June 30, 2024								
Cost	1,959,339,875	674,249,212	3,222,880,087	7,617,317	36,797,889	156,018,521	18,267,590	6,085,106,489
Accumulated depreciation	-	(38,502,855)	(455,831,160)	(5,183,019)	(34,182,114)	(104,781,885)	(12,174,348)	(683,879,235)
Net book value	<u>1,959,339,875</u>	<u>634,742,399</u>	<u>2,766,985,991</u>	<u>2,734,318</u>	<u>22,695,773</u>	<u>49,236,339</u>	<u>6,093,482</u>	<u>5,441,371,247</u>
Depreciation rate % per annum	-	2.9	6.67	33	33	33	25	

7.2 Particulars of immovable fixed assets are as follows:

Description	Location	Area square feet	2025 Rupees	2024 Rupees
Registered office and plant	152-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore	77,637		
Land	E4 and E5(S) Sundar Green Special Economic Zone	217,800		
	Note			

7.3 Right of use asset

Building				
Year ended June 30,				
Net carrying value basis				
Opening net book value July 01,		50,684,784		-
Additions		22,312,010		55,292,492
Depreciation charge		(16,652,752)		(4,607,708)
Closing net book value		<u>56,344,042</u>		<u>50,684,784</u>
Gross carrying value basis				
Cost		77,604,502		55,292,492
Accumulated depreciation		(21,260,460)		(4,607,708)
Net book value		<u>56,344,042</u>		<u>50,684,784</u>
Depreciation rate per annum %		<u>14 - 33.33</u>		<u>16.67</u>

7.4 The depreciation charge for the year has been allocated as follows:

Cost of revenue	27	327,014,274	211,668,645
Administrative expense	28	56,652,751	78,288,403
		<u>383,667,025</u>	<u>289,957,048</u>

7.5 Capital work in progress

	Building	Plant and machinery	2025	2024
-----Rupees-----				
As at July 01,	6,538,206	2,394,185,569	2,400,723,775	11,692,044
Additions	1,081,432,243	-	1,081,432,243	2,399,185,958
Transferred to operating fixed assets	-	(2,394,185,569)	(2,394,185,569)	(10,154,227)
As at June 30,	<u>1,087,970,449</u>	<u>-</u>	<u>1,087,970,449</u>	<u>2,400,723,775</u>

	Note	2025 Rupees	2024 Rupees
8 INVESTMENT PROPERTY			
As at July 01,		1,401,500,000	1,350,758,464
Fair value gain	29	310,645,190	50,741,536
	8.1	1,712,145,190	1,401,500,000
Capital work in progress		223,625,162	-
		<u>1,935,770,352</u>	<u>1,401,500,000</u>

8.1 In February 01, 2023, the Company acquired freehold land and building having area 3,790 square meter, at a cost of Rs: 1,350,000,000 (2024: 1,350,000,000), located at 104 B-I, MM Alam Road, Gulberg III. The building is not occupied by the Company and is to be held for capital appreciation and earning rental income.

8.2 The building have been rented out to tenants. The Company carries this under investment property at fair value model. The rental income in respect of this property amounts to Rs. 63.162 million (2024: Rs. 51.57 million) and has been recognized in statement of profit or loss (refer to Note 29 'Other income').

As of reporting date, the change in fair value of the investment property as compared to its purchase price have been recorded, determined with reference to market conditions and recent transactions of similar properties. The Company does not have any contractual obligation towards its tenants to purchase, construct or develop investment property or to repair maintain and enhance.

8.3 This investment property is under lien against funded facilities obtained from financial institutions which are interchangeable with the Parent Company.

8.4 Forced sale value of the investment property is assessed at Rs.1,500 million (2024: 1,380 million) .

9 INTANGIBLE ASSETS

Net carrying value basis

Opening net book value		132,766	394,704
Amortization during the year	9.2	(132,766)	(261,938)
		<u>-</u>	<u>132,766</u>

Gross carrying value basis

Cost		612,022	612,022
Accumulated amortization		(612,022)	(479,256)
		<u>-</u>	<u>132,766</u>
Rate of amortization		<u>33%</u>	<u>33%</u>

9.1 Intangibles include the SAP BI software, which is used for accounting purposes. The Company amortizes its intangible assets at a rate of 33%. The remaining useful life for the SAP BI software and other intangibles is calculated based on this amortization rate.

	Note	2025 Rupees	2024 Rupees	
9.2	The amortization charge for the year has been allocated as follows:			
	Cost of revenue	27	132,766	261,938
10	STOCK IN TRADE			
	Raw material	4,029,630,162	5,111,366,833	
	Work in process	98,805,121	86,569,510	
	Finished goods	1,586,454,007	74,512,766	
		5,714,889,290	5,272,449,109	
	Goods in transit	6,295,908,324	-	
		12,010,797,614	5,272,449,109	
11	TRADE DEBTS			
	Trade debts - Considered good	1,726,080,787	-	
12	PREPAYMENTS AND OTHER RECEIVABLES			
	Advances to suppliers	6,080,153	-	
	Prepayments	12.1	8,077,873	3,364,024
	Margin against guarantee and letter of credit	8,053,510,824	10,247,814,200	
	Rent receivable	12.2	16,484,587	14,561,594
		8,084,153,437	10,265,739,818	
12.1	This includes the amount placed with customs authority and prepaid insurance.			
12.2	This represents rental receivable on investment property from tenants.			
13	TAX REFUNDS DUE FROM THE GOVERNMENT			
	Sales tax receivable	2,173,933,854	-	
	Income tax receivable	221,089,774	83,547,700	
		2,395,023,628	83,547,700	
14	SHORT TERM INVESTMENT			
	Financial assets at amortized cost			
	Term deposits	1,765,000,000	2,115,000,000	
	Accrued markup	35,095,452	64,205,615	
		14.1	1,800,095,452	2,179,205,615

- 14.1 The term deposit receipts (TDR's) carries mark up ranging between 9% to 19.5% (2024: 19% to 22%), having maturity latest by period of 30 days to 180 days (2024: 30 days to 180 days). These TDRs are under lien against funded facilities obtained from financial institutions.

	Note	2025 Rupees	2024 Rupees
14.2 Movement of financial assets is as follows:			
		At amortized cost	
		Term deposits	
Opening balance		2,179,205,615	1,576,209,576
Additions during the year		1,765,000,000	599,500,000
Matured during the year		(2,115,000,000)	-
Profit on short-term investments		248,047,952	360,404,296
Profit received during the year		(277,158,115)	(356,908,257)
		<u>1,800,095,452</u>	<u>2,179,205,615</u>

15 BANK BALANCES

Cash at banks - current accounts		233,956,345	1,063,504,937
Cash at banks - saving accounts	15.1	10,773,320	5,078,783
		<u>244,729,665</u>	<u>1,068,583,720</u>

- 15.1 This carry mark-up rate at 3.74% - 7.10% (2024: 3.1% - 5.4%) per annum.

16 SHARE CAPITAL

16.1 Authorized share capital

2025	2024			
Number of ordinary shares of Rs. 10/- each paid in cash				
800,000,000	600,000,000	As at July 01,	8,000,000,000	6,000,000,000
		Movement during the year		
-	200,000,000	Increase in authorized share capital	-	2,000,000,000
<u>800,000,000</u>	<u>800,000,000</u>	As at June 30,	<u>8,000,000,000</u>	<u>8,000,000,000</u>

	Note	2025 Rupees	2024 Rupees
16.2 Issued, subscribed and paid up capital			
16.2.1 The breakup of ordinary paid up share capital is as follows:			
		2025	2024
Number of ordinary shares of Rs. 10/- each			
800,000,000	550,000,000	As at July 01,	8,000,000,000
			5,500,000,000
		Movement during the year	
-	250,000,000	Issuance of shares against	-
			2,500,000,000
<u>800,000,000</u>	<u>800,000,000</u>	As at June 30,	<u>8,000,000,000</u>
			<u>8,000,000,000</u>
17 LONG TERM LOANS - SECURED			
Bank AL Habib Limited	17.1	467,750,000	607,500,000
Pak Oman Investment Company Limited	17.2	500,000,000	250,000,000
Saudi Pak Industrial and Agriculture Investment Company Limited	17.3	562,500,000	787,500,000
Orix Leasing Pakistan Limited (OLPL)	17.4	146,435,647	216,610,578
Add: Accrued markup		36,666,300	77,355,949
		<u>1,713,351,947</u>	<u>1,938,966,527</u>
Less: Current portion shown under current liabilities			
Bank AL Habib Limited		180,250,000	160,000,000
Pak Oman Investment Company Limited		166,666,667	100,000,000
Saudi Pak Industrial and Agriculture Investment Company Limited		225,000,000	225,000,000
Orix Leasing Pakistan Limited (OLPL)		87,905,025	67,434,940
		<u>659,821,692</u>	<u>552,434,940</u>
Less: Accrued markup presented in current liabilities: 23		<u>(36,666,300)</u>	<u>(77,355,949)</u>
		<u>1,016,863,955</u>	<u>1,309,175,638</u>
17.1 This represents loan obtained from Bank AL Habib Limited for the purchase of assembling unit (Land and Building) located at Quaid-e-Azam Industrial Estate Kot Lakh Pat Lahore. The total tenure for this facility is 6 years including 1 years grace period repayable in 20 equal quarterly instalments starting form the end of 5th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2%. The markup rate charged during the year on the outstanding balance ranged from 14.09% - 22.22% (2024: 22.24% - 25.14%) per annum. This loan is secured against fixed assets, current assets, 100% cash margin against import of mobile phone at time of establishment of LCs and personal guarantees of directors of the Company and the Parent Company.			

- 17.2 This represents loan of Rs. 500 million obtained from Pak Oman Investment Company Limited to meet capital requirements of the Company. Total tenure of facility 3 years with no grace period. Loan is repayable in 12 equal quarterly instalments. The rate of mark up on loan is 3 months KIBOR + 2.5%. The markup rate charged during the year on the outstanding balance ranged from 13.14% - 23.79% (2024: 22.24% - 25%) per annum. The facility is secured through a Joint Pari Passu (JPP) charge on plant and machinery with a 25% margin, together with the personal guarantees of a director of the Company. In addition, the Company has provided post-dated cheques covering the quarterly principal repayments for the entire facility.
- 17.3 This represents loan of Rs. 900 million obtained from Saudi Pak Industrial and Agricultural Investment Company Limited to partially finance/refinance of the Company. Total tenure of loan is 5 years and grace period is 1 year from date of first disbursement. Loan is repayable in 8 equal semi annual instalments starting from the end of 6th quarter from the date of first disbursement. The rate of mark up on loan is 3 months KIBOR + 2.5%. The markup rate charged during the year on the outstanding balance ranged from 14.33% - 24.28% (2024: 22.74% - 25.64%) per annum. The facility is secured through a lien over TDRs/Certificates of Investment, a joint pari passu charge on all present and future current assets of the Company, personal guarantees from the sponsoring director, a cross-corporate guarantee from the Parent Company.
- 17.4 This represents loan (Lease Assets Agreement) of Rs. 240 million obtained from OLP Financial Services Pakistan Limited (Formerly Orix Leasing Pakistan Limited) to meet the working capital requirements of the Company. Total tenure of loan is 3 years. Loan is repayable in 36 monthly instalments starting from the end of 1st month of disbursement. The rate of mark up on loan is 6 months KIBOR + 5%. The markup rate charged during the year on the outstanding balance ranged from 16.69% - 24.41% (2024: 25.14% - 25.85%) per annum. This facility is secured against one production line for mobile phones along with laboratory / testing equipment, fixtures and standard accessories and spare parts.

18 LEASE LIABILITY

Lease period for the lease during current year ranges from 3 - 6 years (2024: 6 years) The effective interest rate used as the discounting factor (i.e. incremental borrowing rate) ranges from 22.11% - 23.24% (2024: 23.24%) .The amounts of future payments and the periods in which they will become due are:

	2025 Rupees	2024 Rupees
18.1 Movement of lease liabilities		
As at July 01,	54,364,269	-
Lease liabilities acquired during the year	22,312,010	55,292,492
Mark-up on lease liabilities - rented premises	14,872,014	5,671,777
Lease rentals paid	<u>(22,860,000)</u>	<u>(6,600,000)</u>
Present value of lease payments	68,688,293	54,364,269
Less: Current portion	<u>(13,301,404)</u>	<u>(2,876,181)</u>
As at June 30,	<u>55,386,889</u>	<u>51,488,088</u>

18.2 Lease Payments (LP) and their Present Value (PV) are as follows:

	2025		2024	
	LP Rupees	PV of LP Rupees	LP Rupees	PV of LP Rupees
Due not later than 1 year	25,146,000	13,301,404	13,860,000	2,876,181
Due later than 1 year but not later than 5 years	77,030,052	55,386,889	70,756,686	41,307,033
Later than 5 years	-	-	10,629,366	10,181,055
	<u>102,176,052</u>	<u>68,688,293</u>	<u>95,246,052</u>	<u>54,364,269</u>

	Note	2025 Rupees	2024 Rupees
19 DEFERRED TAX LIABILITY			
The net (assets) / liability for deferred taxation comprises temporary differences relating to:			
Accelerated tax depreciation		834,718,497	467,158,436
Investment property		241,032,025	72,468,779
Provision for Worker's Welfare Fund		(20,727,613)	(12,276,258)
Provision for Worker's Profit Participation Fund		(90,725,817)	(49,906,512)
Alternate corporate tax		(100,919,539)	(50,040,125)
Lease liabilities-net		(4,814,258)	(1,434,999)
		<u>858,563,295</u>	<u>425,969,321</u>
Reconciliation of deferred tax - net			
Opening balance		425,969,321	284,626,255
Recognized in statement of profit or loss		432,593,974	141,343,066
		<u>858,563,295</u>	<u>425,969,321</u>
20 TRADE PAYABLES, ACCRUED AND OTHER LIABILITIES			
Trade payable	20.1	7,763,139,720	3,899,272,643
Accrued expense		98,353,217	56,379,913
Sales tax payable		-	38,410,569
Withholding tax payable		39,623,276	29,434,269
Workers' Profit Participation Fund	20.2	232,630,300	127,965,416
Workers' Welfare Fund	20.3	53,147,726	31,477,585
Other payables		27,991,729	20,802,581
		<u>8,214,885,968</u>	<u>4,203,742,976</u>

20.1 This represents amount payable to Xiaomi H. K. Limited.

	Note	2025 Rupees	2024 Rupees	
20.2	Movement of Workers' Profit Participation Fund			
	Balance as at July 01,	127,965,416	8,417,020	
	Allocation for the year	104,664,884	119,548,396	
	Balance as at June 30,	<u>232,630,300</u>	<u>127,965,416</u>	
20.3	Movement of Workers' Welfare Fund			
	Balance as at July 01,	31,477,585	-	
	Allocation for the year	21,670,141	31,477,585	
	Balance as at June 30,	<u>53,147,726</u>	<u>31,477,585</u>	
21	PAYABLE TO RELATED PARTY			
	Loan for working capital requirements	3,619,237,058	3,758,361,688	
	Markup accrued on loan	505,934,110	40,291,966	
		<u>4,125,171,168</u>	<u>3,798,653,654</u>	
21.1	This represents an amount payable to the Parent Company against expenses incurred to meet working capital needs of the Company. This amount carries markup charged at 3 month KIBOR plus 3% (2024: 3 month KIBOR plus 3%) and is expected to be paid within one month from the reporting year end. The maximum aggregated amount outstanding at any month end is Rs. 3,619.23 million (2024: Rs. 3,542.58 million).			
22	SHORT TERM BORROWINGS			
	JS Bank Limited	22.1	1,040,388,000	948,801,885
	Bank AL Habib Limited	22.2	4,179,558,000	5,236,024,726
	Pak China Investment Bank	22.3	1,000,000,000	750,000,000
	Faysal Bank Limited	22.4	1,000,000,000	499,999,820
	Saudi Pak Investment Company	22.5	437,000,000	-
	Sukuk	22.6	3,500,000,000	-
	Accrued markup		179,565,308	113,001,435
			<u>11,336,511,308</u>	<u>7,547,827,866</u>
	Less: Accrued markup	23	<u>(179,565,308)</u>	<u>(113,001,435)</u>
			<u>11,156,946,000</u>	<u>7,434,826,431</u>
22.1	The represents the utilized portion of working capital facilities for Short Term Finance Facility (STFF) amounts to Rs. 1,040 million (2024: Rs. 949 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 5,000 million (2024: Rs. 4,000 million), FATR amounting to Rs. 1,150 million (2024: Rs. 1,150 million), STF (Sub Limit of FATR) amounting to Rs. 1,150 million (2024: Rs. 1,150 million) and STFF II amounting to Rs. 2,000 million (2024: Rs. 1,000 million). These facilities are interchangeable with the Parent Company. The rate of markup on funded facilities is 3 months KIBOR + 3%. The markup rate charged during the year on the outstanding balance ranged from 23.22% to 15.14% (2024: 23.24% to 26.14%) per annum.			

These facilities are interchangeable with parent company and secured against investment property of subsidiary having fair market value amounting 1712.145 million , joint pari passu charge of amounting Rs. 3,700 and Rs. 1,500 million (2024: Rs. 3,700 and 1,500 million) over all present and future current assets, Joint Pari passu Charge on Plant and Machinery of STPL by Rs. 750 Million, Pledge of Air Link Shares and personal guarantees of all directors of the Company and corporate guarantee of Parent Company.

- 22.2 This represents the utilized portion of working capital facilities for Funds against trust receipt (FATR) amounts to Rs. 4,179 million (2024: Rs. 5,236 million), total limit of facility for sight-letter of credit (SLC) amounts to Rs. 7,500 million (2024: Rs. 6,700 million), finance against trust receipt (FATR) amounting to Rs. 5,340 million (2024: Rs. 5,340 million) (sublimit of letter of credit) and STF amounting to Rs. 640 million (sublimit of FATR). The rate of markup on funded facilities is 3 months KIBOR+2%. The markup rate charged during the year on the outstanding balance ranged from 22.22% to 13.15% (2024: 22.24% to 25.14%) per annum.

Some facilities are interchangeable with Parent Company and secured against mortgage of residential properties belonging to sponsors and shareholders having fair market value amounting to Rs. 264 million (2024: Rs. 513 million) and joint pari passu charge over current assets of Rs. 4,600 million (2024: Rs. 5,500 million), Joint pari passu charge of Rs. 940 million over Plant and machinery of the company, JPP Charge on Current Assets of ALC by Rs. 3,000 million, lien over term deposits receipts, personal guarantees of directors and mortgagors of Rs. 7,800 million (2024: Rs. 7,800 million) and cross corporate guarantees. First exclusive charge on Land and building Rs. 2,500 million of select technologies, lien over shares and TDR.

- 22.3 This represents the utilized portion of working capital facilities for Letter of comfort facility (LOC) amounts to Rs. 1,000 million (2024: Rs. 1,000 million), STF amounting to Rs. 800 million (2024: Rs. 800 million) (sublimit of letter of comfort). The rate of markup on funded facilities is 3 months KIBOR+2.25%. These facilities are secured against JPP charge on amounting to Rs.400 million over present and future fixed and current assets, Lien over shares, corporate and personal guarantees.
- 22.4 This represents the utilized portion of working capital facilities for Tijarah Finance Facility amounts to Rs. 1,000 million (2024: Rs. 500 million), total limit of facility for Letter of credit (SLC) amounts to Rs. 3,000 million (2024: Rs. 1,500 million), Tijarah amounting to Rs. 1,000 million (2024: Rs. 750 million). The rate of markup on funded facilities is 6 months KIBOR + 2.00%. These facilities are secured against ranking charge on present and future current assets and PG's of sponsor directors.
- 22.5 This represents the utilized portion of short term finance facility amounts to Rs. 437 million (2024: Nil). The rate of markup on funded facilities is 3 months KIBOR + 2.25%. These facilities are secured against pari passu charge on Plant and machinery of the company up to the extent of Rs. 720 million, lien over term deposits, ranking charge on present and future current assets, PG's of sponsor directors and cross corporate guarantee of Parent Company.
- 22.6 This represents Shariah compliant, privately placed and secured Sukuk of six month tenor issued during the year. The proceeds therefrom were utilized to finance the Company's working capital requirement. They carry profit at the rate of 6 months KIBOR + 1.75%.

	Note	2025 Rupees	2024 Rupees
23 ACCRUED MARKUP			
Long term loans	17	36,666,300	77,355,949
Short term borrowings	22	179,565,308	113,001,435
		<u>216,231,608</u>	<u>190,357,384</u>
24 CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term loans	17	659,821,692	552,434,940
Lease liabilities	18	13,301,404	2,876,181
		<u>673,123,096</u>	<u>555,311,121</u>
25 CONTINGENCIES AND COMMITMENTS			
25.1 Contingency			
<p>The Company has received a notice under section 205(1B) of the Income Tax Ordinance, 2001, in respect of Tax Year 2024, proposing a tax demand of Rs. 19.97 million through order dated April 30, 2025, on account of shortfall in payment of advance tax. The Company has submitted its response to the tax authorities and filed an appeal before the Commissioner Inland Revenue on May 15, 2025. The matter is currently pending adjudication, and no final order has been passed as of the reporting date.</p>			
25.2 Commitments			
25.2.1 Letters of credit		<u>8,053,510,824</u>	<u>10,247,814,200</u>
25.2.2 Commitments relating to construction at Sundar Industrial Estate and MM tower amounting to Rs. 2,037 million (2024: Nil) and 27 million (2024: Nil) respectively.			
26 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Gross sales	26.1 and 26.2	57,825,741,350	73,485,385,200
Less: Sales tax		(8,758,092,462)	(25,385,730)
		<u>49,067,648,888</u>	<u>73,459,999,470</u>
Less: Trade discount		(174,950,029)	-
		<u>48,892,698,859</u>	<u>73,459,999,470</u>
26.1 This includes sales relating to trading activities amounting to Rs. 411.579 million (2024: Nil).			
26.2 Geographical location:			
Pakistan		<u>57,825,741,350</u>	<u>73,485,385,200</u>

	Note	2025 Rupees	2024 Rupees
26.3 Timing of transfer of goods and services:			
At a point in time		57,825,741,350	73,485,385,200
26.4 Contract balances			
Trade debts		1,726,080,787	-
27 COST OF REVENUE			
Raw material consumed	27.1	44,851,049,273	68,339,798,566
Service fee (foreign consultants)		-	10,284,844
Salaries, wages and benefits		678,923,292	632,914,151
Depreciation	7.4	327,014,274	225,804,407
Insurance		4,742,906	5,141,257
Utilities		86,158,960	123,136,249
Amortization	9.2	132,767	261,938
		45,948,021,472	69,337,341,412
Decrease in work-in-process		(12,235,611)	(61,732,014)
Cost of goods assembled		45,935,785,861	69,275,609,398
(Decrease) / increase in finished goods		(1,511,941,241)	211,964,333
Cost of goods sold - owned assembled		44,423,844,620	69,487,573,731
Cost of goods sold - Imported for resale		296,528,617	-
		44,720,373,237	69,487,573,731
27.1 Movement in raw material is as follows:			
Opening balance		5,111,366,833	345,920,674
Purchases made during the year		43,769,312,602	73,105,244,725
Closing balance	10	(4,029,630,162)	(5,111,366,833)
		44,851,049,273	68,339,798,566
28 ADMINISTRATIVE EXPENSE			
Fees and subscription		53,395,618	15,971,210
Depreciation	7.4	56,652,751	83,516,699
Rent, rates and taxes		16,896,585	13,847,347
Utilities		1,419,950	1,705,761
Traveling and conveyance		2,831,145	2,337,313
Repair and maintenance		24,317,923	23,177,096
Legal and professional		608,540	2,632,081
Office expense		6,968,876	6,376,954
Security service charges		2,735,791	6,440,461
Auditors' remuneration	28.1	1,650,000	1,100,000
Entertainment		398,990	6,962,178
Printing and stationary		7,087,697	1,548,043
Vehicle running expense		-	968,775
Insurance		17,661,551	5,880,746
Postage and telephone		2,740,124	1,500,103
Charity and donation		-	100,000
Advertisement		1,156,157	7,437,987
Miscellaneous expense		476,196	611,002
		196,997,894	182,113,756

		2025 Rupees	2024 Rupees
28.1	Auditors' remuneration		
	Audit fee	1,500,000	1,000,000
	Out of pocket expense	150,000	100,000
		<u>1,650,000</u>	<u>1,100,000</u>
29	OTHER INCOME		
	Profit on short-term investments	14 248,047,952	360,404,296
	Fair value gain on investment property	8 310,645,190	50,741,536
	Profit on savings accounts	15 18,050,231	-
	Rental income	8 63,162,462	51,574,546
		<u>639,905,835</u>	<u>462,720,378</u>
30	OTHER EXPENSE		
	Workers' Welfare Fund	20.3 21,670,141	31,477,585
	Workers' Profit Participation Fund	20.2 104,664,884	119,548,396
		<u>126,335,025</u>	<u>151,025,981</u>
31	FINANCE COST		
	Mark up on borrowings	17 1,688,737,096	1,456,168,773
	Mark up on lease liability	18 14,872,014	5,671,777
	Letter of credit charges	186,057,637	208,905,950
	Markup expense on loan obtained from Parent	21 505,934,110	40,291,966
		<u>2,395,600,857</u>	<u>1,711,038,466</u>
32	TAXATION		
	Minimum tax differential	32.1 -	-
	Income tax:		
	Current year	473,447,171	695,523,697
	Prior year	(116,694,660)	(12,055,077)
		356,752,511	683,468,620
	Deferred tax:		
	Relating to origination of temporary differences	19 432,593,974	43,196,082
	Relating to rate change	-	98,146,984
		432,593,974	141,343,066
		<u>789,346,485</u>	<u>824,811,686</u>
32.1	This represents portion of minimum tax paid under section 154 (1) of Income Tax Ordinance, 2001 ("the Ordinance"), representing levy in terms of requirements of IFRIC 21/IAS 37.		

	Note	2025 Rupees	2024 Rupees
Current tax liability for the year as per the Ordinance		356,752,511	683,468,620
Portion of current tax liability as per tax laws, representing income tax under IAS 12		(356,752,511)	(683,468,620)
Difference		-	-
32.2 Reconciliation between tax expenses and accounting profit			
Accounting profit before taxation		2,093,297,681	2,390,967,914
Tax at applicable tax rate of 29% (2024: 29%)		607,056,327	693,380,695
Tax effect of:			
Expenses not allowed for tax		36,637,157	-
Deductible expenses		(304,240,627)	(236,955,717)
Income not allowed for tax		(25,235,807)	-
Deferred tax		432,593,974	141,343,066
Alternative Corporate Tax		50,879,414	-
Prior years tax		(116,694,660)	(12,055,077)
Super tax at rate of 10%		108,350,707	239,098,719
Tax expense for the year		789,346,485	824,811,686

33 RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of Parent Company, and the Company's directors and key management personnel. Balances with related parties are disclosed in respective notes to the financial statements. Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name of related party	Nature of transaction		
Air Link Communication Limited - Parent Company	Expenses paid by the Parent on behalf of the Company	54,080,003,503	80,720,741,345
	Expenses reimbursed by the Company	54,184,875,694	78,869,949,680
Air Link Communication Limited - Parent Company	Expenses paid on behalf of the Parent	37,315,202,417	55,944,922,691
	Expenses reimbursed by the Parent	37,315,202,417	55,944,922,691
	Markup expense	505,934,110	40,291,966
	Sale to Parent	649,018,428	-
	Outstanding balance as at June 30,		
Payable to the Parent Company		4,125,171,168	3,798,653,654

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise long term loan, short-term borrowings and trade and other payables. The major portion of these financial liabilities include long term borrowings and short term borrowings that is availed to meet the working capital requirements. The Company's principal financial assets include trade debts, other receivables, short term investments and cash and bank.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's board oversees the risk profile and is supported by the finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. This department also provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The Board of Directors reviews and approves policies for managing each of these risks which are summarized below:

34.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings and trade and other payables.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debts and the proportion of financial instruments in foreign currencies are all constant.

The sensitivity analysis has been based on the assumption that the sensitivity of the relevant profit or loss item is the effect of the assumed changes in respect of market risks.

34.1.1 Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings and long term borrowings from banks with banks. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

	2025 Rupees	2024 Rupees
Fixed rate instruments		
Financial assets		
Short term investment	1,765,000,000	2,115,000,000
Bank balances - saving accounts	10,773,320	5,078,783
Long term deposit	38,899,173	12,347,073
	<u>1,814,672,493</u>	<u>2,132,425,856</u>
Variable rate instruments		
Financial liabilities		
Long term loan	1,713,351,947	1,938,966,527
Lease liabilities	68,688,293	54,364,269
Short-term borrowings	11,156,946,000	7,434,826,431
	<u>12,938,986,240</u>	<u>9,428,157,227</u>

Fair value sensitivity analysis for fixed rate instruments

The Company is not exposed to interest rate risk on its fixed rate instruments as all of these are of a short term nature.

Cash flow sensitivity analysis for variable rate instruments

A change of 1000 basis points in interest rates would have increased / (decreased) profit by the amounts shown below. This analysis assumes that all other variables remain constant.

Increase / decrease in basis points	+ / - 1000	+ / - 1000
Effect on profit before tax	(1,293,898,624)	(942,815,723)

34.1.2 Currency risk

Currency risk is the risk that the value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly from payables that exist due to transactions in foreign currencies. The Company is not exposed to the risk of change in foreign exchange rates as the Company's customers has agreed to adjust prices of mobile phones for any fluctuations in foreign currency exchange rate on import of raw material in ordinary course of business.

34.1.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

34.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers. Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily from its single customer and balances due from the financial institutions.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's financial health and conservative estimates of provisions for expected credit loss, if any, and through the prudent use of collateral policy. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits and quality are established for all customers based on individual customer evaluation.

The Company is also exposed to credit risk from other receivables, short term investments and bank balances. The Company aims to minimize the credit risk by limiting its exposures only to financial institutions with at least credit rating of A and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Note	2025 Rupees	2024 Rupees
Long term deposits		38,899,173	12,347,073
Other receivables	12	8,076,075,564	10,262,375,794
Trade debts	11	1,726,080,787	-
Short term investments	14	1,765,000,000	2,115,000,000
Bank balances	15	233,956,345	1,063,504,937
		<u>11,840,011,869</u>	<u>13,453,227,804</u>

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults as shown below:

34.2.1 Bank balances, short term investments and other receivables

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Chief Executive. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

	Rating Agency	Ratings	
		Short Term	Long Term
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Alfalah Limited	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA

	Rating Agency	Ratings	
		Short Term	Long Term
Bank of Khyber	JCR-VIS	A1	AA-
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A1+	AA
Faysal Bank Limited	PACRA	A1+	AA
ICBC	S&P	A1+	A
JS Bank Limited	PACRA	A1+	AA
National Bank of Pakistan	PACRA	A1+	AAA
Saudi Pak Industrial and Agriculture Investment Company Limited	JCR-VIS	A1+	AAA
Sindh Bank	JCR-VIS	A1+	AA-
Soneri Bank	PACRA	A1+	AA-
United Bank Limited	JCR-VIS	A1+	AAA

34.2.2 Trade debts	Exposure at default	Expected credit loss	Expected credit loss rate
	Rupees	Rupees	
June 30, 2025			
Not due	1,726,080,787	-	0.00%
June 30, 2024			
Not due	-	-	0.00%

34.2.3 With respect to credit risk arising from other financial assets of the Company, the Company's management assesses exposure to such risk to be minimal and is restricted to the carrying amount of those assets. The Company has single customer, Xiaomi Pakistan (Private) Limited which has long term business relationships with the Company. The amount receivable from customer and other receivable is not overdue and based upon credit ratings, the Company expects minimal expected credit loss. Accordingly, no provision has been recognized.

34.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available to meet any commitments as they arise. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows	On demand	Within one year	More than one year but less than five years
	Rupees				
June 30, 2025					
Long term loans	1,676,685,647	1,676,685,647	-	659,821,692	1,016,863,955
Short term borrowings	11,156,946,000	11,156,946,000	-	11,156,946,000	-
Trade and other payables	8,175,262,692	8,175,262,692	3,619,237,058	4,556,025,634	-
Accrued markup	216,231,608	216,231,608	-	216,231,608	-
	21,225,125,947	21,225,125,947	3,619,237,058	16,589,024,934	1,016,863,955

Carrying amount	Contractual cash flows	On demand	Within one year	More than one year but less than five years
Rupees				
June 30, 2024				
Long term loans	1,864,486,759	1,864,486,759	-	555,311,121
Short term borrowings	7,434,826,431	7,434,826,431	-	7,434,826,431
Trade and other payables	3,976,455,137	3,976,455,137	3,758,361,638	218,093,449
Accrued markup	190,357,384	190,357,384	-	190,357,384
	<u>13,466,125,711</u>	<u>13,466,125,711</u>	<u>3,758,361,638</u>	<u>8,398,588,385</u>

34.4 Changes in liabilities arising from financing activities

	As at July 01,	Cash flows	Non cash changes	As at June 30,
Rupees				
June 30, 2025				
Long term loans	1,861,610,578	(184,924,931)	-	1,676,685,647
Short term borrowings	7,547,827,866	3,722,119,569	(113,001,435)	11,156,946,000
Accrued markup	190,357,384	1,662,862,872	1,688,737,096	216,231,608
	<u>9,599,795,828</u>	<u>5,200,057,510</u>	<u>1,575,735,661</u>	<u>13,049,863,255</u>
June 30, 2024				
Long term loans	2,017,500,000	(155,889,422)	-	1,861,610,578
Short term borrowings	2,510,863,457	4,923,962,974	-	7,547,827,866
Accrued markup	84,288,322	1,350,099,711	1,456,168,773	190,357,384
	<u>4,612,651,779</u>	<u>6,118,173,263</u>	<u>1,456,168,773</u>	<u>9,599,795,828</u>

34.5 Financial instruments by categories

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees				
June 30, 2025				
Financial assets				
Long term deposits	-	-	38,899,173	38,899,173
Other receivables	-	-	8,069,995,411	8,069,995,411
Trade debts	-	-	1,726,080,787	1,726,080,787
Short term investments	-	-	1,800,095,452	1,800,095,452
Bank balances	-	-	244,729,665	244,729,665
	<u>-</u>	<u>-</u>	<u>11,879,800,488</u>	<u>11,879,800,488</u>
Financial Liabilities				
Long term loans	-	-	1,750,018,247	1,750,018,247
Trade and other payables	-	-	7,889,484,666	7,889,484,666
Short-term borrowings	-	-	11,156,946,000	11,156,946,000
	<u>-</u>	<u>-</u>	<u>20,796,448,913</u>	<u>20,796,448,913</u>

	At fair value through OCI	At fair value through profit or loss	At amortized cost	Total
Rupees				
June 30, 2024				
Financial assets				
Long term deposits	-	-	12,347,073	12,347,073
Other receivables	-	-	10,262,375,794	10,262,375,794
Short term investments	-	2,179,205,615	-	2,179,205,615
Bank balances	-	-	1,068,583,720	1,068,583,720
	-	2,179,205,615	11,343,306,587	13,522,512,202
Rupees				
Financial Liabilities				
Long term loans	-	-	1,386,531,587	1,386,531,587
Trade and other payables	-	-	7,775,108,791	7,775,108,791
Short-term borrowings	-	-	7,434,826,431	7,434,826,431
	-	-	16,596,466,809	16,596,466,809

35 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of all the assets and liabilities reflected in these financial statements approximate to their fair value except investment property.

The following table shows assets recognized at fair value, analyzed between those whose fair value is based on:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a sign are observable either, directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Recurring fair value measurement investment property

	Level 1	Level 2	Level 3	Total
Rupees				
June 30, 2025				
Investment property	-	-	1,712,145,190	1,712,145,190
June 30, 2024				
Investment property	-	-	1,401,500,000	1,401,500,000

The Company obtains independent valuations of its investment property on an annual basis. At each reporting date, management reassesses the fair value of the investment property, considering the most recent external valuation and applying judgment within a reasonable range of fair value estimates. Investment property (Level 3 fair value): The fair value has been determined by adopting the approach that involve detailed enquiries and verifications from various estate agents, brokers and builders/developers.

36 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with the industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital plus debt. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	2025	2024
	Rupees	Rupees
The debt to equity ratio is as follows:		
Long term loan	1,713,351,947	1,938,966,527
Short term borrowings	11,336,511,308	7,547,827,866
Short term investments	(1,800,095,452)	(2,179,205,615)
Cash and cash equivalent	(244,729,665)	(1,068,583,720)
Net debt	11,005,038,138	6,239,005,058
Total equity	10,817,508,184	9,513,556,988
Total capital	21,822,546,322	15,752,562,046
Capital gearing ratio	50%	40%

37 CAPACITY AND PRODUCTION

	2025	2024
	Numbers	Numbers
Mobile Phones		
- Maximum capacity	3,500,000	3,000,000
- Actual production	2,015,529	2,538,573
LEDs		
- Maximum capacity	180,000	-
- Actual production	9,496	-

37.1 The Company produces the mobile phones and LEDs as per the demand from the customers.

38 NUMBER OF EMPLOYEES

As at reporting period - Outsourced factory staff	977	1541
Average during the year	1259	1033
Foreign employees	4	6

39 SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

Description	Explanation	2025	2024
		Rupees	Rupees
Bank balances	Bank balances	183,081,258	2,294,954
Short term borrowings	Short term facilities	1,000,000,000	25,611,120
Short term investment	Term deposit receipts	-	350,000,000
Shariah compliant Sukuk	Short term facilities	3,500,000,000	-
		<u>4,683,081,258</u>	<u>377,906,074</u>

Relationship with institutions having Islamic windows

Institutions	Region	Nature of transactions
Mutual funds	Pakistan	Shariah compliant Sukuk
Faysal Bank Limited	Pakistan	Short term borrowings
Dubai Islamic Bank Limited	Pakistan	Bank balances
MCB Islamic Limited	Pakistan	Bank balances
Meezan Bank Limited	Pakistan	Bank balances
Bank Islami Limited	Pakistan	Bank balances
NBP Islamic Limited	Pakistan	Bank balances
	Pakistan	Bank balances

40 NON - ADJUSTING EVENT AFTER REPORTING DATE

No significant event has occurred subsequent to June 30, 2025 other than those mentioned elsewhere in these financial statements.

41 CORRESPONDING FIGURES

The corresponding figures have been re-arranged, wherever necessary, for better presentation. However, no significant re-arrangements / reclassification have been made during the year.

42 DATE OF AUTHORIZATION OF ISSUE

These financial statements were approved by the Board of Directors of the Company in their meeting held on September 29, 2025.

43 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.



CHIEF EXECUTIVE OFFICER



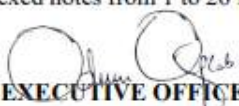
DIRECTOR

6.5. LATEST MANAGEMENT ACCOUNTS AS AT 31ST DECEMBER 2025

SELECT TECHNOLOGIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	Note	----- (Rupees) -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	7	9,009,558,005	9,370,814,130
Investment property		1,909,370,250	1,935,770,352
Intangible assets	8	5,563,433	-
Long term deposits		34,099,173	38,899,173
		10,958,590,861	11,345,483,655
CURRENT ASSETS			
Stores and spares		4,524,080	1,763,096
Stock in trade	9	8,925,005,721	12,010,797,614
Trade debts	10	4,010,113,927	1,726,080,787
Prepayments and other receivables		3,161,730,985	8,084,153,437
Tax refunds due from the Government	11	2,043,453,172	2,395,023,628
Short term investments	12	1,937,804,633	1,800,095,452
Bank balances	13	87,747,414	244,729,665
		20,170,379,932	26,262,643,679
TOTAL ASSETS		31,128,970,793	37,608,127,334
SHARE CAPITAL AND RESERVES			
Authorized share capital 1,000,000,000 (June 30, 2025: 800,000,000) ordinary shares of Rs. 10 each	14	10,000,000,000	8,000,000,000
Issued, subscribed and paid-up capital	14	8,000,000,000	8,000,000,000
Unappropriated profit - revenue reserve		3,995,540,010	2,817,508,184
		11,995,540,010	10,817,508,184
NON CURRENT LIABILITIES			
Long term loans	15	662,252,000	1,016,863,955
Lease liability		46,376,283	55,386,889
Deferred tax liability		858,563,295	858,563,295
		1,567,191,578	1,930,814,139
CURRENT LIABILITIES			
Trade payables, accrued and other liabilities		953,384,680	8,214,885,968
Payable to related party	16	2,781,871,211	4,125,171,168
Short term borrowings	17	11,074,127,501	11,156,946,000
Accrued markup		475,757,935	216,231,608
Provision for taxation		1,709,181,212	473,447,171
Current portion of non current liabilities		571,916,666	673,123,096
		17,566,239,205	24,859,805,011
TOTAL EQUITY AND LIABILITIES		31,128,970,793	37,608,127,334
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

DIRECTOR

SELECT TECHNOLOGIES LIMITED
CONDENSED INTERIM INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2025

		December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	Note	------(Rupees)-----	
Revenue from contracts with customers - Net	19	18,612,309,048	27,743,736,301
Cost of revenue	20	<u>(16,075,579,194)</u>	<u>(25,933,889,995)</u>
Gross profit		2,536,729,854	1,809,846,306
Administrative expense	21	<u>(92,084,483)</u>	<u>(76,218,277)</u>
Operating profit		2,444,645,371	1,733,628,029
Other income		319,483,213	207,038,723
Other expense	22	<u>(124,942,769)</u>	<u>(30,875,547)</u>
Finance cost	23	<u>(854,289,110)</u>	<u>(880,606,300)</u>
Profit before income tax and levy		1,784,896,705	1,029,184,905
Levy		-	-
Profit before income tax		<u>1,784,896,705</u>	<u>1,029,184,905</u>
Income tax	24	<u>(606,864,879)</u>	<u>(384,400,563)</u>
Profit for the year		<u>1,178,031,826</u>	<u>644,784,342</u>
Earning per share		<u>1.47</u>	<u>0.81</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SELECT TECHNOLOGIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2025

	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	----- (Rupees) -----	
Profit for the year	1,178,031,826	644,784,342
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,178,031,826</u>	<u>644,784,342</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SELECT TECHNOLOGIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2025

	Issued, subscribed and paid up capital	Revenue reserve	Total
		Unappropriated profit	
Rupees			
Balance as at July 01, 2024 (Audited)	8,000,000,000	1,513,556,988	9,513,556,988
Share capital issued	-	-	-
Profit for the year	-	644,784,342	644,784,342
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	644,784,342	644,784,342
Balance as at December 31, 2024 (Un-Audited)	<u>8,000,000,000</u>	<u>2,158,341,330</u>	<u>10,158,341,330</u>
Balance as at July 01, 2025 (Audited)	8,000,000,000	2,817,508,184	10,817,508,184
Profit for the year	-	1,178,031,826	1,178,031,826
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	1,178,031,826	1,178,031,826
Balance as at December 31, 2025 (Un-Audited)	<u>8,000,000,000</u>	<u>3,995,540,010</u>	<u>11,995,540,010</u>

The annexed notes from 1 to 26 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

SELECT TECHNOLOGIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2025

	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,784,896,705	1,029,184,905
Adjustments for non cash and non-operating items:		
Depreciation on property, plant and equipment	171,315,108	180,335,695
Amortization	132,766	261,938
Profit on short term investments	(90,642,771)	(207,038,723)
Fair value gain on investment property	(198,000,000)	-
Provision for Worker's Welfare Fund	35,697,934	10,291,849
Provision for Worker's Profit Participation Fund	89,244,835	20,583,698
Rental income	(30,840,442)	-
Mark up expense on loan from Parent Company	162,469,201	304,491,583
Mark up on lease liability	75,000	-
Finance cost	854,289,110	576,114,717
	993,740,741	885,040,757
Operating profit before working capital changes	2,778,637,446	1,914,225,662
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	3,085,791,893	(1,416,115,663)
Stores and spares	(2,760,984)	1,818,544
Trade debts	(2,284,033,140)	-
Prepayments and other receivables	4,921,515,457	(1,235,181,962)
Tax refunds due from the Government	924,097,319	(384,079,344)
	6,644,610,545	(3,033,558,425)
Increase / (decrease) in current liabilities		
Trade payables, accrued and other liabilities	(7,548,913,258)	(3,361,419,532)
Payable to related party	(1,343,299,957)	-
Cash generated from / (used in) operations	531,034,776	(4,480,752,295)
Long term security deposits (paid)	-	(1,552,100)
Finance cost paid	(134,061,170)	(617,507,760)
Taxes paid	-	(100,000,000)
	(134,061,170)	(719,059,860)
Net cash generated from / (used in) operating activities	396,973,606	(5,199,812,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(27,101,721)
Additions in investment property	-	(774,940)
Rental income received	31,747,437	212,203,515
Interest income received	102,933,590	-
Short term investment - Net	(150,000,000)	380,000,000
Net cash (used in) / generated from investing activities	(15,318,973)	564,326,854
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - Net	(455,818,385)	(661,986,759)
Short term borrowings - Net	(82,818,499)	4,533,542,118
Net cash (used in) / generated from financing activities	(538,636,884)	3,871,555,359
Net (decrease) in cash and cash equivalents	(156,982,251)	(763,929,942)
Cash and cash equivalents at the beginning of the year	244,729,665	1,068,583,720
Cash and cash equivalents at the end of the year	87,747,414	304,653,778

The annexed notes from 1 to 26 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

SELECT TECHNOLOGIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2025

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on October 13, 2021 as a private limited company under the Companies Act, 2017 having registered office at 152-1-M, Quaid-E-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan. The Company is a wholly-owned subsidiary of Air Link Communication Limited (the Parent Company). The Company has set up state-of-the-art smartphone assembly plant in Lahore. The idea is to promote 'Made in Pakistan' products and to create employment opportunities for skilled and unskilled labour.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical location and address of the Company's business unit and registered office is as follows:

BUSINESS UNIT ADDRESS

Head Office	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Assembling Facility	152-1-M Quaid-e-Azam Industrial Area, Kot Lakhpat, Lahore, Punjab, Pakistan
Land	E4 and E5(S) Sundar Green Special Economic Zone

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that investment property which is recognized on the basis mentioned in Note 6.2.

3.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees (Rs.), which is also the Company's functional and presentation currency. All the financial information presented in Pakistani Rupees has been rounded off to the nearest Rupee, unless otherwise stated.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these financial statements, the significant estimates, assumptions and judgements made by the management in applying accounting policies include:

Estimates and assumptions

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

- Impairment of non financial assets	6.6
- Depreciation and useful life of property, plant and equipment	6.1
- Investment property	6.2

5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

5.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

6 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been consistently applied to all periods presented in these financial statements.

6.1 Property, plant and equipment

6.1.1 Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation (except for land) and accumulated impairment losses, if any. Freehold land is stated at historical cost less subsequent impairment losses. Depreciation is provided on straight line method at the rates given in schedule of property, plant and equipment and charged to statement of profit or loss to write off the depreciable amount of each asset at the rates specified in the Note 7.

Depreciation on additions is charged from the day it becomes available for use, and assets are depreciated till the date of disposal. Normal repairs and maintenance are charged to statement of profit or loss, while major renewals and improvements are capitalized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

6.1.2 Disposal

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

6.1.3 Estimate

Estimates with respect to residual values, depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the management reviews the value of the assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with a corresponding effect on the depreciation charge and impairment.

6.1.4 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

6.1.5 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rates implicit in the leases are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonable certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factor that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

6.1.6 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases, if any (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

6.1.7 Arrangement is not a lease

The Company has entered a 'Manufacturing supply agreement', dated November 01, 2021, for manufacturing and selling smartphones and related products with Xiaomi Pakistan (Private) Limited (the Buyer), the Company's sole customer. The Company has determined that the Company's plant is an identified asset (group of assets) but the Company has substantive right to substitute the asset throughout the period of use as the Company has the practical ability to substitute alternative assets throughout the period of use and the Company would benefit economically from the exercise of its right to substitute the asset (by for example deploying them elsewhere within the group to meet demands under higher margin agreements). The buyer has no right to 'direct the use of the asset'. Accordingly, the Company's arrangement with Xiaomi Pakistan (Private) Limited does not contain lease, as defined under IFRS 16 "Leases". The Company recognizes the consideration receivable under 'Manufacturing supply agreement' with reference to identifiable performance obligations, under IFRS 15. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to 'manufacture and sell smartphones and related products' as per the agreement.

Further, considering the Company's assessment of term of agreement, that the Buyer only have a right to take possession of and title to its property (that is used to produce goods upon payment) on the Company's option/ consent and quantum of fixed payments under the arrangement, amounts to be recognized in the profit or loss under both the operating lease arrangement, under IFRS 16, or contract with customers, under IFRS 15, are substantially consistent.

The Company enters arrangement for sale of goods included in the contract in which the Company act as Seller (Assembler / Manufacturer). The Company has determined that it controls the goods before they are transferred to Buyer (Xiaomi Pakistan Private Limited), because it has the ability to direct the use of these goods and obtain the benefits from them. In making this determination, the Company has considered that it is primarily responsible for fulfilling the promise to provide goods because it directly deals with the Buyer and it is primarily responsible for the quality or suitability of the goods. In addition, the Company has inventory risk before the goods have been delivered to a customer. Therefore, the Company has concluded that it is the principal in these contracts. In addition, the Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

6.2 Investment property

Recognition and measurement

Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property measured at fair value. The changes in fair value recognised in the statement of profit or loss.

The fair value of investment property is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition.

The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant judgment.

6.3 Intangible assets

Intangibles are initially stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged to statement of profit or loss applying the straight line basis over its normal useful life as specified in Note 9. Amortization is charged to statement of profit or loss on time proportion basis for addition or deletion during the year. Gains and losses on disposal of assets are included in statement of profit or loss.

6.4 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and cash at bank as specified in Note 15 that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks defined above. TDRs are not included in cash and cash equivalents as they are not held for cash management purposes.

6.5 Stock, stores and spares

Stock in trade, stores and spares are valued at lower of cost or net realizable value except those in transit, which are valued at invoice value including other charges, if any, incurred thereon. Basis of determining cost is as follows:

Cost has been determined as follows:

Raw and packing material	- weighted average cost
Material in transit	- actual cost
Work in process	- weighted average cost
Finished goods	- weighted average cost
Stores and spares	- weighted average cost

Items considered obsolete are carried at nil value. Provision for obsolete and slow moving inventory is based on management estimates of usage in normal business operations. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs of completion and costs necessary to be incurred in order to make the sale.

Estimation of net realizable value for stock in trade:

Inventory property is stated at the lower of cost and net realisable value (NRV). NRV for inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for the goods in the same geographical market.

6.6 Trade debts

Trade debts and other receivables are carried at original invoice amount. Provision is made for debts considered doubtful of recovery based on expected credit loss (ECL) model of IFRS 9 and debts considered irrecoverable are written off as and when identified. Receivable are generally due within 30 to 90 days of satisfaction of performance obligation.

6.7 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

6.8 Taxation

6.8.1 Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

6.8.2 Deferred

Deferred tax is provided using the statement of financial position method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled based on tax rates that have been enacted or substantially enacted at the reporting date.

6.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss account. Any excess of expected income tax paid or payable for the year under the Income tax Ordinance, 2001 over the amount designated as current income tax for the year, is then recognized as a levy.

6.10 Revenue from contracts with customers

6.10.1 Sale of goods

The Company is in the business of selling cellular mobile phones, tablets, accessories and allied products. Revenue from contract with customers is recognized when control of goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange of those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery at specified location which may includes company's own warehouse.

6.10.2 Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

6.10.3 Determination of performance obligations

With respect to the sale of goods, the Company concluded the goods transferred in each contract constitute a single performance obligation. In relation to the product warranty provided to the customer (such as the goods will conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements, quality standards, and free from defect) as part of the agreements into which the Company enters. Accordingly, such a warranty is an assurance-type warranty and is thus accounted for under IAS 37. The Company has determined that the promise is the transfer of goods to the customer. Any warranty related to the ultimate customer such as after-sale services or the performance warranty is the responsibility of the brand owner (i.e. the group to which our customer belongs) towards its customer. Therefore, the Company has concluded that the transfer of goods is a single performance obligation recognized at a point in time when the control is transferred.

6.11 Foreign exchange

Foreign currency transactions are recorded at the exchange rate applicable at the transaction date. Monetary assets and liabilities are translated into rupees using exchange rates applicable at the reporting date. All gains and losses on settlement and translation at period end are recognized in the statement of profit or loss.

6.12 Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.12.1 Financial assets

a) Financial assets - Initial recognition

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts and bank balance that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policy in Revenue from contracts with customers. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include long term deposits, trade receivables, loans and advances, other receivables, short term investment and bank balances.

b) Financial assets - Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI at initial recognition. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company does not presently have financial asset at fair value through profit or loss.

d) Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

-The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

-The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets include long term deposits, trade receivables, loans and advances, other receivables, short term investment and bank balances.

6.12.2 Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under 'IAS 32 Financial Instruments: Presentation' and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any financial assets designated at fair value through OCI (equity instruments).

6.12.3 Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

-The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

-The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange gains and losses and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have debt instruments recorded at fair value through OCI with recycling of cumulative gains and losses at the statement of financial position date.

6.12.4 Financial assets - Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

-The rights to receive cash flows from the asset have expired; or

-The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

6.12.5 Financial assets - Impairment

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade debts and other receivables, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The expected credit losses are recognized in the statement of profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For bank balances, the Company applies a general approach in calculating ECLs based on lifetime expected credit losses. The Company reviews internal and external information available for each bank balance to assess expected credit loss and the likelihood to receive the outstanding contractual amount. The expected credit losses are recognized in the statement of profit or loss.

6.13 Financial liabilities

6.13.1 Financial liabilities - Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include long-term loans, long term payable, short-term borrowings utilized under mark-up arrangements, creditors, liabilities against assets subject to finance lease, accrued and other liabilities.

6.13.2 Financial liabilities - Subsequent measurement

a) Financial liabilities at amortized cost (loans, borrowings and long term payable)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category applies to long-term loans, short-term borrowings utilized under mark-up arrangements, trade and other payables, lease liabilities, accrued and other liabilities.

b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

c) Financial liabilities - Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

6.13.3 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has legally enforceable right to offset the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

6.14 Shared expenses

The Company apportions salaries and factory utility expenses to the Parent Company based on their proportionate share of product assembly.

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
7 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	6,744,951,062	8,226,499,639
Right of use assets	34,032,032	56,344,042
Capital work in progress (CWIP)	2,230,574,911	1,087,970,449
	<u>9,009,558,005</u>	<u>9,370,814,130</u>
8 INTANGIBLE ASSETS		
Net carrying value basis		
Opening net book value	-	132,766
Additions during the year	5,696,199	-
Amortization during the year	(132,766)	(132,766)
	<u>5,563,433</u>	<u>-</u>
Gross carrying value basis		
Cost	6,308,221	612,022
Accumulated amortization	(744,788)	(612,022)
	<u>5,563,433</u>	<u>-</u>
Rate of amortization	<u>33%</u>	<u>33%</u>
9 STOCK IN TRADE		
Raw material	1,377,864,888	4,029,630,162
Work in process	12,703,170	98,805,121
Finished goods	861,262,148	1,586,454,007
	<u>2,251,830,206</u>	<u>5,714,889,290</u>
Goods in transit	6,673,175,515	6,295,908,324
	<u>8,925,005,721</u>	<u>12,010,797,614</u>
10 TRADE DEBTS		
Trade debts - Considered good	<u>4,010,113,927</u>	<u>1,726,080,787</u>
11 TAX REFUNDS DUE FROM THE GOVERNMENT		
Sales tax receivable	1,249,836,535	2,173,933,854
Income tax receivable	793,616,637	221,089,774
	<u>2,043,453,172</u>	<u>2,395,023,628</u>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
12 SHORT TERM INVESTMENT		
Financial assets at amortized cost		
Term deposits	1,915,000,000	1,765,000,000
Accrued markup	22,804,633	35,095,452
	<u>1,937,804,633</u>	<u>1,800,095,452</u>
13 BANK BALANCES		
Cash at banks - current accounts	76,974,094	233,956,345
Cash at banks - saving accounts	10,773,320	10,773,320
	<u>87,747,414</u>	<u>244,729,665</u>

14 SHARE CAPITAL**14.1 Authorized share capital**

December 31, 2025 June 30, 2025

Number of ordinary shares of Rs.
10/- each paid in cash

800,000,000	800,000,000	As at July 01,	8,000,000,000	8,000,000,000
		Movement during the		
200,000,000	-	Increase in authorized share capital	2,000,000,000	-
<u>1,000,000,000</u>	<u>800,000,000</u>	As at December 31,	<u>10,000,000,000</u>	<u>8,000,000,000</u>

14.2 Issued, subscribed and paid up capital

14.2.1 The breakup of ordinary paid up share capital is as follows:

2025	2025			
Number of ordinary shares of Rs. 10/- each				
800,000,000	800,000,000	As at July 01,	8,000,000,000	1,050,000,000
		Movement during the		
-	-	Issuance of shares	-	-
<u>800,000,000</u>	<u>800,000,000</u>	As at June 30,	<u>8,000,000,000</u>	<u>8,000,000,000</u>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
15 LONG TERM LOANS - SECURED		
Bank Al Habib Limited	367,500,000	467,750,000
Pak Oman Investment Company Limited	416,668,666	500,000,000
Saudi Pak Industrial and Agriculture Investment Company Limited	450,000,000	562,500,000
Orix Leasing Pakistan Limited (OLPL)	-	146,435,647
Add: Accrued markup	36,666,300	36,666,300
	<u>1,270,834,966</u>	<u>1,713,351,947</u>
Less: Current portion shown under current liabilities		
Bank Al Habib Limited	170,300,641	180,250,000
Pak Oman Investment Company Limited	193,084,627	166,666,667
Saudi Pak Industrial and Agriculture Investment Company Limited	208,531,398	225,000,000
Orix Leasing Pakistan Limited (OLPL)	-	87,905,025
	571,916,666	659,821,692
Less: Accrued markup presented in current liabilities	(36,666,300)	(36,666,300)
	<u>662,252,000</u>	<u>1,016,863,955</u>
16 PAYABLE TO RELATED PARTY		
Loan for working capital requirements	2,619,402,010	3,619,237,058
Markup accrued on loan	18.1 162,469,201	505,934,110
	<u>2,781,871,211</u>	<u>4,125,171,168</u>
16.1 This represents an amount payable to the Parent Company against expenses incurred to meet working capital needs of the Company. This amount carries markup charged at 3 month KIBOR plus 3% (2025: 3 month KIBOR plus 3%) and is expected to be paid within one month from the reporting year end.		

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	------(Rupees)-----	
17 SHORT TERM BORROWINGS		
JS Bank Limited	125,599,235	1,040,388,000
Bank Al. Habib Limited	1,996,727,114	4,179,558,000
Pak China Investment Bank	977,429,582	1,000,000,000
Faysal Bank Limited	1,750,000,000	1,000,000,000
Saudi Pak Investment Company	437,000,000	437,000,000
Sukuk	5,500,000,000	3,500,000,000
United Bank Limited	98,409,091	-
Bank of Punjab	188,962,479	-
Accrued markup	439,091,635	179,565,308
	<u>11,513,219,136</u>	<u>11,336,511,308</u>
Less: Accrued markup	<u>(439,091,635)</u>	<u>(179,565,308)</u>
	<u>11,074,127,501</u>	<u>11,156,946,000</u>

18 CONTINGENCIES AND COMMITMENTS**18.1 Contingency**

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, 2025.

	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	------(Rupees)-----	
19 REVENUE FROM CONTRACTS WITH CUSTOMERS - NET		
Gross sales	22,136,514,251	32,737,608,835
Less: Sales tax	<u>(3,376,756,411)</u>	<u>(4,993,872,534)</u>
	18,759,757,840	27,743,736,301
Less: Trade discount	<u>(147,448,792)</u>	<u>-</u>
	<u>18,612,309,048</u>	<u>27,743,736,301</u>
19.1 Geographical location:		
Pakistan	<u>22,136,514,251</u>	<u>32,737,608,835</u>
19.2 Timing of transfer of goods and services:		
At a point in time	<u>22,136,514,251</u>	<u>32,737,608,835</u>

	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	----- (Rupees) -----	
20 COST OF REVENUE		
Raw material consumed	14,728,080,707	25,921,757,172
Salaries, wages and benefits	333,822,406	376,905,541
Depreciation	171,315,108	144,788,378
Insurance	1,987,530	2,371,453
Utilities	29,013,067	43,079,480
Amortization	66,566	64,739
	<u>15,264,285,384</u>	<u>26,488,966,763</u>
Decrease in work-in-process	86,101,951	50,649,113
Cost of goods assembled	<u>15,350,387,335</u>	<u>26,539,615,876</u>
(Decrease) / increase in finished goods	725,191,859	(605,725,881)
Cost of goods sold - owned assembled	<u>16,075,579,194</u>	<u>25,933,889,995</u>
Cost of goods sold - Imported for resale	-	-
	<u>16,075,579,194</u>	<u>25,933,889,995</u>
20.1 Movement in raw material is as follows:		
Opening balance	4,029,630,162	5,111,366,833
Purchases made during the year	12,076,315,433	23,174,262,126
Closing balance	<u>(1,377,864,888)</u>	<u>(2,363,871,787)</u>
	<u>14,728,080,707</u>	<u>25,921,757,172</u>
21 ADMINISTRATIVE EXPENSE		
Fees and subscription	47,889,531	15,234,773
Rent, rates and taxes	20,249,956	19,217,661
Utilities	821,969	547,341
Traveling and conveyance	21,310	1,917,135
Repair and maintenance	9,008,038	11,623,616
Legal and professional	3,729,861	467,416
Office expense	434,784	5,770,830
Security service charges	1,780,733	1,450,800
Entertainment	26,234	332,779
Printing and stationary	759,538	5,563,155
Vehicle running expense	-	-
Insurance	5,074,962	12,966,292
Postage and telephone	1,584,474	942,370
Miscellaneous expense	703,093	184,109
	<u>92,084,483</u>	<u>76,218,277</u>
22 OTHER EXPENSE		
Workers' Welfare Fund	35,697,934	10,291,849
Workers' Profit Participation Fund	89,244,835	20,583,698
	<u>124,942,769</u>	<u>30,875,547</u>

	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
	----- (Rupees) -----	
23 FINANCE COST		
Mark up on borrowings	643,794,026	590,798,913
Mark up on lease liability	75,000	-
Letter of credit charges	47,950,883	-
Markup expense on loan obtained from Parent	162,469,201	289,807,387
	<u>854,289,110</u>	<u>880,606,300</u>
24 TAXATION		
Tax expense for the period	<u>606,864,879</u>	<u>384,400,563</u>

25 DATE OF AUTHORIZATION OF ISSUE

These financial statements were approved by the Board of Directors of the Company in their meeting held on February 24, 2026.

26 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR

6.6. SUMMARY OF FINANCIAL HIGHLIGHTS OF SELECT TECHNOLOGIES LIMITED

<i>Income Statement</i>	FY 2023	FY 2024	FY 2025	1HFY 2026
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
Revenue from contracts with customers	15,430	73,460	48,893	18,612
Cost of revenue	(14,176)	(69,488)	(44,720)	(16,076)
Gross profit	1,254	3,972	4,172	2,537
Administrative expense	(169)	(182)	(197)	(92)
Operating profit	1,085	3,790	3,975	2,445
Other income	193	463	640	319
Other expense	(8)	(151)	(126)	(125)
Finance cost	(1,114)	(1,711)	(2,396)	(854)
Profit before income tax and minimum tax differential	156	2,391	2,093	1,785
Minimum Tax Differential	(39)	-	-	-
Profit before income tax	117	2,391	2,093	1,785
Income Taxation	(51)	(825)	(789)	(607)
Profit / (Loss) for the year	66	1,566	1,304	1,178
<i>Effective Tax Rate</i>	<i>58%</i>	<i>34%</i>	<i>38%</i>	<i>34%</i>
Earnings per share (PKR per share)	0.12	1.96	1.63	1.47
EBITDA	1,375	4,100	4,359	2,616

<i>Balance Sheet</i>	30 th Jun 23	30 th Jun 24	30 th Jun 25	31 st Dec 25
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5,721	7,893	9,371	9,010
Investment property	1,351	1,402	1,936	1,909
Intangible assets	0.39	0.13	-	6
Long term deposits	7	12	39	34
	7,079	9,307	11,345	10,959
CURRENT ASSETS				
Stores and spares	0.60	2.12	1.76	4.5
Stock in trade	4,088	5,272	12,011	8,925
Trade debts	667	-	1,726	4,010
Prepayments and other receivables	2,204	10,266	8,084	3,162
Tax refunds due from Government	66	84	2,395	2,043
Short term investments	1,576	2,179	1,800	1,938
Bank balances	474	1,069	245	88
	9,076	18,872	26,263	20,170
Total Assets	16,155	28,179	37,608	31,129
SHARE CAPITAL AND RESERVES				

Authorized share capital 800,000,000 (June 30, 2024: 800,000,000) ordinary shares of Rs. 10 each	6,000	8,000	8,000	10,000
Issued, subscribed and paid-up capital	5,500	8,000	8,000	8,000
Unappropriated profit - revenue reserve	(53)	1,514	2,818	3,996
	5,447	9,514	10,818	11,996
NON-CURRENT LIABILITIES				
Long term loans	1,645	1,309	1,017	662
Lease liability	-	51	55	46
Deferred tax liability	285	426	859	859
	1,930	1,787	1,931	1,567
CURRENT LIABILITIES				
Trade payables, accrued and other liabilities	3,864	4,204	8,215	953
Related party Loan	1,908	3,799	4,125	2,782
Short term borrowings	2,511	7,435	11,157	11,074
Accrued markup	84	190	216	476
Provision for taxation	39	696	473	1,709
Current portion of non-current liabilities	373	555	673	572
	8,778	16,878	24,860	17,566
TOTAL EQUITY AND LIABILITIES	16,155	28,179	37,608	31,129
Total Debt	6,436	13,149	17,027	15,137

<i>Cash Flow Statement</i>	FY 2023	FY 2024	FY 2025	1HFY 2026
<i>PKR Mn</i>	Audited	Audited	Audited	Unaudited
Operating Activities				
Profit Before Taxation / Net income	156	2,391	2,093	1,785
Adjustments For:				
Depreciation of PP&E	290	309	384	171
Amortization of Intangibles	0.20	0.26	0.13	0.13
Profit on short-term investments	(186)	(360)	(248)	(91)
Loss/(Gain) on Disposal of PP&E	(1)	-	-	-
Fair Value gain on Investment Property	-	(51)	(311)	(198)
Provision for Workers Welfare Fund	-	31	22	36
Provision for Worker's Profit Participation Fund	8	120	105	89
Rental Income	-	(52)	(63)	(31)
Mark Up Expense on Loan from Parent Company	-	40	506	162
Mark up on Lease Liability	-	6	15	0.08
Finance Cost	1,114	1,462	1,689	854
	1,225	1,506	2,098	994

Operating Profit before Working Capital Changes	1,381	3,897	4,191	2,779
WORKING CAPITAL CHANGES				
(Increase)/Decrease in Current Assets:				
Stock in Trade	(1,913)	(1,185)	(6,738)	3,086
Store & Spares	1	(2)	0.36	(3)
Accounts Receivables / Trade Debts	(667)	667	(1,726)	(2,284)
Prepayments and Other Receivables	(1,170)	(8,048)	2,184	4,922
Tax Refund Due from Government	(64)	(0.18)	(2,174)	924
	(3,814)	(8,567)	(8,454)	6,645
Increase/(Decrease) in Current Liabilities:				
Trade Payables, Accrued & Other Liabilities	4,703	190	3,379	(7,549)
Payable to related party	-	1,891	327	(1,343)
Cash generated from / (used in) operations	2,270	(2,589)	(558)	531
Long Term Deposits Paid	(1)	(5)	(27)	-
Finance Cost Paid	(1,114)	(1,396)	(1,663)	-
Income Taxes Paid	(24)	(46)	(716)	134
	(1,139)	(1,447)	(2,406)	134
Cash Flows from Operating Activities	1,131	(4,037)	(2,964)	397
INVESTING ACTIVITIES				
Additions in PP&E	(624)	(37)	(758)	-
Additions in CWIP	(12)	(2,389)	(1,305)	-
Proceeds from Sale of Assets	16	-	-	-
Profit on Investment Property	(1,351)	-	-	-
Rental Income Received	-	38	61	-
Interest Income Received	125	357	277	32
Short Term Investments Net	(1,516)	(600)	350	103
CASHFLOWS FROM INVESTING ACTIVITIES	(3,361)	(2,630)	(1,374)	(150)
FINANCING ACTIVITIES				
Proceeds Received Against Issuance of Shares	500	2,500	-	-
Long-term loans - Net	1,218	(156)	(185)	-
Lease Liability Repaid	-	(7)	(23)	(456)
Short Term Borrowings - Net	1,699	4,924	3,722	-
CASHFLOWS FROM FINANCING ACTIVITIES	3,417	7,261	3,514	(83)
Net Change in Cash During Period	1,187	594	824	(157)
Cash & Cash Equivalents at the BOP	(713)	474	1,069	245

Cash & Cash Equivalents at the End of Period	474	1,069	245	88
CapEx	636	2,426	2,063	-

	FY 2023	FY 2024	FY 2025	1HFY 2026
Growth				
Sales Growth (%) ⁵⁵	403%	376%	(33%)	N/A
EBITDA Growth (%) ⁵⁶	284%	198%	6%	
Operating profit Growth (%) ⁵⁷	267%	249%	5%	
Profit after tax Growth (%) ⁵⁸	156%	2274%	(17%)	
Margins				
Gross Margin (%) ⁵⁹	8%	5%	9%	14%
Operating Profit Margin ⁶⁰	7%	5%	8%	13%
Profit Before Tax Margin	5%	1%	3%	10%
Net Margin (%) ⁶¹	0.4%	2%	3%	6%
EBITDA Margin (%) ⁶²	9%	6%	9%	14%
Profitability Ratios				
Earnings per share (PKR)	0.12	1.96	1.63	1.47
Break-up value per share (PKR)	9.90	11.89	13.52	14.99
Return on Equity ⁶³	1%	21%	13%	11%
Return on Assets	1%	7%	4%	4%
Balance Sheet Ratios				
Fixed Asset Turnover (times) ⁶⁴	2.78x	10.79x	5.66x	2.22x
Asset Turnover (times) ⁶⁵	1.24x	3.31x	1.49x	0.61x
Current Ratio (times) ⁶⁶	1.03x	1.12x	1.06x	1.15x
Capex to total Assets (times)	0.04x	0.09x	0.05x	-

⁵⁵ SELECT commenced its operations in FY 2022, therefore the growth observed in FY 2023 reflects the Company's early expansion. Sales levels further grew in FY 2024 as the government restrictions in imports were removed, before normalizing in FY 2025.

⁵⁶ EBITDA grew in all the three years as a result of the higher net revenue being recorded by the Company.

⁵⁷ Operating Profit grew in all the three years as a result of the higher net revenue being recorded by the Company.

⁵⁸ Profit After Tax grew by 2274% in FY 2024 following the increase in net sales, before decreasing by 17% in FY 2025. However, despite the decrease in absolute profit, the net profit margin of the Company grew from 2% to 3% as a result of improved cost control and operational efficiency.

⁵⁹ **Gross Profit / Net Sales.** Gross margins improved in FY 2025 as a result of lower cost of goods sold (COS) and enhanced operational efficiency. A further improvement in gross margins is evident in 1HFY26, reflective of the Company's higher list prices agreed with its customer Xiaomi Pakistan.

⁶⁰ **Operating Profit / Net Sales.** SELECT's fixed administrative expenses are minimal relatively to its net sales. As such, the improvement in gross margins translated to higher operating margins for the company in FY 2025 and 1HFY26.

⁶¹ **Net Profit / Net Sales.** Improved operational performance, increased non-operating income and reduced non-operating expenses contributed to the increase in net margin in FY 2025 and 1HFY26.

⁶² **EBITDA / Net Sales.** EBITDA margins grew in FY 2025 and 1HFY26 as a result of improved efficiency at the operational level.

⁶³ **Net Profit / Average Equity.** Return on Equity grew from 1% to 21% in FY 2023, before falling to 13% in FY 2024. The lower average net asset value contributed to the higher return on equity in FY 2023.

⁶⁴ **Net Sales / Average Fixed Assets.** The fixed asset turnover grew significantly in FY 2024 to 10.79x as a result of the substantial jump in sales due to built-up demand. The ratio normalized to 5.66x in FY 2025 due to the reduction in sales and increase in average asset base from 6.8 Bn to PKR 8.6 Bn.

⁶⁵ **Net Sales / Total Assets.** Asset turnover rose to 3.31x in FY 2024, before dropping to 1.49x in FY 2025. This trend is reflective of the aforementioned sales pattern and the change in total assets from PKR 22 Bn to PKR 32.8 Bn

⁶⁶ **Current Assets / Current Liabilities.** The current ratio of SELECT has consistently been above 1, indicating that the Company maintains sufficient current assets to meet its short-term liabilities.

Inventory Turnover (days) ⁶⁷	109	30	99	105
Receivable Collection Period (days) ⁶⁸	16	-	13	40
Payable Payment Period (days) ⁶⁹	112	20	65	29
Gross Working Capital (days) ⁷⁰	125	30	112	145
Net Working Capital (days) ⁷¹	13	10	47	130
Leverage Ratios				
Debt to Equity ⁷²	118%	138%	157%	126%
Debt to (Debt + Equity)	54%	58%	61%	56%
EBITDA / Interest ⁷³	1.23x	2.40x	1.82x	3.06x
Debt / EBITDA ⁷⁴	4.68x	3.21x	3.91x	2.89x
EBITDA-CAPEX (PKR Mn) ⁷⁵	739	1,674	2,296	2,616
(EBITDA-CAPEX)/ Interest	0.66x	0.98x	0.96x	3.06x
Interest Coverage Ratio ⁷⁶	0.97x	2.22x	1.66x	2.86x

⁶⁷ **Inventory / COGS.** Figures for 1HFY26 have been annualized for comparative purposes.

⁶⁸ **Trade Receivables / Net Sales.** Figures for 1HFY26 have been annualized for comparative purposes.

⁶⁹ **Trade Payables / Raw Material Purchases.** Figures for 1HFY26 have been annualized for comparative purposes.

⁷⁰ **Inventory Turnover Period + Receivable Collection Period.**

⁷¹ **Gross Working Capital Period – Payables Payment Period.**

⁷² **Debt / Equity.** The Debt to Equity (Gearing) ratio of the Company remains high due to the short-term borrowings undertaken in order to finance working capital needs. The gearing of the Company grew to 157% in FY 2025 as a result of an increase in short-term borrowings from PKR 13 Bn to PKR 17 Bn. Higher short-term borrowings were undertaken in order to finance inventories, which rose by 6.7 Bn during the period.

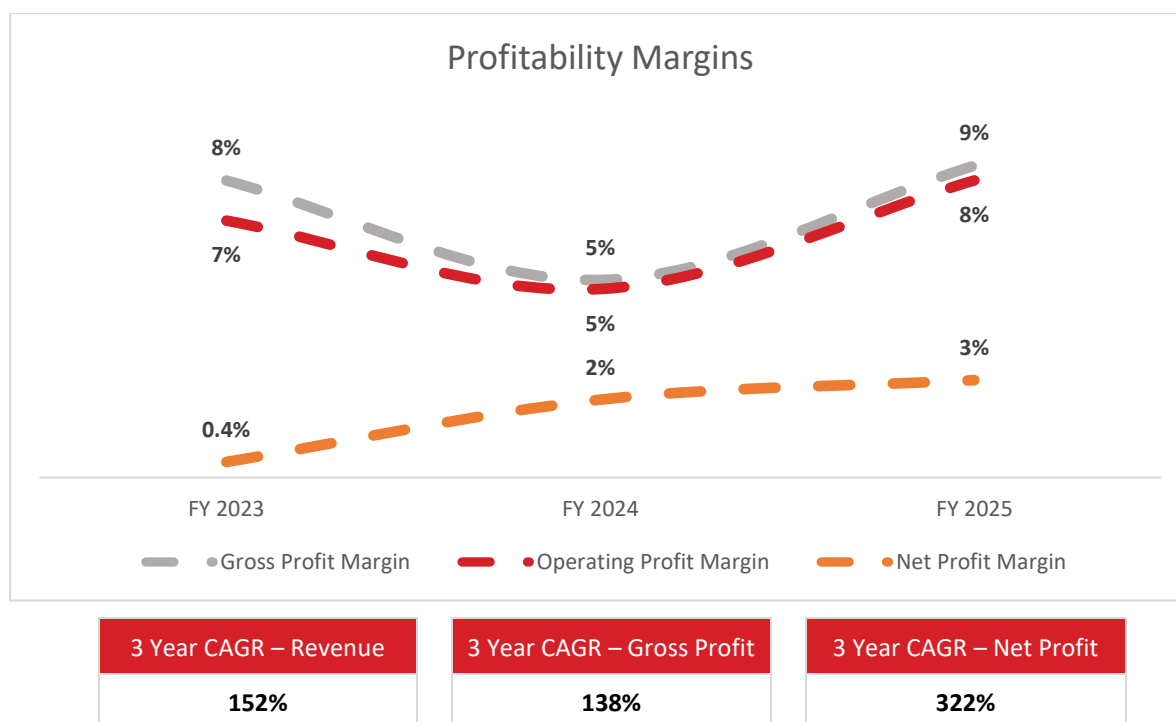
⁷³ **EBITDA / Interest.** Improvements in absolute profitability and margins are the key drivers of the improved EBITDA to interest position.

⁷⁴ **Debt / EBITDA.** Figures for 1HFY26 have been annualized for comparative purposes.

⁷⁵ **Significant capital expenditure was undertaken by SELECT in its initial stages. As capital expenditure naturally slowed down, an improvement was seen in the EBITDA less CapEx ratio.**

⁷⁶ **EBIT / Finance Cost.** The improving interest coverage ratio of SELECT highlights the Company's ability to service its debt.

6.6.1 COMMENTARY ON SELECTED RATIOS



Revenue:

During the period from FY 2022 to FY 2025 the Company's revenue grew by a CAGR of **152%**, with sales reaching record high of **PKR 73.5 Bn** in FY 2024. In FY 2023, the government of Pakistan introduced restrictions on the opening of Letters of Credit (LC) due to low foreign currency liquidity⁷⁷. As such, the Company's sales remain depressed in FY 2023, and built-up demand for the year was subsequently satisfied in FY 2024, leading to unusually high revenue being recorded in the respective year.

Sales levels normalized in FY 2025, reaching **PKR 48.9 Bn**. Given the price-sensitive nature of the smartphone industry in Pakistan, the introduction of sales tax on smartphones at 18% in FY 2025 negatively impacted consumer demand⁷⁸.

Profitability:

Despite the fall in sales the Gross Profit of the Company grew by **5%** in FY 2025, reaching **PKR 4.1 Bn** (FY24: 3.9 Bn). This translated to operating profits rising by **5%**, reaching **PKR 3.9 Bn** in FY 2025 (FY 2024: 3.7 Bn). Improvements in cost structure and operational efficiency allowed SELECT to record a gross profit margin of **8.5%** (FY 2024: 5.4%) and operating profit margin of **8.1%** (FY 2024: 5.2%) in FY 2025.

Net Profit of the Company dropped marginally by 17%, primarily due to higher finance costs incurred during the year as a result of an increase in total outstanding debt. Despite this the Company's net margin moved favorably to **2.7%** in FY 2025 (FY 2024: 2.1%), benefiting from the improved gross profit performance.

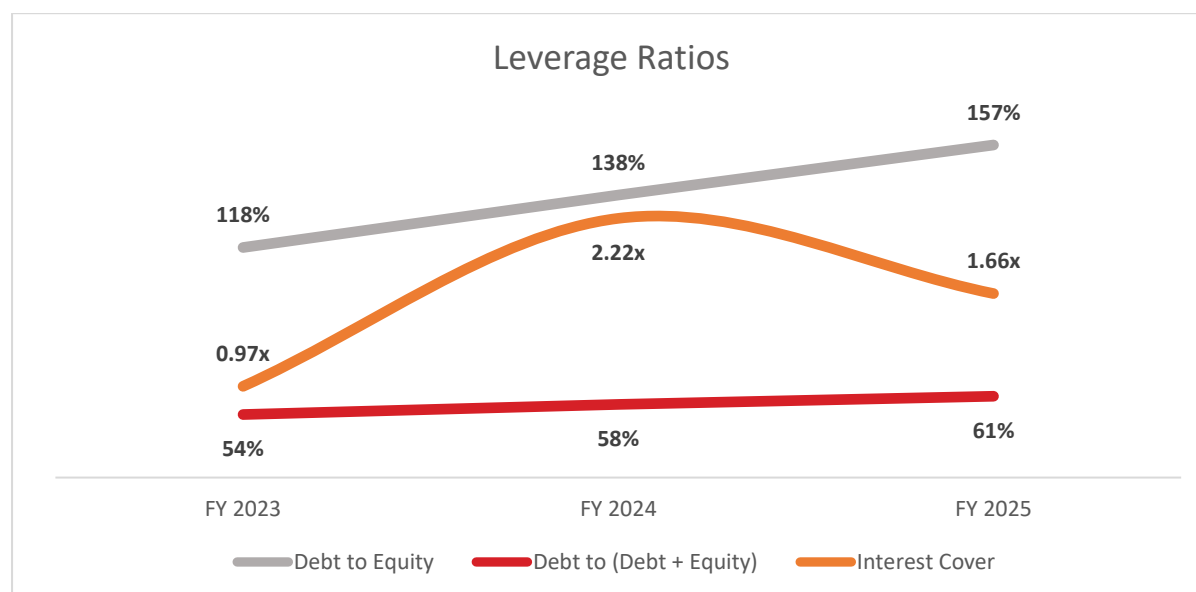
Liquidity and Working Capital:

The current ratio of SELECT rose to 1.12x in FY 2024 (FY 2023: 1.03x), before dropping marginally to **1.06x** in FY 2025. The ratio throughout the three periods reflects that SELECT has continuously maintained solid liquidity and holds sufficient current assets to meet all of its short-term obligations.

The working capital needs of Select Technologies Limited are driven primarily by the need to finance inventories. The gross working capital days of the Company stood at **74 days** in FY 2025, displaying an improvement in working capital management comparative to preceding periods (FY 2023: 90 days).

⁷⁷ <https://www.sbp.org.pk/epd/2022/FECL20.htm>

⁷⁸ <https://download1.fbr.gov.pk/Docs/2024630146346801FinanceAct-2024.pdf>

Leverage:

SELECT operates with a leveraged capital structure, having a Debt/Equity ratio of **157%** in FY 2025 (FY 2023: 118%). As of June 30, 2025, the Company has total debt of **PKR 17 Bn**, out of which short-term borrowings constitute **PKR 15.3 Bn**. These include amounts payable to related party (i.e. Air Link Communication Limited) for loan taken to meet working capital needs, as well as other facilities undertaken by SELECT to finance its working capital needs, which remain high due to the requirement to maintain cash margin deposits for Letter of Credit (LC).

Despite the high gearing, SELECT's interest coverage ratio has shown improvements, rising to **1.66x** in FY 2025 (FY 2023: 0.97x). This highlights that the Company generates sufficient profits to pay-off its interest obligations.

6.7. SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENSES

Summary of major items of revenue is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Mobile Phones:				
Xiaomi	15,430	73,460	47,943	18,095
<i>As % of total Revenue</i>	<i>100.0%</i>	<i>100.0%</i>	<i>98.1%</i>	<i>97.22%</i>
Apple	0.56	-	412	-
<i>As % of total Revenue</i>	<i>0.00%</i>	<i>-</i>	<i>0.84%</i>	<i>-</i>
Sub-total	15,430	73,460	48,355	18,095
LED TV	-	-	538	517
<i>As % of total Revenue</i>	<i>-</i>	<i>-</i>	<i>1.10%</i>	<i>2.78%</i>
Sub-total	-	-	538	517
Total	15,430	73,460	48,893	18,612

Summary of major items of costs is provided hereunder:

PKR Mn	FY 2023	FY 2024	FY 2025	1HFY 2026
Cost of Goods Sold	14,176	69,488	44,720	16,076
<i>As % of Total Operating Cost</i>	<i>98.82%</i>	<i>99.74%</i>	<i>99.56%</i>	<i>99.43%</i>
Administrative Expenses	169	182	197	92

<i>As % of Total Operating Cost</i>	1.18%	0.26%	0.44%	0.57%
Total Costs	14,345	69,670	44,917	16,168

6.8. BIFURCATION OF REVENUE WITH RESPECT TO LOCAL AND EXPORT SALES, IF APPLICABLE.

Select Technologies Limited does not make any export sales.

6.9. CONTINGENCIES AND COMMITMENTS

6.9.1 CONTINGENCIES:

As of June 30, 2025, SELECT has disclosed a contingent liability of PKR 19.97 Million. This pertains to a notice received by the Company under section 205(1B) of the Income Tax Ordinance, 2001, in respect of Tax Year 2024, proposing a tax demand of Rs. 19.97 million through order dated April 30, 2025, on account of shortfall in payment of advance tax.

SELECT has submitted its response to the tax authorities and filed an appeal before the Commissioner Inland Revenue on May 15, 2025. The matter is currently pending adjudication.

6.9.1 COMMITMENTS:

PKR Mn	FY 2023	FY 2024	FY 2025
Letter of Credit	775	10,248	8,054

Commitments relating to construction at Sundar Industrial Estate and MM tower amounting to Rs. 2,037 million (2024: Nil) and 27 million (2024: Nil) respectively.

6.10. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES:

Select Technologies Limited is set to be the first sole mobile and smart devices manufacturer to be listed on PSX. Please note that financial performance of SELECT cannot be directly compared with other listed companies. However, listed companies operating in the Cable & Electrical Goods and & Technology and Communication sector have been taken for comparative purposes.

Company	EPS (TTM)	Gross Profit Margin	Net Profit Margin	BVPS	Price	P/E	P/B	ROE (TTM)	ROA (TTM)	Free Float (Shares - Mn)	Free Float %
NETSOL	22.70	47%	18%	129.49	124.61	5.49x	0.96x	19%	14%	27	30%
AVN	3.61	26%	11%	33.30	32.15	8.90x	0.97x	12%	6%	148	35%
SYS	6.77	26%	13%	31.02	153.59	22.69x	4.95x	24%	17%	884	60%
OCTOPUS	0.75	41%	10%	17.30	33.59	44.70x	1.94x	4%	4%	47	30%
AIRLINK	13.87	13%	6%	44.84	143.30	10.33x	3.20x	33%	10%	119	30%
SYM	0.74	53%	26%	7.19	11.00	14.82x	1.53x	14%	11%	128	45%
ZAL	5.62	27%	66%	11.97	47.20	8.39x	3.94x	72%	66%	66	25%
PAKD	9.66	19%	6%	120.65	130.02	13.46x	1.08x	8%	6%	5	43%
STL	151.88	NMF	NMF	255.05	62.34	0.41x	0.24x	79%	9%	0.10	20%

Company	EPS (TTM)	Gross Profit Margin	Net Profit Margin	BVPS	Price	P/E	P/B	ROE (TTM)	ROA (TTM)	Free Float (Shares - Mn)	Free Float %
TELE	0.37	25%	1%	15.05	8.44	22.66x	0.56x	3%	1%	326	96%
PAEL	4.16	27%	6%	53.52	41.37	9.93x	0.77x	8%	5%	508	65%
WAVESAPP	0.71	20%	4%	30.22	7.77	11.00x	0.26x	2%	2%	134	50%
PTC	(1.91)	33%	NMF	7.23	55.25	NMF	7.64x	NMF	NMF	593	15.72%
WTL	(0.09)	NMF	NMF	NMF	1.51	NMF	NMF	NMF	NMF	4,235	85%
Sector W. Avg Mean						18.15x	5.46x				
Sector Median						10.67x	1.08x				
KSE 100						8.22x	1.53x				
SELECT Pre-Issue	2.30	14%	5%	14.99	28	12.19x	1.87x	17%	6%	89	10%
SELECT Post-Issue	2.03			16.79	28	13.55x	1.67x				

* Prices and multiples as at 15th April 2026.

6.11. SUMMARY OF FINANCIAL PROJECTIONS FOR FIVE YEARS

6.11.1 Profit and Loss Statement:

<i>PKR Mn</i>	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Sales Revenue	50,617	62,672	75,985	95,792	119,879	134,633
Cost of Sales	(45,006)	(57,138)	(69,850)	(85,300)	(106,370)	(119,244)
Gross Profit	5,610	5,534	6,135	10,492	13,509	15,389
Administrative Expenses	(272)	(302)	(314)	(327)	(342)	(357)
Operating Profit (EBIT)	5,338	5,232	5,821	10,164	13,167	15,032
Other Income	329	428	448	493	552	616
Other Expenses	(133)	(131)	(146)	(254)	(329)	(376)
Finance Expense	(2,387)	(2,717)	(3,124)	(3,385)	(3,714)	(3,771)
Profit before Tax	3,152	2,813	3,000	7,019	9,677	11,503
Taxation	(983)	(456)	(190)	(450)	(608)	(702)
Net Income for the Year	2,169	2,356	2,810	6,569	9,069	10,800
<i>Effective Tax Rate</i>	<i>31%</i>	<i>16%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>
EBITDA	5,942	5,936	6,534	10,888	13,904	15,782

6.11.2 Balance Sheet:

PKR Mn	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
NON-CURRENT ASSETS						
Property, Plant & Equipment	12,096	13,535	13,685	13,847	14,019	14,201
Investment Property	1,936	1,936	1,936	1,936	1,936	1,936
Long Term Deposits	39	39	39	39	39	39
TOTAL NON-CURRENT ASSETS	14,071	15,510	15,660	15,821	15,993	16,175
CURRENT ASSETS						
Stores and Spares	1.56	1.41	1.67	1.92	2.23	2.30
Stock in Trade	11,249	15,108	18,453	22,545	28,290	31,932
Accounts Receivables - Trade						
Debts	2,022	2,143	2,538	3,234	3,967	4,330
Prepayments and Other						
Receivables	6,950	9,320	11,230	12,877	16,129	16,696
Tax Refund Due from Government	2,444	2,299	2,226	2,297	2,341	2,367
Short Term Investments	3,445	3,351	3,702	4,091	4,521	4,996
Cash & Bank Balances	826	1,104	1,333	1,640	3,093	4,620
TOTAL CURRENT ASSETS	26,938	33,327	39,484	46,686	58,343	64,943
TOTAL ASSETS	41,007	48,821	55,137	62,500	74,328	81,110
Equity						
Share Capital	8,889	8,889	8,889	8,889	8,889	8,889
Share Premium	1,503	1,503	1,503	1,503	1,503	1,503
Retained Earnings	4,119	5,415	6,960	10,573	15,561	21,501
Total Equity	14,511	15,807	17,352	20,965	25,953	31,893
NON-CURRENT LIABILITIES						
Long Term Loans	3,707	3,300	2,888	2,475	2,063	1,650
Lease Liability	52	50	47	44	42	40
Deferred Tax Liability	859	859	859	859	859	859
TOTAL NON-CURRENT LIABILITIES	4,618	4,208	3,793	3,378	2,963	2,548
CURRENT LIABILITIES						
Current Portion of Non-current liabilities	623	419	424	424	423	423
Short Term Borrowings	7,001	11,240	14,745	16,227	18,886	17,484
Accrued Markup	216	216	216	216	216	216
Provision for Taxation	473	473	473	473	473	473
Payable to related party	5,305	5,431	4,806	4,427	4,801	4,982
Trade Payables, Accruals & Other Liabilities	8,262	11,041	13,334	16,397	20,620	23,099
Total Current Liabilities	21,881	28,822	33,999	38,164	45,420	46,677
Total Liabilities	26,498	33,030	37,792	41,542	48,383	49,226
Total Equity & Liabilities	41,009	48,836	55,144	62,507	74,336	81,119

6.11.3 Cash Flow Statement:

PKR Mn	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Operating Activities						
Profit Before Taxation	3,152	2,813	3,000	7,019	9,677	11,503
Adjustments For:						
Depreciation of PP&E	604	704	713	724	737	750
Amortization of Intangibles	-	-	-	-	-	-
Profit on short-term investments	(253)	(339)	(352)	(389)	(430)	(475)
Loss/(Gain) on Disposal of PP&E	-	-	-	-	-	-
Fair Value gain on Investment Property	-	-	-	-	-	-
Provision for Workers Welfare Fund	27	26	29	51	66	75
Provision for Worker's Profit Participation Fund	107	105	116	203	263	301
Rental Income	(75)	(80)	(85)	(91)	(97)	(103)
Mark Up Expense on Loan from Parent Company	660	687	608	560	607	630
Mark up on Lease Liability	10	10	9	9	8	8
Finance Cost	1,579	1,835	2,283	2,560	2,777	2,800
	2,659	2,947	3,321	3,627	3,932	3,986
Operating Profit before Working Capital Changes	5,811	5,760	6,321	10,645	13,608	15,489
WORKING CAPITAL CHANGES (Increase)/Decrease in Current Assets:						
Stock in Trade	762	(3,859)	(3,344)	(4,092)	(5,745)	(3,642)
Store & Spares	0.21	0.14	(0.25)	(0.26)	(0.30)	(0.07)
Accounts Receivables / Trade Debts	(296)	(121)	(395)	(696)	(732)	(364)
Prepayments and Other Receivables	1,136	(2,369)	(1,908)	(1,646)	(3,251)	(566)
	1,602	(6,348)	(5,648)	(6,434)	(9,729)	(4,572)
Increase/(Decrease) in Current Liabilities:						
Trade Payables, Accrued & Other Liabilities	(87)	2,649	2,147	2,810	3,894	2,103
Payable to related party	520	(560)	(1,233)	(939)	(233)	(449)
Cash generated from / (used in) operations	7,846	1,500	1,587	6,082	7,540	12,571
Finance Cost Paid	(1,579)	(1,835)	(2,283)	(2,560)	(2,777)	(2,800)
Income Taxes Paid	(1,032)	(312)	(117)	(521)	(651)	(728)
	(2,612)	(2,146)	(2,400)	(3,081)	(3,428)	(3,528)
Cash Flows from Operating Activities	5,234	(646)	(813)	3,001	4,112	9,043
INVESTING ACTIVITIES						

Additions in PPE	(3,330)	(2,143)	(863)	(886)	(909)	(932)
Additions in CWIP	-	-	-	-	-	-
Additions in Intangible Assets	-	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-	-
Additions in Investment Property	-	-	-	-	-	-
Rental Income Received	73	79	84	90	95	102
Interest Income Received	288	339	352	389	430	475
Short Term Investments - Net	(1,680)	94	(352)	(389)	(430)	(475)
CASHFLOWS FROM INVESTING ACTIVITIES	(4,648)	(1,630)	(779)	(796)	(813)	(831)
FINANCING ACTIVITIES						
Proceeds Received Against Issuance of Shares	2,392	-	-	-	-	-
Share Deposit Money Received	-	-	-	-	-	-
Dividends Paid	(867)	(1,060)	(1,264)	(2,956)	(4,081)	(4,860)
Long-term loans - Net	2,640	(610)	(407)	(413)	(413)	(413)
Lease Liability repaid	(13)	(13)	(13)	(12)	(11)	(11)
Short Term Borrowings - Net	(4,155)	4,239	3,505	1,482	2,659	(1,402)
CASHFLOWS FROM FINANCING ACTIVITIES	(4.01)	2,555	1,821	(1,898)	(1,845)	(6,685)
Net Change in Cash During Period	581	278	229	306	1,453	1,527
Cash & Cash Equivalents at the BOP	245	826	1,104	1,333	1,640	3,093
Cash & Cash Equivalents at the End of Period	826	1,104	1,333	1,640	3,093	4,620

6.11.4 Macro-economic Assumptions:

	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
3M KIBOR ⁷⁹	11.00%	11.48%	11.48%	11.48%	11.48%	11.48%
Inflation - Pakistan ⁸⁰	7.74%	6.50%	6.50%	6.50%	6.50%	6.50%
Inflation - China ⁸¹	0.70%	1.40%	1.80%	1.90%	2.00%	2.00%
Inflation - US ⁸²	2.40%	2.20%	2.20%	2.20%	2.20%	2.20%
USD to PKR ⁸³	292.36	304.66	317.48	330.84	344.76	359.26
PKR Depreciation/(Appreciation)	5.21%	4.21%	4.21%	4.21%	4.21%	4.21%
USD to RMB ⁸⁴	7.13	7.08	7.05	7.03	7.01	7.00
RMB Depreciation/(Appreciation)	-1.66%	-0.78%	-0.39%	-0.29%	-0.20%	-0.20%
RMB to PKR ⁸⁵	41.55	43.63	45.65	47.71	49.82	52.01
PKR Depreciation/(Appreciation)	6.99%	5.03%	4.62%	4.51%	4.41%	4.41%

6.11.4 Operating Assumptions:

	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
COGS (as % of Sales)	89%	91%	92%	89%	89%	89%
Admin Expenses (as % of Sales)	0.5%	0.5%	0.4%	0.3%	0.3%	0.3%
Other Income (as % of Sales)	0.7%	0.7%	0.6%	0.5%	0.5%	0.5%
Other Expenses (as % of Sales)	0.3%	0.2%	0.2%	0.3%	0.3%	0.3%
Effective Tax Rate	31%	16%	6%	6%	6%	6%

⁷⁹ Source: AHL Research

⁸⁰ Source: <https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEO WORLD/PAK/CHN/USA>

⁸¹ Source: <https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEO WORLD/PAK/CHN/USA>

⁸² Source: <https://www.imf.org/external/datamapper/PCPIPCH@WEO/WEO WORLD/PAK/CHN/USA>

⁸³ Source: SBP, projected using PPT

⁸⁴ Source: <https://fred.stlouisfed.org/series/DEXCHUS#>, projected using PPT

⁸⁵ Source: SBP, projected using PPT

6.11.5 CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS:



Date: 31st March 2026

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi – 74000.

Chief Listing Officer
Listing Department
Pakistan Stock Exchange Limited
Karachi

Subject: Certification of Reasonableness of Financial Projections as per Schedule 1 14(vii):(xiii) of the Public Offering Regulations, 2017

Dear Sir(s),

We, Arif Habib Limited, acting as the Consultant to the Issue in connection with the proposed Initial Public Offering of Select Technologies Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending FY2030 included in the draft Prospectus and submitted to the Exchange.

Based on our sector expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP).

Disclaimer:
The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected. This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implication involved.

For and on Behalf of Arif Habib Limited



Farhan Abbas Rizvi
Managing Director, Investment Banking



Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 9653
 Lahore Office: Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19, Khayaban-e-Awwan-e-Iqbal, Lahore, | Tel: +92 42 3631 3700 - 11, 3631 3741 - 44
 Islamabad Office: Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06
 Peshawar Office: F16-F17, 1st Floor, The Mall Tower, Peshawar Cantt | Tel: +92 91 5252913
 Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kahinore City, Faisalabad. | Tel: +92 41 8531010-3
 Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. | Tel: +92 61 4514412
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Ch. Khairpur uz Zaman Road,
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(92 21) 111 467 000

14th, April 2026

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi – 74000.

Chief Listing Officer
Listing Department
Pakistan Stock Exchange Limited
Karachi

Subject: **Certification of Reasonableness of Financial Projections as per Schedule 1 14(vii)-(xiii) of the Public Offering Regulations, 2017**

Dear Sir(s),

We, Intermarket Securities Limited, acting as the Joint Consultant to the issue in connection with the proposed Initial Public Offering of Select Technologies Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending FY2030 included in the draft Prospectus and submitted to the Exchange.

Based on our sector expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP). Disclaimer: The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected.

This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implication involved.

For and on Behalf of **Intermarket Securities Limited**

Wajid Hussain
Chief Executive Officer



Branch - I

Pakistan Stock Exchange New Building
10th Floor, Room Nos. 1009NB-1010NB
Stock Exchange Road, Karachi 74000
Pakistan.
(92 21) 111 467 000

Branch - II

Plot # 38-A,
Adjacent Genie Plaza,
Korangi Creek,
Karachi 75150, Pakistan.
(92 21) 111 467 000

Branch - III

Pakistan Stock Exchange
105-140 & 140S, 3rd and 4th Floor,
Stock Exchange Building,
Stock Exchange Road, Karachi.
(92 21) 111 467 000

Branch - IV

Suite No. 202, 2nd Floor,
Bilal Trade Centre
Block-3, Plot No. 180,
S.M.C.H.S. Karachi
(92 21) 3402991,
3402995-E

Branch - V

Office No. 34-35, Mezzanine Floor,
Business Arcade, Movenpick Hotel,
Plot No. CL-15, Survey No. 2,
Dr. Ziauddin Ahmed Road Karachi.
(92 21) 111 467 000

Branch - VI

7th Floor, M M Towers,
Property No. 25, Block X,
M M Alam Road,
Gulberg III, Lahore.
(92 42) 3578854, 3587886



www.intermarket.com.pk



UAN (92 21) 111 467 000

6.12. REVALUATION OF ASSETS

SELECT has ownership of investment property comprising of freehold land and building held by the Company for capital appreciation and rental income. The fair value of the investment property was determined by an external, independent property valuer, KGT (Pvt.) Limited. The independent valuer provides the fair value of the Company's investment property at least once every financial year, as per Company's policy.

Particulars	Details
Date of Acquisition	February 01, 2023
Date of Latest Valuation	June 30, 2025
Covered Area	104 B-I, MM Alam Road, Gulberg III 3,790 Square Meters
Fair Value	1,713,000,000
Cost	1,350,000,000

6.13. DIVIDEND POLICY

The following table discloses a non-binding expected dividend pay-out ratio, highlighting the percentage of earnings expected to be distributed to the shareholders as dividend in case the company is profitable, has cash and does not intend to pursue any expansion opportunities.

	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Dividend Payout Ratio (Dividend/Earnings)	40%	45%	45%	45%	45%	45%

The Company intends to follow a profit distribution policy that resembles that of its Parent Airlink, with future dividend payments being influenced by factors including profitability, availability of adequate cash flows, the Board's recommendation, and shareholders' approval, where required.

The rights in respect of bonus issues and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act. Under Section 242 of the Companies Act, any dividend payable in cash by a listed company shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the applicants must provide the details of the bank account in the relevant part of the Shares Subscription Form.

No bonus shares issued in last 5 years. Select Technologies Limited did not pay any dividends in the last 5 years.

Covenants / Restriction on Payment of Dividends:

It is stated that there is no restriction on the Company by any regulatory authority, creditor, stakeholder, etc. on the distribution and capitalization of its profits.

Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6.13 (B) DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL

SELECT has no associated listed Company over which it has control.

7. BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS

S. No	Name	Designation	Address	CNIC / Passport No:	Period of Directorship	Directorship in other companies
1	Muzzaffar Hayat Piracha	Chairman / Non-Executive Director	House No. 26/1-G, Model Town, Lahore	42000-7994715-9	Appointed 10-03-2026	<ul style="list-style-type: none"> Select Communication (Pvt.) Limited Best Electronics (Pvt.) Limited Air Link Communication Inc. Canada Air Link Communication DMCC, UAE Vital Farms (Pvt.) Limited Coral Farms (Pvt.) Limited Next Agro (Pvt.) Limited Fast Cables Limited Zexo Technologies (Pvt.) Limited
2	Adnan Aftab	CEO / Executive Director	House No. 319-GG, Phase 4, DHA, Lahore	42201-6393199-1	Elected 22-10-2025	<ul style="list-style-type: none"> Tariq Glass Industries Limited
3	Sharique Azim Siddiqui	Independent Director	House No. 10-A/II, Sunset Street, Phase II, DHA, Karachi	42301-0886627-7	Appointed 09-01-2026	<ul style="list-style-type: none"> Pakistan International Containers Limited Pakistan International Bulk Terminal Limited Air Link Communication Limited
4	Shaista Bano Gilani	Independent Director	House No. 549, Street 05, G-11/1, Islamabad, Pakistan	61101-1699631-8	Appointed 04-05-2026	<ul style="list-style-type: none"> Sindh Bank Limited Thatta Cement Company Limited
5	Aqdu Faraz Tahir	Independent Director	House No. 95, Street No.10, Sector: I-8/1, Islamabad	61101-7139886-1	Appointed 09-01-2026	<ul style="list-style-type: none"> Air Link Communication Limited
6	Rabiya Muzzaffar	Non-Executive Director	House No. 118-H, Model Town, Lahore	61101-4615061-8	Appointed 09-01-2026	<ul style="list-style-type: none"> Best Electronics (Pvt) Limited Select Communication (Pvt) Limited Zexo Technologies (Pvt) Limited Air Link Communication Limited

						<ul style="list-style-type: none"> Next Agro (Pvt) Limited
7	Mariam Sajjad	Executive Director	House No. 153-C, Street No. 6, Phase 8 DHA Villas, Lahore	35201-9997676-2	Elected 22-10-2025	<ul style="list-style-type: none"> Nil

7.2. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors.

7.3. PROFILE OF DIRECTORS

Muzzaffar Hayat Piracha – Chairman:

Muzzaffar Hayat Piracha is an accomplished entrepreneur with over 25 years of multifaceted leadership experience across the telecom, technology, textile, tourism, and real estate sectors. His career has been defined by building and scaling businesses, leading high-performing teams, and establishing operations aligned with disciplined risk-reward frameworks. With early exposure to European markets, his telecom journey commenced in Italy, shaping a global perspective that continues to inform his strategic approach.

As the founder of Air Link Communication Ltd. in 2010, he has led the Company's evolution into one of Pakistan's leading technology platforms, with integrated capabilities across manufacturing, distribution, and retail. Under his leadership, Airlink has established strong partnerships with globally recognized brands including Xiaomi, Samsung, Tecno, itel, and Hisense, while also serving as Apple authorized reseller. The Company has further expanded its portfolio through collaborations with Acer Gadgets and iMiki, strengthening its position across multiple consumer technology segments.

As Chairman of Select Technologies Limited he provides strategic direction and oversight, positioning it as a key platform for advancing local production, enabling technology localization, and strengthening Pakistan's industrial ecosystem through partnerships with global brands. The establishment of modern manufacturing facilities, including the Sundar industrial facility, reflects this strategic focus on building scalable, high-capacity, and locally driven production infrastructure designed to meet growing market demand and evolving industry standards.

His leadership philosophy emphasizes operational excellence, disciplined execution, and sustainable growth, with a focus on building resilient and future-ready organizations. Over the past decade, he has played a pivotal role in advancing Pakistan's telecom and technology landscape, guided by a long-term vision that extends beyond short-term profitability towards industry development and enduring value creation.

Adnan Aftab – CEO and Executive Director:

Adnan Aftab is a seasoned manufacturing leader and business turnaround strategist with over two decades of experience driving operational excellence, innovation, and large-scale transformations. He is widely recognized for leading complex manufacturing operations, onboarding international brands, and delivering sustainable business growth.

Currently, he serves as Chief Executive Officer and Director at Select Technologies Limited (Pvt.) Ltd., where he continues to steer strategic growth and operational performance. Previously, as General Manager Factories at Air Link Communication Limited, he played a key role in streamlining operations, improving efficiencies, and establishing manufacturing setups for multiple international brands.

Adnan spent 16 years at Dawlance (Pvt.) Ltd., progressing through various leadership roles and ultimately serving as Vice President Factories, overseeing multiple plants and optimizing manufacturing processes. He later served as General Manager Factories at Pak Elektron Limited, where he successfully turned around the business through advanced manufacturing techniques and an innovative product portfolio. He subsequently led the technical function at Singer Pakistan Limited and played a pivotal role in its merger with Waves (Pvt.) Ltd., forming Waves Singer Limited.

Adnan holds an MS in Manufacturing Engineering and a BE in Mechanical Engineering from NED University, Karachi, along with executive education from Harvard Business School. He has led smartphone factory setups, new product development initiatives, ISO-based quality systems, and large-scale manufacturing projects in collaboration with global partners.

Sharique Azim Siddiqui – Independent Director:

Mr. Sharique is the CEO of Pakistan International Bulk Terminal Limited (PIBT). PIBT is Pakistan's first bulk terminal for handling cement, clinker and coal set up at a cost of USD 305 million. He led the team for the bidding of the PIBT terminal in 2007 and was instrumental in the planning and execution of the project. He joined Marine Group of Companies in 1997 and was involved in various Group Ventures. He served as Project Director and Chief Operating Officer at Pakistan International Container Terminal Ltd. from 2002 till 2012 and was in-charge of container terminal's project planning, coordination and implementation.

He also served as CEO of Marine International Container Terminal – an inland Container Depot project with Railways connectivity in Lahore. He did his Bachelors and Masters of Arts in Economics from Tufts University, Boston, USA.

Shaista Bano Gilani – Independent Director:

Ms. Shaista Bano is a seasoned economic, corporate, and regulatory advisor with extensive experience in economic policy, financial services, competition law, and regulatory frameworks. She currently serves as a Member of the National Database and Registration Authority (NADRA) and Chairperson of its HR & Admin Committee, providing strategic oversight of governance, human resources, and organizational administration in a critical national institution. In addition, Ms. Shaista sits as an Independent Director on the Boards of Sindh Bank Ltd and Thatta Cement Company Ltd, where she chairs the Audit and HR Committees, contributing to corporate governance, compliance, and financial oversight while aligning banking operations with SBP regulations.

Ms. Shaista Bano holds an MSc in Economics for Competition Law (King's College London), MBA in Finance, and is a Member of ACCA (UK), combining technical expertise with practical regulatory insight. She has also worked closely with development partners including the World Bank and UNICEF on financial inclusion, taxation reforms, and institutional transitions, equipping her with the experience to lead complex governance and reform agendas across financial, regulatory, and public sector institutions.

Aqduus Faraz Tahir – Independent Director:

Mr. Tahir is an established telecom procurement consultant who played an instrumental role in procurement, logistics and implementation of the PTCL and Ufone telecom network as per international best practices.

He has served as Advisor to PTCL Procurement for implementation of succession setup. Prior to that, he held Executive Vice President (Group Procurement) position at PTCL & Ufone where his responsibilities included heading procurement, logistics and implementation of transformation of procurement setup as recommended by McKenzie. Moreover, he supervised merger of traditional turnkey and supply sections based on latest technologies. He did his Masters of Technology Management from Griffith University, Brisbane, Australia.

Rabiya Muzzaffar – Non-executive Director:

Mrs. Rabiya Muzzaffar did her Master's in Business Administration from NUST University, Islamabad. Her core specialty is in Marketing and Human Capital Management. She is keenly involved in Human Resource efficiency improvement of Airlink which shows in long term retention and satisfaction of human resource employed by the Airlink. She also looks into the outdoor media and marketing campaigns of the Airlink with the objective of deep penetration and access to real consumers of Airlink's Products. She believes in continuous training and development of Human Resource in order to make them compatible for the emerging era.

She attended various conferences, seminars of human capital management of the emerging era, which does not merely to get things done, but also exploring true potential of human resource competencies currently employed.

Mariam Sajjad – Executive Director:

A Modern marketer with a passion of building brands using a multifaceted approach to digital marketing. With expertise in advertising, communication and strategy development, Mariam brings a fresh perspective to the table.

From marketing and branding to content creation and digital engagement, Mariam incorporates modern techniques using world's best digital channels. Her focus is to build brand reputation and create a thriving community on social networks as well as on offline channels.

Starting her career in 2014, she has effectively contributed to growth of multiple brands. She passionately advocates customer centricity and leveraging bleeding edge competitive intelligence techniques. Ms. Mariam is MPhil in Development studies from Lahore School of Economics.

7.4. PROFILE OF SENIOR MANAGEMENT

Nusrat Mahmood – Chief Financial Officer:

Mr. Nusrat is an accomplished management accountant and chemical engineer, having over two decades of experience across multiple industries, including textiles, fertilizers, and telecommunications. His role at SELECT involves developing financial policies, establishing internal controls, and overseeing the Enterprise Resource Management system. Mr. Nusrat is also a fellow member of the Institute of Cost and Management Accountants of Pakistan.

Amer Latif – Company Secretary:

Mr. Amer Latif serves as the company secretary of Select Technologies Limited, where his key roles include overseeing legal matters, ensuring compliance with relevant laws and regulations, and liaising with regulatory bodies. He has over 25 years in secretarial practice and corporate law, holding positions within the SECP's law division. Mr. Amer is also the member of the Lahore Bar Association and Lahore High Court Bar Association.

7.5. QUALIFICATION OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 of the Companies Act relating to the election of Directors and matters ancillary thereto. Subject to the provisions of the Companies Act, the Company may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he/she had become a Director on the day on which the Director in whose place he/she is chosen was last elected as Director.

The Company may remove a director in accordance with the provisions of the Companies Act. The last election of Directors was held on 22-10-2025.

As per Article 44, the Directors shall appoint a chief executive on such terms and conditions as they determined in accordance with the relevant provisions of the Companies Act 2017.

7.7. INTEREST OF DIRECTORS AND PROMOTERS

The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company.

The following Directors are holding Ordinary Shares of the Company:

Name	Designation	Share Held (No.)	Ownership %
Muzaffar Hayat Piracha	Chairman	1	0.00%
Adnan Aftab	CEO/Executive Director	1	0.00%

Sharique Azim Siddiqui	Independent Director	1	0.00%
Shaista Bano Gilani	Independent Director	1	0.00%
Aqduus Faraz Tahir	Independent Director	1	0.00%
Rabiya Muzzaffar	Non-executive Director	1	0.00%
Mariam Sajjad	Executive Director	1	0.00%

7.8. INTEREST OF THE DIRECTOR AND PROMOTER IN PROPERTY/ASSETS AND PROFIT OF THE COMPANY

Directors have no interest in the property/assets and profits of the Company except to the extent of their respective shareholding in the Company.

7.9. REMUNERATION OF THE DIRECTORS

As per Article 42, The remuneration of the Directors including remuneration for attending meetings of the Board or the Committees of the Directors or any additional remuneration in the form of some fixed sum to the Director being willing to call upon to perform more services or making any exertions for the performance of the Company, shall from time to time be determined and approved by the Board subject to the provisions of the Act.

The Company may also pay to any director all such reasonable expenses as the Director may incur in attending and returning from meetings of the Directors or Committees of Directors or which the Director may otherwise incur in or about business of the Company.

7.10. BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST THREE YEARS

The Company provides Company maintained cars to certain executives. Apart from the remuneration for services rendered as executives of the company and benefits mentioned above, no amount of benefits has been paid or given during the last three years to any director of the Company. No meeting fee for attending Directors Committee meetings were paid to the any director of the company.

No amount of benefits has been paid or given during the last three years to any sponsor shareholders of the Company other than dividends as and when declared by the Company.

7.11. VOTING RIGHTS

As per Article 34, Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of Directors in which case the provisions of Section 159 shall apply. On a poll every member shall have voting rights as laid down in Section 134.

7.12. AUDIT & RISK MANAGEMENT COMMITTEE

The audit committee comprises of the following members:

S. No	Name	Designation
1	Mr. Shaista Bano Gilani (Independent Director)	Chairman
2	Mr. Sharique Azim Siddiqui (Independent Director)	Member
3	Ms. Rabiya Muzzaffar (Non-executive Director)	Member

The board of directors of the Company shall determine the terms of reference of the audit committee, providing adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee includes the following:

- Determination of appropriate measures to safeguard the company's assets;
- Review of annual and interim financial statements of the company, prior to their approval by the board of directors, focusing on:
 - major judgmental areas;

- significant adjustments resulting from the audit;
 - going concern assumption;
 - any changes in accounting policies and practices;
 - compliance with applicable accounting standards;
 - compliance with these regulations and other statutory and regulatory requirements; and
 - all related party transactions.
- Review of preliminary announcements of results prior to external communication and publication;
 - Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
 - Review of management letter issued by external auditors and management's response thereto;
 - Ensuring coordination between the internal and external auditors of the company;
 - Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
 - Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
 - Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
 - Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
 - Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
 - Determination of compliance with relevant statutory requirements;
 - Monitoring compliance with these regulations and identification of significant violations thereof;
 - Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
 - Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
 - Consideration of any other issue or matter as may be assigned by the board of directors.
 - Monitoring and review of all material controls (financial, operational, compliance)
 - Risk mitigation measures are robust and integrity of financial information is ensured
 - Appropriate extent of disclosure of the company's risk framework and internal control system in Directors' report.

7.13. HUMAN RESOURCE, REMUNERATION & SUSTAINABILITY COMMITTEE

The Human Resource, Remuneration & Sustainability Committee consists of the following members:

S. No	Name	Designation
1	Mr. Sharique Azim Siddiqui (Independent Director)	Chairman
2	Mr. Aqdu Faraz Tahir (Independent Director)	Member
3	Ms. Mariam Sajjad (Executive Director)	Member

The terms of reference of the Human Resource, Remuneration & Sustainability Committee includes the following:

- Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- Recommending human resource management policies to the board;
- Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.
- Monitor and review all sustainability-related risks and opportunities to ensure these considerations are embedded within the organization's strategy to increase corporate value.
- Ensure Diversity, Equity, and Inclusion (DE&I) practices are effectively applied across all board committees and organizational policies.
- Oversee compliance with all relevant laws and regulations pertaining to sustainability (ESG) considerations and ensure the appropriate public disclosure of related performance and compliance matters.

7.14. POWERS OF DIRECTORS

The business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the company in general meeting but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time, without the sanction of the company in general meeting, exceed the issued share capital of the company.

The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

7.15. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per Article 90, every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favor or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

7.16. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS

As of April, 2026, there are no pending litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors.

8.2. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange against the issuer (i.e. Select Technologies Limited) or its associated companies over which the issuer has control.

8.3. ACTIONS/PENALTIES IMPOSED ON THE ISSUER BY THE COMMISSION DURING THE PAST FIVE YEARS

No action has been taken by the Commission against the issuer (i.e. Select Technologies Limited) or its associated companies over which the issuer has control.

8.4. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1. UNDERWRITING

S. No	Name(s) of Underwriters	Number of Shares Underwritten	Amount Underwritten (at Floor)	Amount Underwritten (at Cap)
1.	Intermarket Securities Limited	10,714,286	300,000,008	450,000,012
2.	Dawood Equities Limited	4,761,905	133,333,340	200,000,010
3.	Ismail Iqbal Securities (Private) Limited	3,571,429	100,000,012	150,000,018
4	Sherman Securities (Private) Limited	3,174,602	88,888,856	133,333,284
Total		22,222,222	622,222,216	933,333,324

9.2. OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Select Technologies Limited, the resources of the Underwriters are sufficient to discharge their underwriting commitments.

9.3. RATE OF UNDERWRITING AND TAKE-UP COMMISSION

S. No	Underwriters	Rate of Underwriting (%)	Take up Commission (%)
1.	Intermarket Securities Limited	1%	1%
2.	Dawood Equities Limited		
3.	Ismail Iqbal Securities (Private) Limited		
4	Sherman Securities (Private) Limited		

9.4. STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

The underwriters nor any of their associates have entered into any buyback or repurchase agreement with the issuers or any other person in respect of this issue.

Also, neither the Offerors nor any of their associates have entered into any buy-back/repurchase agreement with the underwriters or their associates. The Offerors and their associates shall not buyback/repurchase shares from the underwriters and their associates

9.5. FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on applications received through PES and CES will be paid to PSX and CDC, which shall be not more than 0.80% of the total applications. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them.

9.6. RATE OF BROKERAGE COMMISSION

The Issuer will pay brokerage to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment

9.7. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed **PKR 96,892,889/-** The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Advisory Fee	2.05% of the Issue Size	51,022,222
Underwriting Fee	1.00% of the Retail Portion	6,222,222
CDC and PSX e-PO facility charges	0.80% of the Retail Portion	4,977,778
Brokerage Commission	1.00% of the Book-building Portion	18,666,667
PSX Initial Listing fee		2,200,000
PSX Book Building software charges		1,000,000
Share Registrar, Transfer Agent and Balloting Agent		800,000
Advertising, Printing & Publication of Prospectus & Marketing / Roadshows		6,000,000
CDC Fresh Issue fee	0.144% of the Issue Size	3,584,000
CDC Eligibility fee		1,000,000
SECP Supervisory fee		220,000
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
Total		96,892,889

*All fees are based on the Floor price and are subject to change with the strike price.

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE / CORPORATE OFFICE

Office: 152/1-M. Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan

Contact No: 042-35151345

Email: company.secretary@selecttechnologies.pk

Website: <https://selecttechnologies.pk/>

10.2. BANKERS TO THE COMPANY

S. No.	Name	Address	Contact Person	Contact No.	Email
1	Askari Bank Limited	Parklane Tower Branch Gulberg Lahore	Adnan Riaz Qureshi	0300-4140012	adnan.19321@askaribank.com.pk
2	Bank Al Habib Limited	New Garden Town Branch, Lahore	Muhammad Ali	0333-1156245	muhammad_ali@bankalhabib.com
3	Bank Al Habib Limited	M.M Aalam Road Branch Lahore	Muhammad Ali	0333-1156245	muhammad_ali@bankalhabib.com
4	Bank Al Habib Limited	M.M Aalam Road Branch Lahore	Muhammad Ali	0333-1156245	muhammad_ali@bankalhabib.com
5	The Bank of Khyber	M.M Aalam Road, Ali Trade Centre Lhr.	Jahangir Azhar	0333-6176090	jahangir.azhar@bok.com.pk
6	Dubai Islamic Bank	Mall Road Branch, Lahore	Tajamul Ilyas	0321-4010082	tajammul.ilyas@dibpak.com
7	JS Bank	Upper Mall Branch, Lahore	Hashim Arshad	0304-9051295	hashim.arshad@jsbl.com
8	Bank Al Falah	Hali Road Branch Lahore	Nauman Shafique	0324-8449339	nauman.shafique@bankalfalah.com
9	ICBC	Jail Road	Hammad Ali	0300-0061506	hammad.ali@pk.icbc.com.cn
11	The Bank of Khyber	Johar Town Branch	Jahangir Azhar	0333-6176090	jahangir.azhar@bok.com.pk
12	Sindh Bank	Gulberg Branch, Lahore.	Awais Shaheen	0333-4122719	awais.shaheen@sindhbankltd.com
13	Bank Al Falah	Gulberg Branch, Lahore.	-	-	-
14	Faysal Bank Limited	Ferozpur Road, Nasir Abad Lahore	Hafiz Muhammad Imran	0321-4156993	hafizimran@faysalbank.com
15	National Bank of Pakistan	Kohinoor City Faisalabad	Iftikhar Ahmad	0345-7703234	iftikhar.ahmed02@nbp.com.pk
16	Allied Bank Limited		Kashif Hanif	0321-4599038	Kashif.Hanif@abl.com
17	Soneri Bank	Mall Road Branch, Lahore	Aitazaz Azeem	0321-4528302	aitzaz.azeem@soneribank.com
18	Bank Al Falah	LDA Plaza Building Egerton Road, Lahore	Arsalan Ahmad	0333-4345630	arслан.ahmad@bankalfalah.com
19	Bank Al Falah	LDA Plaza Building Egerton Road, Lahore	Arsalan Ahmad	0333-4345630	arслан.ahmad@bankalfalah.com
20	Bank Al Falah	Montgommery Road Branch	Muhammad Usman	0321-4267575	usmanm@bankalfalah.com

21	UBL	Main Liberty Market Branch Gulberg	Muhammad Ali	0300-9461436	hr.hbm0962@ubl.com.pk
22	Habib Bank Limited	102-103, Upper Mall Branch, Lahore	Hassan Sheharyar	0321-1400022	hassan.sheharyar@hbl.com
23	NBP Islamic	Main Boulevard Gulberg Pace Tower Lahore	Mariam Firdaus	042-99268428	mariam.firdaus@nbp.com.pk
24	Meezan Bank Limited	Usman Block New Garden Town Branch, LHR	Hafiz Muhammad Waseem	0320-4426206	PBM.LHR04@meezanbank.com
25	Bank Islami	Usman Block New Garden Town Branch, LHR	Umair Ahmad	0304-4326872	umair.ahmad87127@bankislami.com.pk
26	Meezan Bank Limited	Usman Block New Garden Town Branch, LHR	Hafiz Muhammad Waseem	0320-4426206	PBM.LHR04@meezanbank.com
27	Bank of Punjab	5th Avenue M.M Tower Gulberg	Mubashar Hussain	0321-3520407	mubashar.hussain1@bop.com.pk
28	Meezan Bank Limited	Usman Block New Garden Town Branch, LHR	Hafiz Muhammad Waseem	0320-4426206	PBM.LHR04@meezanbank.com
29	Bank Islami Pakistan	Usman Block New Garden Town Branch, LHR	Umair Ahmad	0304-4326872	umair.ahmad87127@bankislami.com.pk
30	Bank Al Habib Limited	M.M Alam Road Gulberg Branch	Muhammad Ali	0333-1156245	muhammad_ali@bankalhabib.com
31	Faysal Bank Limited	Factory Area Gulberg Branch	Miss Anam Younis	0300-7010142	anumyounis@faysalbank.com

10.3. AUDITOR OF THE COMPANY

Name: BDO EBRAHIM & CO CHARTERED ACCOUNTANTS

Address: Askari Corporate Tower, 6th Floor, 75/76 D-1, Main Boulevard, Gulberg III, Lahore-54660.

Phone: 021-35683030

Email: info@bdo.com.pk

10.4. LEGAL ADVISOR OF THE COMPANY AND TO THE ISSUE

Name: Ahmad and Dhariwal, Advocates and Corporate Consultants

Address: Suite F 325, Third Floor, Queens Plaza, 13 Durand Road, Near Shimla Hill, Lahore

Phone: +92-302-5016323, +92-321-8090901

Email: ahmadanddhariwal@gmail.com

10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

Name: CDC Share Registrar Services Limited

Address: CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74400.

Email: info@cdcsrsl.com

Website: www.cdcpakistan.com

Phone: 021-111 111 500

10.6. LEAD MANAGER / CONSULTANT TO THE ISSUE

Name: Arif Habib Limited
Address: Arif Habib Center
23, MT Khan Road, Karachi
Tel: 021-3828 0273, 021-3828 0271
Fax: 021-3243 3542
Email: hamza.rehan@arifhabibltd.com
Website: www.arifhabibltd.com

10.7. JOINT CONSULTANT TO THE ISSUE

Name: Intermarket Securities Limited
Address: 5th Floor, Bahria Complex-IV Ext-Block,
Ch. Khalique-uz-Zaman Road, Gizri, Karachi
Tel: +92 307 2179629
Email: ibrar.hussain@imsecurities.com.pk
Website: www.imsecurities.com.pk/

10.8. Eligible Participants

All Eligible participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing member of NCCPL.

Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building.

11. MATERIAL CONTRACTS

11.1 DETAILS OF SHORT-TERM FINANCING FACILITIES (FUNDED AND NON-FUNDED)

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned / Issued	Expiry / Review Date
JS Bank Limited	Sight-Letter of Credit (SLC)	5,000	3MK + 3%	31.01.2025	31.01.2026 Renewal in Process
	Finance Against Trust Receipt (FATR)	1,150			
	Sub-Limit of FATR (STF)	1,150			
	STFF II	2,000			
Bank Al Habib Limited	Sight-Letter of Credit (SLC)	7,500	3MK + 2%	01.04.2025	31.03.2026
	Finance Against Trust Receipt (FATR)	5,340			
	Sublimit of FATR (STF)	640			
Pak China Investment Bank	STF	1,000	3MK + 2.25%	26.06.2025	26.06.2026
	Letter of Comfort Facility (LOC) Sub-Limit of STF	800			
Faysal Bank Limited	Facility for Letter of Credit (SLC)	3,000	6MK + 2%	01.12.2024	31.01.2026 Renewal in Process
	Tijarah Finance Facilities	1,000			
Bank of Punjab	Sight-Letter of Credit (SLC)	2,000	3MK + 1.6%	11.04.2025	30.04.2026
	Finance Against Imported Merchandise (FIM) Sub-Limit of SLC	1,500			
	Cash Finance Sub-Limit of SLC	1,500			
Saudi Pak Investment Company	Short-Term Financing Facilities	437	3MK + 2.25%	01.12.2025	30.11.2026
Sukuk	6-month Tenor Sukuk	5,500	6MK + 1.60%	6 Month Rotation	6 Month Rotation

11.2 DETAILS OF LONG-TERM FINANCING FACILITIES

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned / Issued	Expiry / Review Date
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Bank Al Habib	Long-term Loan	800	3MK + 2%	04.03.2022	16.04.2028
Pak Oman Investment Company	Long-term Loan	500	3MK + 2%	04.06.2025	04.06.2028
Saudi Pak Industrial and Agricultural Investment Company Limited	Long-term Loan	900	3MK + 2.5%	27.07.2022	27.07.2027
OLP Financial Services Pakistan Limited	Long-term Loan	240	6MK + 5%	30.01.2024	25.01.2027

11.3 SUPPLIERS & VENDORS

Vendor	Goods / Service Procured	Formal Agreement (Yes / No)	Long-term or short-term agreement
Xiaomi H.K Ltd	SKD kits	Yes	Long-term
Hisense Singapore Ltd	CKD Components	Yes	Long-term

11.4 CUSTOMERS

Customer	Goods / Service Produced	Formal Agreement (Yes / No)	Long-term or short-term agreement
Xiaomi Pakistan Limited	Smartphones & Smart-TVs	Yes	Long-term
Air Link Communication Limited	Smart-TVs and Air Conditioners	Yes	Long-term

11.5 INSPECTION OF DOCUMENTS AND CONTRACTS

Documents relating to the Issuer (i.e. Select Technologies Limited) and the issue, including copies of all agreements, contracts and reports referred to in the prospectus, will be made available for inspection at the registered office of the company at 152/1-M Quaid-e-Azam Industrial Estate Kot Lakh Pat, Lahore, Punjab, Pakistan, during usual business hours from the date of publication of this prospectus till the closing of subscription list.

11.6 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1. IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The Issue comprises of 88,888,889 Ordinary Shares of face value worth PKR 10/- each, which constitutes 10% of the Post-IPO Paid Up Capital of the Company.

Of the entire Issue of 88,888,889 Ordinary Shares, seventy five percent (75%) of the issue i.e. 66,666,667 shares will be offered through the Book Building process at a Floor Price of PKR 28/- per share with a price band of 50% above the floor price i.e. PKR 42.00/-.

The bidders shall be allowed to place bids for seventy five percent (75%) of the Issue size and the Strike Price shall be the price at which the seventy five percent (75%) of the Issue is subscribed. The remaining 25% of the issue i.e. 22,222,222 will be offered to retail investors. The retail portion will be fully underwritten, with, Dawood Equities Limited, Intermarket Securities Limited, Sherman Securities (Private) Limited and Ismail Iqbal Securities (Private) Limited acting as the underwriters to the issue.

Unsubscribed shares, if any, of the retail (General Subscription) portion will be taken up by the underwriters to the issue.

Within 1 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.2. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “**Limit Bid**”, or a “**Step Bid**”, each of which are explained below:

Limit Bid: Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The amount of any individual limit bid shall not be less than PKR. 2,000,000.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 28/- per share, based on which the total Application Money would amount to PKR 33 Mn. In this case the Bid Amount will be also be PKR 30 Mn. Since the Bidder has placed a Limit Bid of PKR 28/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 28/- per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 2,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR 28 per share, 3 Mn shares at PKR 28.5 per share and 2 Mn shares at PKR 30 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 285.5 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

RESTRICTIONS:

- (i) AN ELIGIBLE INVESTOR SHALL NOT:
- (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
 - (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS
 - (d) PLACE CONSOLIDATED BID
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
 - (g) WITHDRAW BID
- (ii) IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:
- a. The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.
 - b. The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.
- Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.*
- (iii) RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE OR THE OFFER FOR SALE) ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.
- (iv) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.
- (v) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.
- (vi) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3A (vi).

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process

as per the Joint Procedures. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.3. Time Frame for Intimation to the Successful Bidders and Mechanism for Payment of the Balance Amount by the Successful Bidders

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

12.4. NCSS Designated Time Schedule for Book Building

	Activity⁸⁶	Start Time:	End Time:
Monday to Friday	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	9:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	9:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	9:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	9:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	9:00 AM	12:00 PM

12.5. Eligible Participant(s) for Book Building:

All Eligible Participants including securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

- i. Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.
- ii. Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.

⁸⁶ Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building

- iii. Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member — PCM (EClear Services Limited).
- iv. Eligible Participant shall collect advance amount/margin money against bids from the bidders.

12.6. Name of the Designated Institution and its Roles and Responsibilities:

PSX being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

- I. record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;
- II. provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;
- III. generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
- IV. record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
- V. display the bids revised, and date and time of upward revision;
- VI. neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;
- VII. display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;
- VIII. build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
- IX. discover the strike price at the close of the Bidding Period;
- X. generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and
- XI. ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.7. Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount., appearing in the report obtained from the credit information bureau;
2. The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Consultant to the Issue, Underwriters, Balloter and Share Registrar, are appointed through separate agreements in writing.

4. It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.
5. The shares shall be issued in book-entry form only.

12.8. Opening and Closing of the Registration Period

The Registration period shall be for **Five (5) working days** as under:

REGISTRATION PERIOD	
TBD	9:00am to 5:00pm
TBD	9:00am to 5:00pm
TBD	9:00am to 5:00pm
TBD	9:00am to 5:00pm
TBD	9:00am to 3:00pm

12.9. Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

BIDDING PROCESS STARTS ON	TBD
BIDDING PROCESS ENDS ON	TBD

12.10. Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).

12.11. Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of Select Technologies Limited, and AHL (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. <http://www.arifhabibtd.com>, <http://www.psx.com.pk> and <https://selecttechnologies.pk/>
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Eligible Participants at the for registration for submitting their Bids.
4. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.

12.12. Procedure for Registration

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue a public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.
4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by the Book Building System to the authorized person of Eligible Participants at their registered email addresses and designated mobile numbers.

6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.
8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.
14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder.

Explanation:

 - In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
 - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration, shall authorize the Eligible Participant for placing bid on his behalf.
17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (**email, name, phone number** etc.). Book Building System will share the **User ID, PIN** and **password** directly with the bidder via registered email and mobile number.
18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
19. At the end of the bidding period, **successful bidders and their Eligible Participants** shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at **B+1** within the time specified in the Joint Procedures.
20. Upon conclusion of the Book Building process and determination of successful bidders, **NCCPL** shall commence its **pay and collect process** at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its **shortfall management process** in accordance with the Joint Procedures.
21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.
22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

12.13. Procedure for Bidding

The following procedure shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.
2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bid for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorize the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. **Eligible Participants** shall collect the **margin money** from the bidders and deposit the same with the **NCCPL**.
8. **Individual** and **institutional investors** shall pay **100% of the bid amount** as margin money to the Eligible Participant; provided that the Eligible Participant may accept a **lower margin** from bidders based on its own **risk assessment**.
9. In the case of **undisclosed bidding**, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as **name, email address, and phone number**. The Book Building System shall share the **User ID, URL for the bid screen, PIN, and password** directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the **credentials for participation** in the bidding process shall be forwarded by the Book Building System to the user — i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding — via their registered email and mobile number.
11. Eligible Participants may limit the **amount of bidding** by their bidders, depending on the margin money received and their own risk assessment criteria.
12. In the event of a **Trading Only Broker** and their clients, the user bidding account must be created through a **Professional Clearing Member (PCM)**.
13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.
14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.
15. NCCPL shall communicate the **confirmation of advance/margin money** received against the bid amount of Eligible Participants to the **Designated Institution** in accordance with the Joint Procedures.

16. Based on the information shared by the NCCPL, the **Designated Institution** (PSX) shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes
17. NCCPL shall continue to share **real-time information** with PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.
18. Eligible Participants may bid **on behalf of their clients** in the case of disclosed bids, whereas users may bid **anonymously** using their provided credentials during the bidding period, within the maximum participation amount assigned.
19. The Book Building System shall ensure that all bids are submitted **within the assigned limits**, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.
20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until **4:30 pm** on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
21. Bidders may **revise their bids upward** until **5:00 p.m. on the last day** of the bidding period
22. At the close of the bidding period, the **Strike Price** shall be determined by the Book Building System on the basis of the **Dutch Auction Method**.
23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by **12:00 pm**, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.
24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.
25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.
26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.
27. Bidders who have submitted bids at prices **above the Strike Price** shall be allotted shares **at the Strike Price**.
28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the **allotment** shall be made based on **highest bid priority** — that is, bids made at the highest price shall be considered first for share allocation.
29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted **on a proportionate basis** among the bids made at the Strike Price.
30. Bidders who have made bids **below the Strike Price** shall not qualify for allotment of shares.
31. **Restrictions:**
 - a. The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.
 - b. The bidder shall not:
 - make bid below the Floor Price and above the upper limit of the Price Band;
 - make bid for more than 10% of the shares allocated under the Book Building Portion;
 - subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
 - make consolidated bid;

- make more than one bid either severally or jointly;
 - make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same; or
 - withdraw the Bid.
- c. No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

12.14. Title and number of the bank account for book building portion of the issue and Mechanism for payment of the margin money into the book building account.

The margin requirements for Eligible Participants shall be as under:

- I. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.
- II. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant. provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- III. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DF! is acting as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.
- IV. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.
- V. For participation with 0% margin money for proprietary trades:
 - i. Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
 - ii. Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
 - iii. If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorized to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
 - iv. The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.
- VI. Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 28/- per share, then the total Application Money would amount to PKR 33 Mn. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR 28/- per share, 3 Mn shares at PKR 33.5/- per share and 2 Mn shares at PKR 36/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 337.5 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, Eligible Participant shall collect advance/margin money against bids based on their own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts.

12.15. PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

- (i) A Pakistan national resident outside Pakistan,
- (ii) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,
- (iii) A foreign national, whether living in or outside Pakistan and
- (iv) A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the **book-building process** for subscription of shares may do so through the **Roshan Digital Account (RDA)** — an initiative of the State Bank of Pakistan designed to facilitate **Non-Resident Individual Pakistanis (NRIPs)** in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.

To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorize the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). The CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an **active Investor Account** maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the **CDC e-Services Portal** at <https://csp.cdcaccess.com.pk> and complete the **e-IPO Subscription Form** by entering the CDC Participant ID (03277) and the Investor Account Number to generate a **Subscription ID**. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the **CDC-designated bank account** maintained with the same bank.

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to roshandigital@cdcpak.com. Both the payment and the eIPO Subscription Form must reach the CDC **no later than 12:00 p.m. (PST) on the last day of the subscription period**. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the **refund process**, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

12.16. Procedure for Rejection of Bids

As per Regulation 9(37) & (38) of the PO Regulations:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at **B+1** within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

12.17. Time Frame for Upward Revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the contacting their respective eligible participant or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.18. Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 50% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 28.00/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 28.00/- per share, registered bidders may place or revise their bids at/to any price between PKR 28.00/- per share to PKR 30.80/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 28/- per share to PKR 30.80/- per share, the registered bidders may place or upward revise their bids at/to between PKR 30.80/- per share to PKR 33.88/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 50% of the floor price i.e. PKR 42.00/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.19. Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).

12.20. Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. Designated Institution shall through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
3. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
4. As per the regulation 9(27) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 88,888,889 Ordinary Shares
2. Floor Price: PKR 28/- per Ordinary Share with maximum price band of 50% i.e. PKR 42.00/-per share
3. Bidding Period: [] to []
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	42.00	4,000,000	4,000,000	Limit Price
Institution B	41.40	4,500,000	8,500,000	Limit Price
HNWI A	40.80	5,000,000	13,500,000	Step Bid
Institution C	40.20	5,500,000	19,000,000	Limit Price
Institution D	39.60	6,000,000	25,000,000	Limit Price
Institution E	39.00	4,500,000	29,500,000	Limit Price
HNWI B	36.40	5,000,000	34,500,000	Limit Price
HNWI A	35.80	4,500,000	39,000,000	Step Bid
Institution F	34.20	5,000,000	44,000,000	Limit Price
Institution G	34.60	4,500,000	48,500,000	Limit Price
Institution H	34.00	4,000,000	52,500,000	Limit Price
HNWI C	32.40	4,000,000	56,500,000	Limit Price
Institution I	30.80	3,500,000	60,000,000	Step Bid
Institution H	29.20	2,500,000	62,500,000	Limit Price
Institution J	28.60	4,166,667	66,666,667	Step Bid
HNWI E	28.00	3,000,000	69,666,667	Limit Price

↓

Strike Price determine through Dutch Auction Method

↓

Bid has been revised upwards and placed at PKR 34.00

↓

Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 28.60 per share to sell the required quantity of 66,666,667 Ordinary Shares.

At **PKR 42.00**, investors are willing to buy **4,000,000 shares**. Since **62,666,667 shares** are still available, the price will be set lower.

At **PKR 41.40**, investors are willing to buy **4,500,000 shares**. Since **58,166,667 shares** are still available, the price will be set lower

At **PKR 40.80**, investors are willing to buy **5,000,000 shares**. Since **53,166,667 shares** are still available, the price will be set lower

At **PKR 40.20**, investors are willing to buy **5,500,000 shares**. Since **47,666,667 shares** are still available, the price will be set lower

At **PKR 39.60**, investors are willing to buy **6,000,000 shares**. Since **41,666,667 shares** are still available, the price will be set lower

At **PKR 39.00**, investors are willing to buy **4,500,000 shares**. Since **37,166,667 shares** are still available, the price will be set lower

At **PKR 36.40**, investors are willing to buy **5,000,000 shares**. Since **32,166,667 shares** are still available, the price will be set lower

At **PKR 35.80**, investors are willing to buy **4,500,000 shares**. Since **27,666,667 shares** are still available, the price will be set lower

At **PKR 34.20**, investors are willing to buy **5,000,000 shares**. Since **22,666,667 shares** are still available, the price will be set lower

At **PKR 34.60**, investors are willing to buy **4,500,000 shares**. Since **18,166,667 shares** are still available, the price will be set lower

At **PKR 34.00**, investors are willing to buy **4,000,000 shares**. Since **14,166,667 shares** are still available, the price will be set lower

At **PKR 32.40**, investors are willing to buy **4,000,000 shares**. Since **10,166,667 shares** are still available, the price will be set lower

At **PKR 30.80**, investors are willing to buy **3,500,000 shares**. Since **6,666,667 shares** are still available, the price will be set lower

At **PKR 29.20**, investors are willing to buy **2,500,000 shares**. Since **4,166,667 shares** are still available, the price will be set lower

At **PKR 28.60** per share, investors are willing to buy **4,166,667 shares**. **Since after bidding for 4,166,667 shares at PKR 28.60 per share, no shares will be available therefore the Strike Price will be set at PKR 28.60 per share for the entire lot of 66,666,667 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 28.60 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(27) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

12.21. Basis of Allotment of Shares

- (a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.

- (b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis

As per regulation 7(3) of the PO Regulation, 2017, maximum of seventy-five percent (75%) of the offer size i.e. 66,666,667 ordinary shares shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%) i.e. 22,222,222 ordinary shares shall be reserved for retail investors. The retail portion of the public offer shall be fully underwritten. At the close of the bidding period, Strike Price shall be determined on the basis of Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price.

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.

As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall either be taken up by the underwriters or allotted to successful bidders at the Strike Price determined through the Book Building process on a pro-rata basis

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.22. MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.23. PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

13.1 Eligible Investors Instructions for submitting application

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

13.2 Opening and Closing of the Subscription List

The subscription list will open on [] and will close on []. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [].**

13.3 Procedure for public subscription through PSX's E-IPO system and Centralized E-IPO System and other additional electronic system

(i) PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (<https://eipo.psx.com.pk>). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES.

For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.
- Similarly, an e-IPO application can be filed by:
 - the investor himself, or
 - the TREC Holder with whom the investor has a sub-account, or
 - the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on October 03, 2024.

(ii) Centralized E-PO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.4 Facilities available to local, Non-Resident Pakistanis and Foreign Investors

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

13.4.1 Applications made by Individual Investors

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and www.cdceipo.com. Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.4.2 Applications made by Institutional Investors

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and www.cdceipo.com. The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.5 Minimum Amount of Application and Basis of Allotment of Shares of the Issue

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.

6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
 - First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.6 Refund/Unblocking of Subscription Money to Unsuccessful Applicants

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.7 Minimum Amount of Application and Basis of Allotment

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.8 Issue and Credit of Shares

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.9 Transfer of Shares

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.10 List of E-IPO Facilities

S. No	Name of Facility
01	PSX E-IPO System
02	Centralized E-PO System

13.11 Interest of Shareholders

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.12 Eligibility for Dividend

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.13 Deduction of Zakat

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.14 Taxations, Like Applicability of Capital Gain Tax, Withholding Tax on Dividends, Tax on Bonus Shares, Federal Excise Duty and Capital Value Tax & Withholding Tax on Sale/Purchase of Shares.

13.17.1 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for CY 2026	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	Where the securities are acquired on or after the first day of July, 2022 but on or before the 30th day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:		
	1. Where holding period does not exceed one year	15.0%	30.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	3. Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	5. Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	7. Where holding period exceed six years	0.0%	0.0%
4	Where the securities are acquired between July 1, 2024 – June 30, 2025		
	Where the securities are acquired between July 1, 2024 – June 30, 2025	15.0%	15.0%
5	Where the securities are acquired on or after the first day of July, 2025 onwards:		
	Where the securities are acquired on or after the first day of July, 2025 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies.

		Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.
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13.17.2 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for active tax payers and 30% for inactive tax payers.

13.17.3 TAX ON BONUS SHARES

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

13.15 Tax on Income of The Issuer, Sales Tax

13.15.1 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.15.2 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.16 Deferred Taxation

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are

recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

14. SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS

Mr. Muzaffar Hayat Piracha
Chairman/Non-Executive Director

Mr. Adnan Aftab
CEO/Executive Director

Ms. Rabbiya Muzaffar
Non-Executive Director

Ms. Mariam Sajjad
Executive Director

Mr. Sharique Azim Siddiqui
Independent Director

Mr. Aqdas Faraz Tahir
Independent Director

Ms. Shaista Bano Gilani
Independent Director

WITNESSES

Mr. Ahmed Zafar
Deputy Manager

Mr. Qaiser Abbas
Deputy Manager

Certified by:

Mr. Amer Latif
Company Secretary



05/05/2026

15. MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM

OF

ASSOCIATION

OF

Select Technologies Limited



THE COMPANIES ACT, 2017 (XIX of 2017)
(COMPANY LIMITED BY SHARES)
MEMORANDUM OF ASSOCIATION
OF
“Select Technologies Limited”

1. The name of the company is **Select Technologies Limited**.
2. The registered office of the Company will be situated in the Province of Punjab.
3.
 - (i) The principal line of business of the company shall be to set up, establish and operate plants for the assembly and production of mobile phones of all sorts and description, accessories, components, attachments and bodies used for or in connection with the aforementioned mobile phones.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Mudharaba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
 - (iv) It is hereby undertaken that the company shall not:
 - (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;

- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

4. The liability of the members is limited.


5. The authorized capital of the company is Rs. 10,000,000,000/- (Rupees Ten Billion only) divided into 1,000,000,000/- (One Billion) ordinary shares of Rs. 10/- (Rupees Ten only) each.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company as set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner - Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered/principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signatures
MUZZAFFAR HAYAT PIRACHA	42000-7994715-9	ASLAM HAYAT PIRACHA	PAKISTANI	BUSINESS	HOUSE NO. 26-1-G, MODEL TOWN, LAHORE	1	
SYED NAFEES HAIDER	35201-6294564-3	SYED ANWAR HUSSAIN	PAKISTANI	SERVICE	HOUSE NO. 35 C, ALI VIEW GARDEN, BEDIAN ROAD, LAHORE-CANTT, LAHORE, PAKISTAN.	1	
MIAN IRFAN AZIZ	35202-3066882-5	Mian Aziz Ur Rehman	PAKISTANI	SERVICE	HOUSE NO. 410, BLOCK A, FIRST AVENUE, NEC HOUSING SOCIETY, LAHORE, PAKISTAN	1	

MARIAM SAJJAD	35201-9997676-2	SAJJAD AHMED	PAKSITANI	SERVIC E	ADDRESS: HOUSE NO. 153-C, STREET NO. 6, DHA VILLAS, PHASE 8, LAHORE CANTT, LAHORE, PAKISTAN	1	
NUSRAT MAHMOOD	32301-0777163-5	MIAN AYAZ MEHMO OD	PAKISTANI	SERVIC E	HOUSE NO. 108, EDEN CANAL VILLAS, THOKAR NIAZ BEG, LAHORE, PAKISTAN	1	
AIR LINK COMMUNICATION LIMITED THROUGH MUZZAFFAR HAYAT PIRACHA			PAISKTANI	COMPANY	UG-2 AL-QADIR HEIGHTS, 1 - BABAR BLOCK, NEW GARDEN TOWN, LAHORE	49,999,995	
Total number of shares taken (Fifty Million Only)						50,000,000	

Dated the 08th day of October 2021


CERTIFIED TO BE TRUE COPY
 COMPANY REGISTRAR OF COMPANIES
 COMPANY REGISTRATION OFFICE
 LAHORE
[Handwritten signature and date 23/10/21]