

Date: October 07, 2025

To: General Manager
Pakistan Stock Exchange Limited

Subject: Update on Expansion Plans and Withdrawal of Land Sale Agreement dated January 08, 2021

Dear Sir,

The Board of Directors of **Frontier Ceramics Limited**, in its meeting held on **October 07, 2025**, comprehensively reviewed the Company's future expansion plans in light of the prevailing market conditions. After detailed deliberation, the Board observed that the sector has attained a level of saturation where further investment in new projects would not yield adequate returns for shareholders.

Accordingly, in line with its policy of prudent capital allocation and focus on operational excellence, the Board resolved to discontinue the previously planned land acquisition for a new business unit and to withdraw the Land Sale Agreement dated January 08, 2021, executed with the Chief Executive Officer of the Company (Counterparty) for purchase of 1031 kanal of land on "AS Is 'basis, situated at Massan DaudKhail, Mianwali for a total consideration of Rs. 1.13 billion, against which an advance of Rs. 750.84 million was paid. The counterparty is the Chief Executive Officer of the Company,

The Board also reviewed the land advance of Rs. 750.84 million paid under the said agreement over the contract period since the agreement date. After discussion, it was mutually agreed that Rs. 200 million shall be refunded by May 2026, while the further payment if any, will be paid after June 30, 2026 with mutual agreement between the parties under negotiation, as the counterparty has raised concerns regarding compensation for withdrawal of the agreement.

The Board has directed management to engage with the counterparty to reach an equitable and transparent settlement, ensuring full protection of the Company's financial and strategic interests. This decision reflects the Company's commitment to safeguarding shareholder value, optimizing capital deployment, and strengthening existing operations instead of pursuing expansion in a saturated market environment.

Further, the approval of the members of the Company in this regard will be sought at the upcoming Annual General Meeting.

The Company will continue to keep the Exchange informed of any material developments in this matter, in compliance with the applicable regulatory requirements.

Yours faithfully,

For and on behalf of Frontier Ceramics Ltd


Rehman Khan
Company Secretary

CC: The Director/HOD,
Offsite-II Department, Supervision Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Islamabad.