



INVESTMENTS

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786 INVESTMENTS LIMITED

**FOR THE
HALF YEAR ENDED
DECEMBER 31, 2025
(UN-AUDITED)**



CORPORATE INFORMATION

Management Company	786 Investments Limited G-3 B.R.R. Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi - 74000 Pakistan Tel: (92-21) 32603751-54 Email: info@786investments.com Website: www.786investments.com	
Board of Directors	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Nadeem Akhtar Mr. Naveed Ahmed Syed Musharaf Ali Mr. Iqbal Shafiq Mr. Ahmer Zia Sarwar	Chairperson Chief Executive Officer Director Director Director Director Director
Chief Financial Officer & Company Secretary	Mr. Noman Shakir	
Audit Committee	Mr. Ahmer Zia Sarwar Mr. Naveed Ahmed Syed Musharaf Ali	Chairman Member Member
Human Resource Committee	Mr. Ahmed Salman Munir Miss Tara Uzra Dawood Mr. Naveed Ahmed	Chairperson Member Member
Auditors	Riaz Ahmed & Company Chartered Accountants	
Legal Advisor	Rauf & Ghaffar Law Associates (Advocates & Consultants) Suite # 65, 5th Floor, Fareed Chamber, Abdullah Haroon Road, Saddar – Karachi, Pakistan.	
Registrars	F.D. Registrar Services (SMC-Pvt.) Ltd. Office# 1705, 17th Floor Saima Trade Tower. A, I.I. Chundrigar Road, Karachi-74000, Pakistan.	
Banker:	Habib Metropolitan Bank Limited JS Bank Limited	
Rating:	PACRA: AM3	



DIRECTORS' REPORT FOR THE HALF YEAR ENDED DECEMBER 31, 2025

The Board of Directors of **786 Investments Limited**, referred to as '786' or 'the Company,' is pleased to present the reviewed financial statements, along with the auditor's review report, for the half-year ended December 31, 2025.

Economic & Money Market Review:

As at December 2025, Pakistan's economy remained influenced by global economic trends, with moderate growth in key trading partners supporting exports and remittances. Inflationary pressures have eased, aided by declining global commodity prices, while interest rates and liquidity conditions in the domestic money market remained broadly stable. Global growth is projected at 3.3 percent in 2025, with trade volume expanding by 3.4 percent, providing opportunities for Pakistan's export sectors. The outlook for energy prices and imported inflation is favorable, supporting domestic stability, while ongoing structural reforms continue to underpin prospects for sustainable economic growth.

In 2025, Pakistan's economy showed cautious stabilization, supported by policy discipline and structural reforms. The SBP reduced the policy rate to 10.5% after a cumulative 1,100 basis points cut. Headline inflation eased to 5.61% in December, averaging 3.5% for the year. The external sector improved with a US\$ 100 million current account surplus, foreign reserves of US\$ 15.9 billion, and the rupee at 280.12 per US dollar, aided by remittances of US\$ 16.15 billion (+9.33% YoY). Structural reforms included resolving over PKR 1 trillion in power sector debt and progress under the IMF EFF (US\$ 3.1 billion disbursed; US\$ 3.9 billion pending). Capital markets rebounded, with the KSE-100 Index up 51%, gold up 73%, seven new listings, and the 75% privatization of PIA. CPEC Phase II attracted US\$ 5 billion in commitments, and the KSE-100 is projected at 214,000 by December 2026.

Stock Market Review & Outlook

Pakistan's equity market mirrored broader economic stabilization in 2025. The KSE-100 Index surged 51%, delivering a two-year cumulative return of 179%, despite episodic volatility from regional conflicts and global uncertainties. Gold outperformed, rising 73%, while seven new capital market listings, including GEM Board entries, reflected renewed investor confidence. A major structural milestone was the 75% privatization of PIA, signaling progress in the government's reform agenda. Looking ahead, structural reforms, improved fiscal discipline, and supportive macroeconomic conditions are expected to sustain market momentum, with the KSE-100 Index projected at 214,000 by December 2026.

Auditors' Report:

The Auditors in their review report on half-year ended December 31, 2025, concluded as under:

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

Company Performance

The Company recorded a profit of PKR 10.838 million during the half yearly period ended December 31, 2025, compared to a profit of PKR 8.283 million during the corresponding period. The company's income, which comprised Management Fees, increased by PKR 2.263 million, representing a 24% rise in Management Fees due to the average increase in fund size during the period. Administrative and operating expenses also increased by PKR 6.265 million, reflecting a 31.53% rise in these expenses. The net unrealized gain on the revaluation of investments showed a profit of PKR 11.989 million, compared to a profit of PKR 12.504 million during the corresponding period. Furthermore, the net realized gain on the sale of investments showed PKR 12.927 million.

The earnings per share (EPS) of the Company for the period ended December 31, 2025, was PKR 0.72, compared to PKR 0.55 during the corresponding period.



Acknowledgement

We extend our most sincere gratitude to our shareholders and valued customers for their continued trust and patronage. Our heartfelt thanks also go to the dedicated 786 team for their hard work and commitment. Additionally, we express our appreciation to regulatory authorities, particularly the Securities & Exchange Commission of Pakistan and Pakistan Stock Exchange Ltd, for their continued professional guidance and support.

On behalf of the board of
786 Investments Limited

----SD----

Chairperson

----SD----

Director

Date: **26 February, 2026**
Place: Karachi



ڈائریکٹرز کی رپورٹ

786 انویسٹمنٹ لمیٹڈ (786 یا دی کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 786 گروپ کی 31 دسمبر 2025 کو ختم ہونے والی ششماہی کے نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ آڈیٹرز کی جائزہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

معاشی دہی مارکیٹ جائزہ

دسمبر 2025 تک پاکستان کی معیشت عالمی معاشی رجحانات سے متاثر رہی، تاہم اہم تجارتی شراکت دار ممالک میں معتدل نمونے برآمدات اور زیلاں زکوہا فراہم کیا۔ عالمی اجناس کی قیمتوں میں کمی کے باعث مہنگائی کے دباؤ میں کمی آئی جبکہ کئی نئی مارکیٹ میں شرح سود اور لیکویٹیٹی کی صورتحال عمومی طور پر مستحکم رہی۔ عالمی شرح نمو 2025 میں 3.3 فیصد جبکہ عالمی تجارتی حجم میں 3.4 فیصد اضافے کی پیش گوئی کی گئی ہے، جو پاکستان کی برآمدات کے لیے مثبت مواقع فراہم کرتا ہے۔ توانائی کی قیمتوں اور درآمدی مہنگائی کے حوالے سے منظر نامہ سازگار ہے جبکہ جاری ساختی اصلاحات پائیدار معاشی استحکام کی بنیاد رکھ رہی ہیں۔

2025 کے دوران اسٹیٹ بینک آف پاکستان نے مجموعی طور پر 1,100 بیسیس پوائنٹس کمی کے بعد پالیسی ریٹ 10.5 فیصد تک کر دیا۔ دسمبر میں مہنگائی کی شرح 5.61 فیصد رہی جبکہ سالانہ اوسط 3.5 فیصد رہی۔ بیرونی کھاتہ بہتر ہوا اور 100 ملین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا گیا۔ زرمبادلہ کے ذخائر 15.9 ارب امریکی ڈالر تک پہنچ گئے جبکہ روپے کی قدر 12.280 نی امریکی ڈالر رہی۔ ترسیلات زر 16.15 ارب امریکی ڈالر ہیں جو سال بہ سال 9.33 فیصد اضافہ ظاہر کرتی ہیں۔ توانائی کے شعبے میں ایک کھرب روپے سے زائد گروتھی قرض کے عمل اور آئی ایم ایف پروگرام کے تحت پیش رفت اہم سگمیل رہی۔ سرمایہ منڈیوں میں نمایاں بہتری آئی، کے ایس ای-100 انڈیکس میں 51 فیصد اضافہ ہوا جبکہ سونے کی قیمت میں 73 فیصد اضافہ ریکارڈ کیا گیا۔

اسٹاک مارکیٹ جائزہ مستقل منظر نامہ

2025 میں پاکستان کی ایکویٹی مارکیٹ نے مجموعی معاشی استحکام کی عکاسی کی۔ کے ایس ای-100 انڈیکس میں 51 فیصد اضافہ ہوا جبکہ دو سالہ مجموعی منافع 179 فیصد رہا، اگرچہ علاقائی تنازعات اور عالمی غیر یقینی صورتحال کے باعث وقتی اتار چڑھاؤ بھی دیکھنے میں آیا۔ پی آئی اے کی 75 فیصد نجکاری اور نئی لسٹنگز نے سرمایہ کاروں کے اعتماد کو تقویت دی۔ مستقبل میں ساختی اصلاحات، مالیاتی نظم و ضبط اور سازگار معاشی حالات کے باعث مارکیٹ میں مثبت رجحان برقرار رہنے کی توقع ہے، اور دسمبر 2026 تک کے ایس ای-100 انڈیکس کے 214,000 پوائنٹس تک پہنچنے کی پیش گوئی کی جا رہی ہے۔

آڈیٹرز کی رپورٹ

آڈیٹرز نے 31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے عبوری مالیاتی گوشواروں پر اپنی جائزہ رپورٹ میں درج ذیل رائے دی ہے:

“ہمارے جائزے کی بنیاد پر ہمیں کوئی ایسی بات معلوم نہیں ہوئی جس سے یہ ظاہر ہو کہ یہ عبوری مالیاتی گوشوارے پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ معیارات کے مطابق تمام اہم پہلوؤں میں تیار نہیں کیے گئے ہیں۔”

کمپنی کی کارکردگی

31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے دوران کمپنی نے 10.838 ملین روپے کا منافع حاصل کیا جبکہ گزشتہ سال اسی مدت میں یہ منافع 8.283 ملین روپے تھا۔ کمپنی کی آمدنی (جو بیجمنٹ فیس پر مشتمل ہے) میں 2.263 ملین روپے کا اضافہ ہوا جو 24 فیصد اضافے کی نمائندگی کرتا ہے۔ یہ اضافہ فنڈ کے اوسط حجم میں اضافے کے باعث ہوا۔ انتظامی اور آپریٹنگ اخراجات میں 6.265 ملین روپے (31.53 فیصد) اضافہ ہوا۔ سرمایہ کاری کی ازسر نو قدر بندی پر غیر حتمی منافع 11.989 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں یہ 12.504 ملین روپے تھا۔ مزید برآں، سرمایہ کاری کی فروخت پر حتمی منافع 12.927 ملین روپے رہا۔

مذکورہ مدت کے لیے کمپنی کی فی حصص آمدنی (EPS) 0.72 روپے رہی جبکہ گزشتہ سال اسی مدت میں یہ 0.55 روپے تھی۔



اعتراف

ہم اپنے شیئر ہولڈرز اور قابل قدر کسٹمرز کے ہم پر مسلسل بھروسہ اور سہ پرستی کے ساتھ ساتھ اپنی قابل قدر 786 ٹیم کا ان کی محنت اور لگن کے لیے تہ دل سے شکر یہ ادا کرتے ہیں۔ ہم ریگولیشنز، انٹارنیشنل، خاص طور پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی مسلسل پیشہ ورانہ رہنمائی اور تعاون کو بھی سراہتے ہیں۔

منجانب بورڈ

786 انویسٹمنٹ لمیٹڈ

---SD---

ڈائریکٹر

---SD---

چیئر پرسن

تاریخ: 26 فروری 2026

مقام: کراچی

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of 786 Investments Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of 786 Investments Limited ("the Company") as at 31 December 2025, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

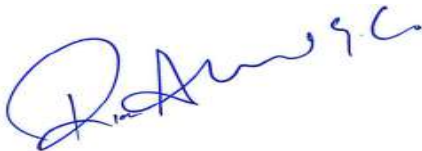
Conclusion

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

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and other comprehensive income for the three months period ended 31 December 2025 have not been reviewed by us.

The engagement partner on the review engagement resulting in this independent auditor's review report is Junaid Ashraf.



RIAZ AHMAD & COMPANY
Chartered Accountants

KARACHI

DATE: 26 FEBRUARY 2026
UDIN: RR2025100457AQXc395Y

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 DECEMBER 2025

ASSETS	Notes	Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	12,768,680	13,439,638
Right-of-use asset	5	-	102,662
Intangible asset	6	346,274	415,530
Long-term security deposits and receivable	7	586,325	586,325
		13,701,279	14,544,155
CURRENT ASSETS			
Trade receivables	8	9,123,592	10,472,584
Investments	9	281,639,359	271,073,496
Loans and advances	10	613,000	636,750
Prepayments		1,682,789	332,122
Advance income tax		1,955,473	-
Accrued markup	11	653,874	719,128
Bank balances	12	205,591	1,485,277
		295,873,678	284,719,357
TOTAL ASSETS		309,574,957	299,263,512
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
20,000,000 (2025: 20,000,000) Ordinary shares of Rupees 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital			
Ordinary shares 14,973,750 (30 June 2025: 14,973,750) of Rupees 10 each	13	149,737,500	149,737,500
Capital reserves			
General reserve		33,630,264	33,630,264
Subordinated loan from director	14	12,000,000	12,000,000
Revenue reserve			
Un-appropriated profit		87,230,506	76,391,831
TOTAL EQUITY		282,598,270	271,759,595
LIABILITIES			
CURRENT LIABILITIES			
Accrued and other liabilities	15	25,977,945	25,556,822
Provision for taxation and levy payable- net		-	948,353
Unclaimed dividend	16	998,742	998,742
		26,976,687	27,503,917
TOTAL LIABILITIES		26,976,687	27,503,917
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITIES AND LIABILITIES		309,574,957	299,263,512

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2025

	Note	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		Rupees	Rupees	Rupees	Rupees
Income					
Remuneration from funds under management - net	18	11,694,377	9,430,701	5,717,644	4,521,011
Advisory fee - net	19	277,778	555,556	-	277,778
Net realized gain on sale of investments		12,927,351	6,776,226	(398,839)	6,068,844
Income on debt securities		1,973,886	1,005,479	1,478,330	495,890
		26,873,392	17,767,962	6,797,135	11,363,523
Net unrealized gain/(loss) on revaluation of investments at fair value through profit or loss		11,989,135	12,504,758	6,023,864	(295,119)
		38,862,527	30,272,720	12,820,999	11,068,404
Expenses					
Administrative and operating expenses		(26,134,462)	(19,868,465)	(15,066,774)	(11,091,572)
Financial charges	20	(802,110)	(1,228,148)	(403,136)	(530,627)
		(26,936,572)	(21,096,613)	(15,469,910)	(11,622,199)
Operating profit/(Loss)		11,925,955	9,176,107	(2,648,911)	(553,795)
Other operating income		90,338	671,881	31,269	162,908
Other operating charges		(240,326)	(96,549)	(240,326)	69,398
Profit/(Loss) before levy and income tax		11,775,967	9,751,439	(2,857,968)	(321,489)
Levy	21	(826,079)	(451,379)	(826,079)	-
Profit/(Loss) before income tax		10,949,888	9,300,060	(3,684,047)	(321,489)
Taxation	22	(111,213)	(1,016,434)	1,748,040	925,087
Profit/(Loss) for the period		10,838,675	8,283,626	(1,936,007)	603,598
Earnings per share - basic and diluted	23	0.72	0.55	(0.13)	0.04

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS PERIOD ENDED 31 DECEMBER 2025

	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	10,838,675	8,283,626	(1,936,007)	603,598
OTHER COMPREHENSIVE INCOME				
Items that may subsequently be reclassified to profit and loss	-	-	-	-
Items that will not subsequently be reclassified to profit and loss	-	-	-	-
Total comprehensive income for the period	10,838,675	8,283,626	(1,936,007)	603,598

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

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CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Issued, subscribed and paid-up share capital	Capital Reserves		Revenue Reserve	Total
		General reserve	Subordinated loan from director		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 30 June 2024	149,737,500	33,630,264	12,000,000	40,973,802	236,341,566

Total comprehensive income for the period ended 31 December 2024

Profit for the period	-	-	-	8,283,626	8,283,626
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 December 2024	149,737,500	33,630,264	12,000,000	49,257,428	244,625,192

Balance as at 1 July 2025

149,737,500	33,630,264	12,000,000	76,391,831	271,759,595
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Total comprehensive income for the period ended 31 December 2025

Profit for the period	-	-	-	10,838,675	10,838,675
Other comprehensive income for the period	-	-	-	-	-
Balance as at 31 December 2025	149,737,500	33,630,264	12,000,000	87,230,506	282,598,270

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

786 INVESTMENTS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

	Note	SIX-MONTHS PERIOD ENDED	
		31 December 2025	31 December 2024
		Rupees	Rupees
Profit/(Loss) before levy and income tax		11,775,967	9,751,439
Adjustments for non-cash items:			
Depreciation on property and equipment	4	1,778,558	1,045,592
Depreciation on right-of-use assets	5	102,662	615,972
Amortization on intangible asset	6	69,256	69,255
Financial charges	20	802,110	1,228,148
Revaluation (gain) / loss on investments at fair value through profit or loss	20	(11,989,135)	(12,504,758)
Mark-up earned on savings accounts		(90,338)	(194,640)
Income on debt securities		(1,973,886)	(1,005,479)
Gain on disposal of property and equipment	21	-	(432,797)
Net realized gain on sale of investments	19	(12,927,351)	(6,776,226)
Net cash used in operating activities before working capital changes		(12,452,157)	(8,203,494)
WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets:			
Loans and advances		23,750	(286,250)
Prepayments		(1,350,667)	(1,122,168)
Trade receivable		1,348,992	69,946
		22,075	(1,338,472)
Ordinary shares 14,973,750 (30 June 2025: 14,973,750) of Rupees 10 each			
Accrued and other liabilities		(368,730)	(955,744)
Net cash used in operations		(12,798,812)	(10,497,710)
Taxes paid		(3,842,175)	(389,778)
Finance cost paid	20	(12,257)	(14,090)
Net cash used in operating activities		(16,653,244)	(10,901,578)
CASH FLOWS FROM INVESTING ACTIVITIES			
Units of mutual fund redeemed		12,000,000	126,000,000
Units of mutual fund purchased		(10,000,000)	(101,000,000)
Receipt of principal amount of TFCs		12,482,500	-
Receipt of mark-up on savings accounts		153,911	236,952
Receipt of mark-up on debt securities		1,844,747	1,000,000
Disposal proceeds on fixed assets		-	432,797
Capital expenditure incurred	4	(1,107,600)	(15,638,160)
Net cash generated from investing activities		15,373,558	11,031,589
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated loan from director repaid		-	-
Lease rental paid		-	-
Net cash used in financing activities		-	-
Net decrease in cash and cash equivalents		(1,279,686)	130,011
Cash and cash equivalents at beginning of the year		1,485,277	489,215
Cash and cash equivalents at end of the period	12	205,591	619,226

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

786 INVESTMENTS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2025

1. STATUS AND NATURE OF BUSINESS

1.1 786 Investments Limited ("the Company") was incorporated on September 18, 1990 as a public limited Company in Pakistan, with its registered office at G3, BRR Tower, Hassan Ali Street, Off I.I. Chundrigar Road, Karachi 74000. The Company is listed on the Pakistan Stock Exchange Limited. The Company has changed its name to 786 Investments Limited from Dawood Capital Management Limited with effect from 20 January 2017 after completing regulatory formalities.

The Company is registered as a Non Banking Finance Company under the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules). The Company has obtained the licenses to carry out investment advisory services and asset management services under the NBFC Rules and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

1.2 The license to carry out "Asset Management Service" has been successfully renewed vide its letter No.SECP/LRD/LD/17/AMCW/786IL/2022 dated 03 July 2025 with effect from 26 May 2025 to 25 May 2028 under Rule 5 of the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 amended through S.R.O 1131(1) 2007, S.R.O 271(1) 2010, S.R.O 570(1)/2012 and S.R.O 1002(1)/2015 respectively. License shall be renewable by the Commission for next three years, subject to the compliance with NBFC Rules and NBFC Regulations.

1.3 The license to carry out "Investment Advisory Services" has been successfully renewed vide its letter No.SECP/LRD/LD/17/AMCW/786IL/2022 dated 03 July 2025 with effect from 26 May 2025 and valid till 25 May 2028. License shall further be renewable by the Commission for next three years, subject to the compliance of the NBFC Rules and the NBFC Regulations.

1.4 The Company is an asset management company of the "786 Smart Fund" and "786 Islamic Money Market Fund".

The Pakistan Credit Agency (PACRA) has assigned Asset Manager rating of "AM3+" to the Management Company dated 10 November 2025.

1.5 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 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 Standards) issued by the international Accounting Standard Boards (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017;
- The Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (The NBFC Rules), and the Non Banking Finance Companies and Notified Entities Regulations, 2008 (The NBFC Regulations); and
- Directives issued by the SECP.

Where provisions of and directives issued under the Companies Act, 2017, The NBFC Rules, The NBFC Regulations and by the SECP differ with the requirements of IFRS the provisions of and directives issued under the Companies Act, 2017, The NBFC Rules. The NBFC Regulations and SECP have been followed.

2.1.2 These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025.

2.1.3 These condensed interim financial statements are un-audited. However, subject have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017 .

2.1.4 The comparatives in the condensed interim statement of financial position presented in the condensed interim financial statements as at 31 December 2025 have been extracted from the annual audited financial statements for the year ended 30 June 2025, whereas the comparative in condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from unaudited condensed interim financial statements for the period ended 31 December 2024.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under historical cost convention except for certain investments which are stated at fair value.

2.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

	Un-audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
2.4 Shariah Compliance Disclosure		
2.4.1 Long- term and Short-term Shariah compliant investments;	262,072,143	251,983,351
2.4.2 Long- term and Short-term Non-Shariah compliant investments;	19,567,216	19,090,145
2.4.3 Shariah compliant bank deposits and bank balances.	-	-
2.4.4 Non Shariah Compliant bank deposit and bank balances	205,591	1,485,277
	Unaudited 31 December 2025 Rupees	Unaudited 31 December 2024 Rupees
2.4.5 Revenue earned from Shariah compliant business segment	11,694,377	9,430,701
2.4.6 Dividend income earned from Non-Shariah compliant investment	-	-
2.4.7 Realized gain on Shariah compliant investments;	444,851	6,776,226
2.4.8 Unrealized gain on Shariah compliant investments;	-	10,377,207
2.4.9 Realized gain on Non-Shariah compliant investments;	12,482,500	-
2.4.10 Unrealized gain on Non-Shariah compliant investments;	-	2,127,551
2.4.11 Interest earned from Non-Shariah compliant bank deposits and bank balances;	90,338	671,881

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended 30 June 2025

3.1 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

		Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
4. PROPERTY AND EQUIPMENT	Notes		
Operating fixed assets	4.1	12,768,680	13,439,638
4.1 Operating fixed assets			
Opening book value		13,439,638	639,190
Add: Purchases during the period / year		1,107,600	15,638,161
Less: Depreciation charged during the period / year		(1,778,558)	(2,837,713)
		12,768,680	13,439,638
Depreciation rates		10-33%	10-33%
4.2	The cost of fully depreciated assets as at 31 December 2025 is Rupees 10.107 million (30 June 2025: 9.441 million) and are still in active use of the Company.		
5. RIGHT-OF-USE ASSET			
Reconciliation of carrying amount of right-of-use asset			
Balance at the beginning of the year		102,662	1,334,605
Less: Depreciation charged during the period		(102,662)	(1,231,943)
Balance at the end of the period	5.1	-	102,662
Annual rate of depreciation (%)		20%	20%
5.1	The Company obtained building on lease for head office. There is no impairment against right-of-use asset. The principal terms and conditions of this lease arrangement are as follows:		
Office Premises	Lessor Name	Lease start date	Lease tenure
G3 BRR Tower Hassan Ali Street Off I.I. Chunrigar Road, Karachi	BRR Guardian Limited	1-Aug-20	5 Years
6. INTANGIBLE ASSET			
Computer software	6.1	346,274	415,530
6.1 Computer software			
At 01 July 2025			
Cost		1,385,100	1,385,100
Accumulated amortization		(969,570)	(831,060)
Net book value		415,530	554,040
Period ended 31 December 2025			
Opening net book value		415,530	554,040
Amortization charged during the year		(69,256)	(138,510)
Closing net book value		346,274	415,530
At 31 December 2025			
Cost		1,385,100	1,385,100
Accumulated amortization		(1,038,826)	(969,570)
Net book value		346,274	415,530
Amortization rate		10%	10%

- 6.2 Intangible asset relates to software developed for business operations having remaining useful life of 3 years (30 June 2025: 3.5 years).

7. LONG-TERM SECURITY DEPOSITS AND RECEIVABLE	Notes	Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
Security deposits:			
Security deposit with Central Depository Company of Pakistan Limited		25,000	25,000
Security deposit against utilities		11,300	11,300
	7.1	36,300	36,300
Receivable:			
786 Islamic Money Market Fund - Fund Under Management	7.2	550,025	550,025
		586,325	586,325

7.1 These long-term security deposits are non-interest bearing.

7.2 This represents the preliminary and floatation expenses, including expenses incurred in connection with the establishment and authorization of the 786 Islamic Money Market Fund (the Fund). The Fund has commenced operations during the previous year. In accordance with the provisions of the offering document of the Fund, these expenses will be reimbursed by the Fund over a period of five years from the date it becomes operational. Reimbursement of these expenses will commence from the last quarter of the current financial year.

7.2.1 The maximum aggregate amount receivable under this head at the end of any month during the year was as follows:

786 Islamic Money Market Fund - Fund Under Management	550,025	550,025
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8. TRADE RECEIVABLES

Considered good - unsecured

Balance due from fund under management:

-786 Smart Fund	8.1	8,619,986	9,774,347
-786 Islamic Money Market Fund	8.1	203,606	98,237
Balance due against advisory services:			
-Dawood Family Takaful Limited	8.2	300,000	600,000
	8.3	9,123,592	10,472,584

8.1 Balance due from fund under management primarily represent receivable on account of management fee, Sindh Sales Tax on management fee and allocated expenses charged to the fund under management. This also includes Federal Excise Duty receivable from the fund under management as more fully disclosed in Note 15.2 to these financial statements.

8.2 This represents receivable on account of investment advisory services and Sindh Sales Tax on investment advisory services.

9. INVESTMENTS

At fair value through profit or loss

Pakistan investment bond	9.1	19,567,216	19,090,145
Units of mutual funds- related party	9.2	262,072,143	251,983,351
Term finance certificates - unlisted	9.3	-	-
		281,639,359	271,073,496

9.1 This Government security - Pakistan investment bond having face value of Rupees 20 million (June 2025: 20 million) will mature by 19 September 2029 and carries effective interest at rate of 12.15% (June 2025: 12.15%).

9.2 Units of mutual funds- related party

31 Dec 2025 Units	30 June 2025 Units		Carrying value 31 December 2025 Rupees	Fair value 2025 Rupees	Fair value 30 June 2025 Rupees
1,432,223	1,451,985	Fund under Management 786 Smart Fund	120,505,544	126,035,504	122,060,693
1,294,047	1,294,047	Fund under Management 786 Islamic Money Market Fund	129,922,658	136,036,639	129,922,658
2,726,270	2,746,032		250,428,202	262,072,143	251,983,351

- 9.3 This represents investments in Nil (June 2025: 5,000), unsecured and subordinated Term Finance Certificates (TFCs) carrying profit equal to 6 months KIBOR plus 1.85% (June 2025: 6 months KIBOR plus 1.85%) receivable half yearly in arrears and matured in August 2025. The instrument is structured to redeem 0.14% of the issue amount during the first 7 years and the remaining 99.86% in the last two (2) equal semi-annual installments of 49.93%.

During the year ended 30 June 2022, Silk Bank Limited (the issuer) did not make its payment of principal and mark-up due on 10 February 2022, as the issuer informed investors of its status regarding the minimum capital requirement and invoked the lock-in clause under the Terms and Conditions of the Trust Deed. This did not constitute a breach of redemption obligations pursuant to the Trust Deed, as per the legal opinion obtained by the issuer. As no observable market inputs were available to determine the fair value of these TFCs, the management recorded a fair value loss of 100% on the investment during the year ended 30 June 2024, with accrual of mark-up suspended in prior years.

During the last year, due to the amalgamation of Silk Bank Limited with United Bank Limited (UBL), UBL settled all outstanding interest and principal amounts due as per the schedule. Accordingly, the Company has recognized the receipt of interest as income in these financial statements and has recorded a fair value gain to the extent of the principal amount recovered. The Company has fully received both the principal and profit amounts.

	Notes	Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
10. LOANS AND ADVANCES			
Secured - considered good			
Advance to employees	10.1 & 10.2	613,000	636,750
10.1 This represents the interest free loan provided to the Company's staff on monthly installment basis. The loan will be repaid through monthly deductions from the salary and is secured against the recognized contributory provident fund.			
10.2 The maximum aggregate amount receivable at the end of any month during the year was Rupees 0.793 million (June 2025: 0.756 million).			
11. ACCRUED MARKUP			
On savings accounts		90,338	153,911
On Pakistan investment bond		563,536	565,217
		653,874	719,128
12. BANK BALANCES			
Cash at bank- savings accounts	12.1	205,591	1,485,277
12.1 The balance in savings accounts carries profit at rates ranging from 9.5% per annum (June 2025: 9.5% to 19% per annum).			

13. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

31-Dec-25	30-Jun-25		Issued for cash	
Number of shares				
10,000,000	10,000,000		Ordinary shares of Rupees 10 each fully paid in cash	100,000,000
4,973,750	4,973,750		Ordinary shares of Rupees 10 each fully paid as bonus shares	49,737,500
<u>14,973,750</u>	<u>14,973,750</u>			<u>149,737,500</u>

- 13.1** The Company has allotted 4,990,751 equity shares through a rights issue on 22 January 2026, subsequent to the reporting period, at a par value of Rupees 10 each share, amounting to Rupees 49,990,751.

14. SUBORDINATED LOAN FROM DIRECTOR

The subordinated loan carried a mark-up at the rate of 3-Month KIBOR plus 2% (30 June 2025: 3-Month KIBOR plus 2%). Repayment of the loan was subject to the discretion of the Company and required prior approval from the Securities and Exchange Commission of Pakistan (SECP).

In accordance with the NBFC Rules and ATR-32 issued by the Institute of Chartered Accountants of Pakistan (ICAP), the subordinated loan had been classified as part of equity.

15. ACCRUED AND OTHER LIABILITIES	Notes	Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
Accrued expenses		2,488,585	2,645,234
Accrued mark-up on director loan	14	14,971,699	14,181,846
Payable to fund under management	15.1	-	701,689
FED payable	15.2	6,513,677	6,513,677
Workers' Welfare Fund payable		1,534,699	1,294,373
Sales tax payable		409,909	-
Withholding tax payable		59,376	220,003
		<u>25,977,945</u>	<u>25,556,822</u>

- 15.1** This represents amount received from NCCPL being refund of tax amount with respect to funds under management. This amount will be disbursed to unit holders of the fund under management.
- 15.2** This represents amount payable against Federal Excise Duty (FED) on management fees received/receivable from the Fund under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated 04 September 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated 16 July 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On 23 September 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from 01 July 2016 onwards.

16. UNCLAIMED DIVIDEND

In compliance of section 244 of the Companies Act, 2017, the Company is in the process of opening a separate bank account for unclaimed dividend.

17. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at reporting date (30 June 2025: Nil).

		Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
18. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET	Notes		
Management fee from collective investments schemes related parties			
786 Smart Fund	18.1	12,727,970	10,513,733
786 Islamic Money Market Fund	18.2	720,564	331,563
Less: Sindh sales tax	18.3	(1,754,157)	(1,414,595)
		<u>11,694,377</u>	<u>9,430,701</u>

18.1 The management fee is charged by the Management Company on the average annual net assets of the respective funds, determined on a daily basis, in accordance with the provisions of the Non-Banking Finance

Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The fee is charged at the rate of 1.5% (June 2025: 1.5%) per annum for 786 Smart Fund.

18.2 In accordance with the provisions of the Trust Deed of the Fund, the Management Company is entitled to charge a remuneration fee at the rate of 1.5% per annum of the average annual net assets of the Fund, calculated on a daily basis.

However, the Management Company, as a gesture of support to the Fund and its unit holders, has voluntarily reduced its remuneration rate and is currently charging 0.3% per annum on the average annual net assets of the Fund, calculated on a daily basis.

18.3 This pertains to Sindh Sales Tax levied by Provincial Government of Sindh at the rate of 15% (June 2025: 15%) through the Sindh Sales Tax on Services Act, 2011.

19. ADVISORY FEE - NET

This represents the advisory fee from the Dawood Family Takaful Fund, a related party, as agreed under an agreement dated 30 November 2018.

20. FINANCIAL CHARGES

Mark-up on director loan	14	789,853	1,214,058
Bank charges		12,257	14,090
		<u>802,110</u>	<u>1,228,148</u>

20.1 This director loan carries interest at the rate of 3 month Kibor +2% (31 December 2024: 3 month Kibor +2%).

21. LEVY

Minimum tax		826,079	451,379
Final tax	21.1	-	-
		<u>826,079</u>	<u>451,379</u>

22. TAXATION

Current tax		111,213	1,941,521
Prior year tax		-	-
Deferred tax		-	-
		<u>111,213</u>	<u>1,016,434</u>

23. EARNINGS PER SHARE - BASIC AND DILUTED	Notes	Un-Audited 31 December 2025 Rupees	Audited 30 June 2025 Rupees
Profit for the period (Rupees)		<u>10,838,675</u>	<u>8,283,626</u>
Weighted average number of ordinary shares at year end (Number)		<u>14,973,750</u>	<u>14,973,750</u>
Earnings per share - basic and diluted (Rupees)		<u>0.72</u>	<u>0.55</u>

23.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 31 December 2025. (30 June 2025 : Nil) which would have any effect on the earnings per share if the option to convert is exercised.



24. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, directors, their close family members, senior executives, retirement benefit plans, major shareholders of the Company and funds under management. Transactions with the related parties other than those disclosed elsewhere in these financial statements during the period are as follows:

	SIX-MONTHS PERIOD ENDED		THREE-MONTHS PERIOD ENDED	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	Rupees	Rupees	Rupees	Rupees
24.1 Transactions during the period				
Subordinated loan form director				
Interest expense charged for subordinated loan	789,853	1,214,058	394,931	557,878
786 Smart Fund - Fund under Management				
Remuneration from fund under management - net	11,067,799	9,142,381	5,432,693	4,232,691
Accounting and operational charges	-	609,541	-	609,541
Investment of 117,694 (2024: 11,436) units	10,000,000	1,000,000	-	-
Redemption of 137,455 (2024: 1,426,635) units	12,000,000	126,000,000	12,000,000	108,500,000
786 Islamic Money Market Fund - Fund under Management				
Remuneration from fund under management - net	626,578	288,320	284,951	288,320
Accounting and operational charges	-	19,221	-	19,221
Investment of 1,000,000 (2023: Nil) units	-	100,000,000	-	100,000,000
Other Related Parties				
First Dawood Investment Bank Limited & Others Employees' Provident Fund				
Provident fund contribution	540,554	492,988	289,877	274,756
B.R.R. Guardian Limited				
Rent paid	1,454,700	-	-	-
Key Management Personnel				
Rumuneration and director fee	4,459,900	4,672,802	2,229,950	1,051,403
Dawood Family Takaful Limited				
Insurance expense during the period	49,578	42,038	24,969	21,019
Advisory fee - net	277,778	555,556	277,778	277,778
			31 December 2025	31 December 2024
24.2 Balance outstanding with related parties			Rupees	Rupees
Receivable balances				
Receivable against management fees			8,823,592	8,744,719
Dawood Family Takaful Limited				
Advisory fee receivable			300,000	1,200,000
B.R.R. Guardian Limited				
Prepaid rent			848,575	-
Key Management Personnel				
Chief Executive Officer				
Subordinated loan:				
Principal			12,000,000	12,000,000
Accrued Mark-up			14,971,699	13,374,277

24.3 Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place:

Name of related party	Basis of relationship	Percentage of shareholding (%)
786 Smart Fund	Fund under Management	9%
786 Islamic Money Market Fund	Fund under Management	30%
B.R.R. Guardian Limited	Shareholding	12.93%
Dawood Family Takaful Limited	Common directorship	N/A

The Company has not entered into any transaction with director and executives other than those provided under the Company's policies and terms of employment.

25. FINANCIAL RISK MANAGEMENT

There have been no significant changes in the risk management policies since the year end.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended 30 June 2025.

26. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorised for issue on _____ by the Board of Directors of the Company.

27. GENERAL

27.1 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA++ by the Pakistan Credit Rating Agency limited (PACRA), against financial losses that may be caused as a result of gross negligence of its employees.

27.2 Figures have been rounded off to the nearest rupee.

✓



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



BOOK POST



If undelivered, please return to:

786 Investments Limited
G-3, B.R.R. Tower,
Hassan Ali Street,
Off I.I. Chundrigar Road,
Karachi - 74000 Pakistan



Managed By:
786 Investments Limited

G-3, B.R.R. Tower, Hassan Ali Street,
Off I.I. Chundrigar Road, Karachi - 74000 Pakistan
Tel: (92-21) 32603751-54
Email: info@786investments.com
Website: www.786investments.com