PARTNERS IN PROGRESS | DESCON

HALF YEARLY REPORT

DECEMBER 31, 2025
(UN-AUDITED)

Descon Oxychem Limited

VISION

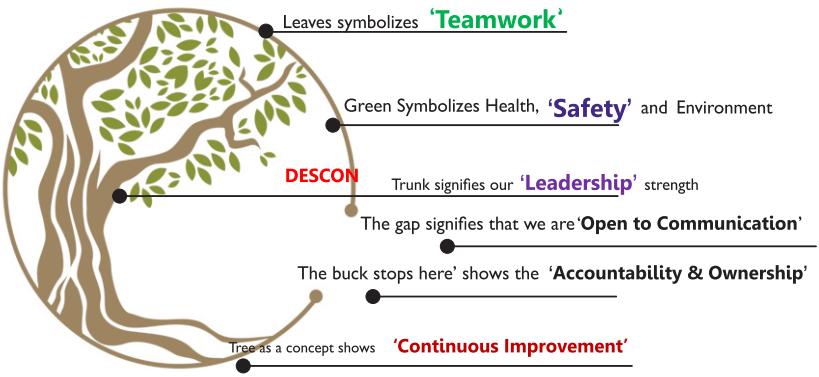
Winning together with our customers, our ambition is to enhance local and regional footprint while delivering sustainable value to all stakeholders.

MISSION

We are determined to:

- Strengthen our domestic market leadership position
- Establish a footprint in new segments & regional markets
- Achieve success through winning together with our customers driven by best cost propositions, motivated people and effective teamwork

Our Core Values



Continuous Improvement

"We believe excellence is a commitment to improve everything we do all the time."

Leadership

"We believe leaders inspire others to learn and achieve more."

Accountability and Ownership

"We believe in taking responsibility for our decisions, actions and their results."

Team Work

"We believe in the strength of the individual, yet we accomplish more by working together."

Open Communication

"We believe open communication is the foundation of trust."

Safety

"We believe HSE is of utmost importance and we attach the highest value to the safety of our employees and stakeholders."

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Company Information

Board of Directors

Faisal Dawood	Chairman
Taimur Dawood	Non-Executive Director
Mehreen Dawood	Non-Executive Director
Farooq Nazir	Non-Executive Director
Asif Qadir	Non-Executive Director
Imran Anwer	Independent Director
Muhammad Memosh Asghar Khawaja	Independent Director
Yasir Siddique Sheikh	Chief Executive Officer

Rabia Shoaib
Chief Financial Officer

Abdul Sohail
Company Secretary

Auditors
M/s Crowe Hussain Chaudhury & Co.
Chartered Accountants

Internal Auditors
M/s KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors
M/s Hassan & Hassan Advocates

Bankers
Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
Meezan Bank Limited
National Bank of Pakistan

Share Registrar
M/s Corplink (Pvt) Limited
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Model Town, Lahore-53000
Tel: +92 42 35887262, 35839182
Fax: +92 42 35869037

Registered Office
Descon Headquarter
18-KM Ferozepur Road
Lahore-53000 Pakistan.
Tel: +92 42 35923721-9

Plant Site
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Tel: +92 42 37971822-24
Fax: +92 42 3797 1834

Web Presence
Updated Company's Information together with the latest Annual Report can be accessed at Descon's website, www.desconoxychem.com

DIRECTORS REPORT TO THE SHAREHOLDERS

For the six months ended December 31, 2025

The Board of Directors of the company are pleased to present the six months report along with the Financial Statements for the period ended December 31, 2025.

During the period under review, the Company operated in an increasingly challenging market environment, driven primarily by intensified price competition from foreign suppliers most notably manufacturers in Bangladesh. National Tariff Commission has set aside anti-dumping duties on imports of hydrogen peroxide from Bangladesh which has exacerbated the situation, in addition the continuation of duty exemptions on hydrogen peroxide imports under the EFS regime in negative manner. Together, these changes significantly strengthened the competitive position of Bangladeshi producers in regional markets. As a result, the Company faced pronounced downward pressure on selling prices, which adversely impacted profitability.

The summarized financial performance is provided below:

	Quarter ended		Half year ended	
	December 31, 2025	**December 31, 2024**	**December 31, 2025**	**December 31, 2024**
Sales Volume (MT)	**10,596**	11,709	**21,157**	22,259
	Rupees in million		**Rupees in million**	
Sales	**1,213,637**	1,683,207	**2,492,676**	3,196,978
Cost of Sales	**(970,546)**	(1,084,542)	**(1,947,634)**	(2,172,956)
Gross profit	**243,091**	598,665	**545,042**	1,024,022
EBITDA	**218,345**	588,000	**499,869**	992,806
Profit from operation	**135,750**	493,724	**342,466**	783,614
Profit after tax	**138,854**	306,176	**274,550**	495,990
EPS	**0.79**	1.75	**1.57**	2.83

Your company generated an EBITDA of PKR 500 million vs PKR 993 million in the corresponding period last year. In addition, the company delivered a net profit of PKR 275 million during the six months compared with a net profit of PKR 496 million in the corresponding period last year. The reduction in profitability is due to pricing pressure from cheaper imports of hydrogen peroxide from regional suppliers.

Despite a challenging operating environment, the Company continued to demonstrate resilience and effective financial stewardship during the period. Management's focused efforts on operational continuity and disciplined financial planning helped maintain stability. As a result of these combined measures, the Company closed the period with healthy cash and cash equivalents of Rs. 296 million, reflecting sustained stability and management's commitment to safeguarding financial robustness amid evolving market dynamics.

Operational Performance

During the first half of FY 2025-26, the Company produced 21,329 MT which reflects our strong focus on operational excellence. The Company continued its focused drive on energy and chemical conservation, which resulted in improved efficiency indicators. Gas and power consumption factors showed significant improvement compared to the same period last year.

The Company remained fully compliant with ISO 9001, ISO 45001 and ISO 14001 requirements and continued to adhere to PEQS standards. Continuous training, capability development and periodic assessments were conducted to ensure a safe working environment for all employees and contractors.

Amid downward trajectory in sale prices. The company is actively working on cost optimization initiatives including installation of 2 MW solar power plant which will commence power generation by the end of third quarter of FY 2026 and it is further intended to add another 2MW solar power capacity in the next twelve months.

Global excess production capacity continued to suppress both domestic and international prices. Despite this pressure, the Company successfully expanded its export footprint, achieving 2,200 MT of sales in the first half of FY 2026, nearly matching the 2,800 MT sold in the entire FY 2025. This includes a notable rise in premium food-grade volumes, which reached 416 MT, compared to 220 MT in the entire previous year, this performance reflects the Company's focused market development efforts and its ability to capture higher-value segments even amid industry-wide pricing pressures.

Future Outlook

The company is continuously trying to strengthen domestic demand alignment and support price stability along with other local players by reducing import volumes of hydrogen peroxide. Furthermore, the Company is actively engaged with relevant government forums to reinforce regulatory compliance and discourage misuse of schemes such as the EFS.

Following the Heimtextil exhibition, market feedback indicates mixed sentiment. The towel segment is expected to remain subdued, whereas home textiles are projected to show gradual improvement.

In addition to protecting domestic market share the company has strategically focussed on export markets including the Arabian region, Africa, and the Far East. Channel development initiatives in the Arabian region have been actively pursued, laying a solid foundation for future scale-up by emphasizing on higher-margin segments position for sustainable export growth.

For and on behalf of the Board

Lahore
February 24, 2026

CHIEF EXECUTIVE

DIRECTOR

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

برائے اختتام ششماہی سال 31 دسمبر، 2025ء

کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر، 2025 کو ختم ہونے والی مدت کے مالیاتی گوشواروں کے ساتھ ششماہی رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

زیر جائزہ مدت کے دوران، کمپنی نے ایک بڑھتے ہوئے چیلنجنگ مارکیٹ کے ماحول میں کام کیا، جو بنیادی طور پر غیر ملکی سپلائرز، خاص طور پر بنگلہ دیش میں مینوفیکچررز کی جانب سے قیمتوں کے مسابقت کی وجہ سے کارفرما ہے۔ نیشنل ٹیرف کمیشن نے بنگلہ دیش سے ہائیڈروجن پیروآکسائیڈ کی درآمدات پر اینٹی ڈمپنگ ڈیوٹی کو الگ کر دیا ہے جس نے صورتحال کو مزید خراب کر دیا ہے، اس کے علاوہ EFS حکومت کے تحت ہائیڈروجن پیروآکسائیڈ کی درآمدات پر ڈیوٹی کی چھوٹ کو منفی انداز میں جاری رکھا گیا ہے۔ ایک ساتھ، ان تبدیلیوں نے علاقائی منڈیوں میں بنگلہ دیشی پروڈیوسرز کی مسابقتی پوزیشن کو نمایاں طور پر مضبوط کیا۔ نتیجے کے طور پر، کمپنی کو فروخت کی قیمتوں پر واضح نیچے کی طرف دباؤ کا سامنا کرنا پڑا، جس نے منافع پر منفی اثر ڈالا۔

مالیاتی کارکردگی کا خلاصہ ذیل میں دیا گیا ہے:۔

تفصیل	مختتمہ سہ ماہی		مختتمہ ششماہی	
	31 دسمبر 2025	31 دسمبر 2024	31 دسمبر 2025	31 دسمبر 2024
فروخت حجم (میٹرک ٹن)	**10,596**	11,709	**21,157**	22,259
	روپے ملین میں		روپے ملین میں	
فروخت	**1,213,637**	1,683,207	**2,492,676**	3,196,978
لاگت فروخت	**(970,546)**	(1,084,542)	**(1,947,634)**	(2,172,956)
مجموعی منافع	**243,091**	598,665	**545,042**	1,024,022
EBITDA	**218,345**	588,000	**499,869**	992,806
منافع کا کردگی	**135,750**	493,724	**342,466**	783,614
منافع بعد از ٹیکس	**138,854**	306,176	**274,550**	495,990
آمدنی فی حصص (روپے)	**0.79**	1.75	**1.57**	2.83

آپ کی کمپنی نے گزشتہ سال اسی مدت میں 500 ملین روپے بمقابلہ 993 ملین روپے کا EBITDA تیار کیا۔ اس کے علاوہ، کمپنی نے چھ ماہ کے دوران 275 ملین روپے کا خالص منافع گزشتہ سال کی اسی مدت میں 496 ملین روپے کے خالص منافع کے مقابلے میں فراہم کیا۔ منافع میں کمی علاقائی سپلائرز سے ہائیڈروجن پیروآکسائیڈ کی سستی درآمدات سے قیمتوں کے دباؤ کی وجہ سے ہے۔

ایک چیلنجنگ آپریٹنگ ماحول کے باوجود، کمپنی نے اس عرصے کے دوران لچک اور موثر مالی ذمہ داری کا مظاہرہ جاری رکھا۔ آپریشنل تسلسل اور نظم وضبط والی مالیاتی منصوبہ بندی پر انتظامیہ کی توجہ مرکوز کوششوں نے استحکام کو برقرار رکھنے میں مدد کی۔ ان مشترکہ اقدامات کے نتیجے میں، کمپنی نے 296 ملین روپے کے صحت مند نقد اور نقد کے مساوی مدت کے ساتھ مدت کو بند کر دیا، جو مارکیٹ کی ابھرتی ہوئی حرکیات کے درمیان مالی مضبوطی کے تحفظ کے لیے مستقل استحکام اور انتظامیہ کے عزم کی عکاسی کرتا ہے۔

آپریشنل کارکردگی:

مالی سال 2025-26 کے پہلے نصف کے دوران، کمپنی نے MT21,329 پیدا کیا جو آپریشنل کارکردگی پر ہماری مضبوط توجہ کی عکاسی کرتا ہے۔ کمپنی نے توانائی اور کیمیائی تحفظ پر اپنی توجہ مرکوز کرنے والی مہم جاری رکھی، جس کے نتیجے میں کارکردگی کے اشاریے بہتر ہوئے۔ گیس اور بجلی کی کھپت کے عوامل نے پچھلے سال کی اسی مدت کے مقابلے میں نمایاں بہتری دکھائی۔

کمپنی ISO 9001, ISO 45001 اور ISO 14001 کی ضروریات کے ساتھ مکمل طور پر مطابقت رکھتی رہی اور PEQS معیارات پر عمل پیرا رہی۔ تمام ملازمین اور ٹھیکیداروں کے لیے کام کرنے کے محفوظ ماحول کو یقینی بنانے کے لیے مسلسل تربیت، صلاحیت کی ترقی اور وقتاً فوقتاً تشخیص کیے گئے۔

فروخت کی قیمتوں میں نیچے کی رفتار: کمپنی لاگت کی اصلاح کے اقدامات پر فعال طور پر کام کر رہی ہے جس میں 2 میگاواٹ کے سولر پاور پلانٹ کی تنصیب بھی شامل ہے جو مالی سال 2026 کی تیسری سہ ماہی کے اختتام تک بجلی کی پیداوار شروع کر دے گا اور اس کا مزید مقصد اگلے بارہ مہینوں میں مزید 2MW شمسی توانائی کی صلاحیت کو شامل کرنا ہے۔

عالمی اضافی پیداواری صلاحیت ملکی اور بین الاقوامی قیمتوں کو دباتی رہی۔ .اس دباؤ کے باوجود، کمپنی نے مالی سال 2026 کی پہلی ششماہی میں MT2,200 فروخت حاصل کرتے ہوئے کامیابی کے ساتھ اپنے برآمدی اثرات کو بڑھایا، جو کہ پورے مالی سال 2025 میں فروخت ہونے والے MT2,800 سے تقریباً مماثل ہے۔ اس میں پریمیم فوڈ گریڈ والیوم میں قابل ذکر اضافہ شامل ہے، جو کہ پچھلے سال کے 220 MT کے مقابلے میں 416 MT تک پہنچ گیا، قیمتوں کا دباؤ کے باوجود یہ کارکردگی کمپنی کی توجہ مرکوز مارکیٹ کی ترقی کی کوششوں اور صنعت کے درمیان بھی اعلیٰ قدر والے حصوں پر قبضہ کرنے کی صلاحیت کی عکاسی کرتی ہے۔

مستقبل کا نقطہ نظر:

کمپنی ہائیڈروجن پیروآکسائیڈ کی درآمدی مقدار کو کم کر کے گھریلو طلب کی صف بندی کو مضبوط بنانے اور دیگر مقامی کھلاڑیوں کے ساتھ قیمتوں کے استحکام کو سپورٹ کرنے کی مسلسل کوشش کر رہی ہے۔ مزید برآں، کمپنی ریگولیٹری تعمیل کو تقویت دینے اور EFS جیسی اسکیموں کے غلط استعمال کی حوصلہ شکنی کے لیے متعلقہ سرکاری فورمز کے ساتھ فعال طور پر مصروف ہے۔

Heimtextil نمائش کے بعد، مارکیٹ کی رائے ملے جلے جذبات کی نشاندہی کرتی ہے۔ تولیہ بنانے کا سیجمنٹ دب جانے کی توقع ہے، جبکہ گھریلو ٹیکسٹائل میں بتدریج بہتری آنے کا امکان ہے۔

مقامی مارکیٹ شیئر کی حفاظت کے علاوہ کمپنی نے حکمت عملی کے ساتھ برآمدی منڈیوں بشمول عرب خطے، افریقہ اور مشرق بعید پر توجہ مرکوز کی ہے۔ عرب خطے میں چینل کی ترقی کے اقدامات کو فعال طور پر آگے بڑھایا گیا ہے، جس نے پائیدار برآمدی نمو کے لیے اعلیٰ مارجن والے حصوں کی پوزیشن پر زور دے کر مستقبل کے پیمانے کے لیے ایک مضبوط بنیاد رکھی ہے۔

منجانب/ برائے بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو

ڈائریکٹر

لاہور

24 فروری **2026**ء

Crowe Hussain Chaudhury & Co.
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DESCON OXYCHEM LIMITED

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **DESCON OXYCHEM LIMITED** ("the Company") as at December 31, 2025 and the related condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity, and the condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim unconsolidated 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 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 interim financial statements consists of making inquiries, primarily of persons responsible for the 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 interim unconsolidated financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim unconsolidated statement of profit and loss and the condensed interim unconsolidated statement of comprehensive income for the quarters ended December 31, 2025 and 2024 have not been reviewed.

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

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LAHORE
Dated: February 24, 2026
UDIN: RR202510051rOFsWSX1Y

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

	Note	December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
		--- Rupees in Thousands---	
ASSETS			
Non Current Assets			
Property, plant and equipment	5	1,766,028	1,758,840
Intangible assets		487,979	391,722
Long term investment		1,964	1,964
Long term loans		1,239	2,416
Long term deposits		15,377	15,377
		2,272,587	2,170,319
Current Assets			
Stores and spares	6	640,626	526,234
Stock in trade	7	792,182	653,599
Trade debts		290,274	227,986
Loans, advances, deposits, prepayments and other receivables		209,162	99,651
Short term investment	8	736,117	700,628
Bank balances		204,847	192,261
		2,873,208	2,400,359
Total Assets		5,145,795	4,570,678

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

	Note	December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
		--- Rupees in Thousands---	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
300,000,000 (June 30, 2025: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital of 175,031,084 (June 30, 2025: 175,031,084) ordinary shares of Rs. 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Unappropriated profit		1,382,674	1,517,162
		3,136,007	3,270,495
Non Current Liabilities			
Long term financing	9	54,834	66,099
Deferred grant		4,033	6,218
Deferred tax liability		122,532	131,652
		181,399	203,969
Current Liabilities			
Trade and other payables	10	840,557	851,614
Accrued finance costs		12,848	990
Finances under mark up arrangements - secured	11	888,515	114,257
Current portion of non current liabilities		26,899	26,899
Dividend payable		17,479	18,966
Income tax payable - net		42,091	83,488
		1,828,389	1,096,214
Contingencies and Commitments	12	-	-
Total Equity and Liabilities		5,145,795	4,570,678

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2025	2024	2025	2024
		--- Rupees in Thousands ---			
Sales	13	2,423,655	3,154,992	1,178,707	1,656,233
Cost of sales	14	(1,947,488)	(2,169,670)	(970,401)	(1,081,256)
Gross Profit		476,167	985,322	208,306	574,977
Administrative expenses		(134,883)	(113,098)	(70,972)	(60,586)
Distribution and selling costs		(139,701)	(92,705)	(86,497)	(39,214)
Other income		99,167	49,947	59,572	34,552
Other operating expenses		(21,744)	(84,116)	(8,919)	(39,476)
		(197,161)	(239,972)	(106,816)	(104,724)
Operating Profit		279,006	745,350	101,490	470,253
Finance cost		(18,341)	(4,831)	(14,367)	(1,443)
Profit before Levy and Taxation		260,665	740,519	87,123	468,810
Levy / final taxation		-	-	-	-
Profit before Taxation		260,665	740,519	87,123	468,810
Taxation		(45,091)	(281,578)	19,932	(185,519)
Net Profit for the Period		215,574	458,941	107,055	283,291
Earnings per Share - Basic and Diluted	15	1.23	2.62	0.61	1.62

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	--- Rupees in Thousands ---			
Net Profit for the Period	215,574	458,941	107,055	283,291
Other Comprehensive Income				
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Total Comprehensive Income for the Period	215,574	458,941	107,055	283,291

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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

Particulars	Issued, Subscribed and Paid up Capital	Reserves		Total
		Share Premium	Unappropriated Profit	
	--- Rupees in Thousands ---			
Balance as at July 01, 2024	1,750,311	3,022	1,427,127	3,180,460
Net profit for the period	-	-	458,941	458,941
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	458,941	458,941
Transactions with owners				
Final dividend for the year ended June 30, 2024 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as at December 31, 2024	1,750,311	3,022	1,536,006	3,289,339
Balance as at July 1, 2025	1,750,311	3,022	1,517,162	3,270,495
Net profit for the period	-	-	215,574	215,574
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	215,574	215,574
Transactions with owners				
Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	(350,062)
Balance as at December 31, 2025	1,750,311	3,022	1,382,674	3,136,007

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

	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	16	(36,818)	1,020,419
Finance cost paid		(6,483)	(5,440)
Taxes paid		(95,608)	(132,069)
Profit on deposits received		3,069	13,673
Long term deposits		-	4,827
		(99,022)	(119,009)
Net Cash (Used in) / Generated from Operating Activities		(135,840)	901,410
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(136,682)	(84,684)
Purchase of intangible assets		(124,166)	-
Proceeds from disposal of property, plant and equipment		15	3
Short term investments purchased		-	(953,109)
Short term investments redeemed		-	437,894
Net Cash Used in Investing Activities		(260,833)	(599,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances repaid		(13,450)	(13,449)
Finances under mark up arrangements - secured		774,258	99,878
Dividends paid		(351,549)	(346,413)
Net Cash Generated from / (Used in) Financing Activities		409,259	(259,984)
Net Increase in Cash and Cash Equivalents		12,586	41,530
Cash and cash equivalents at the beginning of the period		192,261	275,315
Cash and Cash Equivalents at the End of the Period		204,847	316,845

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. The Company and its Operations

1.1 Descon Oxychem Limited (the Company) was incorporated in Pakistan as a private limited Company on November 12, 2004 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and was later converted into a public limited company. On September 15, 2008, the Company was listed on Pakistan Stock Exchange. The Company is principally engaged in manufacturing, procurement and sale of hydrogen peroxide and allied products.

1.2 The Company is a subsidiary of DEL Chemicals (Private) Limited (the parent company) an unlisted private company incorporated in Pakistan. The ultimate parent of the Company is DEL Processing (Private) Limited.

1.3 The Company has incorporated a wholly owned subsidiary "Descon Oxychem FZE" in Hamriyah Free Zone, Sharjah, UAE that is engaged in import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification of chemicals and raw materials.

1.4 The Company is domiciled in Pakistan and its geographical location and addresses are as under:

Business Unit	**Geographical Location**
Head office / Registered Office	18-KM Ferozepur Road, Lahore
Production Plant / Factory	18- KM, Lahore-Sheikhupura Road, Lahore

2. Basis of Preparation

2.1 Statement of compliance

These condensed interim unconsolidated 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:

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

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

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

2.2 These condensed interim unconsolidated financial statements comprise of the condensed interim unconsolidated statement of financial position of the Company, as at December 31, 2025 and the related condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity and the condensed interim unconsolidated statement of cash flows together with the notes forming part thereof.

2.3 These condensed interim unconsolidated financial statements are unaudited and have been subjected to limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2024 and 2025 presented in these condensed financial statements have not been reviewed by the external auditors.

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

2.5 Functional and presentation currency

These condensed interim unconsolidated financial statements are presented in Pak rupees (Rs.), which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. These condensed unconsolidated financial statements do not include all the information required for annual unconsolidated financial statements and therefore, should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2025.

3. Material Accounting Policy Information

Material accounting policy information and methods of presentation of these condensed, interim, unconsolidated financial statements (un-audited) are the same as those followed in the preparation of annual unconsolidated financial statements for the preceding financial year ended June 30, 2025.

4. Judgments and Estimates

The preparation of these condensed, interim, unconsolidated financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

5. Property, Plant and Equipment

	Note	December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
		--- Rupees in Thousands ---	
Owned assets	5.1	1,534,868	1,613,944
Capital work in progress		69,137	25,199
Major spare parts, catalysts and standby equipment		162,023	119,697
		1,766,028	1,758,840

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		Note	December 31, 2025	June 30, 2025
			(Un-audited)	(Audited)
			--- Rupees in Thousands ---	
5.1	**Owned assets**			
	Opening written down value		1,613,944	1,843,325
	Additions during the period / year		50,418	142,518
	Disposals during the period / year		-	(147)
	Writen off during the period / year		-	(645)
			1,664,362	1,985,051
	Depreciation charge for the period / year		(129,494)	(371,107)
			1,534,868	1,613,944
6.	**Stores and Spares**			
	General stores and spares		285,960	269,073
	General stores and spares in transit		114,065	14,787
	Working solution		266,075	267,848
			666,100	551,708
	Less: Provision for obsolescence		(25,474)	(25,474)
			640,626	526,234
7.	**Stock in Trade**			
	Raw materials		334,281	230,510
	Raw materials in transit		163,096	209,962
	Packing materials		22,455	26,372
	Finished goods		272,350	186,755
			792,182	653,599
8.	**Short Term Investment**			
	NBP Money Market Fund 69.833 million units (June 30, 2025: 69.833 million units)		736,116	700,627
	NBP Financial Sector Income Fund 88.3294 units (June 30, 2025: 88.3294 units)		1	1
			736,117	700,628
9	**Long Term Financing**			
	Allied Bank Limited	9.1	85,766	99,216
	Less: Deferred grant		(8,208)	(10,821)
			77,558	88,395
	Less: Current portion shown under current liabilities		(22,724)	(22,296)
			54,834	66,099

9.1 Temporary Economic Refinance Facility (TERF)

This represents the outstanding balance of the SBP's Temporary Economic Refinance Facility (TERF) obtained from Allied Bank Limited for capacity expansion of the Company's existing Hydrogen Peroxide plant. Out of the available limit of Rs. 487 million, the Company had utilized Rs. 174.84 million. The recognized portion as at the reporting date is exclusive of grant of Rs. 8.208 million (June 30, 2025: Rs. 10.821 million). This loan is secured against first pari passu charge over all present and future fixed assets (plant and machinery) of the Company amounting to Rs. 880 million and ranking charge over present and future fixed assets (plant and machinery) of the Company amounting to Rs. 22 million.

Terms of markup

The facility carries markup at SBP rate plus 1% per annum (June 30, 2025: SBP rate plus 1% per anum) payable quarterly in arrears.

Terms of repayment

Temporary Economic Refinance Facility (TERF) is repayable in twenty equal quarterly installments till May 16, 2029.

10. Trade and Other Payables	**December 31, 2025**	**June 30, 2025**
	(Un-audited)	(Audited)
	--- Rupees in	Thousands ---
Trade creditors	230,359	173,498
Contract liabilities	82,185	118,829
Accrued liabilities	485,720	459,472
Worker's (profit) participation fund	15,522	48,073
Worker's welfare fund	5,898	27,654
Other liabilities	18,748	22,335
Provident fund payable	2,125	1,753
	840,557	851,614

11. Finances Under Mark up Arrangements		
Banking companies - Secured		
Running finance	888,515	114,257

11.1 Terms and conditions of borrowings

Purpose

The Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 3,075 million (June 30, 2025: Rs. 3,075 million) including running finance facilities amounting to Rs. 1,650 million (June 30, 2025: Rs. 1,650 million), to meet the working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables, issue gurrantee and loan against trust receipts etc.

Markup

Mark-up on these facilities is charged using 1 to 3 months KIBOR + spread of 0.25% to 1% (June 30, 2025: 1 to 3 months KIBOR + spread of 0.25% to 1%) per annum, payable on quarterly basis in arrears. Furthermore, some LCs carry LC opening comission against LCs at 0.10% to 0.25% per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Company, shipping documents, trust receipts, master counter guarantee, cash margins and lien over title of imported goods.

12 Contingencies and Commitments

12.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the year ended June 30, 2025.

12.2 Guarantees

The Company has issued guarantees to the following parties:

	December 31, 2025	June 30, 2025
	(Un-audited)	(Audited)
	--- Rupees in Thousands ---	
Sui Northern Gas Pipelines Limited	151,286	151,286
Pakistan State Oil Company Limited	3,500	3,500
Al-Technique Corporation of Pakistan	28,407	28,407
	183,193	183,193

Post dated cheques are issued in favor of National Tariff Commission of Pakistan, Sui Northern Gas Pipelines Limited and the Collector of Customs aggregating to Rs. 161.58 million (June 30, 2025: 42.14 million).

12.3 Commitments

The Company has the following commitments in respect of:

Letters of credits	463,657	293,983

13 Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
Gross sales:				
- Local	2,724,679	3,660,657	1,323,167	1,928,913
- Export	170,007	133,597	82,878	60,028
	2,894,686	3,794,254	1,406,045	1,988,941
Less: Commission on sales	(57,527)	(80,938)	(27,925)	(39,060)
Less: Sales tax	(413,504)	(558,324)	(199,413)	(293,648)
	2,423,655	3,154,992	1,178,707	1,656,233

14 Cost of Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
Raw and packing material consumed	1,103,515	1,162,142	588,011	538,511
Salaries, wages and other benefits	145,062	157,923	71,741	76,825
Fuel and power	443,497	506,015	228,336	222,755
Service through contractors	83,538	44,520	41,573	22,687
Repair and maintenance	43,592	35,739	19,558	24,673
Quality assurance	2,165	5,658	1,518	4,954
Travelling	11,793	7,260	4,797	3,186
Communication	1,174	1,137	483	648
Rent and rates	27,373	19,158	16,414	16,975
Depreciation on property, plant and equipment	127,185	204,291	54,986	92,976
Amortization of intangible assets	25,290	597	25,290	597
Insurance	11,884	11,886	5,942	5,943
Safety items consumed	2,505	2,217	1,672	1,186
Miscellaneous	593	5,743	406	4,315
	2,029,166	2,164,286	1,060,727	1,016,231
Add: Opening work in process	26,372	17,994	22,189	5,618
Less: Closing work in process	(22,455)	(27,119)	(22,455)	(27,119)
	3,917	(9,125)	(266)	(21,501)
Cost of goods produced	2,033,083	2,155,161	1,060,461	994,730
Add: Opening finished goods	186,755	118,224	182,290	190,241
Less: Closing finished goods	(272,350)	(103,715)	(272,350)	(103,715)
	(85,595)	14,509	(90,060)	86,526
Cost of goods sold - own manufactured	1,947,488	2,169,670	970,401	1,081,256

15. Earnings Per Share

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
15.1 Basic earnings per share				
Profit for the period	215,574	458,941	107,055	283,291
Number of ordinary shares	175,031	175,031	175,031	175,031
Earning per share - basic	1.23	2.62	0.61	1.62

15.2 There is no dilution effect on the earnings per share of the Company as the Company does not have any convertible instruments in issue as at December 31, 2025 and December 31, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

16. Cash (Used in) / Generated from Operations

	December 31, 2025	December 31, 2024
	(Un-audited)	(Un-audited)
	--- Rupees in Thousands ---	
Profit before levy and taxation	260,665	740,519
Adjustment for:		
- Depreciation on property, plant and equipment	129,494	206,173
- Amortization of intangible assets	27,909	3,019
- Gain on disposal of property, plant and equipment	(15)	(3)
- Interest on bank deposits	(3,069)	(13,673)
- Provision of capital stores	-	22,667
- Provision of stock in trade	-	5,168
- Unrealized gain on investment	(35,489)	(21,202)
- Exchange loss - net	323	1,471
- Finance costs	18,341	4,831
Profit before working capital changes	398,159	948,970
(Increase) / decrease in current assets		
- Stores and spares	(114,392)	(46,410)
- Stock in trade	(138,583)	90,380
- Trade debts	(62,611)	(53,725)
- Loans, advances, deposits, prepayments and other receivables	(108,334)	(18,106)
Increase / (decrease) in current liabilities		
- Trade and other payables	(11,057)	99,310
	(434,977)	71,449
Cash (Used in) / Generated from Operations	(36,818)	1,020,419

17. Transactions with Related Parties

Related parties comprise the holding company, the subsidiary company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties that are carried out on the basis of mutually agreed terms. Significant transactions with related parties are as follows:

Transaction during the period		December 31, 2025	December 31, 2024
		(Un-audited)	(Un-audited)
Relationship	**Transactions during the year**	--- Rupees in Thousands ---	
i. Associated companies	Purchase of goods and services	14,491	12,750
	Sale of goods	131,341	111,005
	Share of common expenses charged to the Company	44,762	41,045
	Share of common expenses charged by the Company	4,741	3,656
	Payment of ordinary dividend	254,243	294,748
	Royalty charged to the Company	12,118	15,762
ii. Directors	Meeting fee	625	750
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	6,788	2,881
iv. Key management Personnel	Salaries and other employee benefits	81,741	65,611

18. Shari'ah Screening Disclosure

	December 31, 2025	June 30, 2025
	(Un-audited)	(Un-audited)
Balance as at the reporting date	--- Rupees in Thousands ---	
Loans / advances obtained as per islamic mode	-	-
Interest or mark up accrued on any conventional loan or advances	12,848	990
Shariah compliant bank deposits / bank balances	8,358	58,918
Long term and short term shariah compliant investments		

	December 31, 2025	December 31, 2024
	(Un-audited)	(Un-audited)
Transactions during the period	--- Rupees in Thousands ---	
Revenue earned from a shariah compliant business segment	2,423,655	3,154,992
Late payments and any liquidated charges	-	-
Gain / loss or dividend earned from shariah compliant investments	-	-
Profit earned from shariah compliant bank deposits / bank balances	-	-
Exchange loss from actual currency	323	1,471
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Interest earned on any conventional loan or advance	12,848	632
Shariah compliant miscellaneous income	-	-

Names of the Company's shariah compliant financial institutions	Relationship
Bank Al Habib Limited	Short term borrowing & bank balance
Faysal Bank Limited	Bank balance
Habib Metropolitan Bank Limited	Bank balance
Meezan Bank Limited	Short term borrowing & bank balance
National Bank of Pakistan	Short term borrowing & bank balance

19. Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the management of the Company's entire business which is considered as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Company is domiciled in Pakistan. All of the Company's income is from the entities incorporated in both inside and outside Pakistan. The Company has only one reportable segment.
Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

No sale has been made to any customer representing 10% or more of total sales for the period (December 31, 2024: Nil). Further, aggregate sales to major distributors represented 94% (December 31, 2024: 84%) of the revenue and each distributor individually exceeded 10% of the revenue.

- Information about geographical areas

All non-current assets of the Company except from long term investments are located in Pakistan as at the reporting date.

'Revenue from export sales is Rs. 170.007 million (December 31, 2024: Rs. 133.597 million).

- Information about product

The main product of the Company is Hydrogen Peroxide having different concentrations.

20 Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2025.

21 Authorization of Financial Statements

These condensed interim financial unconsolidated statements (un-audited) are approved and authorized by the Board of Directors of the Company for issuance on February 24, 2026.

22 Subsequent Events

The Board of Directors of the Company has proposed an interim cash dividend of Rs. 2 per share (June 30, 2025: Rs. 2 per share) for the period ended December 31, 2025 at their meeting held on February 24, 2026. These interim unconsolidated financial statements do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

23 General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material reclassifications have been made in these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

CONSOLIDATED

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

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		--- Rupees in Thousands---	
ASSETS			
Non Current Assets			
Property, plant and equipment	5	1,766,028	1,758,840
Intangible assets		492,206	391,722
Long term loans		1,239	2,416
Long term deposits		15,377	15,377
		2,274,850	2,168,355
Current Assets			
Stores and spares	6	640,626	526,234
Stock in trade	7	792,182	653,599
Trade debts		263,851	189,177
Loans, advances, deposits, prepayments and other receivables		205,648	100,391
Short term investment	8	848,715	700,628
Bank balances		295,776	342,916
		3,046,798	2,512,945
Total Assets		5,321,648	4,681,300

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

	Note	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		--- Rupees in Thousands---	
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
300,000,000 (June 30, 2025: 300,000,000) ordinary shares of Rs. 10 each		3,000,000	3,000,000
Issued, subscribed and paid up capital of 175,031,084 (June 30, 2025: 175,031,084) ordinary shares of Rs. 10 each		1,750,311	1,750,311
Share premium		3,022	3,022
Unappropriated profit		1,547,386	1,622,898
Translation reserve		(1,646)	(11)
		3,299,073	3,376,220
Non Current Liabilities			
Long term financing	9	54,834	66,099
Deferred grant		4,033	6,218
Deferred tax liability		122,532	131,652
		181,399	203,969
Current Liabilities			
Trade and other payables	10	847,151	852,594
Accrued finance costs		12,848	990
Finances under mark up arrangements - secured	11	888,515	114,257
Current portion of non current liabilities		26,899	26,899
Dividend payable		17,479	18,966
Income tax payable - net		48,284	87,405
		1,841,176	1,101,111
Contingencies and Commitments	12	-	-
Total Equity and Liabilities		5,321,648	4,681,300

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

		Half Year Ended December 31,		Quarter Ended December 31,	
		2025	2024	2025	2024
	Note	--- Rupees in Thousands ---			
Sales	13	2,492,676	3,196,978	1,213,637	1,683,207
Cost of sales	14	(1,947,634)	(2,172,956)	(970,546)	(1,084,542)
Gross Profit		545,042	1,024,022	243,091	598,665
Administrative expenses		(134,883)	(113,534)	(70,972)	(60,803)
Distribution and selling costs		(143,734)	(92,705)	(86,486)	(39,214)
Other income		99,167	49,947	59,572	34,552
Other operating expenses		(23,126)	(84,116)	(9,455)	(39,476)
		(202,576)	(240,408)	(107,341)	(104,941)
Operating Profit		342,466	783,614	135,750	493,724
Finance cost		(18,419)	(4,900)	(14,395)	(1,483)
Profit before Levy and Taxation		324,047	778,714	121,355	492,241
Levy / final taxation		-	-	-	-
Profit before Taxation		324,047	778,714	121,355	492,241
Taxation		(49,497)	(282,724)	17,499	(186,065)
Net Profit for the Period		274,550	495,990	138,854	306,176
Profit attributable to:					
Equity holders of Parent Company		274,550	495,990	138,854	306,176
Non controlling interest		-	-	-	-
		274,550	495,990	138,854	306,176
Earnings per Share - Basic and Diluted	15	1.57	2.83	0.79	1.75

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	--- Rupees in Thousands ---			
Net Profit for the Period	274,550	495,990	138,854	306,176
Other Comprehensive Income				
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Exchange differences on translation of subsidiaries	(1,635)	(412)	(1,635)	(412)
Other comprehensive loss for the period	(1,635)	(412)	(1,635)	(412)
Total Comprehensive Income for the Period	272,915	495,578	137,219	305,764
Total Comprehensive Income attributable to:				
Equity holders of Parent Company	272,915	495,578	137,219	305,764
Non controlling interest	-	-	-	-
	272,915	495,578	137,219	305,764

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

Particulars	Issued, Subscribed and Paid up Capital	Reserves		Translation Reseve	Total
		Share Premium	Unappropriated Profit		
	--- Rupees in Thousands ---				
Balance as at July 01, 2024	1,750,311	3,022	1,462,860	(467)	3,215,726
Net profit for the period	-	-	495,990		495,990
Other comprehensive loss for the period	-	-	-	(412)	(412)
Total comprehensive income for the period	-	-	495,990	(412)	495,578
Transactions with owners					
Final dividend for the year ended June 30, 2024 @ 20% (Rs 2 per share)	-	-	(350,062)	-	(350,062)
Balance as at December 31, 2024	1,750,311	3,022	1,608,788	(879)	3,361,242
Balance as at July 1, 2025	1,750,311	3,022	1,622,898	(11)	3,376,220
Net profit for the period	-	-	274,550		274,550
Other comprehensive loss for the period	-	-	-	(1,635)	(1,635)
Total comprehensive income for the period	-	-	274,550	(1,635)	272,915
Transactions with owners					
Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share)	-	-	(350,062)	-	(350,062)
Balance as at December 31, 2025	1,750,311	3,022	1,547,386	(1,646)	3,299,073

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

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

	Note	Half Year Ended December 31, 2025	Half Year Ended December 31, 2024
		--- Rupees in Thousands ---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	16	22,489	953,949
Finance cost paid		(6,561)	(5,509)
Taxes paid		(97,738)	(132,088)
Profit on deposits received		3,069	13,673
Long term deposits		-	4,827
		(101,230)	(119,097)
Net Cash (Used in) / Generated from Operating Activities		(78,741)	834,852
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(136,682)	(84,684)
Purchase of intangible assets		(128,393)	-
Proceeds from disposal of property, plant and equipment		15	3
Short term investments purchased		(112,598)	(953,109)
Short term investments redeemed		-	437,894
Net Cash Used in Investing Activities		(377,658)	(599,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances repaid		(13,450)	(13,449)
Finances under mark up arrangements - secured		774,258	99,878
Dividends paid		(351,549)	(346,413)
Net Cash Generated from / (Used in) Financing Activities		409,259	(259,984)
Net Decrease in Cash and Cash Equivalents		(47,140)	(25,028)
Cash and cash equivalents at the beginning of the period		342,916	461,760
Cash and Cash Equivalents at the End of the Period		295,776	436,732

The annexed notes from 1 to 23 form an integral part of these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1. The Group and its Operations

1.1 The Group consists of:	**Note**	**Status within the Group**
- Descon Oxychem Limited (DOL)	1.1	Holding Company
- Descon Oxychem FZE (DOL FZE)	1.2	Subsidiary Company

1.1 DOL was incorporated in Pakistan as a private limited Company on November 12, 2004 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and was later converted into a public limited company. On September 15, 2008, the Company was listed on Pakistan Stock Exchange. DOL is principally engaged in manufacturing, procurement and sale of hydrogen peroxide and allied products. DEL Chemicals (Private) Limited is the parent company of DOL. However, the ultimated parent company is DEL Processing (Private) Limited.

1.2 DOL FZE is a wholly owned subsidiary of Holding Company and is situated in Hamriyah Free Zone, Sharjah, UAE. DOL FZE is engaged in import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification chemicals and raw materials.

1.3 DOL is domiciled in Pakistan and its geographical location and addresses are as under:

Business Unit	**Geographical Location**
Head office / Registered Office	18-KM Ferozepur Road, Lahore.
Production Plant / Factory	18- KM, Lahore-Sheikhupura Road, Lahore.
DOL FZE	Hamriyah Free Zone, Sharjah, UAE.

1.4 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the DOL and its subsidiary (the Group).

2. Basis of Preparation

2.1 Statement of compliance

These condensed interim consolidated 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:

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

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

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

2.2 These condensed interim consolidated financial statements comprise of the condensed interim consolidated statement of financial position of the Company, as at December 31, 2025 and the related condensed interim consolidated statement of profit or loss, the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated statement of cash flows together with the notes forming part thereof.

2.3 These condensed interim consolidated financial statements are unaudited and have been subjected to limited scope review by the external auditors as required by Section 237 of the Companies Act, 2017. The figures for the quarters ended on December 31, 2024 and 2025 presented in these condensed financial statements have not been reviewed by the external auditors.

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

2.5 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Pak rupees (Rs.), which is the Company's functional and presentation currency. Figures have been rounded off to nearest thousand rupees, unless stated otherwise. These condensed consolidated financial statements do not include all the information required for annual consolidated financial statements and therefore, should be read in conjunction with the annual consolidated financial statements of the Company for the year ended June 30, 2025.

3. Material Accounting Policy Information

Material accounting policy information and methods of presentation of these condensed, interim, consolidated financial statements (un-audited) are the same as those followed in the preparation of annual consolidated financial statements for the preceding financial year ended June 30, 2025.

4. Judgments and Estimates

The preparation of these condensed, interim, consolidated financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

5. Property, Plant and Equipment

	Note	December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
		--- Rupees in Thousands ---	
Owned assets	5.1	1,534,868	1,613,944
Capital work in progress		69,137	25,199
Major spare parts, catalysts and standby equipment		162,023	119,697
		1,766,028	1,758,840

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		Note	December 31, 2025	June 30, 2025
			(Un-audited)	(Audited)
			--- Rupees in Thousands ---	
5.1	**Owned assets**			
	Opening written down value		1,613,944	1,843,325
	Additions during the period / year		50,418	142,518
	Disposals during the period / year		-	(147)
	Writen off during the period / year		-	(645)
			1,664,362	1,985,051
	Depreciation charge for the period / year		(129,494)	(371,107)
			1,534,868	1,613,944
6.	**Stores and Spares**			
	General stores and spares		285,960	269,073
	General stores and spares in transit		114,065	14,787
	Working solution		266,075	267,848
			666,100	551,708
	Less: Provision for obsolescence		(25,474)	(25,474)
			640,626	526,234
7.	**Stock in Trade**			
	Raw materials		334,281	230,510
	Raw materials in transit		163,096	209,962
	Packing materials		22,455	26,372
	Finished goods		272,350	186,755
			792,182	653,599
8.	**Short Term Investment**			
	NBP Money Market Fund 69.833 million units (June 30, 2025: 69.833 million units)		736,116	700,627
	NBP Financial Sector Income Fund 88.3294 units (June 30, 2025: 88.3294 units)		1	1
	Term Deposit Receipt - First Abu Dhabi Bank (June 30, 2025: Nil)		112,598	-
			848,715	700,628
9.	**Long Term Financing**			
	Allied Bank Limited	9.1	85,766	99,216
	Less: Deferred grant		(8,208)	(10,821)
			77,558	88,395
	Less: Current portion shown under current liabilities		(22,724)	(22,296)
			54,834	66,099

9.1 Temporary Economic Refinance Facility (TERF)

This represents the outstanding balance of the SBP's Temporary Economic Refinance Facility (TERF) obtained from Allied Bank Limited for capacity expansion of the Holding Company's existing Hydrogen Peroxide plant. Out of the available limit of Rs. 487 million, the Holding Company had utilized Rs. 174.84 million. The recognized portion as at the reporting date is exclusive of grant of Rs. 8.208 million (June 30, 2025: Rs. 10.821 million). This loan is secured against first pari passu charge over all present and future fixed assets (plant and machinery) of the Holding Company amounting to Rs. 880 million and ranking charge over present and future fixed assets (plant and machinery) of the Holding Company amounting to Rs. 22 million.

Terms of markup

The facility carries markup at SBP rate plus 1% per annum (June 30, 2025: SBP rate plus 1% per anum) payable quarterly in arrears.

Terms of repayment

Temporary Economic Refinance Facility (TERF) is repayable in twenty equal quarterly installments till May 16, 2029.

		December 31, 2025	June 30, 2025
		(Un-audited)	(Audited)
10.	**Trade and Other Payables**	--- Rupees in Thousands ---	
	Trade creditors	236,953	171,581
	Contract liabilities	82,185	118,829
	Accrued liabilities	485,720	462,369
	Worker's (profit) participation fund	15,522	48,073
	Worker's welfare fund	5,898	27,654
	Other liabilities	18,748	22,335
	Provident fund payable	2,125	1,753
		847,151	852,594
11.	**Finances Under Mark up Arrangements**		
	Banking companies - Secured		
	Running finance	888,515	114,257

11.1 Terms and conditions of borrowings

Purpose

The Holding Company has obtained various funded and unfunded financial facilities from different banks for a total sanctioned limit of Rs. 3,075 million (June 30, 2025: Rs. 3,075 million) including running finance facilities amounting to Rs. 1,650 million (June 30, 2025: Rs. 1,650 million), to meet the working capital requirements, retirement of local and foreign LCs, discounting local bills / receivables, issue gurrantee and loan against trust receipts etc.

Markup

Mark-up on these facilities is charged using 1 to 3 months KIBOR + spread of 0.25% to 1% (June 30, 2025: 1 to 3 months KIBOR + spread of 0.25% to 1%) per annum, payable on quarterly basis in arrears. Furthermore, some LCs carry LC opening comission against LCs at 0.10% to 0.25% per quarter.

Securities

These facilities are secured by way of joint pari passu charge and ranking hypothecation charge over present and future, current assets of the Holding Company, shipping documents, trust receipts, master counter guarantee, cash margins and lien over title of imported goods.

12. Contingencies and Commitments

12.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements for the year ended June 30, 2025.

12.2 Guarantees

The Holding Company has issued guarantees to the following parties:

	December 31, 2025	June 30, 2025
	(Un-audited)	(Audited)
	--- Rupees in Thousands ---	
Sui Northern Gas Pipelines Limited	151,286	151,286
Pakistan State Oil Company Limited	3,500	3,500
Al-Technique Corporation of Pakistan	28,407	28,407
	183,193	183,193

Post dated cheques are issued in favor of National Tariff Commission of Pakistan, Sui Northern Gas Pipelines Limited and the Collector of Customs aggregating to Rs. 161.58 million (June 30, 2025: 42.14 million).

12.3 Commitments

The Holding Company has the following commitments in respect of:		
Letters of credits	463,657	293,983

13 Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
Gross sales:				
- Local	2,724,679	3,660,657	1,289,076	1,913,901
- Foreign	239,028	175,583	151,899	102,014
	2,963,707	3,836,240	1,440,975	2,015,915
Less: Commission on sales	(57,527)	(80,938)	(27,925)	(39,060)
Less: Sales tax	(413,504)	(558,324)	(199,413)	(293,648)
	2,492,676	3,196,978	1,213,637	1,683,207

14 Cost of Sales

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
Raw and packing material consumed	1,103,662	1,165,427	588,158	541,796
Salaries, wages and other benefits	145,062	157,923	71,741	76,825
Fuel and power	443,497	506,015	228,336	222,755
Service through contractors	83,538	44,520	41,573	22,687
Repair and maintenance	43,592	35,739	19,558	24,673
Quality assurance	2,165	5,658	1,518	4,954
Travelling	11,793	7,260	4,797	3,186
Communication	1,174	1,137	483	648
Rent and rates	27,373	19,158	16,414	16,975
Depreciation on property, plant and equipment	127,185	204,291	54,986	92,976
Amortization of intangible assets	25,290	597	25,290	597
Insurance	11,884	11,886	5,942	5,943
Safety items consumed	2,505	2,217	1,672	1,186
Miscellaneous	592	5,744	404	4,316
	2,029,312	2,167,572	1,060,872	1,019,517
Add: Opening work in process	26,372	17,994	22,189	5,618
Less: Closing work in process	(22,455)	(27,119)	(22,455)	(27,119)
	3,917	(9,125)	(266)	(21,501)
Cost of goods produced	2,033,229	2,158,447	1,060,606	998,016
Add: Opening finished goods	186,755	118,224	182,290	190,241
Less: Closing finished goods	(272,350)	(103,715)	(272,350)	(103,715)
	(85,595)	14,509	(90,060)	86,526
Cost of goods sold - own manufactured	1,947,634	2,172,956	970,546	1,084,542

15. Earnings Per Share

	Half Year Ended December 31,		Quarter Ended December 31,	
	2025	2024	2025	2024
	----------(Un-audited)----------			
	--- Rupees in Thousands ---			
15.1 Basic earnings per share				
Profit for the period	274,550	495,990	138,854	306,176
Number of ordinary shares	175,031	175,031	175,031	175,031
Earning per share - basic	1.57	2.83	0.79	1.75

15.2 There is no dilution effect on the earnings per share of the Group as the Group does not have any convertible instruments in issue as at December 31, 2025 and December 31, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	December 31, 2025	December 31, 2024
	(Un-audited)	(Un-audited)
16. Cash Generated from Operations	--- Rupees in Thousands ---	
Profit before levy and taxation	324,047	778,714
Adjustment for:		
- Depreciation on property, plant and equipment	129,494	206,173
- Amortization of intangible assets	27,909	3,019
- Gain on disposal of property, plant and equipment	(15)	(3)
- Interest on bank deposits	(3,069)	(13,673)
- Provision of capital stores	-	22,667
- Provision of stock in trade	-	5,168
- Exchange translation reserve	(1,635)	(412)
- Unrealized gain on investment	(35,489)	(21,202)
- Exchange loss - net	323	1,471
- Finance costs	18,419	4,900
Profit before working capital changes	459,984	986,822
(Increase) / decrease in current assets		
- Stores and spares	(114,392)	(46,410)
- Stock in trade	(138,583)	90,380
- Trade debts	(74,997)	(145,892)
- Loans, advances, deposits, prepayments and other receivables	(104,080)	(17,662)
Increase / (decrease) in current liabilities		
- Trade and other payables	(5,443)	86,711
	(437,495)	(32,873)
Cash Generated from Operations	22,489	953,949

17. Transactions with Related Parties

Related parties comprise the Holding Company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties that are carried out on the basis of mutually agreed terms. Significant transactions with related parties are as follows:

Transaction during the period		December 31, 2025	December 31, 2024
		(Un-audited)	(Un-audited)
Relationship	**Transactions during the year**	--- Rupees in Thousands ---	
i. Associated companies	Purchase of goods and services	14,491	12,750
	Share of common expenses charged to the Group	44,762	41,045
	Share of common expenses charged by the Group	4,741	3,656
	Payment of ordinary dividend	254,243	294,748
	Royalty charged to the Group	12,118	15,762
ii. Directors	Meeting fee	625	750
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	6,788	2,881
iv. Key management Personnel	Salaries and other employee benefits	81,741	65,611

	December 31, 2025	June 30, 2025
	(Un-audited)	(Un-audited)
	--- Rupees in Thousands ---	
18. Shari'ah Screening Disclosure		
Balance as at the reporting date		
Loans / advances obtained as per Islamic mode	-	-
Interest or mark up accrued on any conventional loan or advances	12,848	990
Shariah compliant bank deposits / bank balances	8,358	58,918
Long term and short term shariah compliant investments	-	-

	December 31, 2025	December 31, 2024
Transactions during the period	(Un-audited)	(Un-audited)
	--- Rupees in Thousands ---	
Revenue earned from a shariah compliant business segment	2,492,676	3,196,978
Late payments and any liquidated charges	-	-
Gain / loss or dividend earned from shariah compliant investments	-	-
Profit earned from shariah compliant bank deposits / bank balances	-	-
Exchange loss from actual currency	323	1,471
Exchange gains earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Interest earned on any conventional loan or advance	12,848	632
Shariah compliant miscellaneous income	-	-

Names of the Company's shariah compliant financial institutions	Relationship
Bank Al Habib Limited	Short term borrowing & bank balance
Faysal Bank Limited	Bank balance
Habib Metropolitan Bank Limited	Bank balance
Meezan Bank Limited	Short term borrowing & bank balance
National Bank of Pakistan	Short term borrowing & bank balance

19. Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Group has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments.

The CEO is responsible for the management of the Group's entire business which is considered as a single operating segment. The Group's assets allocation decisions are based on a single integrated investment strategy and the Group's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Group's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

The Group is domiciled in Pakistan. All of the Group's income is from the entities incorporated in both inside and outside Pakistan. The Group has only one reportable segment.

Entity-wide disclosures regarding reportable segment are as follows:

- Information about major customers

No sale has been made to any customer representing 10% or more of total sales for the period (December 31, 2024: Nil). Further, aggregate sales to major distributors represented 94% (December 31, 2024: 84%) of the revenue and each distributor individually exceeded 10% of the revenue.

- Information about geographical areas

All non-current assets of the Group are located in Pakistan as at the reporting date.

'Revenue from foreign sales is Rs. 239.028 million (December 31, 2024: Rs. 175.583 million).

Information about product

The main product of the Group is Hydrogen Peroxide having different concentrations.

20. Financial Risk Management

The Group's financial risk management objectives and policies are consistent with those disclosed in preceding audited annual financial statements for the year ended June 30, 2025.

21. Authorization of Consolidated Financial Statements

These condensed interim consolidated financial statements (un-audited) are approved and authorized by the Board of Directors of the Holding Company for issuance on February 24, 2026.

22. Subsequent Events

The Board of Directors of the Holding Company has proposed an interim cash dividend of Rs. 2 per share (June 30, 2025: Rs. 2 per share) for the period ended December 31, 2025 at their meeting held on February 24, 2026. These interim consolidated financial statements do not include the effect of these appropriations which will be accounted for in the period in which they are approved.

23. General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following reclassification has been made in these condensed interim consolidated financial statements (un-audited).

CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**

NOTE

NOTE

BOOK POST

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