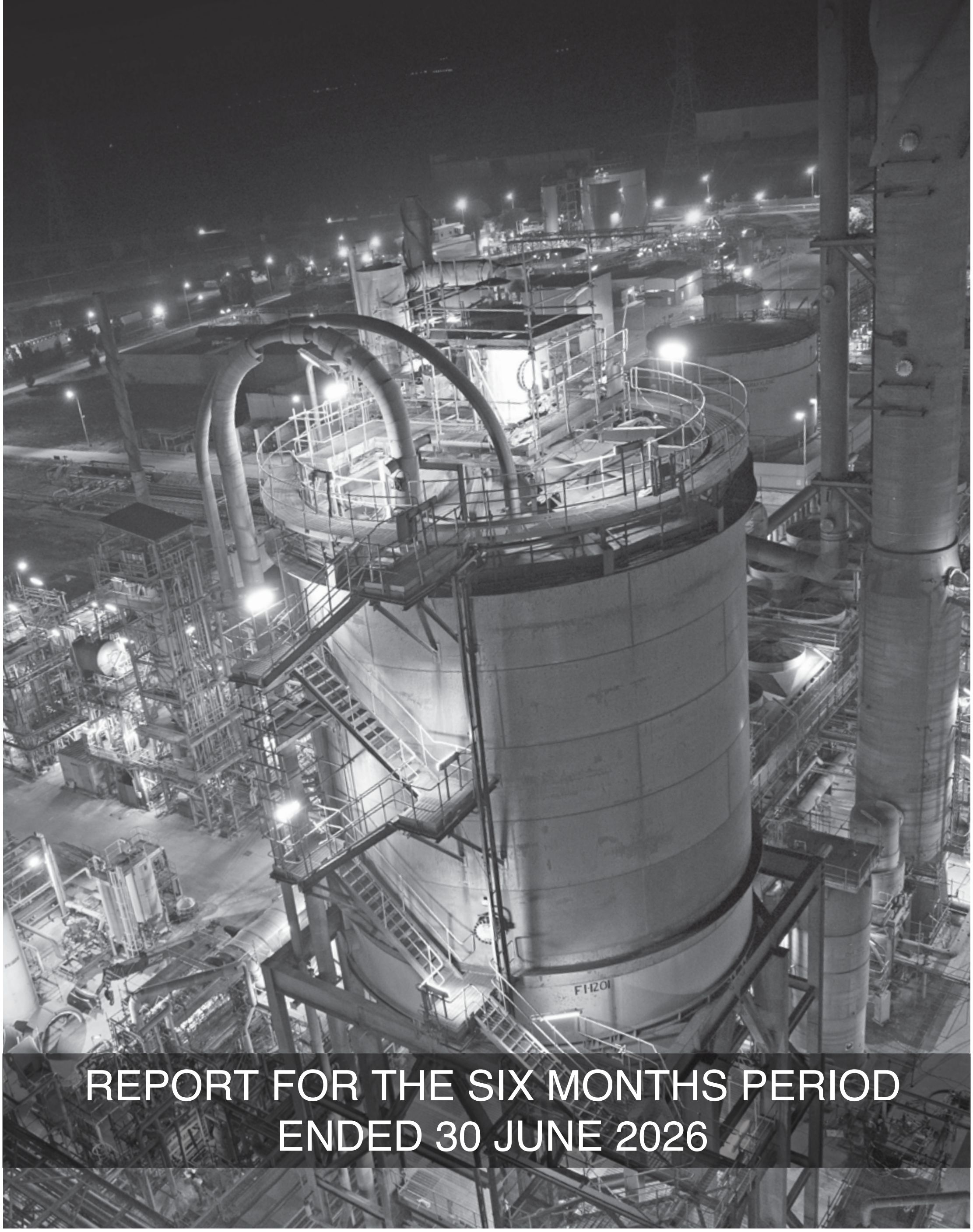
LOTTE CHEMICAL
PAKISTAN LTD

RESET. REVIVE. RISE.

Reshaping the Business, Strengthening the Future.



REPORT FOR THE SIX MONTHS PERIOD
ENDED 30 JUNE 2026

Contents

Company Information
As at 16 July 2026

Board of Directors

Imtiaz Ahmed	Chairman
Adnan Afridi	Chief Executive
Muhammad Zahoor Ilahee Cheema	Non-Executive
Fehmina Khan	Non-Executive
Faisal Ahmed Siddiqui	Non-Executive
Anwer Shamim	Non-Executive
Osman Asghar Khan	Independent
Shahid Ul Hassan Chattha	Independent

Audit Committee

Osman Asghar Khan	Chairman
Muhammad Zahoor Ilahee Cheema	Member
Faisal Ahmed Siddiqui	Member
Shahid Ul Hassan Chattha	Member
Faisal Abid	Secretary

HR & Remuneration Committee

Shahid Ul Hassan Chattha	Chairman
Faisal Ahmed Siddiqui	Member
Muhammad Zahoor Ilahee Cheema	Member
Adnan Afridi	Member
Waheed U Khan	Secretary

Executive Management Team

Adnan Afridi	Chief Executive
Tariq Nazir Virk	Director, Manufacturing
Muhammad Adnan Ali Rizvi	Director, Strategy and Business Development
Waheed U Khan	Director Admin, HR & IT
Ashiq Ali	Chief Financial Officer
Muhammed Talha Khan	General Manager Commercial

Chief Financial Officer
Ashiq Ali

Company Secretary
Faisal Abid

Bankers
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Citibank NA
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
Industrial and Commercial Bank of China
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Head of Internal Audit
Kashif Majeed

External Auditors
A.F. Ferguson & Co.,
Chartered Accountants

Legal Advisor
Naz Toosy
148, 18th East Street, Phase 1,
DHA, Karachi

Registered Office
EZ/I/P-4, Eastern Industrial Zone,
Port Qasim, Karachi

Shares Registrar
FAMCO Share Registration Services (Pvt) LTD.
8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi

Directors' Review
For the second quarter ended 30 June 2026

The Directors are pleased to present their review report for the second quarter ended 30 June 2026 together with the un-audited condensed interim financial information of the Company as at and for the second quarter ended 30 June 2026.

ELECTION OF DIRECTORS

At the Extraordinary General Meeting of the Company held on 22 June 2026, Mr Imtiaz Ahmed, Mr Adnan Afridi, Mr Muhammad Zahoor Illahee Cheema, Ms Fehmina Khan, Mr Faisal Ahmed Siddiqui, Mr Osman Asghar Khan, Mr Shahid Ul Hassan Chattha and Mr Anwer Shamim were elected as Directors of the Company for a three-year term commencing from 23 June 2026.

Following the election of Directors, Mr Imtiaz Ahmed was re-appointed as Chairman and Mr Adnan Afridi as Chief Executive of the Company for a term of three years commencing from 23 June 2026.

BUSINESS OVERVIEW

Crude Oil (WTI) prices remained highly volatile during Q2 2026, with prices remaining elevated during the early part of the quarter amid continued geopolitical tensions in the Middle East and disruptions to seaborne energy flows through the Strait of Hormuz. Despite OPEC+ announcing gradual production increases to offset lower global production during the quarter, uncertainty surrounding global oil supplies continued to support prices. Major economies released barrels from strategic reserves to cater to incremental demand arising during the peak summer driving season and limit the price increase, while strong refinery runs provided limited support to the fragile supply/demand balance. Intermittent ceasefires and ongoing diplomatic negotiations between the US and Iran periodically eased supply concerns, resulting in a gradual decline in prices as the quarter progressed. Towards the end of the quarter, optimism surrounding the reopening of the Strait of Hormuz post signing of the US-Iran peace deal on 14th June, and with expectations of improved global supply, exerted further downward pressure on prices. The average price for the quarter was US$ 92.99 per barrel, an increase of 30.6% compared to the previous quarter.

Paraxylene (PX) prices followed the trend of the upstream energy markets during Q2 2026, increasing during the early part of the quarter. Regardless of continued maintenance shutdowns and reduced operating rates at major PX assets in the region, persistent weak demand from the downstream PTA and polyester sectors resulted in PX prices failing to keep pace with the movement in Crude Oil prices. The absence of supplies from major Middle East PX assets further tightened regional availability during the quarter. With tight prompt availability and buying patterns being executed on a need only basis, spot PX cargoes were able to command a premium from prospective counterparties. However, towards the end of the quarter, prices came under pressure as easing geopolitical tensions, expectations of improved supply amid a weaker demand outlook weighed on prices. PX prices averaged at US$ 1,168.59 per tonne for the quarter as compared to US$ 1,003.85 per tonne for the previous quarter, reflecting an increase of 16.4%.

PTA prices moved largely in line with the upstream Paraxylene (PX) market during Q2 2026, with overall market fundamentals being driven by tight feedstock availability and low producer run rates. The volatility and rising trend in the commodity prices resulted in improved PX-PTA margins. Additionally, regional trade flows were significantly impacted after a major Chinese producer was placed on the OFAC sanctions list which pushed buyers to re-visit buying strategies. The turbulent market conditions and elevated global sea freight rates resulted in demand destruction and elevated inventories in the polyester value chain. Later in the quarter, PTA prices came under pressure in line with weaker upstream Crude Oil and PX markets. The average PTA price for the quarter was US$ 859.88 per metric tonne, while the average PX–PTA margin was US$ 89/MT.

The Domestic Polyester Industry continued to operate at subdued levels during the second quarter of 2026. Demand from the textile sector remained weak as limited availability of raw materials and their premium pricing resulted in significant demand destruction. With buyers limiting purchases to avoid accumulation of high-priced inventory amid reduced demand, polyester producers in the textile and PET sector were forced to rationalize operations. Demand from the PET sector remained relatively better during the quarter, supported by higher seasonal consumption and inventory replenishment around Eid-ul-Adha.

OPERATIONS

Sales volume, comprising of domestic sales only for Q2 2026 at 80,836 tonnes was 10% lower than the corresponding quarter last year due to lower demand against the industry's inability to pass on high priced product as well as continued consumption of cheaper imports.

Production volume during the quarter at 65,766 tonnes was 27% lower than the corresponding period last year to match sales.

Directors' Review
For the second quarter ended 30 June 2026

6.5 MW SOLAR POWER AND BESS PROJECT

The Directors are pleased to report the successful completion and commissioning of 6.5 MW captive solar power plant and Battery Energy Storage System (BESS) project marking a key milestone in the Company's journey toward Zero-Cost Electric Energy Consumption.

These strategic investments will reduce dependence on high-cost grid electricity, lower operating costs, enhance profitability and strengthen the Company's long-term competitiveness. It also reflects our commitment to sustainable operations, reducing our carbon footprint, and creating long term value for our shareholders.

FINANCIAL PERFORMANCE

Revenue for the quarter was 28% higher than the corresponding period last year due to higher PTA price. This coupled with efficient operations and inventory management resulted in a gross profit of Rs 2,700 million for the quarter as compared to gross profit of Rs 445 million during the same period last year.

Other income for the quarter was significantly higher than the corresponding period last year due to a gain of Rs 2.82 billion representing the difference between carrying amount of Sindh Infrastructure Development Cess provision and the discounted value of settlement liability.

The taxation charge for the quarter is based on statutory income tax rate and super tax as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the quarter stood at Rs 1.87 per share as compared to Rs 0.05 per share for Q2 2025.

POST BALANCE SHEET EVENT

The Board of Directors in its meeting held on 16 July 2026 has approved an interim cash dividend of Rs 1.50 per share for the year ending 31 December 2026.

FUTURE OUTLOOK

Crude Oil (WTI) prices are expected to remain influenced by geopolitical developments in the Middle East, OPEC+ production policy and the global demand outlook. With the continued optimism towards resolution of the Middle East conflict, the market sentiment remains positive towards prices returning to pre-war levels. Additionally, the market remains wary of significant inventory depletion from Strategic Reserves of major economies, which may keep prices propped for the second half of the year.

Paraxylene (PX) prices are expected to remain influenced by upstream Crude Oil and Naphtha markets, while planned maintenance activities as well as diversion of product to the gasoline pool is expected to keep the market tight. PTA prices are expected to move in line with upstream feedstock markets. Prices may face additional pressure from the persistent weak demand from the downstream textile sector as well as the seasonal lull expected in the PET market. Consequently, a cautious buying approach is expected to persist as market participants remain vigilant amid the volatile geopolitical scenario.

Going forward, post announcement of the Final Determination of Anti-Dumping Duty on Chinese PTA imports effective 12th June 2026 for a period of five (5) years is expected to provide impetus to the demand for domestic PTA. Further, the Company's implementation of energy efficiency projects is expected to improve operating economics resulting in enhanced competitiveness against cheaper imports. The Domestic Polyester Industry is expected to remain under pressure from weak downstream demand, elevated energy costs and the continued influx of cheaper imports (PSF) in the domestic market. Nevertheless, the market is expected to perform better going forward as the industry remains confident of gradual demand recovery post resolution of the Middle East conflict.

Imtiaz Ahmed
Chairman

Adnan Afridi
Chief Executive

Date: 16 July 2026
Karachi

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF LOTTE CHEMICAL PAKISTAN LIMITED

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Lotte Chemical Pakistan Limited as at June 30, 2026 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to and forming part of 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.

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 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 quarter ended June 30, 2026 have not been reviewed by us.

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

A.F. Ferguson & Co.
Chartered Accountants

Date: July 24, 2026
Karachi
UDIN: RR202610059sL0bdYK9h

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5, Fax: +92 (21) 32415007

Condensed Interim Statement of Financial Position
As at 30 June 2026

Amounts in Rs '000

	Note	30 June 2026 (Un-audited)	31 December 2025 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	**6,030,252**	5,758,938
Intangible assets		**88,581**	2,246
Right-of-use assets		**-**	66,545
Long-term loans		**311,425**	254,041
Long-term deposits and prepayments		**30,671**	31,258
Deferred taxation - net		**1,664,776**	2,955,422
		8,125,705	9,068,450
Current assets			
Stores and spare parts		**2,693,802**	2,426,109
Stock-in-trade		**8,733,345**	9,091,174
Trade debts	5	**5,048,643**	6,406,906
Loans and advances		**139,068**	76,279
Trade deposits and short-term prepayments	6	**4,216,536**	94,011
Accrued interest		**53,984**	54,686
Other receivables		**14,967**	4,500
Short-term investments - at amortised cost	7	**3,356,274**	1,414,499
Sales tax refunds due from government		**4,296,587**	5,228,719
Taxation - net		**7,000,399**	7,108,886
Cash and bank balances	8	**798,401**	6,828,351
		36,352,006	38,734,120
Total assets		**44,477,711**	47,802,570
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid-up capital 1,514,207,208 (31 December 2025: 1,514,207,208) ordinary shares of Rs 10 each		**15,142,072**	15,142,072
Capital reserve		**2,345**	2,345
Revenue reserve - Unappropriated profit		**5,128,582**	8,387,696
Total equity		**20,272,999**	23,532,113
Liabilities			
Non-current liabilities			
Retirement benefit obligations		**213,605**	204,495
Long-term borrowing	9	**3,441,004**	-
Sindh Infrastructure Development Cess	10.2	**2,649,631**	-
		6,304,240	204,495
Current liabilities			
Long-term borrowing - current portion	9	**1,274,834**	-
Trade and other payables	10	**16,045,852**	22,452,450
Lease liability		**-**	316,531
Short-term financing		**-**	800,000
Accrued interest	11	**490,655**	427,555
Unclaimed dividend		**89,131**	69,426
		17,900,472	24,065,962
Total liabilities		**24,204,712**	24,270,457
Total equity and liabilities		**44,477,711**	47,802,570
Contingencies and commitments	12		

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Imtiaz Ahmed	**Adnan Afridi**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)
For the six months period ended 30 June 2026

Amounts in Rs '000

	Note	Six months period ended 30 June (Un-audited) 2026	2025	Quarter ended 30 June (Un-audited) 2026	2025
Revenue from contracts with customers - net	13	**44,707,207**	40,175,940	**23,847,373**	18,670,744
Cost of sales	14	**(39,078,907)**	(38,398,424)	**(21,146,916)**	(18,225,462)
Gross profit		**5,628,300**	1,777,516	**2,700,457**	445,282
Distribution and selling expenses		**(108,195)**	(104,218)	**(59,906)**	(56,046)
Administrative and general expenses		**(471,582)**	(407,294)	**(248,119)**	(205,824)
Other operating expenses	15	**(524,734)**	(103,126)	**(342,106)**	(21,917)
Operating profit		**4,523,789**	1,162,878	**2,050,326**	161,495
Other income	16	**3,036,478**	374,476	**2,930,635**	165,709
Finance costs	17	**(478,339)**	(304,770)	**(310,257)**	(180,520)
Profit before taxation and levies		**7,081,928**	1,232,584	**4,670,704**	146,684
Levies		**(30)**	(189)	**(22)**	(8)
Profit before taxation		**7,081,898**	1,232,395	**4,670,682**	146,676
Taxation	18	**(2,769,976)**	(490,616)	**(1,833,130)**	(66,798)
Profit after taxation		**4,311,922**	741,779	**2,837,552**	79,878
		------------------------- Rupees -------------------------			
Earnings per share - basic and diluted		**2.85**	0.49	**1.87**	0.05

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Imtiaz Ahmed
Chairman

Adnan Afridi
Chief Executive

Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2026

Amounts in Rs '000

	Six months period ended 30 June (Un-audited)		Quarter ended 30 June (Un-audited)	
	2026	2025	**2026**	2025
Profit after taxation	**4,311,922**	741,779	**2,837,552**	79,878
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income for the period	**4,311,922**	741,779	**2,837,552**	79,878

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Imtiaz Ahmed
Chairman

Adnan Afridi
Chief Executive

Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 30 June 2026

Amounts in Rs '000

	Share capital	Reserves			
	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Sub-total	Total equity
Balance as at 1 January 2025	15,142,072	2,345	7,269,198	7,271,543	22,413,615
Total comprehensive income for the six months period ended 30 June 2025					
- Profit for the six months period ended 30 June 2025	-	-	741,779	741,779	741,779
- Other comprehensive income for the six months period ended 30 June 2025	-	-	-	-	-
	-	-	741,779	741,779	741,779
Balance as at 30 June 2025	15,142,072	2,345	8,010,977	8,013,322	23,155,394
Balance as at 1 January 2026	**15,142,072**	**2,345**	**8,387,696**	**8,390,041**	**23,532,113**
Total comprehensive income for the six months period ended 30 June 2026					
- Profit for the six months period ended 30 June 2026	**-**	**-**	**4,311,922**	**4,311,922**	**4,311,922**
- Other comprehensive income for the six months period ended 30 June 2026	**-**	**-**	**-**	**-**	**-**
	-	**-**	**4,311,922**	**4,311,922**	**4,311,922**
Transactions with owners in their capacity as owners					
Interim dividend for the year ended 31 December 2025 @ Rs. 5 per share	**-**	**-**	**(7,571,036)**	**(7,571,036)**	**(7,571,036)**
Balance as at 30 June 2026	**15,142,072**	**2,345**	**5,128,582**	**5,130,927**	**20,272,999**

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Imtiaz Ahmed	**Adnan Afridi**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)
For the six months period ended 30 June 2026

Amounts in Rs '000

	Note	Six months period ended 30 June (Un-audited) 2026	2025
Cash flows from operating activities			
Cash generated from / (used in) operations	19	**2,418,891**	(1,711,997)
Finance costs paid - conventional		**(226,712)**	(35,047)
Payments to retirement benefit obligations		**(3,186)**	(2,087)
Long-term loans		**(57,384)**	(21,095)
Long-term deposits and prepayments - net		**587**	(257)
Taxes and levies paid		**(1,370,873)**	(1,351,944)
Finance income received - conventional		**231,981**	391,358
Finance income received - islamic		**2**	19,789
Net cash generated from / (used in) operating activities		**993,306**	(2,711,280)
Cash flows from investing activities			
Payments for capital expenditure		**(1,111,942)**	(173,392)
Proceeds from disposal of property, plant and equipment		**-**	2,352
Net cash used in investing activities		**(1,111,942)**	(171,040)
Cash flows from financing activities			
Dividend paid		**(7,551,331)**	(4,076)
Proceeds from long-term borrowing - net		**5,111,370**	-
Transaction cost paid - long-term borrowing		**(90,000)**	-
Repayments of long-term borrowing		**(305,532)**	-
Repayment of short-term financing		**(800,000)**	-
Payments of lease liabilities		**(334,046)**	(334,949)
Net cash used in financing activities		**(3,969,539)**	(339,025)
Net decrease in cash and cash equivalents		**(4,088,175)**	(3,221,345)
Cash and cash equivalents at 1 January		**8,242,850**	9,247,546
Cash and cash equivalents at 30 June	8.2	**4,154,675**	6,026,201

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Imtiaz Ahmed
Chairman

Adnan Afridi
Chief Executive

Ashiq Ali
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2026

1. STATUS AND NATURE OF BUSINESS

1.1 Lotte Chemical Pakistan Limited ("the Company") was incorporated in Pakistan on 30 May 1998 under Companies Ordinance, 1984 (Repealed with enactment of the Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of Purified Terephthalic Acid (PTA). As at 30 June 2026, PTA Global Holding Limited, the company incorporated in United Arab Emirates, holds 75.01% [30 June 2025: Lotte Chemical Corporation, South Korea ("LCC Korea") held 75.01%] of the issued share capital of the Company. PTA Global Holding Limited is a joint venture between Asiapak Investments Limited and Montage Commodities FZCO.

1.2 The geographical location and addresses of business units are as under:

Location	**Address**
Registered Office	EZ/I/P-4, Eastern Industrial Zone, Port Qasim, Karachi.
City Office	Al-Tijarah Centre, 14th Floor, 32/1-A, Main Shahrah-e-Faisal, Block 6, P.E.C.H.S., Karachi.

1.3 On 10 March 2026, the Company has made a public announcement of intention to acquire approximately 56.19% shareholding of Engro Polymer & Chemicals Limited (“Potential Transaction”). The Potential Transaction remains subject to the completion of due diligence, execution of definitive agreements, and satisfaction of customary conditions.

1.4 During the period, geopolitical tensions arising from the Iran–US conflict led the Company’s Paraxylene (PX) supplier to declare force majeure, disrupting contracted PX imports. The conflict also contributed to an increase in PX prices / margin in international markets. To manage raw material availability, the Company resorted to spot purchases at higher prices and actively managed customer pricing.

1.5 The Company’s storage facility agreement with Engro Vopak Terminal Limited (EVTL) expired on 30 June 2026. As at the reporting date, a new agreement has not yet been finalised and negotiations with EVTL are ongoing. The Company continues to utilise the storage facilities of EVTL under provisional arrangements pending finalisation of the new agreement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the six months period ended 30 June 2026 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 (IASB) as notified under the Companies Act, 2017; and

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

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

2.1.1 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 financial statements of the Company for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention (except for retirement benefit obligations and lease liability, which have been measured at present value).

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Pak Rupee which is also the functional currency of the Company and rounded off to the nearest thousand, unless otherwise stated.

Amounts in Rs '000

2.4 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on 01 January 2026 however these do not have any material impact on the Company's financial reporting and, therefore, have not been presented in these financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

The following standards or amendments are effective for the accounting periods beginning on or after 01 January 2027 and have not been early adopted by the Company:

(i) IFRS 18 Presentation and Disclosure in Financial Statements (effective 01 January 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced are as follows:

- the structure of the statement of profit or loss;

- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and

- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company's management at present is in the process of assessing the full impacts of this new standard and is expecting to complete the assessment in due course.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on 01 January 2026. Such standards and amendments are not expected to have any significant impact on the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2025.

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended 31 December 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 31 December 2025.

	Note	**30 June 2026 (Un-audited)**	31 December 2025 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	4.1	**4,597,814**	5,164,262
Capital work-in-progress	4.2	**1,432,438**	594,676
		6,030,252	5,758,938

Amounts in Rs '000

4.1 The following property, plant and equipment have been added / disposed off during the six months period ended 30 June:

	2026		2025	
	Additions cost	**Disposals net book value**	Additions cost	Disposals net book value
Property, plant and equipment				
Operating assets - owned				
Buildings on leasehold land	**84,447**	-	**5,503**	-
Plant and machinery	**89,020**	-	**291,634**	-
Furniture and equipment	**5,810**	-	**6,536**	-
Motor vehicles	**-**	-	**8,182**	-

	Note	**30 June 2026 (Un-audited)**	31 December 2025 (Audited)
4.2 Capital work-in-progress - movement			
Balance as at opening		**594,676**	557,469
Capital expenditure	4.2.1	**1,011,229**	622,766
Transferred to operating property, plant and equipment		**(173,467)**	(585,559)
Balance as at closing		**1,432,438**	594,676

4.2.1 This includes costs incurred in respect of the procurement of plant and machinery, including expenditure related to the solar project.

5. TRADE DEBTS

All of the Company's trade debts are secured by letters of credit of 30 to 60 days issued by various banks. These balances are neither past due nor impaired and are considered good.

6. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

This includes an amount of Rs. 4,030 million (31 December 2025: Rs. 23.64 million) paid as LC margin for the import of raw materials.

	Note	**30 June 2026 (Un-audited)**	31 December 2025 (Audited)
7. SHORT-TERM INVESTMENTS - at amortised cost			
Conventional			
- Term deposit receipts	7.1	**2,325,300**	1,414,499
- Mutual funds	7.2	**1,030,974**	-
		3,356,274	1,414,499

7.1 The interest rate on term deposit receipt is 12% per annum (31 December 2025: 7% to 10.75% per annum) and had original maturities of less than three months.

7.2 This represents investment in 9,938,961 units of a money market fund having cost amounting to Rs. 1,028 million.

Amounts in Rs '000

		Note	30 June 2026 (Un-audited)	31 December 2025 (Audited)
8.	**CASH AND BANK BALANCES**			
	Cash in hand		**-**	190
	Cash at bank			
	Conventional			
	- Current accounts		**682,587**	9,289
	- Savings account	8.1	**55,363**	6,757,525
			737,950	6,766,814
	Islamic			
	- Current accounts		**60,407**	61,298
	- Savings account	8.1	**44**	49
			60,451	61,347
			798,401	6,828,351

8.1 These carry mark-up from 6.42% to 11.50% per annum (31 December 2025: 6.75% to 11.0% per annum).

		30 June 2026 (Un-audited)	30 June 2025 (Un-audited)
8.2	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances	**798,401**	3,111,702
	Mutual funds	**1,030,974**	-
	TDRs with banks having maturity less than three months	**2,325,300**	2,914,499
		4,154,675	6,026,201

9. LONG-TERM BORROWING

Lender	Note	Installments payable	Interest rate	30 June 2026 (Un-audited)	31 December 2025 (Audited)
United Bank Limited	9.1	Quarterly	1.75% per annum above 3 months KIBOR	**4,801,736**	-
Less: Current portion				**(1,274,834)**	-
Less: Transaction cost				**(85,898)**	-
				3,441,004	-

9.1 During the period the Company has entered into Long Term loan facility with United Bank Limited (UBL) amounting to Rs. 10,500 million. The facility carries markup at a rate of 1.75% per annum above 3 months KIBOR and has a tenor of four years from the first disbursement date. Each drawdown is repayable in 16 quarterly installments in accordance with the agreed repayment schedule. The financing is secured by, inter alia, mortgages over the Company's leasehold land situated at Port Qasim, hypothecation charge over current and fixed assets (excluding land and buildings), assignment of receivables and related cash flows, and charges over designated collection, reserve and debt servicing accounts maintained with the lender. As at 30 June 2026, the Company had unutilised facility amounting to Rs. 5,388 million which can be availed till 23 February 2030.

9.2 In accordance with the terms of the loan agreement, the Company is obligated to comply with certain financial and non-financial covenants including total debts to equity ratio, debt service coverage ratio, and current ratio. At the end of reporting period, the Company has complied with all the covenants. The details of such covenants are:

Types of Ratio	Requirement
Debt to Equity ratio	Maximum 50:50
Debt service coverage ratio	Atleast 1.5x
Current ratio	Atleast 1:1

Amounts in Rs '000

		Note	30 June 2026 (Un-audited)	31 December 2025 (Audited)
10.	**TRADE AND OTHER PAYABLES**			
	Trade creditors including bills payable		**9,320,665**	9,872,042
	Sindh Development and maintenanceof Infrastructure Cess	10.1	**1,145,916**	7,452,633
	Provision for Gas Infrastructure Development Cess (GIDC)		**3,113,744**	3,113,744
	Provision for Captive Gas Tariff rate differential		**201,802**	201,802
	Accrued expenses		**1,463,059**	1,552,682
	Workers' Profit Participation Fund (WPPF)		**380,240**	5,964
	Workers' Welfare Fund (WWF)		**232,421**	87,927
	Contract liabilities - advances from customers		**25,140**	2,651
	Retention money		**8,242**	4,754
	Withholding tax payable		**2,978**	5,780
	Others		**151,645**	152,471
			16,045,852	22,452,450

10.1 Sindh Infrastructure Development Cess (SIDC)

This pertains to the levy of Infrastructure Cess under the Sindh Finance Act, 1994 and subsequently the Sindh Development and Maintenance of Infrastructure Cess Act, 2017. In the year 2021, the appeal filed by the Company before the Honourable Sindh High Court (SHC) in respect of the Development and Maintenance of Infrastructure Cess was dismissed by the SHC on 04 June 2021 in favour of the Government of Sindh. An appeal was thereafter filed before the Honourable Supreme Court of Pakistan (SCP) on 28 July 2021. Subsequently, the matter was transferred to the Honourable Federal Constitutional Court of Pakistan (FCCP). Leave to appeal and stay order were granted by the SCP on 01 September 2021, subject to furnishing bank guarantees to the minimum extent of the amount involved therein.

During the period, the Government of Sindh (GoS) enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026. The Company opted to avail the settlement framework under sections 10A to 10F of the amended Act and signed the agreement with GoS under which 15% of the outstanding liability is payable by 15 April 2026, 15% by 15 October 2026,15% by 15 July 2027, and the remaining balance in forty-eight equal quarterly installments commencing from 15 July 2028. As required under the settlement framework, 1) the Company has withdrawn all pending litigation and waived related claims against the GoS and the previously furnished bank guarantees have been released and 2) paid the first instalment due on 15 April 2026. Resultantly, thereafter, the reduced rate of 0.85% is applicable on the Company as per the settlement framework.

The Company has re-measured its previously undiscounted liability at its present value using the pre-tax rate that reflects current market assessment of the time value of the money and risk specific to the liability, giving due consideration to the latest available information and the expected timing of the settlement. This resulting gain of Rs. 2,818 million represents the difference between the carrying amount of the liability and the discounted value of the settlement liability. Thereafter, the liability is measured at amortised cost using the effective interest method.

		2026 (Un-audited)	2025 (Audited)
10.2	**The movement of SIDC is as follows:**		
	Balance as at 1 January	**7,452,633**	6,205,754
	Provision for the period - net	**186,804**	1,246,879
	Remeasurement gain on SIDC - net	**(2,697,974)**	-
	Less: Payments made during the period	**(1,145,916)**	-
	Balance as at 30 June	**3,795,547**	7,452,633
	Less: Current portion	**(1,145,916)**	(7,452,633)
	Non-current portion	**2,649,631**	-

11. ACCRUED INTEREST

This includes interest payable to Mortar Investments International Limited amounting to USD 1.52 million (31 December 2025: USD 1.52 million) on long-term loans previously repaid by ICI Pakistan Limited. The amount is still unpaid due to certain legal and procedural complexities with respect to foreign remittance.

Amounts in Rs '000

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual financial statements for the year ended 31 December 2025.

12.2 Commitments and Guarantees

12.2.1 Commitments for capital expenditure as at 30 June 2026 amounted to Rs. 330.97 million (31 December 2025: Rs. 163.38 million).

12.2.2 Commitments for rentals under Ijarah arrangements for vehicles are as follows:

	30 June 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	**2,764**	85,021
Later than 1 year and not later than 5 years	**199,848**	155,301
	202,612	240,322

12.2.3 Commitments for rentals for office premises leased from Al Tijarah are as follows:

	30 June 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	**-**	10,012

12.2.4 Commitments for rentals under agreement in respect of services are priced in foreign currency and converted at the exchange rate are as follows:

	30 June 2026	31 December 2025
	(Un-audited)	(Audited)
Not later than 1 year	**-**	445,131
Later than 1 year and not later than 5 years	**-**	-
	-	445,131

12.2.5 The facilities for guarantees from banks as at 30 June 2026 amounted to Rs. 13,100 million (31 December 2025: Rs. 12,700 million). Outstanding guarantees of the Company as at 30 June 2026 were Rs. 1,012.45 million (31 December 2025: Rs. 8,597.35 million).

12.2.6 The facilities for opening letters of credit from banks as at 30 June 2026 amounted to Rs. 50,500 million (31 December 2025: Rs. 45,800 million). Letters of credit issued on behalf of the Company as at 30 June 2026 were Rs. 935.90 million (31 December 2025: Rs. 3,298.86 million).

13. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	Six months period ended 30 June (Un-audited)	
	2026	2025
Manufactured goods		
Local sales	**52,041,830**	47,016,951
Less: Sales tax	**(7,938,584)**	(7,172,077)
Price settlements and discounts	**(468,478)**	(901,697)
	43,634,768	38,943,177
Trading goods		
Local sales	**1,276,999**	1,468,167
Less: Sales tax	**(194,797)**	(223,958)
Price settlements and discounts	**(9,763)**	(11,446)
	1,072,439	1,232,763
	44,707,207	40,175,940

Amounts in Rs '000

		Note	Six months period ended 30 June (Un-audited) 2026	2025
14.	**COST OF SALES**			
	Manufactured goods			
	Opening stock of raw and packing materials		**7,438,648**	6,101,430
	Purchases		**27,529,981**	32,470,596
	Closing stock of raw and packing materials		**(1,848,648)**	(4,413,299)
	Raw and packing materials consumed		**33,119,981**	34,158,727
	Salaries, wages and benefits		**512,414**	539,231
	Stores and spares consumed		**227,525**	242,625
	Rentals under ijarah arrangements		**16,281**	14,448
	Insurance		**100,337**	119,696
	Oil, gas and electricity		**3,221,690**	4,456,583
	Travelling		**127,971**	72,751
	Depreciation and amortisation		**820,838**	774,985
	Repairs and maintenance		**256,679**	308,897
	Others		**40,171**	45,999
	Cost of goods manufactured		**38,443,887**	40,733,942
	Opening stock of finished goods		**1,518,960**	332,132
			39,962,847	41,066,074
	Closing stock of finished goods		**(1,671,002)**	(3,689,762)
	Cost of goods manufactured sold		**38,291,845**	37,376,312
	Trading goods			
	Opening stock		**133,566**	312,628
	Purchases		**997,766**	1,006,267
	Closing stock		**(344,270)**	(296,783)
	Cost of trading goods sold		**787,062**	1,022,112
			39,078,907	38,398,424
15.	**OTHER OPERATING EXPENSES**			
	Workers' Profit Participation Fund		**380,240**	66,786
	Workers' Welfare Fund		**144,494**	36,340
			524,734	103,126
16.	**OTHER INCOME**			
	Income from financial assets			
	Income on term deposit receipts - conventional		**26,826**	58,515
	Income on savings account - conventional		**163,879**	288,103
	Income on mutual funds - conventional		**40,574**	-
	Income on term deposit receipts - islamic		**-**	23,025
	Income on savings account - islamic		**2**	-
			231,281	369,643
	Income from non-financial assets			
	Scrap sales		**103,746**	277
	Indenting commission - net		**1,618**	1,156
	Gain on disposal of property, plant and equipment		**-**	2,352
	Gain on remeasurement of SIDC - net	10.2	**2,697,975**	-
	Rental income from tower on leasehold land		**1,858**	1,048
			2,805,197	4,833
			3,036,478	374,476

Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended 30 June 2026

Amounts in Rs '000

		Note	Six months period ended 30 June (Un-audited)	
			2026	2025
17.	**FINANCE COSTS**			
	Interest / mark-up on:			
	- Short-term financing		**525**	-
	- Bank overdraft		**12,013**	-
	- Long-term borrowing		**233,085**	-
	- Lease liability		**18,476**	74,853
	- Workers' Profit Participation Fund		**263**	-
	Exchange loss - net		**167,156**	194,870
	LC discounting		**19,438**	2,465
	Bank, LCs and other charges		**27,383**	32,582
			478,339	304,770
18.	**TAXATION**			
	Current	18.1	**1,479,330**	701,307
	Deferred		**1,290,646**	(210,691)
			2,769,976	490,616

18.1 This includes a provision for super tax amounting to Rs. 269.66 million at the rate 8% (30 June 2025: Rs. 177.99 million at the rate 10%).

		Six months period ended 30 June (Un-audited)	
		2026	2025
19.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	**7,081,898**	1,232,395
	Adjustments for non-cash charges and other items		
	Levies	**30**	189
	Depreciation and amortisation	**820,838**	787,084
	Gain on remeasurement of SIDC - net	**(2,697,975)**	-
	Provision for obsolete and slow moving stores and spares parts	**-**	1,372
	Write off of obsolete and slow moving stores and spares parts	**1,737**	-
	Gain on disposal of property, plant and equipment	**-**	(2,352)
	Provision for retirement benefit obligations	**12,296**	12,038
	Finance costs	**307,327**	130,708
	Income from financial assets	**(231,281)**	(369,643)
		(1,787,028)	559,396
		5,294,870	1,791,791
	Effect on cashflows due to working capital changes		
	(Increase) / decrease in current assets:		
	Stores and spare parts	**(269,430)**	(152,989)
	Stock-in-trade	**357,829**	(1,653,654)
	Trade debts	**1,358,263**	(78,171)
	Loans and advances	**(62,789)**	(25,871)
	Trade deposits and short-term prepayments	**(4,122,525)**	(106,767)
	Other receivables	**(10,467)**	16,963
	Sales tax refunds due from government	**932,132**	(994,246)
		(1,816,987)	(2,994,735)
	Decrease in trade and other payables	**(1,058,992)**	(509,053)
	Cash generated from / (used in) operations	**2,418,891**	(1,711,997)

Amounts in Rs '000

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement funds. All transactions with related parties are entered into at agreed terms. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship	Nature of transactions	Six months period ended 30 June (Un-audited)	
		2026	2025
Associates	Purchase of goods - Lotte Kolson (Private) Limited	**-**	830
	Purchase of goods - Nova Care (Pvt.) Ltd.	**85**	170
	Purchase of goods - K-Electric Limited	**1,358,042**	-
	Purchase of services - DW Pakistan (Pvt.) Limited	**89,184**	-
	Sale of goods to Pachem Global (Private) Limited - gross sales	**22,088**	-
	Sale of goods to Novatex Limited - gross sales*	**7,699,754**	11,865,546
	Sale of goods to Gatron Industries Limited - gross sales*	**6,931,959**	3,208,998
Key management personnel	Salaries and other short-term benefits	**99,120**	34,631
	Retirement benefits	**11,792**	1,207
Others	Payments to retirement benefit funds	**80,949**	68,344

** Following election of directors, these companies ceased to be related parties of the Company with effect from 23 June 2026. The transactions with these related parties as disclosed above only represent transactions covering the period from 01 January 2026 to 22 June 2026.*

21. SHARIAH COMPLIANCE STATUS DISCLOSURE

	Note	**30 June 2026 (Un-audited)**	31 December 2025 (Audited)
Statement of financial position - Asset side			
1. Long-term and short-term Shariah compliant investments		**-**	-
2. Bank balances that are Shariah compliant	8	**60,451**	61,347
Statement of financial position - Liability side			
3. Financing obtained as per Islamic mode		**-**	-
4. Accrued mark-up on a conventional loan	11	**490,655**	427,555

	Note	**Six months period ended 30 June (Un-audited) 2026**	2025
Statement of profit or loss			
5. Revenue earned from Shariah-compliant business segment	13	**44,707,207**	40,175,940
6. Profit earned from Shariah compliant TDRs	16	**-**	23,025
7. Profit earned from conventional TDRs	16	**26,826**	58,515
8. Exchange loss on actual currency	17	**167,156**	194,870
9. Break-up of late payments or liquidated damages		**-**	-
10. Gain or loss or dividend earned on Shariah compliant investments or share of profit from Shariah-compliant associates		**-**	-
11. Exchange gains earned using conventional derivative financial instruments		**-**	-
12. Profit paid on Islamic mode of financing		**-**	-
13. Total Interest earned on any conventional loan or advance		**-**	-

Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended 30 June 2026

Amounts in Rs '000

	Note	**Six months period ended 30 June (Un-audited)**	
		2026	2025
Break-up of Other income excluding TDRs			
(i) Shariah compliant income			
Scrap sales	16	**103,746**	277
Indenting Commission	16	**1,618**	1,156
Gain on disposal of property, plant and equipment	16	**-**	2,352
Gain on remeasurement of SIDC - net	16	**2,697,975**	-
Rental income from tower on leasehold land	16	**1,858**	1,048
Profit earned from Shariah compliant bank balances	16	**2**	-
Liabilities no longer payable written back	16	**-**	-
Others	16	**-**	-
(ii) Shariah non-compliant income			
Income on savings account - conventional		**163,879**	288,103
Income on mutual funds - conventional		**40,574**	-

21.1 Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Islamic Banks for running finance, letters of guarantee, letters of credit and Ijarah lease for non-commercial vehicles amounting to Rs. 1,000 million, Rs. 1,000 million, Rs. 3,500 million and Rs. 400 million respectively.

Takaful operators

The company has no relationship with takaful operators.

22. NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors, in its meeting held on 16 July 2026, declared an interim cash dividend of Rs. 1.5 per share (15%) for the year ending 31 December 2026, amounting to Rs. 2,271.31 million.

23. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 16 July 2026.

Imtiaz Ahmed	**Adnan Afridi**	**Ashiq Ali**
Chairman	Chief Executive	Chief Financial Officer

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