FINANCIAL STATEMENTS

FOR THE SIX (6) MONTHS
ENDED DECEMBER 31, 2025
(UNAUDITED)

Q2

2025-26

DADEX

FINANCIAL STATEMENTS

Q2

2025-26

CONTENTS

COMPANY INFORMATION

Board of Directors	Mr. Shahzad M. Husain - Chairman	(Non - Executive Director)
	Mr. Sikander Dada - Chief Executive Officer	(Non - Executive Director)
	Mr. Abu Talib H.K. Dada	(Non - Executive Director)
	Mr. Khwaja Samiullah Askari	(Non - Executive Director)
	Syed Shahid Ali Bukhari	(Independent Director)
	Mrs. Ayesha Tariq Allawala	(Independent Director)
	Mrs. Amber Ahmed Motiwala	(Female Director)
Chief Financial Officer & Company Secretary	Mr. Muhammad Yousuf	
Head of Internal Audit	Mr. Muhammad Arif	
Board Audit Committee	Syed Shahid Ali Bukhari	- Chairman
	Mr. Shahzad M. Husain	- Member
	Mr. Khwaja Samiullah Askari	- Member
	Mrs. Amber Ahmed Motiwala	- Member
Human Resource Remuneration Committee	Mrs. Ayesha Tariq Allawala	- Chairperson
	Mr. Abu Talib H.K. Dada	- Member
	Mr. Khwaja Samiullah Askari	- Member
Management Team	Mr. Sikander Dada	- Chief Executive Officer
	Mr. Asim M. Khan	- Chief Operating Officer
	Mr. Muhammad Yousuf	- Chief Financial Officer & Company Secretary
	Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR

Auditors	BDO Ebrahim & Co., Chartered Accountants
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited Bank AlBaraka Sindh Bank Limited United Bank Limited (UBL Ameen) Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited
Legal Advisor	Abrar Hasan & Co. 9 Mezzanine Floor, Beaumont Plaza, near PIDC House, Karachi.
Registered Office	Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400 Tel: (92-21) 111000789 Fax: (92-21) 34315716 Email: info@dadex.com.pk
Share Registrar	M/s. JWAFFS Registrar Services (Private) Limited Office # 20, 5th Floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi. Phone: (92-21) 32440974-75 Email: jwaffsregistrar@gmail.com
Website	www.dadex.com

THE DIRECTOR'S REVIEW

The Directors are pleased to present their review together with the condensed interim financial statements of the Company for the six months ended December 31, 2025.

During the first half of FY 2025-26, Pakistan's economy showed relative stabilization supported by measures undertaken by the State Bank of Pakistan and the Government of Pakistan. Despite persistent pressure from high input and energy costs, the Company remained focused on increasing sales, introducing new products, reinforcing cost controls, and improving operational efficiency to support its financial recovery.

During the period under review, net sales increased to Rs. 418.106 million, reflecting growth of 3.25% compared to the corresponding period last year. Gross results, however, declined from a profit of Rs. 4.089 million to a gross loss of Rs. 35.639 million, primarily due to a 13.20% increase in cost of sales arising from higher raw material prices, energy costs, and production-related expenses.

Distribution expenses increased by 5.66%, mainly in line with the growth in sales volume.

Notwithstanding the gross loss, the Company achieved a notable improvement in operating performance. The operating loss reduced to Rs. 68.028 million as at December 31, 2025, compared to Rs. 108.440 million in December 2024—an improvement of 37.27%. Financial charges decreased by 40.15% owing to reduced borrowing levels and improved financial management. As a result, the net loss before tax declined to Rs. 115.063 million from Rs. 192.282 million in the corresponding period last year. Loss per share improved to Rs. 11.70, as against Rs. 17.86 in December 2024.

The Board further wishes to inform shareholders that, following the re-approval at the Extraordinary General Meeting held on June 03, 2025, the Company is completing the required documentation for the proposed sale of its Karachi Factory and Head Office Building. The transactions remain subject to applicable corporate, procedural, and regulatory approvals. Upon completion, it is expected to further strengthen the Company's financial position and support ongoing improvements.

Although the Company continues to operate under challenging market conditions, the narrowing of operating and net losses reflects encouraging progress. Management remains committed to cost optimization, margin enhancement, and prudent financial discipline to restore profitability in the coming quarters, and the improving half-year trend provides cautious optimism for the remainder of the financial year.

The Directors wish to place on record their appreciation for the continued confidence and support of the shareholders, customers, financial institutions, and other stakeholders. The Board also acknowledges the dedication and commitment of the Company's employees in navigating the current economic environment.

Karachi.
February 26, 2026

Shahzad M. Husain
Chairman

Sikander Dada
Chief Executive

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF DADEX ETERNIT LIMITED

Introduction

We have reviewed the accompanying condensed interim statements of financial position of DADEX ETERNIT LIMITED ("the Company") as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial information for the half year then ended (here-in-after referred as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty Relating to Going Concern

We draw attention to the of note 2 to the draft condensed interim financial information, that the Company incurred a net loss of Rs. 125.988 million during the half year ended December 31, 2025 and, as of that date, the Company's accumulated losses stood at Rs. 1,420,719 million and the current liabilities exceeded its current assets by Rs. 2,017.136 million. These events or conditions along with other factors disclosed in the above-mentioned note indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Emphasis of Matter

We draw attention to note 10 of the financial information states that the Company has recognised deferred tax asset on the basis of availability of taxable profits in future years based on financial projections. The preparation of financial projection involves management assumptions regarding future business and economic conditions and significant change in assumptions may have impact on recoverability of deferred tax assets.

Our conclusion is not modified in respect of above matter.

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BDO Ebrahim & Co. Chartered Accountants

BDO

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed.

The engagement partner on the review resulting in this independent auditors' report is Tariq Feroz Khan.

KARACHI

DATED: February 27, 2026

UDIN: RR2025101668kNOT1QhD

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

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BDO Ebrahim & Co. Chartered Accountants

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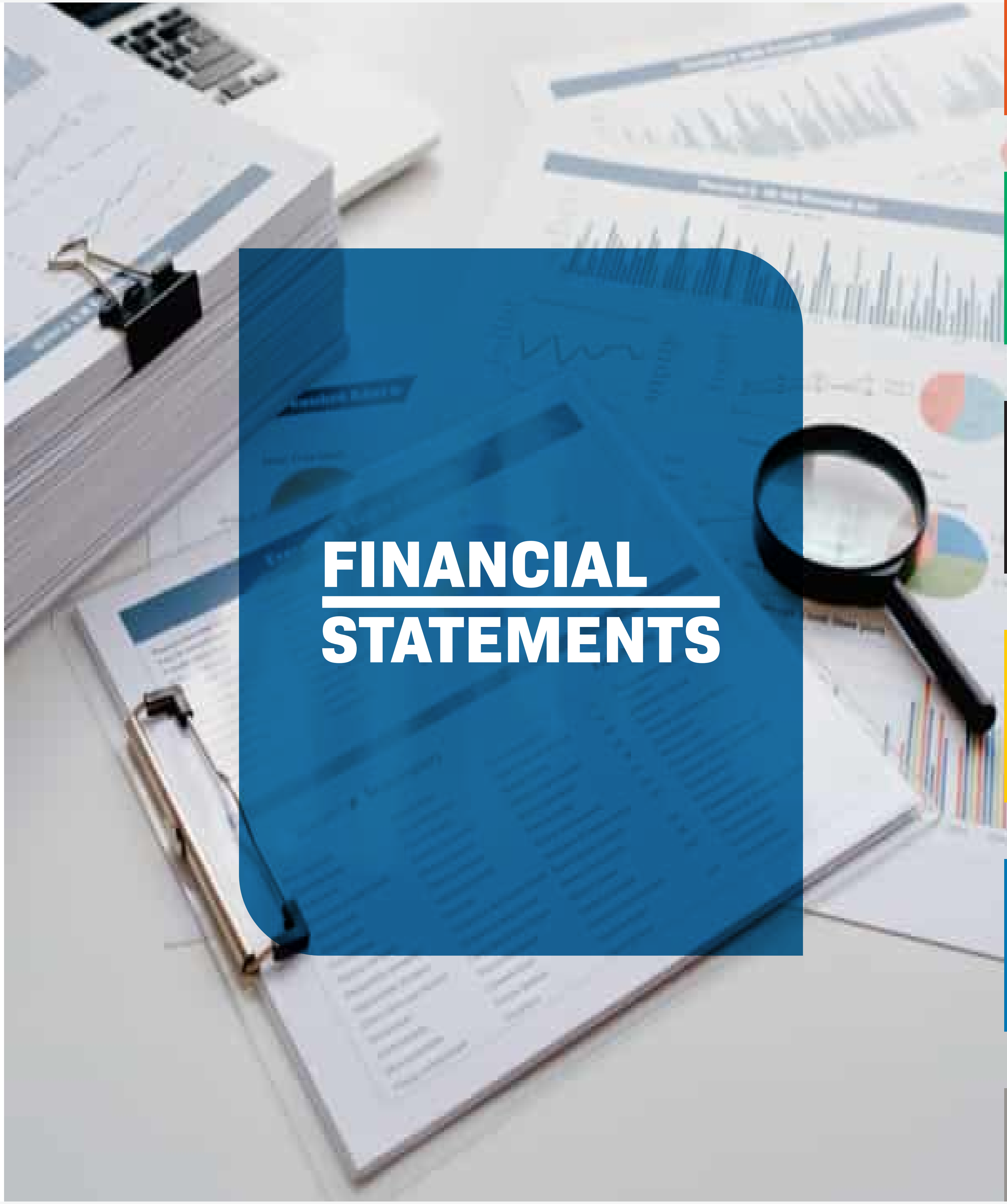

FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	8	381,853	405,275
Capital work in progress	9	19,591	13,177
		401,444	418,452
Long-term loans and advances		501	232
Long-term deposits		14,715	14,715
Deferred tax asset	10	138,700	138,700
		555,360	572,099
CURRENT ASSETS			
Stores, spare parts and loose tools		45,404	41,752
Stock-in-trade	11	184,480	175,353
Trade debts	12	8,902	10,386
Loans and advances	13	164,166	58,532
Trade deposits and short term prepayments		40,183	36,621
Other Receivable		30,598	35,379
Income tax refund due from Government		76,753	131,807
Taxation - net		24,984	17,222
Cash and bank balances	14	23,697	23,017
		599,167	530,069
Non-current assets held for sale	15	1,771,136	1,771,136
TOTAL ASSETS		2,925,663	2,873,304
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (June 30, 2025: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2025: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		200,000	200,000
Issued, subscribed and paid-up capital		107,640	107,640
Share premium		5,655	5,655
Reserves		(1,620,719)	(1,495,799)
Surplus on revaluation of fixed assets		1,816,240	1,817,308
		308,816	434,804
NON - CURRENT LIABILITIES			
Lease liabilities		543	1,496
CURRENT LIABILITIES			
GIDC payable	16	29,344	29,344
Trade and other payables	17	2,288,649	1,659,073
Short-term borrowings	18	238,647	651,426
Loan from directors	19	25,000	52,000
Accrued markup		16,669	27,410
Current portion of lease liabilities		1,778	1,534
Unclaimed dividend		16,217	16,217
		2,616,304	2,437,004
TOTAL EQUITY AND LIABILITIES		2,925,663	2,873,304
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 32 form an integral part of these condensed interim financial information.

Sikander Dada
Chief Executive

Shahzad M. Husain
Chairman

Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UN-AUDITED)

	Note	Half year ended December 31, 2025	Half year ended December 31, 2024	Quarter ended December 31, 2025	Quarter ended December 31, 2024
		(Rupees in thousands)			
Sales - gross		502,232	486,820	254,921	218,904
Sales tax		(84,126)	(81,888)	(42,514)	(36,841)
Sales - net	21	418,106	404,932	212,407	182,063
Cost of sales		(453,745)	(400,843)	(233,252)	(178,909)
Gross (loss) / profit		(35,639)	4,089	(20,845)	3,154
Distribution costs		(38,530)	(36,466)	(19,437)	(17,840)
Administrative expenses		(75,413)	(107,702)	(38,891)	(59,772)
Other expenses		(6,346)	(39,532)	(6,211)	(22,043)
Other income	22	87,900	71,171	63,214	41,190
Operating loss		(68,028)	(108,440)	(22,170)	(55,311)
Finance costs		(41,802)	(69,840)	(19,069)	(32,941)
Loss before levy and income tax		(109,830)	(178,280)	(41,239)	(88,252)
Levy		(5,233)	(14,002)	(12,259)	(8,480)
Loss before income tax		(115,063)	(192,282)	(53,498)	(96,732)
Taxation		(10,925)	-	-	-
Loss for the period		(125,988)	(192,282)	(53,498)	(96,732)
Loss per share - basic and diluted (Rupees)	23	(11.70)	(17.86)	(4.97)	(8.99)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial information.

Sikander Dada
Chief Executive

Shahzad M. Husain
Chairman

Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the Half Year ended December 31, 2025 (Un-Audited)

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousands)			
Loss for the period	(125,988)	(192,282)	(53,498)	(96,732)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(125,988)	(192,282)	(53,498)	(96,732)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial information.

Sikander Dada
Chief Executive

Shahzad M. Husain
Chairman

Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2025 (UN-AUDITED)

	Issued, subscribed and paid-up capital		Reserves			
			Capital	Revenue		
	Ordinary shares	Share premium	Revaluation surplus	Accumulated losses	Total Reserves	Total
	(Rupees in thousands)					
Balance as at July 1, 2024 (audited)	107,640	5,655	1,506,789	(1,108,194)	398,595	511,890
Total comprehensive loss						
Loss for the period	-	-	-	(192,282)	(192,282)	(192,282)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(192,282)	(192,282)	(192,282)
Transferred to accumulated losses in respect of incremental depreciation during the period	-	-	(9,546)	9,546	-	-
Balance as at December 31, 2024 (un-audited)	107,640	5,655	1,497,243	(1,290,930)	206,313	319,608
Balance as at July 1, 2025 (audited)	107,640	5,655	1,817,308	(1,495,799)	321,509	434,804
Total comprehensive loss						
Loss for the period	-	-	-	(125,988)	(125,988)	(125,988)
Taxation	-	-	-	-	-	-
	-	-	-	(125,988)	(125,988)	(125,988)
Transferred to accumulated losses in respect of incremental depreciation during the period	-	-	(1,068)	1,068	-	-
Balance as at December 31, 2025 (un-audited)	**107,640**	**5,655**	**1,816,240**	**(1,620,719)**	**195,522**	**308,816**

The annexed notes from 1 to 32 form an integral part of these condensed interim financial information.

Sikander Dada
Chief Executive

Shahzad M. Husain
Chairman

Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the Half Year ended December 31, 2025 (Un-Audited)

	Note	Half year ended December 31, 2025	Half year ended December 31, 2024
		(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	24	450,488	(2,691)
Finance cost paid - net		(52,543)	(66,175)
Tax received		31,027	51,539
Net cash generated from/(used in) operating activities		428,972	(17,327)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(600)	(10,582)
Additions to capital work-in-progress		(7,014)	-
Proceeds from disposal of fixed assets		19,360	8,465
Interest received		10	623
Net cash generated from / (used in) investing activities		11,756	(1,494)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans and advances		(269)	-
Repayment of loans from directors		(27,000)	-
Net cash (used in) financing activities		(27,269)	-
Net increase / (decrease) in cash and cash equivalents		413,459	(18,821)
Cash and cash equivalents at beginning of the period		(628,409)	(620,013)
Cash and cash equivalents at end of the period		(214,950)	(638,834)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	23,697	19,437
Short-term borrowings	18	(238,647)	(658,271)
		(214,950)	(638,834)

The annexed notes from 1 to 32 form an integral part of these condensed interim financial information.

Sikander Dada
Chief Executive

Shahzad M. Husain
Chairman

Muhammad Yousuf
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 THE COMPANY AND ITS OPERATIONS

1.1 Dadex Eternit Limited ("the Company") was incorporated in Pakistan as a public limited company on April 13, 1959 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its ordinary shares are listed on Pakistan Stock Exchange. The principle business of the Company is to manufacture and sell construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building product.

The registered office of the Company is situated at Dadex House, 34-A/1, Block 6, P.E.C.H.S, Sharah-e-Faisal, Karachi. The Company has three factories which are located at the following locations:

- DEH # 21-22, Manghopir, Karachi;
- Badin Road, Hyderabad; and
- Sunder Industrial Estate, Multan Road, Raiwind, District, Lahore.

1.2 At the reporting date, Sikandar (Private) Limited (the Holding Company) holds 6,800,648 ordinary shares representing 63.18% shareholding (June 30, 2025: 63.18%).

2 MATERIAL UNCERTAINITY RELATED TO GOING CONCERN

One of the Company's factory, which is located at Deh-22, Manghopir, Karachi, has been closed since March 30, 2021. The factory was closed down as dispute had arisen between management and labor union regarding retrenchment of some labor working at chrysotile cement roofing and pipe plant which was used to manufacture chrysotile cement roofing and pipes. The labor union went on strike as a result whole factory was closed down.

The Company has been facing various challenges for past many years which include, but were not limited to, decline in export sales, procurement of raw material, high inflation, exorbitant energy costs, domestic debt burdens, domestic labor union conflicts and stringent conditions associated with International Monetary Fund (IMF) support. These unprecedented internal and external factors placed considerable pressure on the manufacturing sector, leading to reduced demand and capacity utilization resulting in heavy losses and financial instability of the Company. The Company incurred a net loss for the period amounting to Rs. 125.987 million (December 31,2024 Rs: 192,282 million) and, as of that date, the Company's accumulated losses stood at Rs. 1,620.719 million (June 30,2025 Rs. 1,495,799 million) and the current liabilities exceeded its current assets by Rs. 2,017.136 million. (June 30,2025 Rs. 1,906,935 million) These events or conditions along with other factors disclosed above indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

However, these condensed interim financial statements have been prepared on going concern basis based on following:

- the Company has successfully renewed its financial facility with National Bank of Pakistan (NBP) subsequent to the period end refer note 18.1;

- the management has plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements of the Company;

- the Company sponsors support to meet any liquidity constraints and discharge its obligation as and when arises refer note 19. The Company has obtained unconditional financial support letter from Sikandar (Private) Limited – the Holding Company to meet working capital requirements at least next twelve months from reporting date; and

- the Company is actively pursuing to sell the factory and land situated in Karachi classified as held for sale (refer note 15). The management is committed and confident that factory's property will be disposed off in near future.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and

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

-Where provisions of directives, and notifications issued under the Companies Act, 2017 differ from the IAS and IFAS, the provisions directives, and notifications issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2025, which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended December 31, 2024.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2025 and December 31, 2024 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half-years ended December 31, 2025 and December 31, 2024.

3.2 Functional and presentation currency

This condensed interim financial information have been presented in Pakistani Rupees (Rupees or Rs.) which is the functional and presentation currency of the Company.

3.3 Basis of measurement

This financial information has been prepared under the historical cost basis.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computations applied in the preparation of this condensed interim financial information are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2025.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. This condensed interim financial information do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2025. There have been no change in any risk management policies since the year end.

6 ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

6.1 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the company's annual accounting period beginning on July 1, 2025. However, these do not have any significant impact on the company's operations and, therefore, have not been detailed in these condensed interim financial information.

6.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the Company's financial information except for:

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels

7 ACCOUNTING ESTIMATES ASSUMPTION AND JUDGEMENTS

The preparation of condensed interim financial information is in conformity with the accounting and reporting standards as applicable in Pakistan. It is the responsibility of the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are same as those applied in the Company's annual financial statements as at and for the year ended June 30, 2025.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
8 OPERATING FIXED ASSETS			
Fixed assets	8.1	379,514	402,219
Right of use asset	8.2	2,339	3,056
		381,853	405,275
8.1 Fixed assets			
Opening net book value (NBV)		402,219	1,143,066
Transfer from capital work-in-progress during the period / year at cost	8.1.1	600	15,806
Revaluation surplus		-	329,961
Transfer to non-current asset held for sale		-	(1,026,357)
		402,819	462,476
Disposals during the period / year at NBV		(5,397)	(226)
Depreciation charge for the period / year		(17,908)	(60,031)
		(23,305)	(60,257)
Closing net book value (NBV)		379,514	402,219

	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
	(Rupees in thousands)	

8.1.1 Detail of transfer from capital work in progress (at cost) during the period / year are as follows:

Owned		
Plant and machinery	-	1,560
Factory buildings on freehold and leasehold land	-	9,757
Buildings on leasehold land other than factory	-	549
Office and factory equipments	600	2,570
Furniture and Fixtures	-	1,370
	600	15,806

8.1.2 The details of cost of fully depreciated assets as at December 31, 2025 amounting to Rs. 2,634.595 million (June 30, 2025: Rs. 2,631.123 million).

8.2 Right-of-use assets		
Opening Balance	3,056	5,571
Transfers/Termination	-	(1,052)
Depreciation charge during the period/ year	(717)	(1,463)
Closing balance	2,339	3,056
9 CAPITAL WORK IN PROGRESS		
Plant and machinery	19,591	13,177
9.1 Movement of carrying amount is as follows:		
Opening balance	13,177	1,932
Additions (at cost) during the year	7,014	27,051
	20,191	28,983
Transfer to operating fixed assets	(600)	(15,806)
Closing balance	19,591	13,177

10 DEFERRED TAXATION

As at December 31, 2025, the deferred tax asset of the Company amounts to Rs. 138.700 million (June 30, 2025: Rs. 138.700 million). There has been no movement in the deferred tax asset during the period.

The deferred tax asset has been recognized based on management's assessment of its recoverability, supported by the financial projections prepared by management. These projections are based on assumptions and judgments, including estimates of future taxable profits, sales, and growth of the Company.

Deferred tax assets are recognized to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
11 STOCK-IN-TRADE			
Raw materials			
- in hand		95,623	94,778
Work-in-process		9,260	6,116
Finished goods			
- manufactured	11.1	78,804	66,634
- trading	11.2	793	7,825
		79,598	74,459
	11.3	184,480	175,353
11.1 Finished goods - manufactured			
Manufactured goods - at cost		105,722	98,922
Provision for slow moving stock		(26,917)	(32,288)
		78,804	66,634
11.2 Finished goods - trading goods			
Trading goods - at cost		76,573	77,554
Provision for slow moving stock		(75,780)	(69,729)
		793	7,825

11.3 These are stated at cost less provision for slow moving.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
12 TRADE DEBTS			
(Unsecured - considered good)		8,902	10,386
(Unsecured - considered doubtful)		214,373	214,373
		223,275	224,759
Allowance for expected credit loss		(214,373)	(214,373)
		8,902	10,386
13 LOANS AND ADVANCES			
(Secured - considered good)			
Loans to employees			
Current portion of long-term loans to employees		100	200
(Unsecured - considered good)			
Advances			
to employees	13.1	857	316
to suppliers / contractors	13.2	163,210	58,016
		164,066	58,332
		164,166	58,532

13.1 This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any

13.2 This represents advances to suppliers in the normal course of business and does not carry any interest or mark-up.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
14 CASH AND BANK BALANCES			
Cash in hand		3,671	99
Cash at bank			
Current accounts		14,940	10,766
Savings accounts	14.1	5,086	12,152
		20,026	22,918
		23,697	23,017

14.1 These carry profit rate ranging from 9.5% to 19% (2025: 9.5% to 19%) per annum.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
15 NON-CURRENT ASSETS HELD FOR SALE			
Head office-Karachi			
Leasehold land		1,009,230	1,009,230
Buildings on leasehold land		14,328	14,328
Machinery		2,744	2,744
Office equipment		55	55
Investment property		21,574	21,574
	15.1	1,047,931	1,047,931
Factory-Karachi			
Leasehold land		720,000	720,000
Buildings on leasehold land		3,205	3,205
	15.3	723,205	723,205
	15.2 & 15.3	1,771,136	1,771,136

15.1 In order to meet the working capital requirements and settle outstanding liabilities, the Company decided to dispose of its head office located in Karachi, comprising leasehold land, building, machinery, and investment property. These assets have been classified as non-current assets held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The Board of Directors approved the disposal on April 28, 2025, which was subsequently ratified by the shareholders in the Extraordinary General Meeting held on June 03, 2025. The disposal is aimed to generate liquidity for repayment of liabilities and support working capital needs. Based on an independent valuation by Fairwater Property Valuers & Surveyors, the assessed market value of the leasehold land was Rs. 1,009.230 million.

Subsequent to the reporting period, the Company has made an announcement to have entered into an agreement with M/s. Sherjan Mosakhail & Sons, a registered firm, for the disposal of its above property.

15.2 The company had classified the leasehold land and building of the "Karachi Factory" as held for sale in 2022, with carrying amounts of Rs. 720 million and Rs. 3.205 million, respectively. During last year, the Board of Directors, in its meeting held on April 28, 2025, and the shareholders, in their Extraordinary General Meeting held on June 03, 2025, re-approved the planned disposal.

The last valuation by Oceanic Surveyors (Pvt.) Limited in September 2021 assessed the market value at Rs. 800 million and forced sale value at Rs. 723.205 million.

15.3 The Company has formally executed an agreement to sell the above properties and have received partial payment on account of the above as disclosed in note 17 to these condensed interim financial statements. The future settlement of the transaction is subject to execution of various procedural requirements neccessary to make the sale.

16 GIDC PAYABLE

GIDC payable	16.1	29,344	29,344

16.1 An amount of Rs. 87.349 million was contingent in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. Previously, based on appeal filed by the Government, the Supreme Court of Pakistan in its judgement dismissed all the petition filed against the aforesaid matter and decided in favour of Federal Government. Accordingly, as per the direction given in the said judgement, the Company would be required to pay the amount of levy payable up to July 2020 in forty eight equal monthly installment commenced from August,

In October 2022, number of monthly installment is reduced from forty eight to twenty four equal monthly installments resulting in Loss on restructuring of GIDC liability Rs. 4.695 million and GIDC fee was also reduced by SSGC resulting in extinguishment of liability amounting to Rs. 43.497 million. The component of late payment surcharge is no more payable as per the aforesaid judgment.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
17 TRADE AND OTHER PAYABLES			
Trade creditors		855,910	801,370
Accrued liabilities		99,278	83,847
Advances for Property held for sale	15.3	635,000	-
Advance from customers		618,313	677,556
Advance from tenants		6,194	6,204
Infrastructure cess payable		40,913	40,913
Security deposits from distributors and others		27,595	30,970
Workers' Profit Participation Fund payable		932	932
Provident fund payable		1,457	14,374
Payables to employees		776	776
Withholding tax		-	35
Other payables		2,280	2,096
		2,288,649	1,659,073
18 SHORT TERM BORROWINGS			
Conventional financing			
Running finance	18.1	124,646	448,460
Islamic financing			
Karobar finance	18.2	52,000	57,960
Istisna finance	18.3	62,001	145,006
		114,001	202,966
		238,647	651,426

18.1 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 448.46 million (June 30, 2025: Rs. 450 million) . These financing facilities are secured by creation of first pari-passu charge against hypothecation over all present and future stocks and book debts of the Company with margin amounting to Rs. 666.67 million (June 30, 2025: Rs. 666.67 million), first exclusive mortgage charge of Rs. 934 (June 30, 2025: Rs, 934 million) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. These facilities carry mark-up rate 3 months KIBOR+3.25% (June 30, 2025: 3 months KIBOR+2.75%) per annum.

18.2 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 57.9 million (June 30, 2025: Rs. 57.9 million) out of which all has been utilized at the reporting date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2025: Rs. 333.33 million) located at Karachi and Lahore. These facilities carry mark-up rate 6 months KIBOR+1.25% (June 30, 2025: 6 months KIBOR+1.25%) per annum.

18.3 This facility of Rs. 150 million has been obtained from Habib Metropolitan Bank which has been fully utilized as at the reporting date (June 30, 2025: fully utilized). This facility is secured by creation of 100% cash collateralized of lien on Islamic Naya Pakistan certificate (INPC) placed by three Share holders of the Company, of equivalent amount as proposed. The facility carries mark-up rate 6 months KIBOR+2% (June 30, 2025: 6 months KIBOR+2%) per annum.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
19 LOAN FROM DIRECTORS	19.1	25,000	52,000

19.1 This represents interest-free loans obtained from Ms. Ayesha Allahwala and Mr. Sikandar Dada amounting to Rs. 20 million and Rs. 5 million, respectively, which are repayable on demand.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

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

20.2 Commitments

Outstanding letter of guarantee	70,824	70,824
Postdated cheques	84,300	69,723
Outstanding contracts	669,878	720,159
Duties payable on goods in transit	10,877	9,210
	825,002	869,916

21 SALES

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousands) (Unaudited)			
Local sales	502,232	486,820	254,921	218,904
Less: Sales tax	(84,126)	(81,888)	(42,514)	(36,841)
	418,106	404,932	212,407	182,063

22 OTHER INCOME

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousands) (Unaudited)			
Rental income	40,784	36,884	20,441	18,651
Interest income	10	623	5	50
Income from scrap sales	689	6,819	246	5,128
Service income	31,558	15,715	29,433	6,230
Gain on disposal of fixed assets	13,963	8,464	13,963	8,465
Exchange gain	896	2,666	(874)	2,666
	87,900	71,171	63,214	41,190

23 LOSS PER SHARE - BASIC AND DILUTED

	Half year ended		Quarter ended	
	2025	2024	2025	2024
	(Rupees in thousands)			
The basic loss per share is calculated as:				
Loss for the period	(125,988)	(192,282)	(53,498)	(96,732)
Weighted average number of ordinary shares	10,764	10,764	10,764	10,764
Loss per share - basic (Rupees)	(11.70)	(17.86)	(4.97)	(8.99)

23.1 There is no dilutive effect on the basic earnings per share of the Company.

	Note	Half year ended December 31, 2025 (Unaudited)	December 31, 2024 (Audited)
24 CASH (USED IN) / GENERATED FROM OPERATIONS		(Rupees in thousands)	
Loss before tax		(115,063)	(192,282)
Adjustment for non-cash and other items:			
Depreciation on:			
- Property, plant and equipment		17,908	27,537
- Right of use asset		717	897
- Investment property		-	1,269
Interest income		(10)	(623)
Finance costs		41,802	69,840
Levy		5,233	14,002
Gain on disposal of fixed assets - net		(13,964)	(8,464)
Working capital changes	24.1	513,865	94,961
		450,488	7,137

	Half year ended	
	December 31, 2025 (Unaudited)	December 31, 2024 (Audited)
24.1 Changes in current assets and liabilities	(Rupees in thousands)	
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(3,652)	(1,091)
Stock in trade	(9,127)	(2,503)
Trade debts	1,484	41,120
Loans and advances	(105,635)	(56,600)
Trade deposits and short-term prepayment	(3,562)	(27,744)
Other receivable	4,781	(8,352)
Increase / (decrease) in current liabilities		
Trade and other payable	629,576	150,131
	513,865	94,961

25 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

The related parties comprise of Holding Company, group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

25.1 Transaction during the reporting period:

Relation with the company	Nature of transaction	Half year ended December 31, 2025	Half year ended December 31, 2024	Quarter ended December 31, 2025	Quarter ended December 31, 2024
		(Rupees in thousands) (Unaudited)			
Sikander (Private) Limited (Holding Company)	Rent paid to Company	1,897	1,725	1897	1,725
Provident fund	Contribution to staff retirement benefit plans	3,255	2,823	1,631	1,412
Key management personnel	Remuneration and other benefits	11,632	10,341	5,468	5,171
	Loan from Sikander Dada	-	5,000	-	-
	Loan from Ayesha Allahwala	-	20,000	-	-
	Director of Holding Company	-	30,000	-	30,000

Period ended balances		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousands)	
Payable to related parties	Loan from Sikander Dada	5,000	5,000
	Loan from Ayesha Allahwala	20,000	20,000
	Loan from director of (Holding Company)	-	27,000
	Sikander (Private) Limited (Holding Company)	1897	-

25.2 The above transactions with related parties are based on normal commercial rates.

26 OPERATING SEGMENTS

26.1 Segment Analysis

	Chrysotile Cement	Plastic	Others	Total
Half year ended December 31, 2025 (Unaudited)	(Rupees in thousands)			
Turnover	175,966	242,139		418,106
Segment result	(84,557)	(65,025)		(149,582)
Unallocated expenses				
Other operating expenses				(6,346)
Other income				87,900
Finance costs				(41,802)
Taxation				(16,158)
Loss for the period				(125,988)
Half year ended December 31, 2024 (Unaudited)				
Turnover	139,512	265,420		404,932
Segment result	(68,587)	(71,492)		(140,079)
Unallocated expenses				
Other operating expenses				(39,532)
Other income				71,171
Finance costs				(69,840)
Levy				(14,002)
Taxation				-
Loss for the period				(192,282)

26.2 Segment assets and liabilities

	Chrysotile Cement	Plastic	Others	Total
December 31, 2025 (Un-audited)	(Rupees in thousands)			
Segment assets	443,945	569,077	117,282	1,130,304
Unallocated corporate assets				1,795,359
Total assets				2,925,663
Segment liabilities	503,161	479,965	20,790	1,003,916
Unallocated corporate liabilities				1,612,930
Total liabilities				2,616,846
June 30, 2025 (Audited)				
Segment assets	438,971	574,820	118,064	1,131,855
Unallocated corporate assets				1,741,449
				2,873,304
Segment liabilities	509,902	486,160	12,908	1,008,970
Unallocated corporate liabilities				1,429,530
Total liabilities				2,438,500

27 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSBILE BUSINESS ACTIVITIES

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shariah compliant balances & transactions:

Statement of condensed interim financial position as per Islamic mode:	**December 31, 2025**	**June 30, 2025**
	(Rupees in thousands)	
Bank balances	5,296	12,766
Short term financing	114,001	202,966
Markup accrued:		
Short term financing	16,669	27,410

Statement of condensed interim profit ot loss - as per Islamic mode:	**December 31, 2025**	**December 31, 2024**
	(Rupees in thousands)	
Interest expense	11,407	69,840
Bank profit	10	623

Relationships with banks having Islamic Window

Bank Name	**Region**	**Nature of transactions**
NBP (Chapal Plaza)	Pakistan	Short term borrowing
Bank Islami Pakistan Limited	Pakistan	Short term borrowing
HMB Islamic	Pakistan	Short term borrowing
Meezan Bank Limited	Pakistan	Bank Balances
National Bank of Pakistan	Pakistan	Bank Balances
UBL Ameen	Pakistan	Bank Balances
Dubai Islamic Bank	Pakistan	Bank Balances
Bank Islami Pakistan Limited	Pakistan	Bank Balances
AL BARAKA Bank Limited	Pakistan	Bank Balances
Faisal Bank Limited	Pakistan	Bank Balances

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

There were no transfers amongst levels during the period.

29 NUMBER OF EMPLOYEES

Number of employees as at December 31, 2025 was 125 (June 30, 2025: 129) and average number of employees during the period was 127 (June 30, 2025: 132).

30 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information authorized for issue on February 26, 2026 by the Board of Directors of the Company.

31 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

32 GENERAL

Amounts have been rounded off to the nearest thousands of Rupees, unless

Sikander Dada	**Shahzad M. Husain**	**Muhammad Yousuf**
Chief Executive	Chairman	Chief Financial Officer

Dadex Eternit Limited

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