



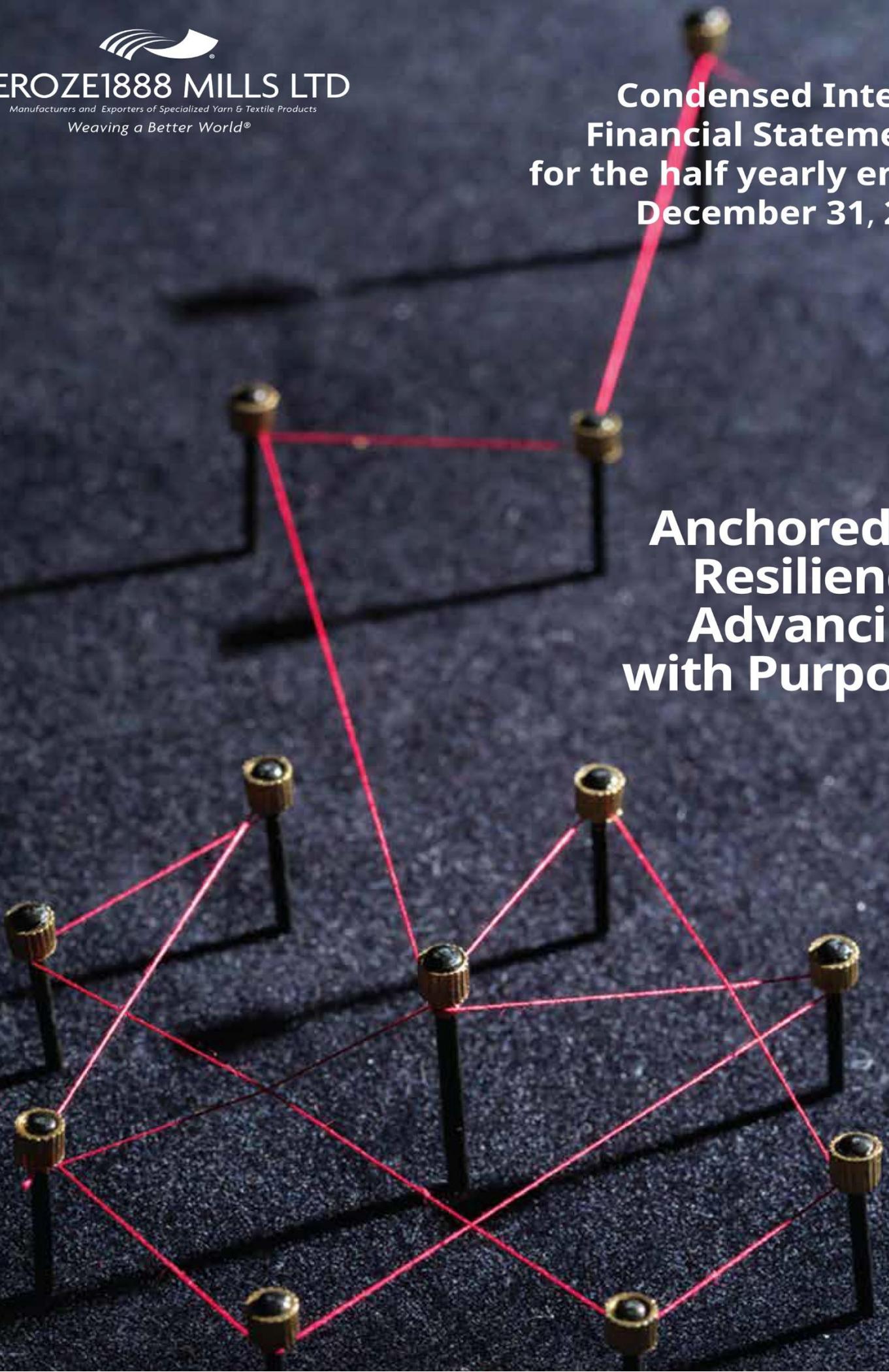
FEROZE1888 MILLS LTD

Manufacturers and Exporters of Specialized Yarn & Textile Products

Weaving a Better World®

**Condensed Interim
Financial Statements
for the half yearly ended
December 31, 2025**

**Anchored in
Resilience,
Advancing
with Purpose**



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Company Information

Board of Directors

Mr. Abdul Rehman Yaqub
Mr. Shabbir Ahmed
Mr. Khaleequr Rahman
Mr. Perwez Ahmed
Mr. Zain Ashraf Mukaty
Mr. Anas Rahman
Mr. Temoor Ashraf Mukaty
Mr. Moin M. Fudda
Ms. Huma Pasha
Ms. Aminah Zahid Zaheer
Mr. Rehan Rahman

Board Audit Committee

Mr. Moin M. Fudda
Mr. Khaleequr Rahman
Mr. Temoor Ashraf Mukaty
Ms. Aminah Zahid Zaheer

Board HR & Remuneration Committee

Ms. Aminah Zahid Zaheer
Mr. Moin M. Fudda
Mr. Zain Ashraf Mukaty

Chief Financial Officer

Ms. Javeria Siddiqui

Company Secretary

Mr. Faizan Zafar

Bankers

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited

External Auditors

Grant Thornton Anjum Rahman, Chartered Accountants 1st & 3rd Floor,
Modern Motors House, Beaumont Road, Karachi.

Internal Auditors

A.F. Ferguson & Co, Chartered Accountants,
State Life Building No. 1-C, I.I. Chundrigar Road,
City Railway Colony Karachi.

Chairman
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Chief Executive Officer

Chairman
Member
Member
Member

Chairperson
Member
Member

Registered Office

Plot # H-23/4-A, Scheme # 3, Landhi Industrial Area,
Landhi, Karachi.

Corporate Office

K&N Centre, 2nd and 3rd Floors, 160 Banglore Town,
Shahrah -e-Faisal, Karachi

Factory Addresses

Sindh:

- H-23/4-A, H-23/4-B, H-23/4-B1 and H-23/3-II, Scheme No. 3, Landhi, Industrial Area, Karachi
- Plot # B-4A, SITE, Karachi.
- Plot # A-5/D and A-5/D1, SITE, Karachi.
- Plot # C-3, SITE, Karachi.
- Plot # C-3,1 SITE, Karachi.
- Plot # PL-15 North Karachi Industrial Area, Karachi
- Plot # ST-03 North Karachi Industrial Area, Karachi
- Survey # 81, 242, 72 to 75, 165, 166, 171, 172, 176 to 181, 186 to 190, 156,210, 211, 243 Deh Moachko Tapo Gabopat, Keamari Town, Karachi.

Balochistan:

Plot# D-12 to D-20, K-1 to K-3, M-30(Survey #564) and M34, (survey #564,84/1,85,86 &89/1, 94/1) HITE, Hub, Lasbela, Baluchistan

Legal Advisor

Mohsin Tayebaly & Co.
1st Floor, Dime Centre Khayaban-e- Iqbal,
Block 9, Clifton, Karachi.

Share Registrar / Transfer Agent

FAMCO Share Registration Services (Pvt.) Limited
8-F, Next to Hotel Faran Nursery, Block-6,
PECHS, Shahrah-e-Faisal, Karachi.

Website

<http://www.feroze1888.com>

DIRECTORS' REPORT

The Directors are pleased to present the Company's performance review together with the un-audited Financial Statements and the Auditors' Limited Review Report for the half year ended December 31, 2025.

ECONOMIC OVERVIEW

The global economy continued to expand at a moderate pace during the period under review, with growth projected at approximately 2.9% in 2026. Nevertheless, the outlook remains fragile amid geopolitical tensions and potential trade restrictions that could disrupt global supply chains and dampen output.

Global inflation has continued to recede from earlier highs, supported by tight monetary policies and improved supply conditions. Headline inflation in advanced economies has largely moved closer to central bank targets, while emerging markets are also witnessing gradual moderation. Monetary authorities have entered a cautious easing phase; however, policy calibration remains prudent in response to inflationary risks and trade-related uncertainties. In this environment, fiscal consolidation and structural reforms remain critical for rebuilding policy buffers and ensuring long-term macroeconomic stability.

Domestically, Pakistan's economy has shown signs of stabilization and gradual recovery. GDP grew by 3.1% in Q1 FY2026, driven by improved industrial activity and resilience in the agriculture sector. Inflation eased to 5.6% in December 2025, largely reflecting favorable food supply dynamics and better demand-supply balance. On the external front, strengthened foreign exchange reserves — supported by IMF disbursements under the Extended Fund Facility (EFF) and Resilience and Sustainability Facility (RSF), alongside record remittance inflows — have contributed to improved macroeconomic confidence.

Notwithstanding these encouraging indicators, sustainable recovery will depend on consistent implementation of structural reforms aimed at broadening the tax base, rationalizing untargeted subsidies, reducing the state's footprint in commercial sectors, enhancing trade facilitation, and addressing inefficiencies in the energy sector.

INDUSTRY OVERVIEW

Pakistan's textile industry, the backbone of the national economy and the largest contributor to export earnings, continues to operate under significant pressure. The sector faces structural cost disadvantages, elevated energy tariffs, constrained liquidity, and persistent logistical challenges that have eroded competitiveness across segments of the value chain.

During July–December 2025, Pakistan's total exports stood at US\$ 15,135 million compared to US\$ 16,639 million in the corresponding period last year, reflecting a decline of 9.0%. Textile exports recorded a marginal decrease of 0.9%, amounting to US\$ 9.08 billion compared to US\$ 9.16 billion in the same period last year.

While the slight contraction in textile exports reflects global demand softness and pricing pressures, the sector has demonstrated resilience amid a challenging operating environment. However, restoring growth momentum will require sustained macroeconomic stability, competitive energy pricing, improved access to financing, and productivity enhancements to strengthen Pakistan's position in international markets.

REVIEW OF OPERATING RESULTS

A brief overview of performance of your Company for the six months ended December 31st, 2025 is stated below:

Statement of Profit or Loss for the Half year ended:

	December 2025	December 2024
	----- (Rupees in '000) -----	
Sales- net	32,354,113	28,248,791
Gross profit	3,675,703	3,476,291
Profit /(Loss) before levies	460,298	(118,833)
Profit /(Loss) after levies	57,565	(374,501)
EPS / (LPS) (Rs/Share)	0.14	(0.94)

The Company's net sales have increased by Rs. 4.1 billion i.e. by 14.5% in comparison with the corresponding period of last year. The bottom-line is resultantly impacted with increase in profits after tax by Rs.432million.

FUTURE OUTLOOK

While macroeconomic indicators suggest gradual stabilization, the operating environment remains challenging and uncertain. Global demand recovery continues to be uneven, with persistent geopolitical tensions, trade policy risks, and cautious consumer spending in key export markets. Pricing pressures and competitive intensity are expected to remain elevated in the near term.

Domestically, although inflation has moderated and foreign exchange stability has improved, structural cost challenges — particularly energy tariffs, financing costs, and taxation — continue to weigh on industrial competitiveness. Access to affordable working capital and policy consistency will remain critical for sustaining export-oriented growth — as very recently reduction in Export Refinance rates were revised downwards which has been welcomed by the exporters.

In this environment, the Company will maintain a prudent and disciplined approach, focusing on preserving liquidity, enhancing operational efficiencies and cost rationalization, improving fixed cost absorption, expanding customer diversification and value-added product mix, strengthening export competitiveness through productivity gains.

The Company remains committed to cautious capital allocation, prioritizing projects that enhance efficiency, reduce energy intensity/alternate energy, and improve margins rather than pursuing aggressive expansion.

While near-term challenges persist, Management believes that disciplined execution, operational agility, and continued focus on higher-value segments will position the Company to benefit when demand conditions improve. The Board will continue to closely monitor economic and industry developments and adjust strategy accordingly to safeguard shareholder value.

ACKNOWLEDGEMENT

We would like to place on record our profound gratitude to the shareholders, customers and business partners, whose continued cooperation and support have enabled the Company to strive to do better each day. We also like to acknowledge and thank all the employees of the Company for their dedicated efforts and persistence.

For and on behalf of the Board of Directors

Rehan Rahman
Chief Executive Officer

Karachi
Date: 26 February, 2026

Abdul Rehman Yaqub
Director

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے ہم از حد مسرور ہیں۔

اقتصادی جائزہ

زیر جائزہ مدت کے دوران عالمی معیشت میں معتدل رفتار سے ترقی جاری رہی، جبکہ 2026 میں ترقی کی شرح تقریباً 2.9 فیصد رہنے کا امکان ہے۔ تاہم، جغرافیائی سیاسی کشیدگی اور ممکنہ تجارتی پابندیوں کے باعث عالمی سپلائی چین میں خلل اور پیداوار میں کمی کے خدشات کے پیش نظر معاشی منظر نامہ اب بھی پیچیدہ ہے۔

عالمی سطح پر افراط زر میں پہلے کی بلندی سے بتدریج کمی آئی ہے، جس کی بڑی وجوہات سخت مالیاتی پالیسیاں اور سپلائی کی بہتر صورتحال ہے۔ ترقی یافتہ معیشتوں میں افراط زر بڑی حد تک مرکزی بینکوں کے اہداف کے قریب آچکی ہیں، جبکہ ابھرتی ہوئی منڈیوں میں بھی بتدریج کمی دیکھنے میں آرہی ہے۔ مالیاتی حکام نے محتاط انداز میں شرح سود میں نرمی کا آغاز کیا ہے، تاہم افراط زر اور تجارتی غیر یقینی صورتحال کے باعث پالیسی میں احتیاط برقرار ہے۔ ایسے ماحول میں مالیاتی نظم و ضبط اور ساختی اصلاحات طویل المدتی معاشی استحکام اور پالیسیوں میں توازن قائم کرنے کے لئے نہایت اہم ہیں۔

ملکی سطح پر پاکستان کی معیشت میں استحکام اور بتدریج بحالی کے آثار ہیں۔ مالی سال 2026 کی پہلی سہ ماہی میں جی ڈی پی میں 3.1 فیصد اضافہ ہوا جس کی بنیادی وجہ زرعی شعبے میں ٹھراؤ اور صنعتی سرگرمیوں میں بہتری شامل ہیں۔ دسمبر 2025 میں افراط زر کی شرح 5.6 فیصد تک کم ہوئی جو کہ بڑی حد تک خوراک کی طلب و رسید میں توازن کی عکاسی کرتا ہے۔ بیرونی سطح پر زرمبادلہ کے ذخائر میں استحکام جو آئی ایم ایف کی ایکسیٹینڈ فنڈنسٹیٹ اور ری ریبلینس اینڈ سسٹین ایبلٹی فیسلٹی (RSF) کے تحت رقوم کی فراہمی، نیز ترسلا زری ریکارڈ آمد کے باعث ممکن ہوئی جس نے معاشی استحکام میں بہتری لانے میں اہم کردار ادا کیا ہے۔

ایکسیٹینڈ

اگرچہ یہ اشاریے حوصلہ افزا ہیں، تاہم پائیدار بحالی کے لیے ٹیکس میٹ میں توسیع، غیر ہدفی سبڈیز کے خاتمے، تجارتی سہولتوں میں اضافہ، توانائی کے شعبے میں اصلاحات اور تجارتی شعبوں میں حکومتی عمل دخل میں کمی جیسی ساختی اصلاحات کا تسلسل ناگزیر ہے۔

صنعتی جائزہ

پاکستان کی ٹیکسٹائل صنعت، جو قومی معیشت میں ریڑھ کی ہڈی اور برآمدات کا سب سے بڑا ذریعہ ہے، شدید دباؤ کا شکار ہے۔ اس شعبے کو ساختی لاگت کے نقصانات، توانائی کی بلند لاگت، محدود مالی وسائل (لیکویڈیٹی) اور لاجسٹک کے مسائل کا مسلسل سامنا ہے۔ جس کے باعث ویلیو چین کے مختلف حصوں میں مسابقتی صلاحیت نمایاں طور پر متاثر ہوئی ہے۔

جولائی تا دسمبر 2025 کے دوران پاکستان کی مجموعی برآمدات 15,135 ملین امریکی ڈالر رہی جبکہ گزشتہ سال کی اسی مدت میں 16,639 ملین امریکی ڈالر تھیں۔ جو 9 فیصد کمی کو ظاہر کرتی ہے۔ ٹیکسٹائل برآمدات میں 0.9 فیصد کمی معمولی کمی ریکارڈ کی گئی۔ اور یہ 9.08 ارب امریکی ڈالر ہیں جبکہ گزشتہ سال اسی مدت میں یہ 9.16 ارب امریکی ڈالر تھیں۔

اگرچہ ٹیکسٹائل کی برآمدات میں معمولی کمی عالمی طلب میں کمی اور قیمتوں پر دباؤ کی عکاسی کرتی ہے، اس شعبے نے مشکل حالات کا بخوبی مقابلہ کیا ہے۔ تاہم، ترقی کی رفتار کو بحال رکھنے کے لئے پائیدار معاشی استحکام، توانائی کی مسابقتی قیمتوں کا تعین، فنانشنگ کی بہتر رسائی اور بین الاقوامی منڈیوں میں پاکستان کی حیثیت کو مضبوط بنانے کے لئے پیداواری صلاحیتوں میں اضافے کی ضرورت ہوگی۔

آپریٹنگ نتائج کا جائزہ

31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے لیے آپ کی کمپنی کی کارکردگی کا ایک مختصر جائزہ ذیل میں بیان کیا گیا ہے:

ختم ہونے والے چھ ماہ کے لیے منافع یا نقصان کا بیان:

دسمبر 2024	دسمبر 2025	
----- (000 روپے میں) -----		
28,248,791	32,354,113	فروحت - خالص
3,476,291	3,675,703	مجموعی منافع
(118,833)	460,298	لیویز سے پہلے منافع
(374,501)	57,565	لیویز کے بعد منافع / نقصان
(0.94)	0.14	فی حصص آمدنی (روپے/شیر)

کمپنی کی خالص فروحت میں گزشتہ سال کی اسی مدت کے مقابلے میں 4.1 ارب یعنی 14.5 فیصد کا اضافہ ہوا۔ اور بعد از ٹیکس منافع میں 432 ملین روپے کا نمایاں اضافہ ہوا۔

مستقبل کا نقطہ نظر

اگرچہ معاشی اشاریے بتدریج استحکام کی نشاندہی کرتے ہیں، تاہم کاروباری ماحول اب بھی مشکل اور غیر یقینی ہے۔ عالمی طلب کی بحالی غیر یقینی ہے، جبکہ جغرافیائی سیاسی کشیدگی، تجارتی پالیسی کے خطرات اور اہم برآمدی منڈیوں میں صارفین کی محتاط خریداری کے رجحانات برقرار ہیں۔ مستقبل قریب میں قیمتوں کا دباؤ اور مسابقتی شدت برقرار رہنے کی توقع ہے۔

ملکی سطح پر، اگرچہ افراط زر میں کمی اور زرمبادلہ کے استحکام میں بہتری آئی ہے، تاہم توانائی کے نرخ، فنانشنگ کی لاگت اور ٹیکس جیسے ساختی اخراجات صنعتی مسابقت پر اثر انداز ہو رہے ہیں۔ برآمدات پر مبنی ترقی کے تسلسل کے لیے سستے سرمایہ گردش تک رسائی اور پالیسیوں کا تسلسل نہایت اہم رہے گا۔ حالیہ دنوں میں ایکسپورٹ ری فنانس ریش میں کمی کو برآمد کنندگان نے خوش آئند قرار دیا ہے۔

ایسے حالات میں، کمپنی محتاط اور منظم حکمت عملی اپناتے ہوئے لیکویڈیٹی کے تحفظ، آپریشنل بہتری، لاگت میں کمی، مقررہ اخراجات کے بہتر استعمال، صارفین کے لئے تنوع اور ویلویڈ مصنوعات کے فروغ اور پیداواری صلاحیت میں اضافے پر توجہ مرکوز رکھے گی۔

کمپنی سرمایہ کاری کے حوالے سے محتاط پالیسی جاری رکھے گی اور توسیعی منصوبوں کے بجائے ایسے منصوبوں کو ترجیح دے گی جو کارکردگی بہتر کریں، توانائی کے استعمال میں کمی یا متبادل توانائی کو فروغ دیں اور منافع میں اضافہ کریں۔

اگرچہ قلیل مدت میں چیلنجز برقرار ہیں، تاہم انتظامیہ کا ماننا ہے کہ منظم عمل درآمد، آپریشنل بہتری اور اعلیٰ ویلویڈ سیکمنٹس پر توجہ، کمپنی کو مستقبل میں طلب میں بہتری کے شمرات سے مستفید ہونے کے قابل بنائے گی۔ بورڈ معاشی اور صنعتی صورتحال پر گہری نظر رکھے گا اور شیئر ہولڈرز کے مفادات کے تحفظ کے لیے حکمت عملی میں مناسب تبدیلیاں کرتا رہے گا۔

اظہار تشکر

ہم اپنے معزز شیئرز، ہولڈرز، صارفین اور کاروباری شراکت داروں کے تہہ دل سے شکر گزار ہیں، جن کے مسلسل تعاون اور اعتماد نے کمپنی کو ہر روز بہتر کارکردگی کی جانب بڑھنے کا موقع فراہم کیا۔ ہم کمپنی کے تمام ملازمین کی محنت، لگن اور ثابت قدمی کو بھی خراج تحسین پیش کرتے ہیں اور ان کا دلی شکر یہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

عبدالرحمن یعقوب
ڈائریکٹر

ریحان رحمان
چیف ایگزیکٹو آفیسر

کراچی

تاریخ: 26 فروری 2026

**Grant Thornton Anjum
Rahman**

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Modern Motors House,
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Karachi, Pakistan.

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INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Feroze1888 Mills Limited

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Feroze1888 Mills Limited 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 for the half year then ended, and notes to the condensed interim financial statements (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these 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 Matters

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year presented in the 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 condensed interim statement of comprehensive income for the three months period ended 31 December 2025 and 31 December 2024 have not been reviewed by us.

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



Chartered Accountants
Place: Karachi
Date: 27 February 2026
UDIN: RR2025100934nv37aOpo

FEROZE1888 MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Un-audited 31 December 2025	Audited 30 June 2025
	Note	----- Rupees in '000 -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	36,104,495	37,400,223
Intangible assets		270,392	206,496
Long-term deposits		144,840	184,846
		<u>36,519,727</u>	<u>37,791,565</u>
CURRENT ASSETS			
Stores and spares		3,388,259	2,599,521
Stock-in-trade	5	22,068,951	21,268,341
Trade debts	6	13,557,945	14,298,043
Advances, deposits, prepayments and other receivables		12,845,966	6,411,790
Taxation - net		1,399,607	1,139,409
Cash and bank balances		415,016	308,346
		<u>53,675,744</u>	<u>46,025,450</u>
TOTAL ASSETS		<u><u>90,195,471</u></u>	<u><u>83,817,015</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,994,090	3,994,090
Capital reserves		2,115,146	2,115,146
Revenue reserve		24,694,320	24,636,755
Revaluation surplus on property, plant and equipment		3,010,172	3,010,172
		<u>33,813,728</u>	<u>33,756,163</u>
NON-CURRENT LIABILITIES			
Deferred liabilities		273,279	316,972
Long-term financing	7	4,297,776	4,916,936
Lease liabilities		825,037	908,925
		<u>5,396,092</u>	<u>6,142,833</u>
CURRENT LIABILITIES			
Trade and other payables		15,563,060	12,285,805
Provisions		5,079,159	4,811,404
Short-term borrowings	8	28,213,601	24,289,748
Accrued mark-up		280,568	383,780
Current portion of deferred liabilities		95,473	102,166
Current portion of long-term financing	7	1,509,797	1,806,845
Current portion of lease liabilities		241,628	235,901
Unclaimed dividend		2,365	2,370
		<u>50,985,651</u>	<u>43,918,019</u>
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		<u><u>90,195,471</u></u>	<u><u>83,817,015</u></u>

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

FEROZE1888 MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	----- (Rupees in '000) -----			
Sales - net	32,354,113	28,248,791	15,098,613	12,545,881
Cost of sales	(28,678,410)	(24,772,500)	(13,503,332)	(11,223,986)
Gross profit	3,675,703	3,476,291	1,595,281	1,321,895
Administrative cost	(632,148)	(731,344)	(255,919)	(351,453)
Distribution cost	(2,342,345)	(1,908,759)	(1,135,088)	(732,760)
Other expenses	(45,617)	(39,311)	(37,083)	(17,495)
	(3,020,110)	(2,679,414)	(1,428,090)	(1,101,708)
	655,593	796,877	167,191	220,187
Other income	1,056,700	773,113	705,325	234,634
Operating profit	1,712,293	1,569,990	872,516	454,821
Finance cost	(1,251,995)	(1,688,823)	(665,982)	(778,580)
Profit / (loss) before levies	460,298	(118,833)	206,534	(323,759)
Levies - minimum tax	(402,733)	(255,668)	(189,654)	(53,436)
Net profit / (loss) for the period	57,565	(374,501)	16,880	(377,195)
Earning / (loss) per share basic and diluted (Rupees)	0.14	(0.94)	0.04	(0.94)

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

FEROZE1888 MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Half year ended		Quarter ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	----- (Rupees in '000) -----			
Net profit / (loss) for the period	57,565	(374,501)	16,880	(377,195)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	57,565	(374,501)	16,880	(377,195)

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

FEROZE1888 MILLS LIMITED
CONDENSED INTERM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	Share capital	Capital reserves		Revenue reserve	Revaluation surplus on property, plant and equipment	Total
		Amalgamation reserve	Share premium	Accumulated profit		
----- (Rupees in '000) -----						
Balance as at 01 July 2024	3,994,090	543,413	1,571,733	24,537,732	3,010,172	33,657,140
Net loss for the period	-	-	-	(374,501)	-	(374,501)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(374,501)	-	(374,501)
Balance as at 31 December 2024	3,994,090	543,413	1,571,733	24,163,231	3,010,172	33,282,639
Balance as at 01 July 2025	3,994,090	543,413	1,571,733	24,636,755	3,010,172	33,756,163
Net profit for the period	-	-	-	57,565	-	57,565
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	57,565	-	57,565
Balance as at 31 December 2025	3,994,090	543,413	1,571,733	24,694,320	3,010,172	33,813,728

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

 Chief Financial Officer

 Chief Executive Officer

 Director

FEROZE1888 MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	31 December 2025	31 December 2024
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before levies	460,298	(118,833)
Adjustments for:		
Depreciation	1,748,036	1,506,149
Amortization	69	2,940
Finance cost	1,251,995	1,688,823
Provision for gratuity	-	276,204
Allowance for ECL	(729)	(12)
Interest on bank accounts	(1,981)	(19,669)
Dividend income	-	(39,636)
Loss on disposal of operating fixed assets	7,640	1,251
	3,005,030	3,416,050
Working capital changes:		
Stores and spares	(788,738)	253,005
Stock in trade	(800,610)	(10,320,147)
Trade debts	740,098	4,939,802
Advances, deposits, prepayments and other receivables	(6,434,176)	(1,969,007)
Trade and other payables	3,304,388	(950,990)
	(3,979,038)	(8,047,337)
Finance costs paid	(1,355,207)	(1,957,521)
Income tax and levies paid	(662,931)	(671,661)
Gratuity paid	(27,133)	(143,876)
Long-term deposits - net	40,006	(5,709)
Provisions made during the year	267,755	376,202
Net cash used in operating activities	(1,737,510)	(2,402,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(590,331)	(1,519,573)
Proceeds from disposal of operating fixed assets	16,761	29,608
Short-term investments encashed	-	2,728,592
Interest received	1,981	19,669
Net cash (used in) / generated from investing activities	(571,589)	1,258,294
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5)	(22)
Lease rentals paid	(78,161)	(149,955)
Short-term borrowings - obtained	3,923,853	6,375,908
Long term financing - paid	(916,208)	(846,236)
Net cash generated from financing activities	2,929,479	5,379,695
Net increase / (decrease) in cash and cash equivalents	106,670	(514,696)
Cash and cash equivalents as at the beginning of the period	308,346	1,054,766
Cash and cash equivalents as at the end of the period	415,016	540,070

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The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

FEROZE1888 MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

1 THE COMPANY AND ITS OPERATIONS

Feroze1888 Mills Limited (the Company) was incorporated in Pakistan as a Public Limited Company in October 1972 under the Companies Act, VII of 1913 (repealed with the enactment of the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in production and export of towels. The registered office of the Company is situated at H-23/4-A Scheme # 3, Landhi Industrial Area, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board as notified under the Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

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

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

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, estimates, judgements used in these condensed interim financial statements are the same as those applied in the preparation of annual financial statements for the year ended 30 June 2025.

		<u>(Un-audited)</u> 31 December 2025	<u>(Audited)</u> 30 June 2025
	Note	----- (Rupees in '000) -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	30,472,334	30,456,744
Capital work-in-progress	4.2	4,638,491	5,825,134
Right of use asset		993,670	1,118,345
		<u>36,104,495</u>	<u>37,400,223</u>
4.1 Operating fixed assets			
Balance at the beginning of the period / year		30,456,744	29,460,698
Addition during the period / year		1,649,725	4,019,368
	4.1.1	<u>32,106,469</u>	<u>33,480,066</u>
Disposals during the period/ year		(24,394)	(133,912)
Depreciation charged during the period / year	4.1.1	<u>(1,609,741)</u>	<u>(2,889,410)</u>
		<u>(1,634,135)</u>	<u>(3,023,322)</u>
Balance at the end of the period / year		<u>30,472,334</u>	<u>30,456,744</u>

FEROZE1888 MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

4.1.1 Details of addition and disposal are as follows:

	Additions (Cost)		Disposal (NBV)	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	----- Rupees in '000 -----			
Land - Leasehold	-	78,625	-	-
Land - Freehold	30,000	-	-	-
Building on leasehold land	228,611	1,156,720	-	-
Plant and machinery	1,372,074	2,554,851	14,568	84,956
Electric fittings / equipments	527	126,540	-	3,489
Office equipments	8,620	29,161	1,769	2,192
Computers	2,867	29,461	978	2,991
Furniture and fixtures	-	10,130	2,762	37,384
Vehicles	7,026	33,880	4,317	2,900
	<u>1,649,725</u>	<u>4,019,368</u>	<u>24,394</u>	<u>133,912</u>
4.2 Capital work-in-progress		Note	(Un-audited) 31 December 2025	(Audited) 30 June 2025
			----- (Rupees in '000) -----	
Balance at the beginning of the period / year			5,825,134	6,666,574
Additions during the period / year			426,508	3,461,279
			<u>6,251,642</u>	<u>10,127,853</u>
Transferred to operating fixed assets			(1,612,291)	(4,135,730)
Written-off during the year			(860)	(166,989)
Balance at the end of the period / year			<u>4,638,491</u>	<u>5,825,134</u>
5 STOCK-IN-TRADE				
Raw material in:				
- hand			8,563,600	7,586,598
- transit			1,459,852	2,176,790
			<u>10,023,452</u>	<u>9,763,388</u>
Work-in-progress			7,590,272	7,051,448
Finished goods			4,455,227	4,453,505
			<u>22,068,951</u>	<u>21,268,341</u>
6 TRADE DEBTS				
Related Parties				
- 1888 Mills LLC			1,370,960	1,491,336
- Premier 1888 Limited			245,285	970,374
			<u>11,941,700</u>	<u>11,836,333</u>
Others			<u>13,557,945</u>	<u>14,298,043</u>

FEROZE1888 MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

	(Un-audited) 31 December 2025	(Audited) 30 June 2025
	----- (Rupees in '000) -----	
7 LONG TERM FINANCING		
Conventional		
Long Term Finance Facility	1,146,209	1,620,749
Temporary Economic Refinance Facility	3,049,249	3,330,598
Renewable Solar Financing Scheme	569,482	595,194
	<u>4,764,940</u>	<u>5,546,541</u>
Islamic		
Long Term Finance Facility	-	17,080
Temporary Economic Refinance Facility	929,633	1,047,160
Renewable Solar Financing Scheme	113,000	113,000
	<u>1,042,633</u>	<u>1,177,240</u>
Less: Current portion	<u>(1,509,797)</u>	<u>(1,806,845)</u>
	<u>4,297,776</u>	<u>4,916,936</u>
8 SHORT TERM BORROWINGS		
Conventional		
Export re-finance	13,320,000	12,820,000
Foreign exchange loans against import facilities	3,126,995	2,448,917
	<u>16,446,995</u>	<u>15,268,917</u>
Islamic		
Export re-finance	6,150,000	6,450,000
Foreign exchange loans against import facilities	5,616,606	2,570,831
	<u>11,766,606</u>	<u>9,020,831</u>
	<u>28,213,601</u>	<u>24,289,748</u>
9 CONTINGENCIES AND COMMITMENTS		

There are no material changes in the status of contingencies and commitments as reported in the annual financial statements for the year ended 30 June 2025.

FEROZE1888 MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2025

10 TRANSACTIONS WITH RELATED PARTIES

Related parties of the company comprise associated companies, directors, major shareholders, key management personnel and retirement funds. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	(Un-audited) Half year ended		(Un-audited) Quarter Ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	----- Rupees in '000 -----			
Associated companies				
Sales	3,944,047	2,784,408	1,359,300	838,632
Purchases	1,201	10,729	1,012	-
Marketing fee	959,641	1,002,259	511,316	450,818
Lease rentals	126,390	132,238	68,862	63,453
Rent expense	4,798	4,829	2,399	2,181
Donation	-	1,000	-	-
Directors				
Meeting fee	7,637	9,806	3,465	3,839
Key management personnel				
Remuneration paid	60,068	55,728	28,576	26,348
Post-employment benefits	3,234	3,106	1,650	1,553
Other related parties				
Contribution to staff provident fund	234,909	89,312	173,279	44,631
Contribution to staff gratuity fund	-	276,204	-	138,102

11 FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2025. There have been no changes in any risk management policies since the year end.

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 values of financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. During the period, there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

