LSE SPAC-II LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JUNE 30, 2026

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LSE SPAC-II LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **LSE SPAC-II LIMITED** (the Company), which comprise the statement of financial position as at **June 30, 2026** and the related statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including a summary of material accounting policy 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 and other 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, 2026 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the period then ended.

Basis of 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.

Emphasis of Matter

We draw attention to Note 16 to the accompanying financial statements, which describes the completion of the Company's Initial Public Offering (IPO) and its listing on the Pakistan Stock Exchange (PSX) subsequent to the reporting date. This event resulted in an increase in the Company's paid-up share capital and has been disclosed as a non-adjusting subsequent event in accordance with IAS 10 *Events after the Reporting Period*. Our opinion is not modified in respect of this matter.

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 of the company 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 there on. 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 audit, or otherwise appears to be materially misstated.

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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.

Responsibilities of Management and the Board of Directors for 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 the 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.

The 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 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.
- 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.

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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.

Report on other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
b) the statement of financial position, the statement of profit or loss and other 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;
c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Bushra Sana.

Ilyas Saeed & Co.

Ilyas Saeed & Co. ISCO
Chartered Accountants
Lahore

Dated: August 25, 2026

UDIN: AR2026102783uSLXzGyq

LSE SPAC-II LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	June 30, 2026 Rupees
ASSETS		
Non-current assets		-
Current assets		
Cash and bank balances	4	**24,616,879**
Total assets		**24,616,879**
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized share capital		
21,000,000 ordinary shares of Rs. 10 each		**210,000,000**
Issued, subscribed and paid-up share capital	5	**10,000,000**
Share deposit money		**20,000,000**
Revenue reserve:		
Accumulated Loss		**(5,514,371)**
		24,485,629
Non-current liabilities		-
Current liabilities		
Accrued liabilities	6	**131,250**
		131,250
Total equity and liabilities		**24,616,879**
Contingencies and commitments	7	

The annexed notes from 1 to 18 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Note	**March 03, 2026 To June 30, 2026 Rupees**
Revenue		-
Operating expenses		
Administrative and general expenses	8	**(5,514,371)**
Operating profit / (loss)		**(5,514,371)**
Finance cost		-
Profit / (loss) before levy and taxation		**(5,514,371)**
Levy		-
Profit / (loss) before taxation		**(5,514,371)**
Taxation	9	-
Profit / (loss) for the period		**(5,514,371)**
Other comprehensive income		-
Total Comprehensive Income / (Loss)		**(5,514,371)**
Earnings / (Loss) per share - basic and diluted	10	**(16.77)**

The annexed notes from 1 to 18 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Share Capital	Share deposit money	Revenue reserve	Total equity
			Accumulated Loss	
	..................Rupees			
Balance as at March 03, 2026	-	-	-	-
Share deposit money	-	30,000,000	-	30,000,000
Shares issued against share deposit money	10,000,000	(10,000,000)	-	-
Profit / (loss) for the period	-	-	(5,514,371)	(5,514,371)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(5,514,371)	(5,514,371)
Balance as at June 30, 2026	**10,000,000**	**20,000,000**	**(5,514,371)**	**24,485,629**

The annexed notes from 1 to 18 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

LSE SPAC-II LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM MARCH 03, 2026 TO JUNE 30, 2026

	Note	March 03, 2026 To June 30, 2026 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before levy and taxation		**(5,514,371)**
Adjustments for non-cash and other items		
Profit on bank deposits		-
Operating loss before working capital changes:		**(5,514,371)**
Working capital changes:		
Accrued liabilities	6	**131,250**
Cash used in operations		**(5,383,121)**
Taxes paid		-
Net cash used in operating activities		**(5,383,121)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on bank deposits received		-
Net cash generated from investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money		**30,000,000**
Net cash generated from financing activities		**30,000,000**
Net increase in cash and cash equivalents		**24,616,879**
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	4	**24,616,879**

The annexed notes from 1 to 18 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR**

1 LEGAL STATUS AND NATURE OF THE BUSINESS

1.1 Legal status and operations

LSE SPAC-II Limited ("the Company") having CUIN: 0328822 was incorporated in Pakistan as a public limited company on March 03, 2026. The Company is a Special Purpose Acquisition Company (SPAC) established with the sole purpose of raising capital through an Initial Public Offering (IPO) to undertake a merger, acquisition, or business combination with a target entity. The company is a wholly owned subsidiary of M/s LSE Capital Limited.

The registered office of the Company is situated at The Exchange Hub, LSE Plaza, 19-Kashmir Egerton, Lahore.

2 BASIS OF PREPARATION

2.1 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 Standard for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB) and as adopted in Pakistan by the Institute of Chartered Accountants of Pakistan (ICAP); and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for Small and Medium-sized Entities (IFRS for SMEs), the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates (i.e. the environment in which it primarily generates and expends cash). In these financial statements, all the financial information is presented in Pakistani Rupee which is the company's functional currency.

2.3 Basis of measurement

These financial statements are prepared under the historical cost convention without any adjustments for the effect of inflation or current values. In these financial statements, accrual basis of accounting has been used except for the statement of cash flows.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments, make estimates and assumptions in the process of applying the company's accounting policies that affect the reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are continually evaluated and are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 revision and future periods if the revision affects both current and future periods. The areas where judgments made in applying accounting policies and various assumptions and estimates are significant to the Company's financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set out below:

3.1 Taxation - Levy and Income tax

Income tax comprises current and deferred tax. Income tax is recognized in of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting 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 reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is charged or credited in the statement of profit or loss, except where deferred tax arises on the items credited or charged to comprehensive income or directly to the equity, in which case it is adjusted in statement of profit or loss or statement of changes in equity.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.2 Financial instruments

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.

3.2.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

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a) Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable that are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference arising is charged to profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

e) Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. 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, discounted at an approximation of the original EIR.

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 the 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).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.2.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables etc.

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b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the EIR method. 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 profit or loss. Difference between the carrying amount and consideration paid is recognized in profit or loss when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

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

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements.

3.4 Share capital

Ordinary shares are classified as equity. Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

3.5 Earnings per share

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Company does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

3.6 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

3.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.8 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company to not to do so.

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3.9 Contingent liabilities

A Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not entirely within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.10 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue as follows:

3.11 Markup / interest income

Mark-up / interest income is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable that takes into account the EIR method.

3.12 Other income

Other income, if any, is recognized on accrual basis.

The Company does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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		Note	June 30, 2026 Rupees
4	**CASH AND BANK BALANCES**		
	Cash in hand		-
	Cash at bank - current account		**24,616,879**
			24,616,879

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

	Note	
1,000,000 ordinary shares of Rs. 10 each issued for consideration in cash	5.1	**10,000,000**

5.1 Shares were issued on March 09, 2025 against share deposit money received from the following related parties:

Name of shareholders	Relationship	%age of shareholding	Number of shares held	Rupees
Syeda Noor Ul Ain Ali	Director/Sponsor	0.0001%	1	**10**
Mr. Iqrar Shabbir	Chief Executive/Sponsor	0.0001%	1	**10**
Syed Haider Mujtaba	Independent Director	0.0001%	1	**10**
Arooj Tariq	Independent Director	0.0001%	1	**10**
LSE Capital Limited	Holding company	99.9996%	999,996	**9,999,960**
		100%	**1,000,000**	**10,000,000**

5.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

		Note	June 30, 2026 Rupees
6	**ACCRUED LIABILITIES**		
	Audit fee payable		**131,250**
			131,250

7 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding at the reporting date.

			March 03, 2026 To June 30, 2026
8	**ADMINISTRATIVE AND GENERAL EXPENSES**		
	Salaries & wages		**495,000**
	Directors' meeting fee	8.1	**700,000**
	Travelling and conveyance		**152,466**
	Legal & professional charges		**3,879,870**
	Auditor's remuneration	8.2	**287,035**
			5,514,371

8.1 Directors' meeting fee was paid to the Independent and Non-executive directors of the company for attending corporate meetings of the company at rates as approved by the Board of Directors.

8.2 Auditor's remuneration

Statutory audit	
Audit fee	**131,250**
Others	
Certificates	**155,785**
	287,035

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			March 03, 2026 To June 30, 2026
9	**TAXATION**		
	Current tax for the period		-
	Deferred tax	9.1	-
			-

9.1 There being no timing differences and the Company has also not yet derived income having different treatments in financial statements for accounting and tax purposes, therefore, no provision for deferred taxation is applicable in the instant case of the Company and accordingly not recorded in these financial statements.

10 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Loss after taxation attributable to the ordinary shareholders	**(5,514,371)**
Weighted average number of ordinary shares outstanding during the period	**328,767**
Loss per share - basic	**(16.77)**

The figure for diluted loss per share is the same as basic loss per share as the company has not issued any instrument which would have an impact on basic loss per share when exercised.

11 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

11.1 Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. There are three types of market risks i.e. interest rate risk, currency risk and price equity risk. These are:

(a) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / (payables) of the Company at the reporting date, it is not exposed to currency risk as at the reporting date.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to floating interest rate risk as it does not has any interest bearing liabilities as at the reporting date.

(c) Price equity risk

Equity 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 individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is not exposed to equity price risk as it does not hold any instrument at the reporting date whose price is subject to fluctuations in the stock / money market.

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11.2 Credit risk

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 not exposed to any credit risk as at reporting date.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Name of the Bank	Rating		Rating agency	June 30, 2026
	Short term	Long term		
				Rupees
Faysal Bank Limited	A1+	AA+	PACRA	24,616,879

Exposure to credit risk

The credit risk on liquid funds is limited because the counter party is bank with reasonably high credit ratings. Due to long standing business relationships of the Holding Company of the Company with the above-named Bank and considering its strong financial footing and reputation in the business community, the management does not expect non-performance by the counter party on its obligations to the Company. Accordingly, the credit risk is minimal.

11.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Keeping in view the quantum of liquid assets, the company is not exposed to liquidity risk as at the reporting date.

11.4 Financial instruments by categories

	At fair value through profit or loss	At amortized cost	At fair value through other comprehensive income
	……...…………...Rupees………...…………..		
Financial assets as at June 30, 2026			
Cash and bank balances	-	24,616,879	-
Financial liabilities as at June 30, 2026			
Accrued liabilities	-	131,250	-

11.5 Fair value of financial instruments

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 under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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At the reporting date, all the financial instruments are carried at their amortized cost, therefore, fair value hierarchy levels are not disclosed in these financial statements being not applicable in the instant case.

12 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as total borrowings divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Company's objectives when managing capital are:

a) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

b) to provide an adequate return to shareholders, while at the same time carrying risk exposure acceptable to them.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus assets without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Since, the company has no outstanding debt at the reporting date, therefore, the company is not geared and is wholly financed by its Holding Company.

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship	Shareholding (%)
LSE Capital Limited	Holding Company	Wholly owned subsidiary	99.96%
Iqrar Shabbir	Chief Executive Officer	Director	0.01%
Syeda Noor Ul Ain Ali	Non-Executive Director	Director	0.01%

Related parties include holding company, associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes to these financial statements. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties	Nature of transactions	June 30, 2026 Rupees
LSE Capital Limited	Share deposit money received	10,000,000

14 MANAGERIAL REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVE

	Chief Executive	Director
	June 30, 2026	June 30, 2026
	(Rupees)	
Managerial remuneration		
Remuneration	210,000	-
Meeting fee	100,000	600,000
	310,000	600,000
Number of person (s)	1	4

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14.1 An executive is defined as an employee, other than the chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year. There is no executive in the Company both during the period and at the reporting date.

15 NUMBER OF EMPLOYEES

	June 30, 2026
Total number of employees as at June 30, 2026	4
Average number of employees during the period	4

16 SUBSEQUENT EVENTS - NON ADJUSTING

As at June 30, 2026, the Company was in the process of completing its Initial Public Offering ("IPO") and proposed listing on the Pakistan Stock Exchange ("PSX"). Subsequent to the year end, the Company successfully completed its IPO and was formally listed on the Main Board of the PSX on July 13, 2026, under the ticker symbol "SPAC2", through the issuance of 20,000,000 ordinary shares at an aggregate value of Rs. 200 million. Consequently, the Company's paid-up share capital increased to Rs. 210 million.

17 AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the Company in their meeting held on August 25, 2026.

18 GENERAL

Since the company was formed during the period, therefore, corresponding figures are not presented.

Figures in these financial statements have been rounded off to the nearest rupees unless otherwise stated elsewhere in these financial statements.

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CHIEF EXECUTIVE OFFICER | **DIRECTOR**