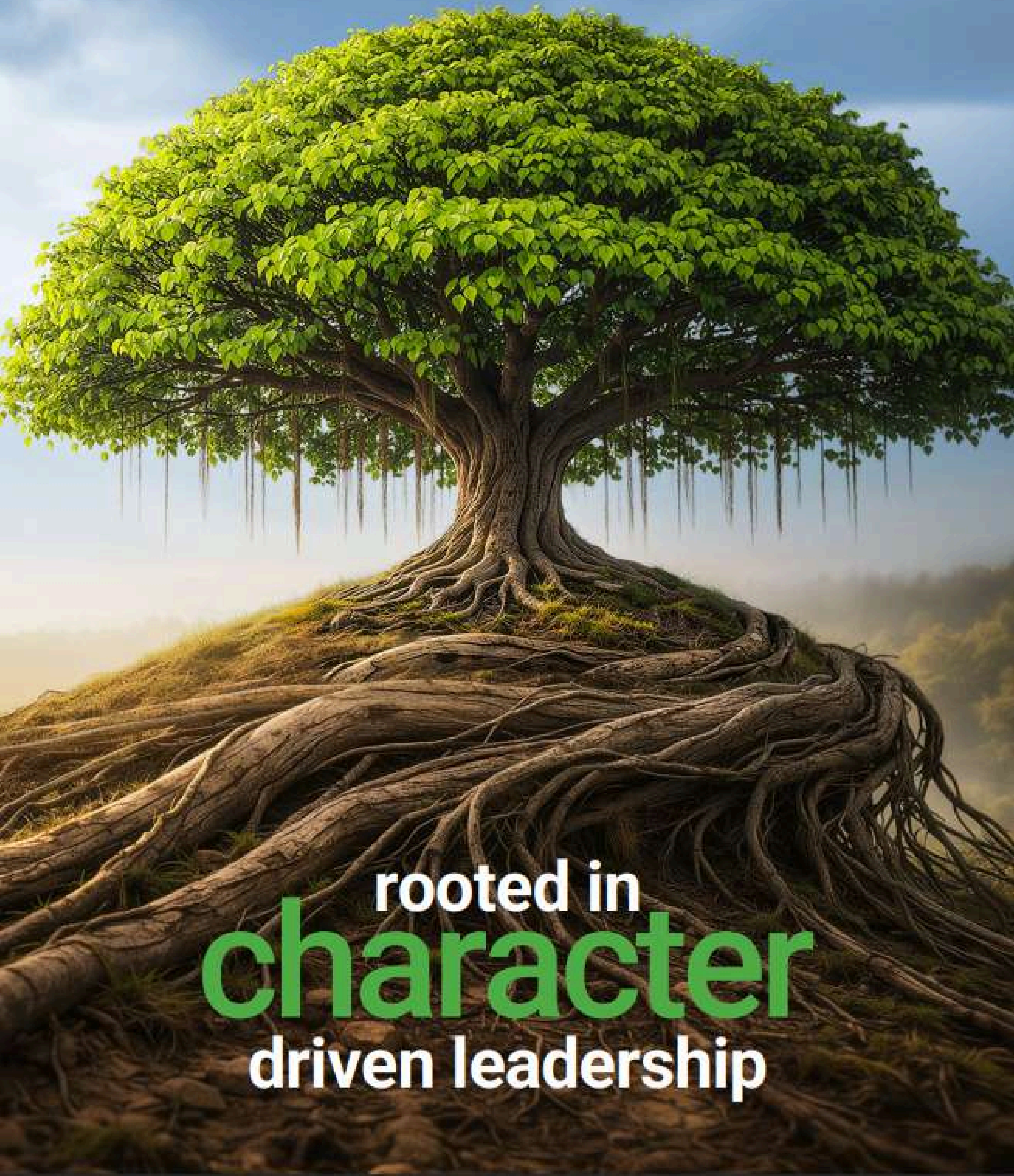
engro polymer & chemicals

half yearly report 2026



rooted in character driven leadership

company information

Chief Executive Officer
Mr. Abdul Qayoom

Chief Financial Officer
Ms. Rabia Wafah Khan

Company Secretary
Mr. Saqib Rafique

board of directors

Mr. Ahsan Zafar Syed I Mr. Kamran Nishat I Mr. Nazoor Ali Baig I Mr. Tariq Nisar
Mr. Muhammad Bilal Ahmed I Mr. Athar A. Khwaja I Ms. Ayesha Aziz I Mr. Abdul Qayoom Shaikh

bankers
Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Allied Bank Limited (Islamic)
Askari Bank Limited
Bank Alfalah Limited
Bank Alfalah Limited (Islamic)
Bank Al-Habib Limited
Bank Al-Habib Limited (Islamic)
Bank Islami Pakistan Limited
Bank of Khyber
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited (Islamic)
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
SAMBA Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Makramah Limited (formerly: Summit Bank Limited)
The Bank of Punjab
United Bank Limited
United Bank Limited (Islamic)

shares registrar
M/s. FAMCO Share Registration Services (Private) Limited 8-F, Near Hotel Faran, Block-6,
PECHS, Shahrah-e-Faisal, Karachi, Pakistan
Tel: +92(21) 34380104-5, 34384621-3
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registered office
4th Floor, The Harbour Front Building, HC # 3,
Marine Drive, Block 4, Clifton, Karachi-75600
PABX: +92-21-35166863-6
UAN: 111 411 411
Website: www.engropolymer.com

plant
EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi

branded outlet – Karachi
Plot 41 - C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi, Pakistan

branded outlet and regional sales unit - Lahore
Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

auditors
A. F. Ferguson & Company Chartered Accountants
State Life Building No. 1-C, I.I. Chundrigar Road,
Karachi-74000, Pakistan
Tel: +92(21) 32426682-6 / 32426711-5
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ENGRO POLYMER & CHEMICALS LIMITED

DIRECTOR'S REVIEW TO THE SHAREHOLDERS

ON UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2026

On behalf of the Board of Directors of Engro Polymer & Chemicals Limited (the "Company"), we would like to present the unaudited financial information of the Company for the half year ended June 30, 2026.

Business Review

The global PVC market remained firm for most of second quarter, with prices increasing through April and May as the US-Iran conflict continued to exert pressure on freight, energy, and feedstock availability. However, the momentum changed May onwards as the conflict-related disruptions began to ease and naphtha-based crackers restored operating rates, leading to a moderate correction in PVC prices into June. Ethylene prices remained elevated for most of the quarter on continued naphtha shortages, before easing back to $785/MT by June as naphtha feedstock costs retreated to lower levels. The ethylene dichloride (EDC) market, however, stayed tight through the quarter amid constrained imports and renewed force majeure declarations in the region, keeping landed feedstock costs for VCM and PVC producers elevated even as ethylene and PVC prices corrected.

Domestic PVC sales, however, declined in Q2 2026 as staggered imports began landing at lower prices. The consistent downward trend in PVC prices from May through June also led buyers to defer purchase decisions in anticipation of further declines, weighing on offtake for much of the quarter. Domestic volumes improved in June as buyers returned to the market.

The global caustic soda market, which had tightened sharply in Q1 on conflict-related chlor-vinyl plant shutdowns, remained firm in early Q2 before easing gradually as regional operating rates normalized. Globally, demand stayed stable across key sectors such as alumina and pulp & paper. Locally, the demand side continued to be supported by resilient textile sector demand, with stable volumes reflecting consistent downstream activity.

The applicable captive gas levy reduced significantly from Rs. 1,406/MMBtu in January to Rs. 365/MMBtu in May, following a revision in the underlying levy formula, providing some relief on the cost side particularly for the chlor-alkali business after energy costs had increased in the previous quarter.

The hydrogen peroxide market witnessed a gradual recovery in the quarter following an escalation in the US-Iran conflict. Import prices drove over $400/ton before gradually easing by quarter end. Despite this correction, prices remained above pre-war levels, supporting a stronger pricing environment. On the domestic front, anti-dumping duties on imports from Belgium, China, Indonesia, South Korea, Taipei, Thailand and Turkey were extended for a further 5 years.

During the period, the Company recorded a revenue of Rs. 39 Bn, an increase of 4% compared to the same period last year, on the back of higher prices and sales volume. Profit After Tax stood at Rs. 1.6 Bn, supported by higher PVC margins and lower energy costs. This translates into Earnings Per Share of Rs. 1.79, compared to Loss Per Share of Rs. (3.55) in the same period last year.

Outlook

Looking ahead, PVC and feedstock prices are expected to correct gradually through the second half as conflict-related disruptions unwind and East Asian crackers restore operating rates. Ethylene and EDC, having lagged PVC in tightness during Q2, should ease further into Q3, though the pace will depend on the durability of the de-escalation and on energy and freight costs.

On the domestic front, demand is expected to remain broadly stable while imports remain a key challenge. The Company will continue strengthening its market position through market development, product quality, and safe, reliable operations. Notably, sustained engagement with the National Tariff Commission has secured a provisional Anti-Dumping Duty on PVC imports from the US and Indonesia, which has already begun to impact import offers in the country.

Abdul Qayoom Chief Executive Officer	Kamran Nishat Director

August 13, 2026

consolidated financial statements

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals Limited

Report on review of Consolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited and its subsidiaries (the Group) as at June 30, 2026 and the related consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity, and consolidated condensed interim statement of cash flows, and notes to the consolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "consolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated 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 Group. Accordingly, the figures of the consolidated condensed interim statement of profit or loss and other 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 Osama Kapadia.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 27, 2026

UDIN: RR20261008006p1iodc9

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

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2026

(Amounts in thousand)

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	61,803,295	61,413,859
Right-of-use asset		123,861	212,917
Intangible assets		419,757	475,145
Long-term loans, advances and deposits		31,447	9,919
		62,378,360	62,111,840
Current Assets			
Stores, spares and loose tools		5,079,727	4,976,853
Stock-in-trade	6	15,187,708	11,140,627
Trade debts	7	1,696,912	1,715,679
Loans, advances, deposits, prepayments and other receivables	8	4,721,109	3,581,068
Income tax recoverable	9	9,454,252	7,760,510
Short-term investments		16,027,739	21,517,212
Cash and bank balances		3,650,566	4,507,275
		55,818,013	55,199,224
TOTAL ASSETS		118,196,373	117,311,064
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		9,089,233	9,089,233
Preference shares		3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		9,062,920	7,435,018
		25,027,106	23,399,204
Non-Current Liabilities			
Long-term borrowings	10	48,034,187	53,324,569
Sindh Infrastructure Development Cess	11	1,350,732	-
Government grant		652,475	754,493
Lease liabilities	12	148,535	187,880
Deferred tax liability - net	13	1,256,788	1,780,500
		51,442,717	56,047,442
Current Liabilities			
Trade and other payables	14	20,245,219	26,869,731
Current portion of long-term borrowings	10	6,570,998	1,978,440
Current portion of government grant		224,288	234,149
Current portion of lease liabilities	12	110,460	228,026
Short-term borrowings	15	5,170,884	675,000
Accrued interest / mark-up		901,668	535,716
Unclaimed dividend		269,317	272,843
Provisions	16	8,233,716	7,070,513
		41,726,550	37,864,418
		93,169,267	93,911,860
TOTAL EQUITY AND LIABILITIES		118,196,373	117,311,064
Contingencies and Commitments	17		

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand except for earnings / (loss) per share)

	Note	Quarter ended		Half year ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		Rupees			
Revenue from contracts with customers - net		17,075,233	19,744,091	39,257,381	37,610,543
Cost of sales		(15,039,058)	(19,823,952)	(34,677,771)	(36,412,144)
Gross profit		2,036,175	(79,861)	4,579,610	1,198,399
Distribution and marketing expenses		(171,125)	(169,284)	(349,726)	(301,971)
Administrative expenses		(473,910)	(456,690)	(909,028)	(918,297)
Other expenses		(67,144)	(289,021)	(222,780)	(417,113)
Other income		1,745,975	52,409	2,166,547	213,604
Operating profit / (loss)		3,069,971	(942,447)	5,264,623	(225,378)
Finance costs		(1,907,430)	(1,489,960)	(3,690,054)	(2,992,720)
Income / (loss) before minimum tax differential, final tax and income tax		1,162,541	(2,432,407)	1,574,569	(3,218,098)
Minimum tax differential		5,689	(4,048)	(2,776)	(4,173)
Final tax		(131,277)	102,560	(244,770)	45,089
Profit / (loss) before income tax		1,036,953	(2,333,895)	1,327,023	(3,177,182)
Income tax		220,108	(71,642)	300,879	(52,946)
Profit / (loss) for the period		1,257,061	(2,405,537)	1,627,902	(3,230,128)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		1,257,061	(2,405,537)	1,627,902	(3,230,128)
Earnings / (loss) per share - basic	18	1.38	(2.65)	1.79	(3.55)
Earnings / (loss) per share - diluted	18	1.04	(2.65)	1.35	(3.55)

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		
			CAPITAL	REVENUE	
	Ordinary share capital	Preference shares	Share premium	Unappropriated profits	Total
			Rupees		
Balance as at January 1, 2025 (Audited)	9,089,233	3,000,000	3,874,953	11,357,393	27,321,579
Total comprehensive loss for the half year ended June 30, 2025	-	-	-	(3,230,128)	(3,230,128)
Share issuance cost	-	-	-	(14,566)	(14,566)
Balance as at June 30, 2025 (Unaudited)	9,089,233	3,000,000	3,874,953	8,112,699	24,076,885
Total comprehensive loss for the half year ended December 31, 2025	-	-	-	(668,058)	(668,058)
Share issuance cost	-	-	-	(9,623)	(9,623)
Balance as at December 31, 2025 (Audited)	9,089,233	3,000,000	3,874,953	7,435,018	23,399,204
Total comprehensive income for the half year ended June 30, 2026	-	-	-	1,627,902	1,627,902
Balance as at June 30, 2026 (Unaudited)	9,089,233	3,000,000	3,874,953	9,062,920	25,027,106

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

ENGRO POLYMER AND CHEMICALS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand)

	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used) / generated from operations	19	(2,845,576)	6,818,647
Long-term loans, advances and deposits - net		(21,528)	(13,320)
Retirement benefits paid		-	(98,860)
Sindh Infrastructure Development Cess paid		(556,336)	-
Minimum tax differential paid		(2,776)	(4,173)
Final tax paid		(244,770)	45,089
Income tax paid		(1,916,575)	(1,907,053)
Net cash (utilised in) / generated from operating activities		(5,587,561)	4,840,330
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(2,278,985)	(2,246,329)
Proceeds from disposal of property, plant and equipment		42,203	8,674
Proceeds on sale / maturity of short-term investments		60,414,307	1,284,971
Purchase of short-term investments		(54,994,607)	-
Income on short-term investments and bank deposits		88,460	122,337
Net cash generated from / (utilised in) investing activities		3,271,378	(830,347)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		175,000	-
Repayments of long-term borrowings		(993,641)	(320,145)
Proceeds from short-term borrowings		1,674,893	2,500,000
Repayment of short-term borrowings		(675,000)	(5,301,884)
Proceeds of subordinated loan from the intermediate parent company		-	1,000,000
Repayment of subordinated loan to the intermediate parent company		-	(1,000,000)
Share issuance cost paid		-	(6,312)
Finance costs paid		(3,233,613)	(2,488,215)
Lease rentals paid		(164,998)	(460,131)
Dividend paid		(3,526)	(4,072)
Net cash utilised in financing activities		(3,220,885)	(6,080,759)
Net decrease in cash and cash equivalents		(5,537,068)	(2,070,776)
Net foreign exchange differences on cash and cash equivalents		17,158	40,425
Cash and cash equivalents at beginning of the period prior to amendment to IFRS 9		6,260,341	150,370
Adjustment of initial application of amendment to IFRS 9 at beginning of the period	3.1	331,144	-
Cash and cash equivalents at end of the period	20	1,071,575	(1,879,981)

The annexed notes 1 to 27 form an integral part of these consolidated condensed interim financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

ENGRO POLYMER AND CHEMICALS LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 The "Group" consists of Engro Polymer and Chemicals Limited (here-in-after referred to as the 'Holding Company') and its wholly owned subsidiary companies, Think PVC (Private) Limited and Engro Peroxide (Private) Limited (here-in-after referred to as 'the Group').

1.2 The Holding Company was incorporated in Pakistan as a Public Company in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company is listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company is a subsidiary of Engro Corporation Limited (the Intermediate Parent Company) which is a wholly owned subsidiary of Engro Holdings Limited (the Ultimate Parent Company). The Intermediate Parent Company owns 56.19% shareholding in the Holding Company. The Holding Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals and by-products. The Holding Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited, a related party and Engro Peroxide (Private) Limited (EPPL), a wholly owned subsidiary.

1.3 The geographical location and addresses of all business units of the Group are as follows:

Business unit	Geographical location
Head office	8th Floor, The Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Branded Outlet - Karachi	Plot 41 -C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi, Pakistan
Branded Outlet and regional sales unit - Lahore	Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

1.4 On February 17, 2026, Mitsubishi Corporation (MC), which held 11.01% of the Holding Company's issued ordinary share capital as at the reporting date, entered into a Share Purchase Agreement (SPA) with Liberty Dharki Power Limited (LDPL) and Seagreen Enterprises (Private) Limited (SEPL) for the disposal of its shareholding in the Holding Company, comprising 100,053,564 ordinary shares. Completion of the transaction was subject to the fulfilment of certain conditions precedent, including the receipt of the requisite corporate and regulatory approvals.

Following the fulfilment of all conditions precedent specified in the SPA, the transaction was completed on July 16, 2026, pursuant to which MC transferred 80,000,000 ordinary shares to LDPL and 20,053,562 ordinary shares to SEPL.

1.5 On March 13, 2026, the Ultimate Parent Company announced to the Pakistan Stock Exchange (PSX) that, following the Public Announcement of Intention dated March 10, 2026, the Intermediate Parent Company had received a non-binding offer from Lotte Chemical Pakistan Limited for the acquisition of approximately 56.19% of the paid-up share capital of the Holding Company, representing the Intermediate Parent Company's entire shareholding in the Holding Company. As at the reporting date, discussions with the prospective purchaser were ongoing and no definitive or binding agreement had been executed in respect of the proposed transaction.

(Amounts in thousand)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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 (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under 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 consolidated condensed interim financial statements for the half year ended June 30, 2026 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Holding Company and are being submitted to the shareholders as required by the listing regulations of the PSX and section 237 of the Act.

These consolidated condensed interim financial statements do not include all the information required to be contained in the annual financial statements and, therefore, should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended December 31, 2025.

2.3 These condensed interim financial statements represents the consolidated condensed interim financial statements of the Group. The unconsolidated condensed interim financial statements of the Holding Company and its subsidiary companies have been presented separately.

3. MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

3.1 The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025, except for the following:

During the period, certain amendments to IFRS - 9 'Financial Instruments' (IFRS 9) and IFRS - 7 'Financial Instruments: Disclosures' (IFRS 7), became applicable to the Group. These amendments clarify that a financial asset or financial liability is recognised when an entity becomes a party to the contractual provisions of the instrument, and is derecognised on the settlement date i.e., when the contractual rights to cash flows expire, the asset is transferred, or the liability is extinguished. In effect, the amendments confirm that settlement date accounting applies to the recognition and derecognition of financial assets and financial liabilities. The amendments also introduce an optional exception permitting derecognition of a financial liability settled through an electronic payment system before the settlement date, subject to specified conditions, which the Group has not elected to apply.

The Group previously applied trade date accounting for the recognition and derecognition of financial assets and financial liabilities. Following adoption of these amendments, the Group has changed its accounting policy to apply settlement date accounting, consistent with the clarified requirements of IFRS 9. In accordance with the transitional provisions of the amendments, this change has been applied from the beginning of the annual reporting period of initial application, with the cumulative effect recognised as an adjustment to the opening balance of the affected items. Consistent with the transition relief provided under the amendments, comparative information in these consolidated condensed interim financial statements has not been restated.

(Amounts in thousand)

The impact of adopting the new accounting policy has been reflected in the consolidated condensed interim statement of cash flows. Accordingly, the reconciliation of cash and cash equivalents presented therein includes the resulting adjustment to the opening balance. The effects of amendments at the date of initial application are as follows:

Effect on consolidated condensed interim statement of financial position	Audited		Carrying amount subsequent to the amendment
	Carrying amount prior to the amendment	Impact of amendment	
	----------Rupees----------		
As of January 1, 2026			
Trade debts	1,715,679	100	1,715,779
Trade and other payables	(26,869,731)	(331,244)	(27,200,975)
Cash and bank balances	4,507,275	331,144	4,838,419

3.2 **Initial application of standards, amendments or improvements to approved accounting and reporting standards**

a) **Standards, amendments and improvements to approved accounting and reporting standards that became effective during the period**

There are amendments or improvements to existing standards which became applicable to the Group for the financial year beginning on January 1, 2026, however, these do not have a material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated condensed interim financial statements, except for an amendment in IFRS 7 and IFRS 9 whose impact has been disclosed in note 3.1 to the consolidated condensed interim financial statements.

b) **Standards, amendments and improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group**

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on January 1, 2026. These are not expected to have a material impact on the Group's financial reporting and, therefore, have not been presented in these consolidated condensed interim financial statements except for 'Presentation and Disclosure in Financial Statements (IFRS 18)', as disclosed in note 3.5.2 of the annual audited consolidated financial statements.

3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ACCOUNTING ESTIMATES

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

(Amounts in thousand)

The significant estimates, judgments and assumptions made by the management in the preparation of these consolidated condensed interim financial statements are the same as those that were applied in the annual audited consolidated financial statements of the Group for the year ended December 31, 2025.

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
Operating assets - notes 5.1 and 5.2	59,254,946	58,574,691
Capital work-in-progress - note 5.3	2,307,305	2,598,124
Capital spares	241,044	241,044
	61,803,295	61,413,859

5.1 Following additions, including transfers from capital work-in-progress, were made during the period / year:

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
Leasehold land	-	9,000
Building on leasehold land and civil works	112,215	1,257,320
Plant and machinery	2,300,895	21,510,040
Catalyst and chemicals	-	630,768
Pipelines	-	11
Furniture, fixtures and equipment	72,215	367,276
Vehicles	84,479	157,211
	2,569,804	23,931,626

5.2 Operating assets costing Rs. 93,843 (December 31, 2025: Rs. 80,221) having net book value of Rs. 26,145 (December 31, 2025: Rs. 41,095) were disposed for Rs. 42,203 (December 31, 2025: Rs. 58,624).

5.3 The movement in capital work-in-progress is as follows:

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
Balance at beginning of the period / year	2,598,124	23,156,700
Additions during the period / year - note 5.3.1	2,278,985	3,448,060
Transferred to:		
- operating assets - note 5.1	(2,569,804)	(23,931,626)
- intangible assets	-	(75,010)
	(2,569,804)	(24,006,636)
Balance at end of the period / year	2,307,305	2,598,124

(Amounts in thousand)

5.3.1 This includes net borrowing cost capitalised during the period amounting to Nil (December 31, 2025: Rs. 2,320).

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
6.	**STOCK-IN-TRADE**		
	Raw and packing materials - notes 6.1 and 6.2	8,119,208	7,603,616
	Less: Provision against stock-in-trade	(90,154)	(90,154)
		8,029,054	7,513,462
	Work-in-process	499,633	345,126
	Finished goods - manufactured products - note 6.2	6,659,021	3,282,039
		15,187,708	11,140,627
6.1	This includes stocks held at storage facilities of following parties:		
	- Engro Vopak Terminal Limited, a related party	2,909,509	1,812,611
	- Al-Noor Petroleum (Private) Limited	33,116	5,000
	- Al-Rahim Trading Company (Private) Limited	30,916	167,980
		2,973,541	1,985,591

6.2 This includes goods in transit amounting to Rs. 1,088,128 (December 31, 2025: Rs. 2,118,059).

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
7.	**TRADE DEBTS - Considered good**		
	This includes amounts due from the following related parties:		
	- Engro Fertilizers Limited	37,599	34,964
	- Engro Eximp FZE	-	13,583
	- FrieslandCampina Engro Pakistan Limited	1,560	4,276
		39,159	52,823
8.	**LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**		
	This includes receivables from the following related parties:		
	Engro Corporation Limited	4,407	1,070
	Engro Fertilizers Limited	1,603	6,063
	Engro Eximp FZE	8	-
	Engro Energy Limited	1,173	-
	Engro Powergen Qadirpur Limited	208	6,538
	Engro Vopak Terminal Limited	1,122	1,710
	Engro Technical Solutions (Private) Limited	1,411	-
	Sindh Engro Coal Mining Company Limited	1,818	707
		11,750	16,088

(Amounts in thousand)

9. INCOME TAX RECOVERABLE

In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Holding Company had purchased tax losses from Engro Corporation Limited (the intermediate Parent Company) and Engro Eximp Agriproducts (Private) Limited (EEAP) for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Holding Company, accordingly, had adjusted the aforementioned losses against its taxable income for the respective years and has adjusted the income tax recoverable in these consolidated condensed interim financial statements. The recoupment of these losses against taxable income of the Holding Company was subject to certain conditions as specified in Section 59B the Ordinance.

In 2025, on disposal of EEAP by the Intermediate Parent Company, the tax loss purchased from EEAP did not adhere to the specific conditions specified in section 59B of the Ordinance, and accordingly tax loss purchased from EEAP had been derecognised from income tax recoverable.

10. LONG-TERM BORROWINGS

Title	Mark-up rate per annum	Installments		June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
		Number	Commencing	Rupees	
Islamic long term financing facility (ILTFF)	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,031,006	1,151,693
Loan under diminishing musharka agreement I	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	50,000	100,000
Syndicated long term islamic financing facility	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,740,953	8,739,508
Loan under diminishing musharka agreements II	3 months KIBOR + 0.3%	16 quarterly	March 21, 2026	4,500,000	4,500,000
Ijarah facility from International Finance Corporation (IFC)	SOFR + 3.68%	7 half yearly	July 15, 2025	2,925,325	3,545,917
Islamic temporary economic refinance facilities (ITERF)	Ranging from SBP rate + 0.75% to 1.25%	32 quarterly	June 2023 to September 2023	2,632,700	2,849,430
Bilateral Loan II	3 months KIBOR + 0.4%	20 quarterly	April 19, 2026	1,600,000	1,600,000
Loan under diminishing musharka agreement III	3 months KIBOR + 0.03%	20 quarterly	March 13, 2027	6,000,000	6,000,000
Loan under diminishing musharka agreement IV	3 months KIBOR + 0.4%	28 quarterly	December 30, 2028	2,294,931	2,294,500
Syndicated loan under diminishing musharka	3 months KIBOR + 0.6%	16 quarterly	March 31,2029	11,150,905	10,959,903
Loan under diminishing musharka agreement V	3 months KIBOR + 0.4%	10 semi annually	June 30, 2028	1,000,000	1,000,000
Loan under diminishing musharka agreement VI	3 months KIBOR + 0.65%	16 quarterly	March 31, 2027	1,595,295	1,594,400
Long term financing facility	3 months KIBOR + 0.75%	20 quarterly	March 31, 2028	1,989,740	1,988,500
Loan under diminishing musharka agreement VII	3 months KIBOR + 0.3%	32 quarterly	March 30, 2028	2,000,000	2,000,000
Loan under diminishing musharka agreement VIII	3 months KIBOR + 0.4%	16 quarterly	March 30, 2029	4,971,093	4,967,800
Loan under running musharka	1 month KIBOR + 0.5%	1 lump-sum	April 1, 2027	3,000,000	3,000,000
				55,481,948	56,291,651
Less: Current portion shown under current liabilities					
- Islamic long term financing facility (ILTFF)				(243,750)	(243,750)
- Islamic temporary economic refinance facilities (ITERF)				(434,526)	(433,494)
- Loan under diminishing musharka agreement I, II, III, IV and VI				(1,600,000)	(100,000)
- Bilateral Loan II				(100,000)	-
- Running Musharika II				(3,000,000)	-
- Ijarah facility from International Finance Corporation (IFC)				(1,192,722)	(1,201,196)
				(6,570,998)	(1,978,440)
Less: Deferred income - Government grant				(876,763)	(988,642)
				48,034,187	53,324,569

10.1 As at June 30, 2026, there is no material change in the terms and conditions of the borrowings as disclosed in the note 17 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025, except for repayment of Rs. 993,641 that has been made during the period and a further drawdown of Rs. 175,000 made from syndicated loan under diminishing musharika facility.

(Amounts in thousand)

10.2 In respect of the above facilities, the Holding Company is required to comply with certain financial covenants at the end of each annual reporting period, except for the Ijarah facility from the International Finance Corporation (IFC) and the loan under the Musharaka agreement with Meezan Bank Limited (MBL), which are subject to quarterly and monthly covenant testing, respectively. The relevant ratios for all facilities are disclosed in note 17.22 to the annual audited consolidated financial statements of the Group. In the previous period, the Holding Company sought clarification that compliance with the financial covenants relating to the Ijarah facility from the IFC for the current year would also be assessed on an annual basis. Based on its projections, the Holding Company remains confident that it will either meet the applicable financial covenants when these are next tested or, if required, obtain further relaxations or waivers before the next testing date.

10.3 As stated in note 17.23 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025, EPPL is required to comply with financial covenants at the end of each annual reporting period; therefore, compliance is not required at the current interim period.

11. SINDH INFRASTRUCTURE DEVELOPMENT CESS

On June 4, 2021, the Sindh High Court (SHC) upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the SIDC Act, 2017), promulgated retrospectively with effect from December 28, 2006, as valid and within the competence of the provincial legislature. The Group filed a petition against the judgement before the Supreme Court of Pakistan (SCP). In September 2021, the SCP suspended the SHC judgement along with the recovery of the Cess. As at the prior year end, the Group was required to furnish bank guarantees equivalent to the full amount of the levy for all future consignments. The Group remained confident that the ultimate outcome of the case would be decided in its favour; however, on a prudence basis, it recognised Rs. 3,449,117 in respect of the aforementioned levy in the annual audited consolidated financial statements of the Group as an accrued liability.

During the period, the Government of Sindh (GoS) enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (the SIDC Act, 2026), introducing a settlement framework under sections 10A to 10F. The Group opted for the settlement framework and entered into Settlement Agreements (the Agreements) with GoS on April 23, 2026, for a settlement amount of Rs. 3,582,910 for the Holding Company and Rs. 126,000 for EPPL comprising Cess due up to April 23, 2026. Under the agreements, 15% of the outstanding liability is payable by July 15, 2026, 15% by October 15, 2026, 15% by July 15, 2027, and the remaining 55% in forty eight equal quarterly instalments commencing from July 15, 2028. As required under the settlement framework, the Group has withdrawn all pending litigation and waived related claims against GoS, the previously furnished bank guarantees have been released, and the first instalment due on July 15, 2026, has been settled early at the date of the Agreements. Consequently, the reduced rate of 0.85%, applicable to companies that have opted for settlement under the framework, is now applicable to the Group for all future consignments from the date of settlement.

In accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and IFRIC 21 'Levies', the Group has re-measured the settlement amount in respect of the aforementioned liability at its present value based on the agreed payment schedule and a pre-tax discount rate of 12.382%, which reflects the time value of money and the risks specific to the obligation. The resulting gain of Rs. 1,286,532, representing the difference between the carrying amount of the liability agreed under the settlement framework and the discounted value of the settlement liability, has been recognised as an other income in the consolidated condensed interim statement of profit or loss and other comprehensive income. Thereafter, the liability is measured at amortised cost using the effective interest method.

(Amounts in thousand)

12. LEASE LIABILITIES

This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 214,054 (December 31, 2025: Rs. 364,960).

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
13. DEFERRED TAX LIABILITY - net		
Credit balance arising due to:		
- accumulated depreciation	8,871,943	8,968,161
Debit balances arising due to:		
- unpaid liabilities	364,137	478,838
- leases	47,067	77,935
- provisions	2,260,923	2,383,135
- shares issuance cost	73,783	77,771
- tax losses	2,873,270	2,655,172
- minimum turnover tax	1,995,975	1,514,810
	(7,615,155)	(7,187,661)
	1,256,788	1,780,500

13.1 During the period, the Finance Act, 2026 reduced the applicable super tax rate on the Group from 10% to 8% on the maximum taxable income threshold. Accordingly, the Group's deferred tax liability has been adjusted to reflect the revised enacted tax rate in accordance with IAS 12 - 'Income taxes' (IAS 12).

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
14. TRADE AND OTHER PAYABLES		
This Includes amounts due to following related parties:		
Engro Corporation Limited	635,407	803,714
Engro Fertilizers Limited	12,747	4,399
Engro Energy Limited	156,689	157,213
Engro Elengy Terminal (Private) Limited	25	-
Engro Vopak Terminal Limited	1,480	7,715
Engro Eximp FZE	9,419,974	11,152,055
Engro Powergen Qadirpur Limited	2,018	397
Sindh Engro Coal Mining Company Limited	1,531	178
Engro Powergen Thar (Private) Limited	-	50
Engro Foundation	60,000	60,000
	10,289,871	12,185,721

(Amounts in thousand)

14.1 This includes current portion of Sindh Infrastructure Development Cess (SIDC) amounting to Rs. 556,336 as disclosed in note 11 of these consolidated condensed interim financial statements.

15. SHORT TERM BORROWINGS

15.1 As at June 30, 2026, there is no material change in the terms and conditions of the borrowings as disclosed in the note 23 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025, except for:

15.1.1 The Holding Company has aggregated facilities for running finance available from various banks as at June 30, 2026 amounting to Rs. 4,125,000 (December 31, 2025: Rs. 8,225,000) out of which Rs. 629,009 (December 31, 2025: Rs. 8,225,000) remains unutilised as at period end.

15.1.2 During the period, the Holding Company made a drawdown of Rs. 999,893 out of its money market loan facility, as disclosed in note 23.3 in its annual audited consolidated financial statements.

In relation to the above, the Holding Company is required to comply with certain financial covenants throughout the currency of the exposure, as listed below:

Type of ratio	Minimum requirement
Debt service Coverage Ratio (DSCR)	Minimum of 1.0x
Current Ratio	Minimum of 1.0x
Debt to Equity Ratio	75:25
Leverage Ratio	Minimum 2.5x
Interest Coverage Ratio	Minimum 1.0x

As of June 30, 2026, the Holding Company was in breach of certain financial covenants due to its adverse financial position caused by operating losses in previous years. Based on its relationship with the relevant financial institution, the Holding Company is confident that there will be no immediate recall of the arrangement.

16. PROVISIONS

In respect to the matter stated in note 19.3 of the annual audited consolidated financial statements relating to the provision of off-the-grid levy, during the period, the Holding Company has made a payment of Rs. 596,434 in respect of the aforementioned levy pertaining to the period from October to November 2025, as a full and final settlement of such charges based on actual bills received of those months.

The Islamabad High Court (IHC), subsequent to those payments issued a stay order dated March 17, 2026, against the recovery of the levy billed from December 2025 onwards and granted interim relief subject to furnishing post-dated cheques in favour of Sui Southern Gas Company Limited (SSGC) to the extent of the disputed levy amount. As of the reporting date, the Holding Company has recognised a gas levy provision amounting to Rs. 2,123,113 for the period from December 2025 to June 2026 and issued the required post dated cheques in favour of SSGC.

(Amounts in thousand)

17. CONTINGENCIES AND COMMITMENTS

17.1 As at June 30, 2026, there is no material change in the status of matters reported as contingencies in note 26 of the annual audited consolidated financial statements of the Group for the year ended December 31, 2025, except for matters mentioned below:

17.1.1 During the period, the Additional Commissioner Inland Revenue (ACIR) amended the assessment order of the Holding Company for tax year 2025 on February 26, 2026. The Holding Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the disallowances and additions therein, amounting to Rs. 2,690,459. The amendment has resulted in a reduction in the income tax refund by Rs. 247,499 as against the income tax return. However, based on the advice of its tax consultant, the Holding Company remains confident of a favourable outcome of the appeal; accordingly, no provision in this respect has been recognised in these consolidated condensed interim financial statements.

17.1.1 During the period, the Holding Company received a show cause notice dated April 15, 2026, under section 122(9) of the Income Tax Ordinance, 2001 (the Ordinance) for tax year 2022, in which, the ACIR disputed certain aspects of the computation of tax credit, of Rs. 1,757,382 allowed under section 65E of the Ordinance in their assessment order dated March 28, 2024, including the allowability of the aforementioned tax credit on dividend income, capital gains and income from other sources. The Holding Company based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favour, and accordingly, no provision has been recognised in these consolidated condensed interim financial statements.

17.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Group as at June 30, 2026 amounts to Rs. 9,071,000 (December 31, 2025: Rs. 10,819,500). The amount utilised thereagainst as at June 30, 2026 is Rs. 5,355,862 (December 31, 2025: Rs. 9,533,652).

The performance guarantees of Rs. 286,862 has been given in respect of greenfield application status of EPPL. The Group's management is of the view that if any payment on account of sales tax and income tax which amounts to Rs. 149,620 is required to be made to the Government authorities the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been made in this respect in these consolidated condensed interim financial statements.

17.3 The aggregate facilities for opening letter of credits as at June 30, 2026 amount to Rs. 38,897,899 (December 31, 2025: Rs. Rs. 40,695,980). The amount utilised thereagainst as at June 30, 2026 is Rs. 14,425,704 (December 31, 2025: Rs. 14,302,235).

17.4 Commitments in respect of rentals of storage tanks at Engro Vopak Terminal Limited for the handling of (i) Ethylene aggregating to Nil (December 31, 2025: USD 774), (ii) Ethylene Di Chloride (EDC) aggregating to USD 1,390 (December 31, 2025: USD 1,668) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD Nil (December 31, 2025: USD 298).

17.5 The Group has submitted post dated cheques amounting to Rs. 3,152,574 in respect of its liability against Sindh Infrastructure Development Cess under the settlement framework agreed with GoS which will be enchased based on their contractual due dates.

17.6 As at June 30, 2026, the preference shares dividend not yet declared amounts to Rs. 1,380,955 (December 31, 2025: Rs. 1,168,705).

(Amounts in thousand)

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
17.5	Commitments in respect of expenditure of capital and other operational items	6,108,484	6,401,734

18. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

18.1 Basic earnings / (loss) per share has been calculated by dividing the loss attributable to ordinary share holders of the Group by weighted average number of ordinary shares in issue during the period.

18.2 Diluted earnings / (loss) per share presents the effect of conversion of potential ordinary shares (preference shares) where it leads to decrease in earnings per share or increase in loss per share.

		Unaudited June 30, 2026	Unaudited June 30, 2025
		Rupees	
19.	**CASH (USED) / GENERATED FROM OPERATIONS**		
	Profit / (loss) before income tax	1,327,023	(3,177,182)
	Adjustments for non cash-charges and other items:		
	Depreciation:		
	- operating assets	1,863,404	1,443,329
	- right-of-use asset	89,056	241,023
	Amortisation of intangible assets	55,388	51,489
	Provision against slow moving stores and spares	27,155	96,825
	Unrealised foreign exchange (gain) / loss on financial assets and liabilities	(49,596)	54,830
	Income on financial assets	(854,753)	(106,252)
	Remeasurement gain on SIDC	(1,286,532)	-
	Unwinding of discount on SIDC	41,026	-
	Finance costs	3,649,028	2,992,720
	Provision for off-the-grid levy	1,759,637	1,404,132
	Gain on disposal of operating assets	(16,058)	(972)
	Minimum tax differential	2,776	4,173
	Final tax	244,770	(45,089)
	Working capital changes - note 19.1	(9,697,900)	3,859,621
		(2,845,576)	6,818,647

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(Amounts in thousand)

		Unaudited June 30, 2026	Unaudited June 30, 2025
		Rupees	
19.1	**WORKING CAPITAL CHANGES**		
	(Increase) / Decrease in current assets		
	Stores, spares and loose tools	(130,029)	(130,159)
	Stock-in-trade	(4,047,081)	3,603,336
	Trade debts	18,867	(585,379)
	Loans, advances, deposits, prepayments and other receivables - net	(1,140,041)	(1,723,741)
		(5,298,284)	1,164,057
	(Decrease) / Increase in current liabilities		
	Trade and other payables	(4,399,616)	2,695,564
		(9,697,900)	3,859,621

20. CASH AND CASH EQUIVALENTS

	Unaudited June 30, 2026	Unaudited June 30, 2025
Short-term investments	917,000	160,491
Cash and bank balances	3,650,566	4,427,710
Running finances	(3,495,991)	(6,468,182)
	1,071,575	(1,879,981)

21. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE ACT

		Unaudited June 30, 2026			Audited December 31, 2025		
	Note	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
		Rupees			Rupees		
Statement of Financial Position							
Assets							
Long-term investments		-	-	-	-	-	-
Short-term investments		11,750,331	4,277,408	16,027,739	12,278,658	9,238,554	21,517,212
Bank deposits and bank balances		688,133	2,962,433	3,650,566	1,579,383	2,927,892	4,507,275
Liabilties							
Long-term borrowings	10	1,989,740	53,492,208	55,481,948	1,988,500	54,303,151	56,291,651
Short-term borrowings		3,473,928	1,696,956	5,170,884	675,000	-	675,000
Lease liabilities		-	258,995	258,995	-	415,906	415,906
Accrued interest / mark-up		111,332	790,336	901,668	14,090	521,626	535,716

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(Amounts in thousand)

	Unaudited Half year ended June 30, 2026			Unaudited Half year ended June 30, 2025		
	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
	Rupees			Rupees		
Statement of profit or loss						
Revenue from contracts with customers - net	-	39,257,381	39,257,381	-	37,610,543	37,610,543
Late payments or liquidated damages	-	-	-	-	-	-
Gain / (loss) or dividend earned on short-term investments or share of profit / (loss) from associate	598,155	186,756	784,911	-	-	-
Profit earned on bank deposits and bank balances	32,687	9,106	41,793	26,444	9,215	35,659
Income from short-term investments	5,131	22,918	28,049	-	64,176	64,176
Foreign exchange loss (net) on actual currency	-	76,217	76,217	-	307,249	307,249
Foreign exchange gain (net) on actual currency	-	-	-	-	2,990	2,990
Exchange gains earned using conventional derivative financial instruments	-	-	-	-	-	-
Finance costs paid	640,701	2,592,912	3,233,613	1,141,316	1,346,899	2,488,215
Scrap sales	-	8,239	8,239	-	106,223	106,223
Gain on disposal of operating assets	-	16,058	16,058	-	972	972
Remeasurement gain on SIDC	-	1,286,532	1,286,532	-	-	-
Other income - others	638	327	965	3,584	-	3,584

Other Disclosure Requirements

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

Name	Relationship
Allied Bank Limited (Islamic)	Bank deposit / Borrowing
Al Baraka Bank (Pakistan) Limited	Bank deposit
Bank Alfalah Limited (Islamic)	Bank deposit / Borrowing
Bank Al Habib Limited (Islamic)	Bank deposit
Habib Metropolitan Bank Limited (Islamic)	Bank deposit
Bank Islami Pakistan Limited	Bank deposit / Borrowing
Dubai Islamic Bank Pakistan Limited	Bank deposit / Borrowing
Faysal Bank Limited	Bank deposit / Borrowing
MCB Islamic Bank Limited	Bank deposit / Borrowing
Meezan Bank Limited	Bank deposit / Borrowing
Bank of Khyber (Islamic)	Bank deposit / Borrowing
United Bank Limited (Islamic)	Bank deposit / Borrowing
Habib Bank Limited (Islamic)	Borrowing
International Finance Corporation	Borrowing
MCB Bank Limited (Islamic)	Borrowing
Bank of Punjab (Islamic)	Borrowing
UBL Al Ameen Islamic Sovereign Fund	Investment
UBL Al Ameen Islamic Income Fund	Investment
Meezan Islamic Asaan Cash Fund	Investment
Faysal Islamic Financial Growth Fund – II	Investment
UBL Al Ameen Islamic Cash Plan I	Investment
UBL Al-Ameen Islamic Cash Fund	Investment
Alfalah GHP Islamic Income Fund	Investment
Faysal Islamic Cash Fund	Investment
Faysal Islamic Mehdood Muddat Plan XX	Investment
Meezan Rozana Amdani Fund	Investment
Meezan Daily Income Fund	Investment
Meezan Cash Fund	Investment

(Amounts in thousand)

22. SEGMENT INFORMATION

22.1 The basis of segmentation and reportable segments presented in these consolidated condensed interim financial statements are same as disclosed in the audited consolidated annual financial statements for the year ended December 31, 2025. As stated in note 47.1 of the annual audited consolidated financial statements, prior period figures have been restated.

	June 30, 2026 (Unaudited)						
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total
	Rupees						
Revenue from contract with customers - net							
- At a point	30,785,006	7,374,111	-	1,233,409	-	(254,807)	39,133,719
- Over time	-	-	354,062	-	-	(230,600)	123,462
	30,785,006	7,374,111	354,062	1,233,409	-	(485,407)	39,257,181
Less:							
Cost of sales	(27,412,346)	(6,177,887)	(357,879)	(1,234,040)	-	504,181	(34,677,771)
Distribution and marketing expenses	(124,287)	(198,873)	(965)	(35,400)	-	-	(348,726)
Administrative expenses	(715,936)	(171,471)	(8,223)	(13,398)	-	-	(909,028)
Other expenses	(163,731)	(38,871)	(1,871)	(18,207)	-	-	(222,780)
Other income	1,021,342	298,063	11,665	42,646	854,753	(61,287)	2,168,547
Finance costs	(2,834,818)	(703,964)	(33,706)	(77,356)	-	57,811	(3,590,054)
Profit / (loss) before minimum tax differential, final tax and income tax	453,367	381,806	(34,717)	(84,243)	854,753	13,603	1,574,569
Minimum tax	(2,154)	-	-	(818)	-	-	(2,778)
Final tax	-	-	-	(1,679)	(243,091)	-	(244,770)
Profit / (loss) before income tax	453,209	381,806	(34,717)	(86,540)	611,662	13,603	1,327,023
Income tax	250,426	60,089	2,885	(19,637)	6,911	-	300,879
Profit / (loss) for the period	703,635	441,895	(31,832)	(106,177)	618,573	13,603	1,627,902

	Restated June 30, 2025 (Unaudited)						
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total
	Rupees						
Revenue from contract with customers - net							
- At a point	30,087,006	7,046,567	-	344,682	-	-	37,522,347
- Over time	-	-	277,104	-	-	(188,912)	88,192
	30,087,006	7,046,567	277,104	344,682	-	(188,912)	37,610,543
Less:							
Cost of sales	(30,144,150)	(5,504,767)	(252,834)	(831,078)	-	214,665	(36,412,144)
Distribution and marketing expenses	(135,376)	(142,908)	(578)	(7,821)	-	(35,264)	(301,871)
Administrative expenses	(724,648)	(179,201)	(7,060)	(10,758)	-	3,421	(918,297)
Other expenses	(435,773)	(74,331)	(2,823)	(20,647)	-	116,561	(417,113)
Other income	92,442	325,080	798	4,874	99,835	(309,422)	213,604
Finance costs	(2,421,198)	(545,068)	(22,227)	(233,165)	-	248,833	(2,992,720)
Profit / (loss) before minimum tax differential, final tax and income tax	(3,465,607)	815,312	(7,701)	(504,914)	99,835	65,177	(3,218,098)
Minimum tax	(627)	(3,546)	-	-	-	-	(4,173)
Final tax	13,456	-	-	(822)	30,255	-	42,889
Profit / (loss) before income tax	(3,670,878)	811,766	(7,701)	(505,336)	130,090	65,177	(3,177,182)
Income tax	(84,642)	(19,878)	(782)	52,630	(274)	-	(52,946)
Profit / (loss) for the period	(3,755,520)	791,888	(8,483)	(452,706)	129,816	65,177	(3,230,128)

	June 30, 2026 (Unaudited)						
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total
	Rupees						
Segment assets							
Total segment assets	65,654,963	32,708,964	360,840	16,780,870	19,678,305	(17,007,723)	118,196,373

	December 31, 2025 (Audited)						
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Hydrogen Peroxide	Unallocated	Eliminations - net	Total
	Rupees						
Segment assets							
Total segment assets	50,760,651	30,952,578	336,847	17,131,401	26,024,487	(18,884,900)	117,311,064

22.2 Segment assets consist primarily of property, plant and equipment, stores and spares, stock in trade and trade debts.

23. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

		Unaudited June 30, 2026	Unaudited June 30, 2025
		Rupees	
Nature of relationship	**Nature of transactions**		
Parent Company	Reimbursement made	642,907	743,572
	Reimbursement received	14,092	112,402
	Subordinated loan received	-	1,000,000
	Subordinated loan repaid		1,000,000
	Mark-up on subordinated loan	-	6,415
Associated Companies	Sales of utilities	179,977	93,187
	Sales of goods	107,434	3,165,971
	Purchase of services	749,846	698,288
	Purchase of goods	16,326,502	13,103,513
	Letter of credit and related charges	417,811	511,471
	Reimbursement made	26,682	52,672
	Reimbursement received	18,767	78,977

(Amounts in thousand)

		Unaudited June 30, 2026	Unaudited June 30, 2025
		Rupees	
Directors	Fee	2,950	5,350
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	75,272	69,592
	- Gratuity fund	62,954	57,839
Key management personnel	Managerial remuneration	84,672	79,143
	Retirement benefit funds	11,890	12,036
	Bonus	32,447	39,627
	Other benefits	13,808	23,082

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies during the period, consequently these consolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

25. FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates. As at June 30, 2026, the carrying value of all financial assets and liabilities reflected in the consolidated condensed interim financial statements approximate to their fair values.

26. CORRESPONDING FIGURES

26.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the consolidated condensed interim statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas the consolidated condensed interim statement of profit or loss and other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows have been compared with the amounts of comparable period of immediately preceding financial year.

26.2 Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary. The material reclassification made during the period are as follows:

Description	Reclassified		Unaudited June 30, 2025	
	from	to	Quarter ended	Half year ended
			Rupees	
Purchased services*	Administrative expenses	Cost of sales	108,788	217,576
Salaries, wages and staff welfare*	Administrative expenses	Cost of sales	(1,214)	43,960
Communication, stationery and other office expenses*	Administrative expenses	Cost of sales	19,899	19,899
Depreciation*	Cost of sales	Administrative expenses	10,259	10,759
Technical studies*	Cost of sales	Other expenses	(795)	19,048

* Reclassified to more appropriately reflect the economic substance of the transaction and the Group's business model.

AB

(Amounts in thousand)

27. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on August 13, 2026 by the Board of Directors of the Holding Company.

Chief Executive Officer **Chief Financial Officer** **Director**

standalone financial statements

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Engro Polymer and Chemicals Limited (the Company) as at June 30, 2026 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated condensed interim statement of profit or loss and other 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 Osama Kapadia.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 27, 2026

UDIN: RR202610080IPU96VIRX

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
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ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2026

(Amounts in thousand)

	Note	Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	49,625,778	49,069,195
Right-of-use asset		95,334	178,927
Intangible assets		419,757	475,145
Long-term investments		12,837,000	12,837,000
Long-term loans and advances		30,872	9,382
		63,008,741	62,569,649
Current Assets			
Stores, spares and loose tools		4,507,762	4,402,255
Stock-in-trade	6	14,651,658	10,351,127
Trade debts	7	1,636,298	1,624,485
Loans, advances, deposits, prepayments and other receivables	8	5,556,734	4,383,920
Income tax recoverable	9	9,317,971	7,646,606
Short-term investments		15,912,021	21,404,327
Cash and bank balances		3,450,672	4,343,715
		55,033,116	54,156,435
TOTAL ASSETS		118,041,857	116,726,084
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital		9,089,233	9,089,233
Preference shares		3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		11,110,024	9,395,511
		27,074,210	25,359,697
Non-Current Liabilities			
Long-term borrowings	10	47,061,242	52,281,274
Sindh Infrastructure Development Cess	11	1,304,845	-
Government grant		69,369	86,387
Lease liabilities	12	121,434	159,239
Deferred tax liability - net	13	1,408,237	1,936,936
		49,965,127	54,463,836
Current Liabilities			
Trade and other payables	14	20,053,625	26,446,970
Current portion of long-term borrowings	10	6,248,148	1,656,622
Current portion of government grant		35,733	38,487
Current portion of lease liabilities	12	101,107	219,521
Short-term borrowings	15	5,170,884	675,000
Accrued interest / mark-up		889,990	522,595
Unclaimed dividend		269,317	272,843
Provisions	16	8,233,716	7,070,513
		41,002,520	36,902,551
TOTAL LIABILITIES		90,967,647	91,366,387
TOTAL EQUITY AND LIABILITIES		118,041,857	116,726,084
Contingencies and Commitments	17		

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand except for earnings / (loss) per share)

	Note	Quarter ended		Half year ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		Rupees			
Revenue from contracts with customers - net		16,668,049	19,452,566	38,484,953	37,399,092
Cost of sales		(14,712,890)	(19,334,812)	(33,936,077)	(35,976,535)
Gross profit		1,955,159	117,754	4,548,876	1,422,557
Distribution and marketing expenses		(158,532)	(157,624)	(324,227)	(278,862)
Administrative expenses		(467,495)	(446,431)	(894,336)	(907,538)
Other expenses		(59,327)	(404,952)	(203,389)	(511,905)
Other income		1,731,568	176,558	2,173,771	513,738
Operating profit / (loss)		3,001,373	(714,695)	5,300,695	237,990
Finance costs		(1,893,229)	(1,507,163)	(3,663,602)	(2,999,055)
Profit / (loss) before minimum tax differential, final tax and income tax		1,108,144	(2,221,858)	1,637,093	(2,761,065)
Minimum tax differential		-	(3,546)	-	(3,546)
Final tax		(130,337)	103,182	(243,091)	45,711
Profit / (loss) before income tax		977,807	(2,122,222)	1,394,002	(2,718,900)
Income tax		235,414	(73,909)	320,511	(105,776)
Profit / (loss) for the period		1,213,221	(2,196,131)	1,714,513	(2,824,676)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income / (loss) for the period		1,213,221	(2,196,131)	1,714,513	(2,824,676)
Earnings / (loss) per share - basic	18	1.33	(2.42)	1.89	(3.11)
Earnings / (loss) per share - diluted	18	1.00	(2.42)	1.42	(3.11)

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES		
			CAPITAL	REVENUE	
	Ordinary share capital	Preference shares	Share premium	Unappropriated profits	Total
			Rupees		
Balance as at January 01, 2025 (Audited)	9,089,233	3,000,000	3,874,953	12,438,639	28,402,825
Total comprehensive loss for the half year ended June 30, 2025	-	-	-	(2,824,676)	(2,824,676)
Balance as at June 30, 2025	9,089,233	3,000,000	3,874,953	9,613,963	25,578,149
Total comprehensive loss for the half year ended December 31, 2025	-	-	-	(218,452)	(218,452)
Balance as at December 31, 2025 (Audited)	9,089,233	3,000,000	3,874,953	9,395,511	25,359,697
Total comprehensive income for the half year ended June 30, 2026	-	-	-	1,714,513	1,714,513
Balance as at June 30, 2026	9,089,233	3,000,000	3,874,953	11,110,024	27,074,210

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

ENGRO POLYMER AND CHEMICALS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

(Amounts in thousand)	Note	Half year ended June 30, 2026	Half year ended June 30, 2025
		Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used) / generated from operations	19	(3,400,465)	7,161,629
Long-term loans and advances - net		(21,490)	(13,286)
Retirement benefits paid		-	(98,860)
Sindh Infrastructure Development Cess paid		(537,436)	-
Minimum tax differential paid		-	(3,546)
Final tax paid		(243,091)	45,711
Income tax paid		(1,879,553)	(1,898,755)
Net cash (utilised in) / generated from operating activities		(6,082,035)	5,192,893
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(2,262,211)	(1,503,440)
Proceeds from disposal of property, plant and equipment		42,203	8,674
Investment made in subsidiary companies		-	(6,000,000)
Disbursement of loan to subsidiary companies		(149,300)	(1,393,150)
Repayment of loan from subsidiary companies		420,000	6,065,000
Proceeds on sale / maturity of short-term investments		60,302,307	1,284,971
Purchase of short-term investments		(54,882,607)	-
Income on short-term investments and bank deposits		84,642	96,963
Net cash generated from / (utilised in) investing activities		3,555,034	(1,440,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		175,000	-
Repayments of long-term borrowings		(832,216)	(234,469)
Proceeds from short-term borrowings		1,674,893	2,500,000
Repayment of short-term borrowings		(675,000)	(5,301,884)
Proceeds of subordinated loan from the Holding company		-	1,000,000
Repayment of subordinated loan to the holding company		-	(1,000,000)
Finance costs paid		(3,210,272)	(2,394,667)
Lease rentals paid		(161,146)	(444,903)
Dividend paid		(3,526)	(4,072)
Net cash utilised in financing activities		(3,032,267)	(5,879,995)
Net decrease in cash and cash equivalents		(5,559,268)	(2,128,084)
Net foreign exchange differences on cash and cash equivalents		17,157	40,425
Cash and cash equivalents at beginning of the period prior to the amendment to IFRS 9		6,096,781	(42,544)
Adjustment of initial application of amendment to IFRS 9 at beginning of the period	3.1	317,011	-
Cash and cash equivalents at end of the period	20	871,681	(2,130,203)

The annexed notes 1 to 27 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive Officer | Chief Financial Officer | Director

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan as a public Company in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited (PSX).

1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a wholly owned subsidiary of Engro Holdings Limited (the Ultimate Parent Company). The Holding Company owns 56.19% of shareholding in the Company. The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals and by-products. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party) and Engro Peroxide (Private) Limited (a wholly owned subsidiary).

1.3 The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	8th Floor, The Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales unit	Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

1.4 On February 17, 2026, Mitsubishi Corporation (MC), which held 11.01% of the Company's issued ordinary share capital as at the reporting date, entered into a Share Purchase Agreement (SPA) with Liberty Dharki Power Limited (LDPL) and Seagreen Enterprises (Private) Limited (SEPL) for the disposal of its shareholding in the Company, comprising 100,053,564 ordinary shares. Completion of the transaction was subject to the fulfilment of certain conditions precedent, including the receipt of the requisite corporate and regulatory approvals.

Following the fulfilment of all conditions precedent specified in the SPA, the transaction was completed on July 16, 2026, pursuant to which MC transferred 80,000,000 ordinary shares to LDPL and 20,053,562 ordinary shares to SEPL.

1.5 On March 13, 2026, the Ultimate Parent Company announced to the Pakistan Stock Exchange (PSX) that, following the Public Announcement of Intention dated March 10, 2026, the Company had received a non-binding offer from Lotte Chemical Pakistan Limited for the acquisition of approximately 56.19% of the paid-up share capital of the Company, representing the Holding Company's entire shareholding in the Company. As at the reporting date, discussions with the prospective purchaser were ongoing and no definitive or binding agreement had been executed in respect of the proposed transaction.

(Amounts in thousand)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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 (IAS 34)*, issued by the International Accounting Standards Board (IASB) as notified under 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 unconsolidated condensed interim financial statements for the half year ended June 30, 2026 are unaudited. However, these have been subjected to limited scope review by the statutory auditors of the Company and are being submitted to the shareholders as required by the listing regulations of the PSX and section 237 of the Act.

These unconsolidated condensed interim financial statements do not include all the information required to be contained in the annual financial statements and, therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2025.

2.3 These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company in which investment in subsidiary companies namely Think PVC (Private) Limited and Engro Peroxide (Private) Limited have been accounted for at cost less accumulated impairment losses, if any. The consolidated condensed interim financial statements of the Company and its subsidiary companies have been presented separately.

3. MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

3.1 The material accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2025, except for the following:

During the period, certain amendments to IFRS - 9 'Financial Instruments' (IFRS 9) and IFRS - 7 'Financial Instruments: Disclosures' (IFRS 7), became applicable to the Company. These amendments clarify that a financial asset or financial liability is recognised when an entity becomes a party to the contractual provisions of the instrument, and is derecognised on the settlement date i.e., when the contractual rights to cash flows expire, the asset is transferred, or the liability is extinguished. In effect, the amendments confirm that settlement date accounting applies to the recognition and derecognition of financial assets and financial liabilities. The amendments also introduce an optional exception permitting derecognition of a financial liability settled through an electronic payment system before the settlement date, subject to specified conditions, which the Company has not elected to apply.

(Amounts in thousand)

The Company previously applied trade date accounting for the recognition and derecognition of financial assets and financial liabilities. Following adoption of these amendments, the Company has changed its accounting policy to apply settlement date accounting, consistent with the clarified requirements of IFRS 9. In accordance with the transitional provisions of the amendments, this change has been applied from the beginning of the annual reporting period of initial application, with the cumulative effect recognised as an adjustment to the opening balance of the affected items. Consistent with the transition relief provided under the amendments, comparative information in these unconsolidated condensed interim financial statements has not been restated.

The impact of adopting the new accounting policy has been reflected in the unconsolidated condensed interim statement of cash flows. Accordingly, the reconciliation of cash and cash equivalents presented therein includes the resulting adjustment to the opening balance. The effects of amendments at the date of initial application are as follows:

Effect on unconsolidated condensed interim statement of financial position	Audited		Carrying amount subsequent to the amendment
	Carrying amount prior to the amendment	Impact of amendment	
	----------Rupees----------		
As of January 1, 2026			
Trade debts	1,624,485	100	1,624,585
Trade and other payables	(26,446,970)	(317,111)	(26,764,081)
Cash and bank balances	4,343,715	317,011	4,660,726

3.2 Initial application of standards, amendment and improvements to approved accounting and reporting standards

a) Standards, amendments and improvements to approved accounting and reporting standards that became effective during the period

There are amendments or improvements to existing standards which became applicable to the Company for the financial year beginning on January 1, 2026, however, these do not have a material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements, except for an ammendment in IFRS 7 and IFRS 9 whose impact has been disclosed in note 3.1 to the unconsolidated condensed interim financial statements.

b) Standards, amendments and improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2026. These are not expected to have a material impact on the Company's financial reporting and, therefore, have not been presented in these unconsolidated condensed interim financial statements except for 'Presentation and Disclosure in Financial Statements (IFRS 18)' , as disclosed in note 2.5.2 of the annual audited financial statements of the Company for the year ended December 31, 2025.

(Amounts in thousand)

3.3 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. ACCOUNTING ESTIMATES

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its 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 expectations of future events that are believed to be reasonable under the circumstances. The accounting estimates will, by definition, seldom equal the related actual results.

The significant estimates, judgements and assumptions made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied in the annual audited financial statements of the Company for the year ended December 31, 2025.

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - notes 5.1 and 5.2	47,080,850	46,230,027
Capital work-in-progress - note 5.3	2,303,884	2,598,124
Capital spares	241,044	241,044
	49,625,778	49,069,195

5.1 Following additions, including transfers from capital work-in-progress, were made during the period / year:

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
Leasehold land	-	9,000
Building on leasehold land and civil works	110,467	864,029
Plant and machinery	2,289,290	10,025,683
Pipelines	-	11
Furniture, fixtures and equipment	72,215	222,471
Vehicles	84,479	157,211
	2,556,451	11,278,405

5.2 Operating assets costing Rs. 93,843 (December 31, 2025: Rs. 80,221) having net book value of Rs. 26,145 (December 31, 2025: Rs. 41,095) were disposed for Rs. 42,203 (December 31, 2025: Rs. 58,624).

(Amounts in thousand)

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
5.3	The movement in capital work-in-progress is as follows:		
	Balance at beginning of the period / year	2,598,124	11,335,138
	Additions during the period / year	2,262,211	2,616,401
	Transferred to:		
	- operating assets - note 5.1	(2,556,451)	(11,278,405)
	- intangible assets	-	(75,010)
		(2,556,451)	(11,353,415)
	Balance at end of the period / year	2,303,884	2,598,124

		Unaudited June 30, 2026	Audited December 31, 2025
6.	**STOCK-IN-TRADE**		
	Raw and packing materials - notes 6.1 and 6.2	7,728,938	7,040,610
	Less: Provision against stock-in-trade	(90,154)	(90,154)
		7,638,784	6,950,456
	Work-in-process	436,848	275,661
	Finished goods - manufactured products - note 6.2	6,576,026	3,125,010
		14,651,658	10,351,127
6.1	This includes stocks held at storage locations of following parties:		
	- Engro Vopak Terminal Limited, a related party	2,909,509	1,812,611
	- Al-Noor Petroleum (Private) Limited	33,116	5,000
	- Al-Rahim Trading Company (Private) Limited	30,916	167,980
		2,973,541	1,985,591

6.2 This includes goods in transit amounting to Rs. 1,074,578 (December 31, 2025: Rs. 2,082,188).

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
7.	**TRADE DEBTS - Considered good**		
	This includes amounts due from the following related parties:		
	Engro Fertilizers Limited	37,599	34,964
	Engro Peroxide (Private) Limited	439,051	405,251
	FrieslandCampina Engro Pakistan Limited	1,560	4,276
		478,210	444,491

(Amounts in thousand)

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	

8. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

8.1 This includes receivables from the following related parties:

Engro Corporation Limited	4,407	1,070
Engro Peroxide (Private) Limited	563,703	434,370
Think PVC (Private) Limited	15,860	14,303
Engro Fertilizers Limited	1,603	6,063
Engro Energy Limited	1,173	-
Engro Powergen Qadirpur Limited	208	6,538
Engro Vopak Terminal Limited	1,122	1,710
Engro Technical Solutions (Private) Limited	1,411	-
Sindh Engro Coal Mining Company Limited	1,818	706
	591,305	464,760

8.2 This includes loans and interest accrued thereon due from the subsidiaries, as follows:

	June 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Engro Peroxide (Private) Limited	Think PVC (Private) Limited	Total	Engro Peroxide (Private) Limited	Think PVC (Private) Limited	Total
				Rupees		
Balance at the beginning of the period / year	2,228,121	89,880	2,318,001	6,035,309	126,537	6,161,846
Interest accrued during the period / year	54,068	3,842	57,910	347,762	8,543	356,305
Disbursed during the period / year	149,300	-	149,300	2,065,050	19,800	2,084,850
Repayments received during the period / year	(400,000)	(20,000)	(420,000)	(6,220,000)	(65,000)	(6,285,000)
Balance at the end of the period / year	2,031,489	73,722	2,105,211	2,228,121	89,880	2,318,001

9. INCOME TAX RECOVERABLE

In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Company had purchased tax losses from Engro Corporation Limited (the Holding Company) and Engro Eximp Agriproducts (Private) Limited (EEAP) for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Company, accordingly, had adjusted the aforementioned losses against its taxable income for the respective years and has adjusted the income tax recoverable in these unconsolidated condensed interim financial statements. The recoupment of these losses against taxable income of the Company was subject to certain conditions as specified in Section 59B the Ordinance.

In 2025, on disposal of EEAP by the Holding Company, the tax loss purchased from EEAP did not adhere to the specific conditions specified in section 59B of the Ordinance, and accordingly tax loss purchased from EEAP had been derecognised from income tax recoverable.

*8b—

(Amounts in thousand)

10. LONG-TERM BORROWINGS

Title	Mark-up rate per annum	Installments Number	Installments Commencing	June 30, 2026 (Unaudited)	December 31, 2025 (Audited)
				Rupees	Rupees
Islamic long term financing facility (ILTFF)	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,031,006	1,151,693
Islamic temporary economic refinance facility (ITERF)	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 12, 2023	565,244	620,549
Loan under diminishing musharka agreement I	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	50,000	100,000
Syndicated long term islamic financing facility	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,740,953	8,739,508
Loan under diminishing musharka agreements II	3 months KIBOR + 0.3%	16 quarterly	March 21, 2026	4,500,000	4,500,000
Ijarah facility from International Finance Corporation (IFC)	SOFR + 3.68%	7 half yearly	July 15, 2025	2,925,325	3,545,917
Bilateral Loan II	3 months KIBOR + 0.4%	20 quarterly	April 19, 2026	1,600,000	1,600,000
Loan under diminishing musharka agreement III	3 months KIBOR + 0.03%	20 quarterly	March 13, 2027	6,000,000	6,000,000
Loan under diminishing musharka agreement IV	3 months KIBOR + 0.4%	28 quarterly	December 30, 2028	2,294,931	2,294,500
Syndicated loan under diminishing musharka	3 months KIBOR + 0.6%	16 quarterly	March 31, 2029	11,150,905	10,959,903
Loan under diminishing musharka agreement V	3 months KIBOR + 0.4%	10 semi annually	June 30, 2028	1,000,000	1,000,000
Loan under diminishing musharka agreement VI	3 months KIBOR + 0.65%	16 quarterly	March 31, 2027	1,595,295	1,594,400
Long term financing facility	3 months KIBOR + 0.75%	20 quarterly	March 31, 2028	1,989,740	1,988,500
Loan under diminishing musharka agreement VII	3 months KIBOR + 0.3%	32 quarterly	March 30, 2028	2,000,000	2,000,000
Loan under diminishing musharka agreement VIII	3 months KIBOR + 0.4%	16 quarterly	March 30, 2029	4,971,093	4,967,800
Loan under musharka agreement	1 month KIBOR + 0.5%	1 lump-sum	April 1, 2027	3,000,000	3,000,000
				53,414,492	54,062,770
Less: Current portion shown under current liabilities					
- Islamic Long Term Financing Facility (ILTFF)				(243,750)	(243,750)
- Islamic Temporary Economic Refinance Facility (ITERF)				(111,676)	(111,676)
- Loan under diminishing musharka agreement I, II, III, IV and VI				(1,600,000)	(100,000)
- Bilateral Loan II				(100,000)	-
- Running Musharika II				(3,000,000)	-
- Ijarah facility from International Finance Corporation (IFC)				(1,192,722)	(1,201,196)
				(6,248,148)	(1,656,622)
Less: Deferred income - Government grant				(105,102)	(124,874)
				47,061,242	52,281,274

10.1 As at June 30, 2026, there is no material change in the terms and conditions of the borrowings as disclosed in the note 17 of the annual audited financial statements of the Company for the year ended December 31, 2025, except for repayment of Rs. 832,216 that have been made during the period and a further drawdown of Rs. 175,000 made from syndicated loan under diminishing musharika facility.

10.2 In respect of the above facilities, the Company is required to comply with certain financial covenants at the end of each annual reporting period, except for the Ijarah facility from the International Finance Corporation (IFC) and the loan under the Musharaka agreement with Meezan Bank Limited (MBL), which are subject to quarterly and monthly covenant testing, respectively. The relevant ratios for all facilities are disclosed in note 17.20 to the annual audited financial statements. In the previous period, the Company sought clarification that compliance with the financial covenants relating to the Ijarah facility from the IFC for the current year would also be assessed on an annual basis. Based on its projections, the Company remains confident that it will either meet the applicable financial covenants when these are next tested or, if required, obtain further relaxations or waivers before the next testing date.

11. SINDH INFRASTRUCTURE DEVELOPMENT CESS

On June 4, 2021, the Sindh High Court (SHC) upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the SIDC Act, 2017), promulgated retrospectively with effect from December 28, 2006, as valid and within the competence of the provincial legislature. The Company filed a petition against the judgement before the Supreme Court of Pakistan (SCP). In September 2021, the SCP suspended the SHC judgement along with the recovery of the Cess. As at the prior year end, the Company was required to furnish bank guarantees equivalent to the full amount of the levy for all future consignments. The Company remained confident that the ultimate outcome of the case would be decided in its favour; however, on a prudence basis, it recognised Rs. 3,324,479 in respect of the aforementioned levy in the annual audited financial statements as an accrued liability.

(Amounts in thousand)

During the period, the Government of Sindh (GoS) enacted the Sindh Development and Maintenance of Infrastructure Cess (Amendment) Act, 2026 (the SIDC Act, 2026), introducing a settlement framework under sections 10A to 10F. The Company opted for the settlement framework and entered into a Settlement Agreement (the Agreement) with GoS on April 23, 2026, for a settlement amount of Rs. 3,582,910 comprising Cess due up to April 23, 2026. Under the agreement, 15% of the outstanding liability is payable by July 15, 2026, 15% by October 15, 2026, 15% by July 15, 2027, and the remaining 55% in forty eight equal quarterly instalments commencing from July 15, 2028. As required under the settlement framework, the Company has withdrawn all pending litigation and waived related claims against GoS, the previously furnished bank guarantees have been released, and the first instalment due on July 15, 2026, has been settled early at the date of the Agreement. Consequently, the reduced rate of 0.85%, applicable to companies that have opted for settlement under the framework, is now applicable to the Company for all future consignments.

In accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and IFRIC 21 'Levies', the Company has re-measured the settlement amount in respect of the aforementioned liability at its present value based on the agreed payment schedule and a pre-tax discount rate of 12.382%, which reflects the time value of money and the risks specific to the obligation. The resulting gain of Rs.1,242,825, representing the difference between the carrying amount of the liability agreed under the settlement framework and the discounted value of the settlement liability, has been recognised as an other income in the unconsolidated condensed interim statement of profit or loss and other comprehensive income. Thereafter, the liability has been measured at amortised cost using the effective interest method.

12. LEASE LIABILITIES

This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 214,054 (December 31, 2025: Rs. 364,960).

	Unaudited June 30, 2026	**Audited December 31, 2025**
	Rupees	
13. DEFERRED TAX LIABILITY - net		
Credit balance arising due to:		
- accumulated depreciation	8,005,782	8,325,085
Debit balances arising due to:		
- unpaid liabilities	364,137	478,838
- leases	47,067	77,935
- provisions	2,260,923	2,383,135
- shares issuance cost	73,783	77,771
- tax losses	1,855,660	1,855,660
- minimum turnover tax	1,995,975	1,514,810
	(6,597,545)	(6,388,149)
	1,408,237	1,936,936

13.1 During the period, the Finance Act, 2026 reduced the applicable super tax rate on the Company from 10% to 8% on the maximum taxable income threshold. Accordingly, the Company's deferred tax liability has been adjusted to reflect the revised enacted tax rate in accordance with IAS 12 - 'Income taxes' (IAS 12).

(Amounts in thousand)

	Unaudited June 30, 2026	Audited December 31, 2025
	Rupees	
14. TRADE AND OTHER PAYABLES		
This includes amounts due to the following related parties:		
Engro Corporation Limited	635,407	803,714
Engro Fertilizers Limited	12,747	3,399
Engro Energy Limited	156,689	157,213
Engro Peroxide (Private) Limited	22,295	-
Think PVC (Private) Limited	2,511	4,377
Engro Vopak Terminal Limited	1,480	7,715
Engro Eximp FZE	9,419,974	11,138,242
Engro Elengy Terminal (Private) Limited	25	-
Engro Powergen Qadirpur Limited	2,018	397
Sindh Engro Coal Mining Company Limited	1,531	178
Engro Powergen Thar (Private) Limited	-	50
Engro Foundation	60,000	60,000
	10,314,677	12,175,285

14.1 This includes current portion of Sindh Infrastructure Development Cess (SIDC) amounting to Rs. 537,436 as disclosed in note 11 of these unconsolidated condensed interim financial statements.

15. SHORT TERM BORROWINGS

15.1 As at June 30, 2026, there is no material change in the terms and conditions of the borrowings as disclosed in the note 23 of the annual audited financial statements of the Company for the year ended December 31, 2025, except for:

15.1.1 The Company has aggregated facilities for running finance available from various banks as at June 30, 2026 amounting to Rs. 4,125,000 (December 31, 2025: Rs. 8,225,000) out of which Rs. 629,009 (December 31, 2025: Rs. 8,225,000) remains unutilised as at period end.

15.1.2 During the period, the Company made a drawdown of Rs. 999,893 out of its money market loan facility, as disclosed in note 23.3 in its annual audited financial statements.

In relation to the above, the Company is required to comply with certain financial covenants throughout the currency of the exposure, as listed below:

Type of ratio	Minimum requirement
Debt service Coverage Ratio	Minimum of 1.0x
Current Ratio	Minimum of 1.0x
Debt to Equity Ratio	75:25
Leverage Ratio	Minimum 2.5x
Interest Coverage Ratio	Minimum 1.0x

As of June 30, 2026, the Company was in breach of certain financial covenants due to its adverse financial position caused by operating losses in previous years. Based on its relationship with the relevant financial institution, the Company is confident that there will be no immediate recall of the arrangement.

(Amounts in thousand)

16. PROVISIONS

In respect to the matter stated in note 19.3 of the annual audited financial statements relating to the provision of off-the-grid levy, during the period, the Company has made a payment of Rs. 596,434 in respect of the aforementioned levy pertaining to the period from October to November 2025, as a full and final settlement of such charges based on actual bills received of those months.

The Islamabad High Court (IHC), subsequent to those payments issued a stay order dated March 17, 2026, against the recovery of the levy billed from December 2025 onwards and granted interim relief subject to furnishing post-dated cheques in favour of Sui Southern Gas Company Limited (SSGC) to the extent of the disputed levy amount. As of the reporting date, the Company has recognised a gas levy provision amounting to Rs. 2,123,113 for the period from December 2025 to June 2026 and issued the required post dated cheques in favour of SSGC.

17. CONTINGENCIES AND COMMITMENTS

17.1 As at June 30, 2026, there is no material change in the status of matters reported as contingencies in notes 26 of the annual audited financial statements of the Company for the year ended December 31, 2025, except for matters mentioned below:

17.1.1 During the period, the Additional Commissioner Inland Revenue (ACIR) amended the assessment order of the Company for tax year 2025 on February 26, 2026. The Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the disallowances and additions therein, amounting to Rs. 2,690,459. This amendment has resulted in a reduction in the income tax refund by Rs. 247,499 as against the income tax return. However, based on the advice of its tax consultant, the Company remains confident of a favourable outcome of the appeal; accordingly, no provision in this respect has been recognised in these unconsolidated condensed interim financial statements.

17.1.2 During the period, the Company received a show cause notice dated April 15, 2026, under section 122(9) of the Income Tax Ordinance, 2001 (the Ordinance) for Tax Year 2022, in which, the ACIR disputed certain aspects of the computation of tax credit of Rs. 1,757,382 allowed under section 65E of the Ordinance in the assessment order dated March 28, 2024, including the allowability of the aforementioned tax credit on dividend income, capital gains and income from other sources. The Company based on the advice of its tax consultant, is confident that the matter will ultimately be decided in its favour, and accordingly, no provision has been recognised in these unconsolidated condensed interim financial statements.

17.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at June 30, 2026 amounts to Rs. 8,471,000 (December 31, 2025: Rs. 10,119,500). The amount utilised thereagainst as at June 30, 2026 is Rs. 4,969,900 (December 31, 2025: Rs. 9,020,790).

17.3 The aggregate facilities for opening letter of credits as at June 30, 2026 amount to Rs. 36,197,899 (December 31, 2025: Rs. Rs. 39,980,550). The amount utilised thereagainst as at June 30, 2026 is Rs. 14,425,704 (December 31, 2025: Rs. 14,210,234).

17.4 Commitments in respect of rentals of storage tanks at Engro Vopak Terminal Limited for the handling of (i) Ethylene aggregating to Nil (December 31, 2025: USD 774), (ii) Ethylene Di Chloride (EDC) aggregating to USD 1,390 (December 31, 2025: USD 1,668) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD Nil (December 31, 2025: USD 298).

(Amounts in thousand)

17.5 The Company has submitted post dated cheques amounting to Rs. 3,045,474 in respect of its liability against Sindh Infrastructure Development Cess under the settlement framework agreed with GoS which will be enchased based on their contractual due dates.

17.6 As at June 30, 2026, the preference shares dividend not yet declared amounts to Rs. 1,380,955 (December 31, 2025: Rs. 1,168,705).

		Unaudited June 30, 2026	Audited December 31, 2025
		Rupees	
17.7	Commitments in respect of expenditure of capital and other operational	5,858,182	6,007,363

18. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

18.1 Basic earnings / (loss) per share has been calculated by dividing the loss attributable to ordinary share holders of the Company by weighted average number of ordinary shares in issue during the period.

18.2 Diluted earnings / (loss) per share presents the effect of conversion of potential ordinary shares (preference shares) where it leads to decrease in earnings per share or increase in loss per share.

19. CASH (USED) / GENERATED FROM OPERATIONS

	Unaudited June 30, 2026	Unaudited June 30, 2025
	Rupees	
Income / (loss) before income tax	1,394,002	(2,718,900)
Adjustments for non cash-charges and other items:		
Depreciation:		
- operating assets	1,679,483	1,301,690
- right-of-use asset	83,593	230,361
Amortisation of intangible assets	55,388	51,489
Provision for slow moving stores and spares	27,155	96,825
Unrealised foreign exchange (gain) / loss on financial assets and liabilities	(49,596)	54,830
Income on financial assets	(906,011)	(406,386)
Remeasurement gain on SIDC	(1,242,825)	-
Unwinding of discount on SIDC	39,632	-
Finance costs	3,623,970	2,999,055
Provision for impairment against:		
- long-term investment	-	50,000
- loan to subsidiary company	-	67,400
Provision for off-the-grid levy - net	1,759,637	1,404,132
Gain on disposal of operating assets	(16,058)	(972)
Minimum tax differential	-	3,546
Final tax	243,091	(45,711)
Working capital changes - note 19.1	(10,091,926)	4,074,270
	(3,400,465)	7,161,629

(Amounts in thousand)

	Unaudited June 30, 2026	Unaudited June 30, 2025
	Rupees	
19.1 WORKING CAPITAL CHANGES		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(132,662)	(110,301)
Stock-in-trade	(4,300,531)	3,750,535
Trade debts	(11,713)	(510,285)
Loans, advances, deposits, prepayments and other receivables - net	(1,385,604)	(1,644,759)
	(5,830,510)	1,485,190
(Decrease) / Increase in current liabilities		
Trade and other payables	(4,261,416)	2,589,080
	(10,091,926)	4,074,270

20. CASH AND CASH EQUIVALENTS

Short-term investments	917,000	160,491
Cash and bank balances	3,450,672	4,177,488
Running finances	(3,495,991)	(6,468,182)
	871,681	(2,130,203)

21. SHARIAH DISCLOSURES UNDER CLAUSE VII OF PART I OF SCHEDULE IV OF THE ACT

	Note	Unaudited June 30, 2026			Audited December 31, 2025		
		Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
		Rupees			Rupees		
Statement of Financial Position							
Assets:							
Long-term investments		-	12,837,000	12,837,000	-	12,837,000	12,837,000
Short-term investments		11,634,613	4,277,408	15,912,021	12,165,773	9,238,554	21,404,327
Bank deposits and bank balances		529,652	2,921,020	3,450,672	1,522,237	2,821,478	4,343,715
Liabilities:							
Long-term borrowings	10	1,989,740	51,424,752	53,414,492	1,988,500	52,074,270	54,062,770
Short-term borrowings		3,473,928	1,696,956	5,170,884	675,000	-	675,000
Lease liabilities		-	222,541	222,541	-	378,760	378,760
Accrued interest / mark-up		111,333	778,657	889,990	14,090	508,505	522,595
		Unaudited Half year ended June 30, 2026			Unaudited Half year ended June 30, 2025		
Statement of profit or loss							
Revenue from contracts with customers - net		-	38,484,953	38,484,953	-	37,399,092	37,399,092
Late payments or liquidated damages		-	-	-	-	-	-
Gain / (loss) or dividend earned on short-term investments or share of profit / (loss) from associate		598,155	186,756	784,911	-	-	-
Profit earned on bank deposits and bank balances		31,598	8,675	40,273	23,572	9,215	32,787
Income from short-term investments		-	22,918	22,918	62,697	1,479	64,176
Foreign exchange loss (net) on actual currency		-	76,060	76,060	-	307,249	307,249
Foreign exchange gain (net) on actual currency		-	-	-	-	-	-
Exchange gains earned using conventional derivative financial instruments		-	-	-	-	-	-
Finance costs paid		640,160	2,570,112	3,210,272	1,141,316	1,253,351	2,394,667
Interest earned on subordinated loans given to subsidiary companies		57,910	-	57,910	309,423	-	309,423
Scrap sales		-	8,239	8,239	-	104,763	104,763
Gain on disposal of operating assets		-	16,058	16,058	-	972	972
Remeasurement gain on SIDC		-	1,242,825	1,242,825	-	-	-
Other income - others		637	-	637	1,617	-	1,617

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(Amounts in thousand)

Other Disclosure Requirements

Relationship with Shariah-compliant financial institutions, including banks, takaful operators and their windows, etc.

	Relationship
Allied Bank Limited (Islamic)	Bank deposit / Borrowing
Al Baraka Bank (Pakistan) Limited	Bank deposit
Bank Alfalah Limited (Islamic)	Bank deposit / Borrowing
Bank Al Habib Limited (Islamic)	Bank deposit
Habib Metropolitan Bank Limited (Islamic)	Bank deposit
Bank Islami Pakistan Limited	Bank deposit / Borrowing
Dubai Islamic Bank Pakistan Limited	Bank deposit / Borrowing
Faysal Bank Limited	Bank deposit / Borrowing
MCB Islamic Bank Limited	Bank deposit / Borrowing
Meezan Bank Limited	Bank deposit / Borrowing
Bank of Khyber (Islamic)	Bank deposit / Borrowing
United Bank Limited (Islamic)	Bank deposit / Borrowing
Habib Bank Limited (Islamic)	Borrowing
International Finance Corporation	Borrowing
MCB Bank Limited (Islamic)	Borrowing
Bank of Punjab (Islamic)	Borrowing
UBL Al Ameen Islamic Sovereign Fund	Investment
UBL Al Ameen Islamic Income Fund	Investment
Meezan Islamic Asaan Cash Fund	Investment
Faysal Islamic Financial Growth Fund II	Investment
UBL Al Ameen Islamic Cash Plan I	Investment
UBL Al-Ameen Islamic Cash Fund	Investment
Alfalah GHP Islamic Income Fund	Investment
Faysal Islamic Cash Fund	Investment
Faysal Islamic Mehdood Muddat Plan XX	Investment
Meezan Rozana Amdani Fund	Investment
Meezan Daily Income Fund	Investment
Meezan Cash Fund	Investment

22. SEGMENT INFORMATION

22.1 The basis of segmentation and reportable segments presented in these unconsolidated condensed interim financial statements are same as disclosed in the annual audited financial statements of the Company for the year ended December 31, 2025.

	June 30, 2026 (Unaudited)					June 30, 2025 (Unaudited)				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Unallocated	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Unallocated	Total
	Rupees									
Revenue from contract with customers - net										
- At a point	30,756,780	7,374,111	-	-	38,130,891	30,075,417	7,046,567	-	-	37,121,984
- Over time	-	-	354,062	-	354,062	-	-	277,108	-	277,108
	30,756,780	7,374,111	354,062	-	38,484,953	30,075,417	7,046,567	277,108	-	37,399,092
Less:										
Cost of sales	(27,400,511)	(6,177,887)	(357,679)	-	(33,936,077)	(30,128,934)	(5,594,767)	(252,834)	-	(35,976,535)
Distribution and marketing expenses	(124,287)	(198,975)	(965)	-	(324,227)	(135,378)	(142,908)	(576)	-	(278,862)
Administrative expenses	(714,642)	(171,471)	(8,223)	-	(894,336)	(721,227)	(179,281)	(7,050)	-	(907,538)
Other expenses	(162,546)	(38,971)	(1,872)	-	(203,389)	(434,651)	(74,331)	(2,923)	-	(511,905)
Other income	1,017,022	296,983	11,665	848,101	2,173,771	90,899	325,080	796	96,963	513,738
Finance costs	(2,927,913)	(701,984)	(33,705)	-	(3,663,602)	(2,411,765)	(565,068)	(22,222)	-	(2,999,055)
(Loss) / profit before minimum tax differential, final tax and income tax	443,903	381,806	(36,717)	848,101	1,637,093	(3,665,639)	815,312	(7,701)	96,963	(2,761,065)
Minimum tax differential	-	-	-	-	-	-	(3,546)	-	-	(3,546)
Final tax	-	-	-	(243,091)	(243,091)	15,456	-	-	30,255	45,711
Profit / (loss) before income tax	443,903	381,806	(36,717)	605,010	1,394,002	(3,650,183)	815,312	(7,701)	127,218	(2,718,900)
Income tax	250,626	60,089	2,885	6,911	320,511	(84,842)	(19,878)	(782)	(274)	(105,776)
Profit / (loss) for the period	694,529	441,895	(33,832)	611,921	1,714,513	(3,735,025)	795,434	(8,483)	126,944	(2,824,676)

	June 30, 2026 (Unaudited)					December 31, 2025 (Audited)				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power Supply	Unallocated	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power	Unallocated	Total
	Rupees									
Segment assets										
Total segment assets	65,589,254	32,708,968	380,940	19,362,695	118,041,857	59,688,617	30,952,578	336,847	25,748,042	116,726,084

(Amounts in thousand)

22.2 Segment assets consist primarily of property, plant and equipment, stores and spares, stock in trade, trade debts and long-term investments.

23. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, other than those which have been disclosed elsewhere in these unconsolidated condensed interim financial statements, are as follows:

		Unaudited June 30, 2026	Unaudited June 30, 2025
		Rupees	
Nature of relationship	**Nature of transactions**		
Holding Company			
	Reimbursement made	642,856	743,572
	Reimbursement received	14,092	112,399
	Subordinated loan received	-	1,000,000
	Subordinated loan repaid	-	1,000,000
	Mark-up on subordinated loan	-	6,415
Subsidiary Companies			
	Reimbursement received	115,701	280,787
	Reimbursement made	29,804	13,413
	Sales of utilities	488,743	188,913
	Sale of goods	463	-
	License income	6,586	-
	Investment made	-	6,000,000
	Loan made	149,300	1,393,150
	Loan repaid	420,000	6,065,000
	Mark-up on loan	57,910	309,423
Associated Companies			
	Sale of goods	45,656	3,165,971
	Sales of utilities	179,977	93,187
	Purchase of services	749,846	698,288
	Purchase of goods	16,258,373	13,103,513
	Letter of credit and related charges	417,811	511,471
	Reimbursement made	26,682	52,669
	Reimbursement received	18,767	78,977
Directors	Fee	2,950	5,350
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	75,272	69,592
	- Gratuity fund	62,954	57,839
Key management personnel	Managerial remuneration	84,672	79,143
	Retirement benefit funds	11,890	12,036
	Bonus	32,447	39,627
	Other benefits	13,808	23,082

(Amounts in thousand)

24. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies during the period, consequently these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual audited financial statements.

25. FAIR VALUE MEASUREMENT

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. Consequently, differences can arise between carrying values and the fair value estimates. As at June 30, 2026, the carrying values of all financial assets and liabilities reflected in the unconsolidated condensed interim financial statements approximate to their fair values.

26. CORRESPONDING FIGURES

26.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the unconsolidated condensed interim statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of preceding financial year, whereas the unconsolidated condensed interim statement of profit or loss and other comprehensive income, the unconsolidated condensed interim statement of changes in equity and the unconsolidated condensed interim statement of cash flows have been compared with the amounts of comparable period of immediately preceding financial year.

26.2 Corresponding figures and balances have been rearranged and reclassified, wherever considered necessary. The material reclassification made during the period are as follows:

Description	Reclassified		Unaudited June 30, 2025	
			Quarter ended	Half year ended
	from	to	----Rupees----	
Purchased services*	Administrative expenses	Cost of sales	108,788	217,576
Salaries, wages and staff welfare*	Administrative expenses	Cost of sales	(1,214)	43,960
Communication, stationery and other office expenses*	Administrative expenses	Cost of sales	19,899	19,899

* Reclassified to more appropriately reflect the economic substance of the transaction and the Company's business model.

27. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on August 13, 2026 by the Board of Directors of the Company.

Chief Executive Officer **Chief Financial Officer** **Director**

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ

ڈائریکٹرز کا جائزہ برائے شیئر ہولڈرز

غیر آڈٹ شدہ کنسولیڈیٹڈ عبوری مالیاتی گوشوارے

برائے ششماہی ختم شدہ 30 جون، 2026ء

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے، ہم 30 جون، 2026ء کو ختم ہونے والی ششماہی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہیں۔

کاروباری جائزہ

عالمی پی وی سی (PVC) مارکیٹ دوسری سہ ماہی کے بیشتر حصے میں مستحکم رہی، اور اپریل و مئی کے دوران قیمتوں میں کچھ اضافہ دیکھا گیا کیونکہ امریکہ-ایران کشیدگی نے فریٹ، توانائی اور فیڈ اسٹاک کی فراہمی پر دباؤ برقرار رکھا۔ تاہم، مئی کے بعد حالات میں بہتری آئی کیونکہ تنازع کے باعث پیدا ہونے والی رکاوٹیں دور ہونا شروع ہوئیں اور نیفتھا (naphtha) پر مبنی کریکرز کی آپریشنل شرح بحال ہوئی، جس کے نتیجے میں جون تک پی وی سی (PVC) کی قیمتوں میں تدریجی کمی آئی۔ نیفتھا کی مسلسل شارٹیج کی وجہ سے ایتھیلین (Ethylene) کی قیمتیں سہ ماہی کے بیشتر حصے میں بلند رہیں، لیکن بعد میں جون تک قیمتیں کم ہو کر 785 ڈالر فی میٹرک ٹن پر آ گئیں کیونکہ نیفتھا فیڈ اسٹاک کی لاگت گھٹ گئی تھی۔ تاہم، خطے میں محدود درآمدات اور فورس میژر (force majeure) کے نئے اعلانات کی وجہ سے ایتھیلین ڈائی کلورائیڈ (EDC) کی مارکیٹ پوری سہ ماہی کے دوران سخت رہی، جس سے وی سی ایم (VCM) اور پی وی سی (PVC) تیار کنندگان کے لیے فیڈ اسٹاک کی لاگت بلند رہی۔

دوسری سہ ماہی (Q2 2026) کے دوران مقامی سطح پر پی وی سی (PVC) کی فروخت میں کمی واقع ہوئی کیونکہ کم قیمتوں پر مرحلہ وار درآمدات آنا شروع ہو گئی تھیں۔ مئی سے جون تک پی وی سی (PVC) کی قیمتوں میں مسلسل کمی کے رجحان کے باعث خریداروں نے اپنی خرید کے فیصلے ملتوی کیے، جس سے مارکیٹ آف ٹیک متاثر ہوئی۔ تاہم جون میں خریداروں کی دوبارہ آمد سے مقامی فروخت کے حجم میں بہتری دیکھی گئی۔

عالمی کاسٹک سوڈا مارکیٹ، جو پہلی سہ ماہی میں پلانٹس کی بندش کی وجہ سے محدود رہی، دوسری سہ ماہی کے آغاز میں بھی مضبوط دکھائی دی اور بعد میں علاقائی آپریشنل شرح معمول پر آنے کے ساتھ تدریجی طور پر مستحکم ہو گئی۔ عالمی سطح پر ایلومینا اور پلپ اینڈ پیپر جیسے اہم شعبوں میں مانگ مستحکم رہی، جبکہ مقامی سطح پر ٹیکسٹائل انڈسٹری کی مسلسل مانگ نے اسے بہترین سپورٹ فراہم کی۔

بنیادی لیوی فارمولے میں ترمیم کے بعد قابل اطلاق کیپٹو گیس لیوی (captive gas levy) جنوری میں 1,406 روپے فی MMBtu سے نمایاں طور پر کم ہو کر مئی میں 365 روپے فی MMBtu پر آ گئی، جس سے کلور-الکلی (chlor-alkali) بزنس کی لاگت کو بڑا تحرک ملا۔

امریکہ-ایران کشیدگی کے بعد سہ ماہی کے دوران ہائیڈروجن پر آکسائیڈ (hydrogen peroxide) کی مارکیٹ میں تدریجی بہتری دیکھی گئی۔ درآمدی قیمتیں 400 ڈالر فی ٹن سے اوپر گئیں اور سہ ماہی کے اختتام تک آہستہ آہستہ نارمل ہو گئیں۔ مقامی محاذ پر بیلجیم، چین، انڈونیشیا، جنوبی کوریا، تائیوان، تھائی لینڈ اور ترکی سے ہونے والی درآمدات پر اینٹی ڈمپنگ ڈیوٹی کی مدت مزید 5 سال کے لیے بڑھا دی گئی ہے۔

اس مدت کے دوران کمپنی نے 39 ارب روپے کی آمدن حاصل کی، جو کہ بلند قیمتوں اور سیلز والیوم کی بدولت گزشتہ سال کی اسی مدت کے مقابلے میں 4 فیصد زیادہ ہے۔ پی وی سی (PVC) کے بہتر مارجن اور توانائی کی کم لاگت کے باعث بعد از ٹیکس منافع 1.6 ارب روپے رہا۔ یہ 1.79 روپے فی شیئر آمدن کو ظاہر کرتا ہے، جبکہ گزشتہ سال اسی مدت میں (3.55) روپے فی شیئر خسارہ ہوا تھا۔

آئندہ کا لائحہ عمل

آئندہ کے لیے، جیسے جیسے تنازع کی رکاوٹیں ختم ہوں گی اور مشرقی ایشیائی کریکرز کی آپریشنل شرح بحال ہوگی، دوسری چھماہی کے دوران پی وی سی (PVC) اور فیڈ اسٹاک کی قیمتوں میں مزید نرمی آنے کی توقع ہے۔ دوسری سہ ماہی میں پی وی سی (PVC) کے مقابلے میں پیچھے رہنے کے بعد ایتھیلین اور ای ڈی سی (EDC) میں تیسری سہ ماہی کے دوران تدریجی استحکام آنا چاہیے، تاہم اس کی رفتار عالمی حالات اور فریٹ کی لاگت پر منحصر ہوگی۔

مقامی محاذ پر، مانگ کے مجموعی طور پر مستحکم رہنے کی توقع ہے جبکہ درآمدات ایک اہم چیلنج بنی ہوئی ہیں۔ کمپنی پروڈکٹ معیار اور محفوظ آپریشنز کے ذریعے مارکیٹ میں اپنی پوزیشن مضبوط رکھنا جاری رکھے گی۔ خاص طور پر، نیشنل ٹیرف کمیشن کے ساتھ مسلسل کاوشوں کے نتیجے میں امریکہ اور انڈونیشیا سے پی وی سی (PVC) کی درآمدات پر عبوری اینٹی ڈمپنگ ڈیوٹی حاصل کر لی گئی ہے، جس سے مقامی مارکیٹ پر مثبت اثرات مرتب ہو رہے ہیں۔

کامران نشاط	**عبدالقیوم**
ڈائریکٹر	چیف ایگزیکٹو آفیسر
	۱۲ اگست ۲۰۲۶ء


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