



Half Yearly Report December, 2025 (Unaudited)



Sitara Peroxide
Limited

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Company Information

Board of Directors

Mr. Muhammad Bin Imran
Chairman
Mr. Imran Ghafoor
Chief Executive Officer
Mrs. Sharmeen Imran
Non-Executive Director
Mr. Haroon Ahmed Zuberi
Independent Director
Mr. Saim Bin Saeed
Independent Director
Mr. Yasir Ahmed Awan
Non-Executive Director
Mr. Muhammad Iqbal
Non-Executive Director

Chief Financial Officer

Mr. Shahid Irshad

Company Secretary

Mr. Mazhar Ali Khan

Head of Internal Audit

Mr. Hafiz M. Tariq

Audit Committee

Mr. Haroon Ahmed Zuberi
Chairman
Mr. Saim Bin Saeed
Member
Mr. Muhammad Bin Imran
Member

Share Registrar

THK Associates (Private) Limited
Plot No. 32-C, Jami Commercial Street 2,
DHA, Phase VII, Karachi - 75500,
Pakistan.
UAN: (92 21) 111-000-322
Ph: (92 21) 35310183-84
Fax: (92 21) 35310191

Board Human Resource & Remuneration Committee

Mr. Saim Bin Saeed
Chairman
Mr. Imran Ghafoor
Member
Mrs. Sharmeen Imran
Member

External Auditors

RSM-Avais Hyder
Liaqat Nauman
Chartered Accountants

Legal Advisor

Sahibzada Waqar Arif

Registered Officer

601-602, Business Centre, Mumtaz Hassan
Road, Off. I. I. Chundrigar Road, Karachi - 74000
Ph : (92 21) 32401373, 32413944

Company Website

www.sitaraperoxide.com.pk

Bankers

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited (BML)
United Bank Limited
JS Bank Limited
First Women Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited

Head Office & Project Location

26 - KM Sheikhpura Road,
Faisalabad.
Ph : (92 41) 2600108, 2600747

Directors' Report

The Board of Directors of Sitara Peroxide Limited (the Company) is pleased to present their report together with duly reviewed condensed interim financial information of the Company for the half year ended on December 31, 2025.

Business and Financial Review

The financial results of half year ended on December 31, 2025 in comparison with corresponding half year ended on December 31, 2024, are as under.

Financial Highlights	Half year ended on December 31, 2025	Half year ended on December 31, 2024
	Rupees	Rupees
Other income	375,722,952	-
Administrative expenses	125,828,053	145,015,553
Finance cost	38,748,281	2,776,361
	164,576,334	147,791,914
Profit / (Loss) for the period before income tax	211,146,618	(147,791,914)
Provision for taxation	(36,773,799)	(24,161,814)
Profit/(loss) for the period	247,920,417	(123,630,100)
Earnings/(Loss) per share-Basic and diluted (Rupees)	4.50	(2.24)

The operations of plant remained closed due to envisaged BMR during half year of the current financial years. Administrative expenses for the half year of the current financial year are Rs 125.828 million including depreciation of Rs 89.619 million as compared with administrative expenses for the half year of the last financial year of Rs 145.015 including depreciation Rs 91.478 million, resulting into reduction of such expenses by Rs 19.187 million due to austerity measures adopted by the management.

Export proceeds of palladium catalyst amounting to Rs. 157.591 million was realized in October 2025 and used to fully repay UBL Sukuk facility, resulting into reversal of past accrued markup Rs 296.696 Mln. The combined effect of gain on the disposal of palladium catalyst and reversal of past accrued markup resulted into other income of Rs 375.722 million.

The company earned profits of Rs 247.920 million for the half year of the current financial year in comparison with loss of Rs 123.630 for the half year of last financial year. Accordingly, earnings per share (EPS) stood at Rs. 4.50 in the half year of the current financial year as compared with loss per share of Rs. 2.24 during half year of last financial year.

Future Outlook

The economic conditions of the country, particularly that of textile sector, remained challenging during the period under review. Having such economic environment, the management exercised due care in managing the affairs of the company to safeguard the interests of all stakeholders, especially shareholders, as reflected in the measures taken in the aforesaid paragraphs.

The envisaged Balancing, Modernization and Replacement (BMR) will enhance production capacity, improve yield and increase operational efficiency. The Company is in active negotiations with the technology supplier and has already made an advance payment in this regard. The management remains confident about the successful implementation of the BMR project and viable operations in future.

The Board of Directors expresses its sincere gratitude to all stakeholders, particularly the shareholders, for their continued support and cooperation, including their participation and encouragement at the Board meeting held after the election of directors.

By the order of the Board

HAROON AHMED ZUBERI
Director

IMRAN GHAFOOR
Chief Executive Officer

Faisalabad
February 28, 2026

ڈائریکٹرز رپورٹ

ستارہ پراکسائیڈ لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2025 کو ختم ہونے والی پہلی ششماہی کی عبوری مالیاتی معلومات کی رپورٹ پیش کرتے ہوئے خوش محسوس ہو رہی ہے۔

کاروباری اور مالیاتی جائزہ:

گذشتہ مالیاتی سال کی پہلی ششماہی کے مقابلے میں موجودہ مالی سال کی پہلی ششماہی کے مالیاتی نتائج درج ذیل ہیں۔

مالی سال 2025 جولائی-دسمبر	مالی سال 2024 جولائی-دسمبر	تفصیل
پاکستانی روپے	پاکستانی روپے	
375,722,952	-	دیگر آمدنی
125,828,053	145,015,553	انتظامی اخراجات
38,748,281	2,776,361	فنانس کی لاگت
164,576,334	147,791,914	
211,146,618	(147,791,914)	ٹیکسیشن سے پہلے (نقصان)/منافع
(36,773,799)	(24,161,814)	ٹیکس کی پرویژن
247,920,417	(123,630,100)	ٹیکسیشن کے بعد (نقصان)/منافع
4.50	(2.24)	فی شیئر نقصان (Basic and Diluted Rupees)

موجودہ مالی سال کی پہلی ششماہی کے دوران مجوزہ Balancing, Modernization and Replacement (BMR) کے لئے پلانٹ کی سرگرمیاں بند رہی۔ موجودہ مالی سال کی پہلی ششماہی مدت کے انتظامی اخراجات 125.828 ملین روپے رہے جس میں فرسودگی 89.619 ملین روپے شامل ہے۔ جبکہ گذشتہ مالی سال کی اسی مدت کے دوران انتظامی اخراجات 145.015 ملین روپے تھے جس میں 91.478 ملین روپے فرسودگی شامل تھی۔ اس طرح انتظامیہ کی جانب سے اپنانے کے لئے کفایتی اقدامات کے نتیجے میں ان اخراجات میں 19.187 ملین روپے کی کمی واقع ہوئی۔

اکتوبر 2025 میں Palladium Catalyst کی برآمد سے حاصل شدہ رقم 157.591 ملین روپے وصول ہوئی جس میں سے یونائیٹڈ بینک لمیٹڈ کی سٹاک کی آرٹھیٹیٹی کی مکمل ادائیگی کی گئی، جس کے نتیجے میں ماضی میں جمع شدہ مارک اپ کی 296.696 ملین روپے کی آرٹھیٹیٹی (Reverse) ریورس ہوئی۔ Palladium Catalyst کی فروخت سے حاصل شدہ منافع اور ماضی کے جمع شدہ مارک اپ کی ریورس کے مشترکہ اثر کے نتیجے میں 375.722 ملین روپے کی دیگر آمدنی حاصل ہوئی۔

کمپنی نے موجودہ مالی سال کی پہلی ششماہی مدت کے دوران 247.920 ملین روپے کا منافع حاصل کیا، جبکہ گذشتہ مالی سال کی اسی مدت کے دوران 123.630 ملین کا نقصان ہوا تھا۔ اس طرح فی حصص آمدنی (EPS) موجودہ مالی سال کی ششماہی مدت میں 4.50 روپے رہی۔ جبکہ گذشتہ مالی سال کی اسی مدت کے دوران نقصان فی حصص 2.24 روپے تھا۔

مستقبل کا منظر نامہ

زیر جائزہ مدت کے دوران ملک کی معاشی صورتحال خصوصاً ٹیکسٹائل سیکٹر کی حالت چیلنجنگ رہی۔ ایسے معاشی ماحول میں انتظامیہ نے کمپنی کے معاملات کو احتیاط اور مدداری کے ساتھ چلایا تاکہ تمام اسٹیٹ ہولڈرز، خصوصاً شیئر ہولڈرز کے مفادات کا تحفظ یقینی بنایا جاسکے، جیسا کہ اوپر بیان کردہ اقدامات سے ظاہر ہے۔ مجوزہ Balancing, Modernization and Replacement (BMR) سے، پیداواری صلاحیت میں اضافہ، پیداوار میں بہتری اور اپریشنل کارکردگی میں اضافہ ہوگا، کمپنی ٹیکنالوجی فراہم کرنے والے ادارے کے ساتھ فعال مذاکرات کر رہی ہے اور اس سلسلے میں پیشگی ادائیگی بھی کر چکی ہے۔ انتظامیہ کو یقین ہے کہ BMR کامیابی سے مکمل ہوگا۔ اور مستقبل میں کمپنی کا کاروبار مؤثر اور قابل عمل ہوگا۔

بورڈ آف ڈائریکٹرز تمام اسٹیٹ ہولڈرز، خصوصاً شیئر ہولڈرز کا ان کی مسلسل حمایت اور تعاون پر شکریہ ادا کرتے ہیں۔ جس میں ڈائریکٹرز کے انتخاب کے بعد منعقد ہونے والے بورڈ کے اجلاس میں ان کی شرکت اور حوصلہ افزائی بھی شامل ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



بارون احمد بھٹری
ڈائریکٹر



عمران غفور
چیف ایگزیکٹو آفیسر

فیصل آباد

28 فروری، 2026

Auditors' Review

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sitara Peroxide Limited

Report on Review of the Condensed Interim Financial Statements

Introduction

We were engaged to review the accompanying condensed interim statement of financial position of Sitara Peroxide Limited as at December 31, 2025 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows and notes to the condensed interim 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 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. However, because of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for expressing a conclusion on the condensed interim financial statements.

Scope of Review

We were engaged to conduct our review in accordance with International Standards 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.

Basis for Disclaimer of Conclusion

- (a) As described in Note 1.3 to the condensed interim financial statements, the condensed interim financial statements have been prepared on going concern basis. The Company has accumulated loss of Rs. 547.86 million (2024: Rs. 841.72 million), and as at

Auditors' Review

December 31, 2025, current liabilities exceed current assets by Rs. 801 million (June 30, 2025: Rs. 1,062.76 million). The Company was unable to pay installments of long term financing of Rs. 14 million (June 30, 2025: Rs. 101.73 million). The plant of the company has remained shut down from June 12, 2023 to date. The Company is facing operational and financial problems. These factors indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as going concern. However, the company's management is of the opinion that preparation of financial statements on going concern basis is appropriate in view of Balancing, Modernization and Rehabilitation (BMR) plans which require significant injection of funds. The sponsors' plans to inject further funds for BMR by exploring different funding options. The company has applied for rescheduling of its loans. The financial statements have been prepared on going concern basis on the assumptions that company will be able to implement its BMR plan and sponsors will be able to generate and provide required funds to the company.

We were unable to obtain sufficient and appropriate evidence in support of management's contention that the company and its sponsors would be able to provide required funding for BMR plans and working capital requirements of the company, therefore we were unable to conclude whether the use of going concern assumption in preparation of financial statements is appropriate. If the plant operations of the company remained suspended for foreseeable future, the company may not be able to realize its assets and discharge its liabilities in the normal course of business.

- (b) The Company's property, plant, and equipment are stated in the statement of financial position at Rs. 2,056.79 million. Management has not performed an impairment assessment of the plant, as required under International Accounting Standard 36 "Impairment of Assets," despite the plant of the Company has remained shut down from June 12, 2023 to date. moreover, the existing plant require balancing, modernization, and replacement (BMR) to operate efficiently. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments might have been found necessary in respect of property, plant, and equipment, and the elements making up the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows.
- (c) Long term advances of Rs. 109.6 million and Advances to employees of Rs.8 million are long outstanding balances. These outstanding balances, in our opinion are impaired against which no provision has been made. Had the provision been made, the profit for the year would have been decreased by Rs. 117.6 million and accumulated loss increased by Rs. 117.6 million.

Auditors' Review

- (d) Physical existence and valuation of inventories as of December 31, 2025 Rs. 338.47 million could not be verified by us in the absence of appropriate record and inherent limitation. Owing to the nature of company's record, we were unable to satisfy ourselves as to inventory quantities and valuation by other audit procedures.

Disclaimer of Conclusion

Due to the significance of the matters described in the "**Basis for Disclaimer of Conclusion**" section of our report, we have not been able to obtain sufficient appropriate evidence to form a conclusion on the accompanying condensed interim financial statements as at December 31, 2025. Accordingly, we do not express a conclusion on these financial statements.

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 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 month period ended December 31, 2025 have not been reviewed by us.

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



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: February 28, 2026

UDIN: RR202510194xJyBC2Rt3

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

	Note	(Un-audited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,056,786,392	2,146,406,120
Long term advances		109,626,266	109,626,266
Long term deposits		52,741,143	52,741,143
		2,219,153,801	2,308,773,529
Current assets			
Stores, spare parts and loose tools		119,701,124	119,701,124
Stock in trade		218,776,704	218,776,704
Trade debts	4	-	-
Loans and advances	5	16,499,661	13,882,923
Taxes refundable due from government		75,694,664	75,398,344
Cash and bank balances		1,230,234	5,661,397
		431,902,387	433,420,492
Non-current asset held for sale		-	42,227,475
Total assets		2,651,056,188	2,784,421,496
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	6	551,000,000	551,000,000
Revenue reserve			
Accumulated (loss)		(547,855,273)	(841,723,550)
Capital reserve			
Surplus on revaluation of property, plant and equipment	7	1,213,667,353	1,279,779,382
		1,216,812,080	989,055,832
Non-current liabilities			
Long term financing	8	-	-
Deferred liabilities		201,342,176	256,959,179
		201,342,176	256,959,179
Current liabilities			
Trade and other payables	9	647,478,668	648,207,201
Contract liabilities		114,686,028	114,686,028
Loan from chief executive officer	10	390,301,476	387,508,976
Accrued markup	11	27,428,387	286,264,674
Current portion of long term financing	8	14,000,000	101,739,606
Provision for taxation		39,007,373	-
		1,232,901,932	1,538,406,485
Total equity and liabilities		2,651,056,188	2,784,421,496
Contingencies and commitments	12	-	-

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

	Note	Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
		----- Rupees -----			
Other income	13	<u>375,722,952</u>	-	<u>375,679,282</u>	-
		<u>375,722,952</u>	-	<u>375,679,282</u>	-
Administrative expenses		<u>125,828,053</u>	<u>145,015,553</u>	<u>64,985,548</u>	<u>65,079,293</u>
Finance cost		<u>38,748,281</u>	<u>2,776,361</u>	<u>38,145,036</u>	<u>1,389,607</u>
		<u>164,576,334</u>	<u>147,791,914</u>	<u>103,130,584</u>	<u>66,468,900</u>
Profit / (loss) for the period before income tax		<u>211,146,618</u>	<u>(147,791,914)</u>	<u>272,548,698</u>	<u>(66,468,900)</u>
Provision for taxation	14	<u>(36,773,799)</u>	<u>(24,161,814)</u>	<u>(24,899,035)</u>	<u>(13,462,806)</u>
Profit / (loss) for the period		<u><u>247,920,417</u></u>	<u><u>(123,630,100)</u></u>	<u><u>297,447,733</u></u>	<u><u>(53,006,094)</u></u>
Earning / (loss) per share - Basic and diluted (Rupees)	15	<u>4.50</u>	<u>(2.24)</u>	<u>5.40</u>	<u>(0.96)</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

	Half year ended December 31,		Quarter ended December 31,	
	2025	2024	2025	2024
	-----Rupees -----			
Profit / (loss) for the period	247,920,417	(123,630,100)	297,447,733	(53,006,094)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>247,920,417</u>	<u>(123,630,100)</u>	<u>297,447,733</u>	<u>(53,006,094)</u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA PEROXIDE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid up capital	Accumulated (loss)	Surplus on revaluation of property, plant and equipment	Total
-----Rupees-----				
Balance as at July 01, 2024 - (Audited)	551,000,000	(720,670,410)	1,381,245,086	1,211,574,676
Total comprehensive (loss) for the period				
(Loss) for the period	-	(123,630,100)	-	(123,630,100)
Other comprehensive income	-	-	-	-
	-	(123,630,100)	-	(123,630,100)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	45,935,591	(45,935,591)	-
Balance as at December 31, 2024 - (Un-audited)	551,000,000	(798,364,919)	1,335,309,495	1,087,944,576
Total comprehensive (loss) for the period				
(Loss) for the period	-	(98,888,744)	-	(98,888,744)
Other comprehensive income	-	-	-	-
	-	(98,888,744)	-	(98,888,744)
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	55,530,113	(55,530,113)	-
Balance as at June 30, 2025 - (Audited)	551,000,000	(841,723,550)	1,279,779,382	989,055,832
Total comprehensive income for the period				
Profit for the period	-	247,920,417	-	247,920,417
Other comprehensive income	-	-	-	-
	-	247,920,417	-	247,920,417
Transfer to unappropriated profit on account of incremental depreciation-net of tax	-	45,947,860	(45,947,860)	-
Deferred tax provided during the period	-	-	(20,164,169)	(20,164,169)
Balance as at December 31, 2025 - (Un-audited)	551,000,000	(547,855,273)	1,213,667,353	1,216,812,080

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

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

	Half year ended December 31,	
	2025	2024
	-----Rupees '-----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before levies and income tax	211,146,618	(147,791,914)
Adjustments for :		
Depreciation of property, plant and equipment	89,619,728	91,478,989
Interest waived off	(260,015,315)	-
(Gain) on disposal of non-current asset held for sale	(115,363,967)	-
Reversal of allowance for expected credit losses	(43,670)	-
Finance cost	38,748,281	2,776,361
Operating cash flows before working capital changes	(35,908,325)	(53,536,564)
Changes in working capital		
Decrease / (Increase) in current assets		
Trade debts	43,670	-
Loans and advances	(198,080)	(117,183)
(Decrease) / Increase in current liabilities		
Trade and other payables	(728,533)	11,532,638
Contract liability	-	30,030,821
	(882,943)	41,446,276
Cash (used in) operating activities	(36,791,268)	(12,090,288)
Finance cost paid	(37,569,253)	(6,333)
Income tax (paid) / refund received	(2,714,978)	28,654,735
Net cash (used in) / generated from operating activities	(77,075,499)	16,558,114

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

	Half year ended December 31,	
	2025	2024
	-----Rupees -----	
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non current asset held for sale	157,591,442	-
Net cash generated from investing activities	<u>157,591,442</u>	<u>-</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(87,739,606)	(25,000,000)
Loan from chief executive officer	2,792,500	750,000
Net cash (used in) financing activities	<u>(84,947,106)</u>	<u>(24,250,000)</u>
Net (decrease) in cash and cash equivalents (a+b+c)	(4,431,163)	(7,691,886)
Cash and cash equivalents at the beginning of the period	5,661,397	11,381,255
Cash and cash equivalents at the end of the period	<u><u>1,230,234</u></u>	<u><u>3,689,369</u></u>

The annexed notes from 1 to 20 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

SITARA PEROXIDE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. STATUS AND ACTIVITIES

- 1.1 Sitara Peroxide Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act 2017 on May 30, 2017) and is listed on Pakistan stock exchange. The principal activity of the Company is manufacturing and sale of hydrogen peroxide (H₂O₂) and Sitara Safe (disinfectant). The registered office of the Company is situated at 601-602 Business Centre, Mumtaz Hasan Road, Karachi in the province of Sindh and the manufacturing facilities are located at 26 - km Sheikhpura Road, Faisalabad in the province of Punjab.
- 1.2 These condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.3 The Company's accumulated loss is Rs. 547.86 million (2025: Rs 841.72 million). The current liabilities exceed the current assets by Rs. 801 million. Moreover, the plant of the company has remained shut down from October 20, 2022 through March 02, 2023 and then again from June 12, 2023 to date. These events and conditions may cast significant doubt over the Company's ability to continue as a going concern and the company may be unable to realise its assets and pay its liabilities in the normal course of business.

The management has prepared a business plan for 'Balancing, Modernization and Replacement' (BMR) of the existing plant to be financed through equity and/or loans from the shareholders of the company, with due support from the sponsor directors, financial institutions. The aforesaid funding will be utilized to import state of the art plant & machinery to complete BMR which will enhance the production capacity, efficiency and yield resulting into significant reduction in the cost of production and competitiveness in the

In view of the actions and strategies as mentioned in the Company's published audited financial statements for the year ended June 30, 2025, the management of the company is very confident to implement the BMR proposal and successful operation of the company in the foreseeable future.

Based on these plans and projections, the management has a reasonable expectation that the Company will continue as a going concern and will be operational in the foreseeable future. Accordingly, these financial statements have been prepared on going concern basis, which assumes that the Company will be able to discharge its liabilities in the normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 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, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

SITARA PEROXIDE LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

2.1.2 These condensed interim financial statements are unaudited but subject to limited scope review by the auditors, as required under section 237 of the Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2025.

2.1.3 These condensed interim financial statements do not include all the information required for complete set of financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2025.

2.2 Application of new and revised International Financial Reporting Standards

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future periods

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2025.

2.3 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except certain property, plant and equipment carried at valuation, financial instrument measured at fair value and staff retirement benefits at present value.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2025.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of these financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2025.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2025.

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

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	----- Rupees-----	
3. Property, plant and equipment			
Operating assets	3.1	<u>2,056,786,392</u>	<u>2,146,406,120</u>
3.1 Operating assets			
Book value at beginning of period / year		2,146,406,120	2,368,897,098
Disposals during the period / year		-	(42,227,475)
Depreciation charged during the period / year		(89,619,728)	(180,263,503)
		<u>2,056,786,392</u>	<u>2,146,406,120</u>

3.2 The Company follows the revaluation model. Revaluation of land, building and plant and machinery was carried out on 30 June 2021 by Materials & Designs Services (Private) Limited, independent valuer not related to the company. Materials & Designs Services (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuer. It is also on panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property / project, condition, size, utilization, and other relevant factors.

3.3 The revaluation performed on June 30, 2021 resulted in further surplus of Rs. 550 million. Out of the total revaluation surplus of Rs. 3,920 million, Rs. 1,214 million net of tax (June 2025: Rs. 1,280 million) remains undepreciated as at December 31, 2025.

Details of the Company's revalued assets (fair value hierarchy level 3), as at December 31, 2025 are as

	Rupees
Land	308,281,250
Building	110,834,062
Plant and machinery	1,591,269,380

3.4 Had there been no revaluation, the net book value of the revalued assets would have been as follows:

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
	----- Rupees-----	
Land	41,997,852	41,997,852
Building	30,229,063	32,244,334
Plant and machinery	320,943,487	337,835,249
	<u>393,170,402</u>	<u>412,077,435</u>

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

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
	----- Rupees -----	
4. Trade debts		
Unsecured-considered good:		
Direct customers	89,624,681	89,668,351
Via traders	215,048,932	215,048,932
	<u>304,673,613</u>	<u>304,717,283</u>
Allowance for expected credit losses	<u>(304,673,613)</u>	<u>(304,717,283)</u>
	-	-
5. Loans and advances		
Considered good		
Advances		
Employees for expenses	12,741,773	12,659,073
Suppliers-net of allowances	1,240,540	1,125,160
Income tax	2,517,348	98,690
	<u>16,499,661</u>	<u>13,882,923</u>
6. Share capital		
Authorised capital		
60,000,000 Ordinary shares of Rs. 10 each	<u>600,000,000</u>	<u>600,000,000</u>
Issued, subscribed and paid up capital		
55,100,000 Ordinary shares of Rs. 10 each	<u>551,000,000</u>	<u>551,000,000</u>
7. Surplus on revaluation of property plant and equipment		
Balance at beginning of the year	1,661,163,453	1,804,072,895
Transferred to unappropriated profit in respect of incremental depreciation charged during the period/year	(66,112,029)	(142,909,442)
	1,595,051,424	1,661,163,453
Related deferred tax liability at the beginning of the period/year	381,384,071	422,827,809
Transferred to unappropriated profit in respect of incremental depreciation charged during the period/year	(20,164,168)	(41,443,738)
	361,219,903	381,384,071
Deferred tax provided during the period	(20,164,169)	-
	<u>1,213,667,352</u>	<u>1,279,779,382</u>

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

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- Rupees-----	
8. Long term financing			
Secured			
From banking company			
Under mark up arrangement			
Sukuk arrangement - syndicated	8.1	-	86,279,103
Term finance II	8.2	14,000,000	15,460,503
		14,000,000	101,739,606
Less: Current portion			
Overdue		(14,000,000)	(101,739,606)
		-	-

8.1 The markup on this loan is waived off during the period upon full payment of settlement amount.

8.2 This facility has been converted from short term borrowing to long term. This facility carries mark-up at one month Kibor plus 2% per annum. The facility is repayable in 16 equal quarterly installments commenced from May, 2023 after one year grace period. Mark-up is to be paid on quarterly basis.

The management is currently in negotiations with the bank regarding the repayment of the principal amount.

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
		----- Rupees-----
9. Trade and other payables	<u>647,478,668</u>	<u>648,207,201</u>

9.1 Creditors includes Rs. 30.34 million (June 30, 2025: Rs. 30.34 million) payable to Sitara Spinning Mills Limited (associated undertaking) in ordinary course of business. The maximum aggregated amount outstanding during the year was Rs. 30.34 million.

10. Loan from chief executive officer

This represents an Interest free loan provided by chief executive officer to meet the working capital requirement.

11. Accrued markup

Accrued markup pertains to long term and short term loans. All of the markup have become overdue as at reporting date.

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

12. Contingencies and commitments

12.1 Contingencies

There is no significant change in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2025 except markup on sakuk agreement which is waived off

(Un-audited) Half year ended December 31,		(Un-audited) Quarter ended December 31,	
2025	2024	2025	2024
----- Rupees -----			

13. Other income

Interest waive off	260,015,315	-	260,015,315	-
Gain on disposal of non current asset held for sale	115,363,967	-	115,363,967	-
Insurance claim received	300,000	-	300,000	-
Reversal of allowance for expected credit losses	43,670	-	-	-
	<u>375,722,952</u>	<u>-</u>	<u>375,679,282</u>	<u>-</u>

14. Provision for taxation

Current				
For the period	39,007,373	-	39,007,373	-
Deferred tax	(75,781,172)	(24,161,814)	(63,906,408)	(13,462,806)
	<u>(36,773,799)</u>	<u>(24,161,814)</u>	<u>(24,899,035)</u>	<u>(24,161,814)</u>

15. Earning / (Loss) per share
- Basic and diluted

Profit / (Loss) for the period	<u>247,920,417</u>	<u>(123,630,100)</u>	<u>297,447,733</u>	<u>(53,006,094)</u>
Weighted average number of ordinary shares outstanding during the period	<u>55,100,000</u>	<u>55,100,000</u>	<u>55,100,000</u>	<u>55,100,000</u>
Earning / (Loss) per share	<u>4.50</u>	<u>(2.24)</u>	<u>5.40</u>	<u>(0.96)</u>

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

16. Aggregate Transactions With Related Parties

The related parties comprise associated company, directors, key management personnel and post employment benefit plan. The Company in the normal course of business carries out transactions with various related parties. The balances with related parties have been disclosed in the relevant notes to these condensed interim financial statements. These transactions include remuneration to chief executive officer, directors and 2 (2024 : 2) executives amounting to Rs. 11,513,544/- (2024 : Rs. 4,260,000/-). The significant transactions with related parties are as follows:

Name of the related party	Relationship and Percentage	Transactions during the period	Un-Audited Half year ended December 31,	
			2025	2024
			----- Rupees -----	
Mr. Imran Ghafoor	Chief executive officer	Loan Received	2,792,500	750,000

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The different levels at which the financial instruments are carried have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The fair value of financial instruments is approximately the same as their carrying value.

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

(Un-audited)	
Half year ended	
December 31,	
2025	2024
----- Rupees -----	

18. SHARIAH COMPLIANCE STATUS DISCLOSURE

Disclosures in relation to the condensed interim statement of financial position - Liability

Accrued mark-up on conventional loans	27,428,387	25,051,714
Short term financing as per Islamic mode	-	86,279,103

Disclosures in relation to the condensed interim statement of financial position - Assets

Bank balances that are Shariah compliant	1,055,713	1,799,332
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Source and detailed breakup of other income

Earned from shariah compliant transactions		
Gain on disposal of non current asset held for sale	115,363,967	-
Reversal of allowance for expected credit losses	43,670	-
Earned from non-shariah compliant transactions		
Interest waived off	260,015,315	-
Insurance claim received	300,000	-

Relationship with Shariah-compliant financial institutions

Name of institutions

Relationship with institutions

Meezan bank limited	Bank balance
Faysal bank limited	Bank balance

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 28, 2026 by the Board of Directors of the Company.

20. GENERAL

- 20.1** Except for the sale of non current asset held for sale and the interest waived of as per settlement arrangement under the Sukuk agreement, there is no unusual item included in these condensed interim financial statements that is affecting the equity, liabilities, assets, profit, comprehensive income, or cash
- 20.2** Provisions for taxation made in these condensed interim financial statements is subject to adjustment in annual financial statements.
- 20.3** Figures have been rounded off to the nearest of Rupees.



Chief Executive Officer



Director



Chief Financial Officer



601-602 Business Centre, Mumtaz Hassan Road,
Off. I.I. Chundrigar Road, Karachi-74000.
Ph: 021 32401373, 32413944