



MATCO FOODS

SECOND QUARTERLY REPORT

Reaching New Heights

2026



Table of Content

● Our Legacy	03
● Business Profile	04
● Vision & Mission	05
● Corporate Information	06
● Directors' Review Report – English	09
● Directors' Review Report – Urdu	12
● Unconsolidated Condensed Interim Financial Statements	15
● Independent Auditor's Review Report	16
● Statement of Financial Position (Unaudited)	18
● Statement of Profit or Loss (Unaudited)	20
● Statement of Comprehensive Income (Unaudited)	21
● Statement of Cash Flows (Unaudited)	22
● Statement of Changes in Equity (Unaudited)	24
● Notes to the Financial Statements (Unaudited)	26
● Consolidated Condensed Interim Financial Statements	37
● Statement of Financial Position (Unaudited)	38
● Statement of Profit or Loss (Unaudited)	40
● Statement of Comprehensive Income (Unaudited)	41
● Statement of Cash Flows (Unaudited)	42
● Statement of Changes in Equity (Unaudited)	44
● Notes to the Financial Statements (Unaudited)	46

Our Legacy

Since its foundation in 1964 by Syed Sarfaraz Ali Ghori as Muhammad Ali Trading Company, Matco Foods has built its journey on innovation, integrity, and growth. What began with supplying and commissioning rice plants and equipment has gradually transformed into a diversified food enterprise known for consistent quality and forward-looking strategy. Early on, Matco embraced international benchmarks, earning organic certifications under the US National Organic Program (USDA-NOP) and EU standards via the Control Union, and in 2012 becoming an investee of the International Finance Corporation (IFC), reinforcing its commitment to global best practices in governance, sustainability, and performance.

Over the years, Matco has broadened its core rice business into several value-added domains. It expanded beyond rice milling into rice glucose and rice protein production, introduced a corn starch business, and developed a consumer convenience range under its Falak Foods division offering seasonings, masalas, dessert mixes, and other ready-to-use food items. These diversifications reflect Matco's strategy to respond to evolving consumer preferences and international market trends, while preserving the legacy of excellence established at its inception.

Throughout these decades, Matco has remained rooted in its founding values: strong relationships with farmers, investment in product and process innovation, maintaining traceable and sustainable sourcing, and ensuring that each new line of business—whether ingredients like glucose and starch or convenience foods like masalas and seasonings—upholds the same standards of quality, ethical practice, and global competitiveness that have defined its legacy.



Business Profile

Matco Foods Limited is a dynamic and comprehensive agro-processor and food products company, proudly holding a leading position in South Asia. We are committed to delivering a diverse portfolio of high-quality offerings – from convenient packaged goods for consumers to essential ingredients serving critical industries such as pharmaceuticals and confectionery.

Our product range is anchored by premium Basmati rice, complemented by value-added derivatives including rice glucose, rice protein, rice maltodextrin, and dextrose monohydrate. Expanding beyond rice-based expertise, we also provide a complete line of corn starches and corn-based animal nutrition products. In addition, we offer a wide variety of culinary and convenience food items, such as recipe mixes, seasonings, salts, spices, specialty flours, cooking mixes, pastes, and desserts – all crafted to meet the evolving tastes of domestic and international consumers, while bringing greater convenience, quality, and flavor to everyday cooking.

With over 60 years of experience in the rice industry, Matco Foods is recognized as the largest Basmati rice exporter from Pakistan and ranks among the top 100 exporters nationwide. Our global footprint extends to more than 150 corporate customers across 65 countries. The Company's flagship brand, Falak, is a trusted household name in the rice, condiments, and spices categories, enjoying wide international availability. Complementing this, we also export high-quality private-label brands to the same global network.

Our robust operational infrastructure underpins this leadership, comprising five advanced rice processing and milling facilities – including vertically integrated paddy drying, storage, husking, and processing units in Sadhoke, Punjab, and Karachi, Sindh – along with two specialized rice syrup plants in Karachi producing organic rice syrup and rice protein, and a dextrose monohydrate plant.

In line with our strategic growth initiatives, 2022 marked a pivotal year of diversification. We commissioned a state-of-the-art corn plant, utilizing best-in-class technology and expertise sourced from Asia, the USA, and Europe. Building on this foundation, Matco Foods is in the process of establishing its Corn Division, which will focus on delivering a comprehensive range of starches and corn-based animal nutrition products, leveraging our proven expertise in grain procurement, handling, and processing.

That same year, we also initiated the Falak Food Division, aimed at broadening our consumer reach. Dedicated to introducing innovative new products under the trusted Falak brand and backed by dynamic marketing strategies, this division will enable Matco Foods to adapt swiftly to evolving consumer preferences and global food trends.

At Matco Foods, our unwavering commitment to quality, safety, and hygiene is reflected in our strong infrastructure and strict compliance systems. Our dedicated laboratories and quality control units, staffed by highly qualified professionals, include Wet Labs, Instrumentation Labs, and Microbiology Labs, ensuring rigorous testing of intermediate, in-process, and final products.

We take pride in our enduring legacy of delivering superior-quality products and bespoke solutions that consistently meet the needs of our valued customers worldwide.





Vision

To become a leading global supplier of quality ingredients and consumer food products that offer convenience.

Mission

To provide premium quality products globally to customers; to be innovative, customer-oriented and create strong partnerships with suppliers; to continuously invest in our staff - the biggest asset of the company; and to create long-term value for all stakeholders - shareholders, staff, customers, suppliers, and the wider community.

Corporate Information

BOARD OF DIRECTORS

Mr. Jawed Ali Ghori	Chairman
Mr. Khalid Sarfaraz Ghori	Chief Executive Officer
Mr. Faizan Ali Ghori, CFA	Executive Director
Mr. Safwan Khalid Ghori	Executive Director
Mrs. Faryal Murtaza	Non-executive Director
Syed Kamran Rashid	Independent Director
Mr. Abdul Samad Khan	Independent Director
Ms. Umme Habibah	Independent Director
Mr. Mohammad Mohsin	Independent Director

AUDIT COMMITTEE

Syed Kamran Rashid	Chairman
Mr. Abdul Samad Khan	Member
Mr. Mohammad Mohsin	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Umme Habibah	Chairman
Mr. Jawed Ali Ghori	Member
Mr. Khalid Sarfaraz Ghori	Member
Mr. Faizan Ali Ghori, CFA	Member
Mrs. Faryal Murtaza	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Aamir Farooqui, FCMA

COMPANY SECRETARY

Mr. Muhammad Noman Ansari, FCMA

HEAD OF INTERNAL AUDIT

Mr. Shiraz Anwar, CIA

LEGAL ADVISOR

Muhammad Javaid Akhter
A-55/56, Federal 'B' Area, Karachi, Pakistan

AUDITORS

Grant Thornton Anjum Rahman
Grant Thornton Anjum Rahman (GTAR)
1st and 3rd Floor, Modern Motors House,
Beaumont Road, Karachi, Pakistan
Tel (Office): +92 (21) 3567 2951-6
Fax: +92 (21) 3568 8834
Website: www.gtpak.com

SHARE REGISTRAR

CDC Share Registrar Services Limited
CDC House 99-B, Block B, S. M. C. H. S.,
Main Shahra-e-Faisal, Karachi - 74400
Tel: (92) 0800-23275
Fax: (92-21) 34326053
URL: www.cdcsrsl.com
Email info@cdcsrsl.com



A photograph of a modern, multi-story building with a grey facade and several windows. The word "MATCO" is prominently displayed in large, blue, three-dimensional letters on the upper left side of the building. The sky is clear and blue.

MATCO

BANKERS

Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited

National Bank of Pakistan
PAIR Investment Company Limited
Pak Brunei Investment Company Limited
Pak Oman Investment Company Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

COMPANY LOCATIONS

REGISTERED OFFICE

B-1/A, S. I. T. E., Phase 1,
Superhighway Industrial Area,
Karachi -75340, Pakistan
Phone: +9221-36411661,+9221-36411662,
+9221-36411663, +92301-8250969, +92321-2422902
Fax: +92 (21) 3632 0509

DHA OFFICE

Plot # 8C, Shahbaz Commercial,
3rd and 4th Floor, Lane 2,
Phase-VI, DHA, Karachi, Pakistan

FAISALABAD OFFICE

Corn Starch Division:

Plot 87, Block-K, WAPDA City, Faisalabad, Pakistan

RICE PLANT- KARACHI

A-15-16, S. I. T. E., Phase 1,
Superhighway Industrial Area, Karachi, Pakistan
A-21, S. I. T. E., Phase 1,
Superhighway Industrial Area, Karachi, Pakistan

RICE GLUCOSE PLANT - KARACHI

G-205, Gadap Road, S. I. T. E.,
Superhighway Industrial Area, Karachi, Pakistan

RICE PLANT- SADHOKE

50 KM, Main G. T. Road, Sadhoke,
Tehsil Kamoke, District Gujranwala, Pakistan

CORN STARCH PLANT - FAISALABAD

Plot # 53, Allama Iqbal Industrial City,
SEZ, Faisalabad, Pakistan

WEBSITE

www.matcofoods.com

EMAIL

contact@matcofoods.com

FALAK®

پرانانا چاول

PURANA CHAAWAL





DIRECTORS' REVIEW REPORT

By the Grace of Allah (SWT), the Directors of your Company take pleasure in presenting unaudited condensed interim financial information of the Company and Group for the six months ended December 31, 2025.

Principal Activities and Corporate Restructuring

The principal activities of the Company continue to be the processing and export of rice, rice glucose, and related food products.

During the period under review, the Company successfully implemented a major strategic restructuring pursuant to the approved Business Transfer Agreement (BTA) and Scheme of Arrangement. The rice and corn starch divisions were carved out and transferred into two wholly owned subsidiaries, Falak Foods Limited and Matco Corn Products (Pvt.) Limited.

This restructuring is designed to enable focused management oversight for each business segment, improve operational agility and performance accountability, and provide structural flexibility for independent capital raising and growth initiatives.

The financial results of the Company for the period under review are summarized below. Shareholders are advised that the unconsolidated performance reflects a structural change rather than a deterioration in operational strength. Following the carve-out, revenues and expenses of the transferred divisions are no longer reflected line-by-line in the standalone financial statements and are now recognized as "Long-Term Investments in Subsidiaries."

Financial Results:

Description	Unconsolidated		Consolidated	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	8,170,524	12,936,528	11,805,938	12,938,723
Cost of sales	(6,959,374)	(11,177,932)	(10,014,787)	(11,177,932)
Gross Profit	1,211,150	1,758,596	1,791,151	1,760,791
Selling and distribution	(202,774)	(264,373)	(295,168)	(265,734)
Administrative	(347,359)	(371,760)	(545,473)	(388,504)
Operating profit	661,017	1,122,463	950,510	1,106,553
Other Operating Income	46,615	63,009	56,483	63,011
Exchange Gain/(Loss)	26,114	211,954	25,701	211,954
Financial Charges	(703,747)	(1,072,416)	(727,200)	(1,072,836)
Share of profit/(loss) from Associated Company	-	-	49,352	14,777
Provision for workers' welfare fund	(561)	(6,075)	(4,708)	(6,075)
Provision for workers' profit participation fund	(1,402)	(15,187)	(11,771)	(15,187)
Profit Before Tax	28,036	303,748	338,367	302,197
Income Tax	12,249	(65,448)	(10,407)	(65,448)
Profit for the Period	40,285	238,300	327,960	236,749
Earnings Per Share	0.33	1.95	2.68	1.93

On a consolidated basis, the Group recorded a net profit of Rs. 327.96 million for the half-year ended December 31, 2025, as compared to Rs. 236.75 million in the corresponding period last year, representing an increase of 39%.



MATCO FOODS LIMITED

During the period, the Company exported 15,096 metric tons of basmati rice compared to 19,461 metric tons in the comparative period, reflecting a decline of 22%. This reduction was primarily attributable to India's re-entry into the global rice market following the removal of its Minimum Export Price (MEP) and the introduction of export-supportive measures. The availability of competitively priced Indian rice significantly intensified price-based competition in key export destinations, adversely affecting Pakistani basmati exports.

The average export selling price for the six-month period stood at USD 1,015 per metric ton, compared to USD 1,049 per metric ton in the corresponding period last year. The influx of Indian rice into international markets led to a sharp correction in global basmati prices, resulting in lower export realizations.

Despite lower export volumes and reduced international prices, consolidated gross profit increased by 1.72% compared to the same period last year. Gross margins improved to 15.17%, supported by efficient raw material procurement, optimized inventory management, improved production planning, and energy cost savings achieved through solar power initiatives. These operational efficiencies partially offset the impact of price compression, rising logistics costs, and vessel rerouting due to disruptions in key maritime corridors, including the Red Sea region.

A significant driver of improved bottom-line performance was the substantial reduction in finance costs. Consolidated financial charges decreased by approximately 32%, from Rs. 1,072.84 million in the corresponding period last year to Rs. 727.20 million during the current half-year. This reduction was achieved through disciplined working capital management, improved cash cycle efficiencies, and optimal utilization of available financing lines. The decrease in finance cost materially strengthened net profitability and helped offset the adverse impact of reduced export volumes and pricing pressures.

The improvement in profitability also reflects the Group's continued strategic pivot toward higher-margin industrial ingredients and value-added consumer products. Strong performance from the Corn Starch Division and Falak Foods Division effectively counterbalanced the challenges faced in the rice export segment, enhancing overall earnings resilience.

Business and Future Outlook:

The Company maintains a proactive approach to staying connected with its customers and abreast of market trends. To achieve this, the Company continues its active participation in renowned international food exhibitions, including Anuga (Germany) and Biofach (Germany), and Gulfood.

During the first six months of FY2025–26, Pakistan's basmati rice exports experienced a notable contraction. Industry-wide export earnings declined by approximately 36% to PKR 280 million, while volumes decreased by 40% to 250,269 metric tons compared to the corresponding period last year.

This decline was primarily driven by a combination of external factors like:

- India's re-entry into the global rice market following the removal of its Minimum Export Price (MEP) and the introduction of export-supportive measures materially altered global supply dynamics. The availability of competitively priced Indian rice exerted downward pressure on international prices and volumes. Average international basmati prices declined from approximately USD 1,178 per metric ton to USD 997 per metric ton during the period. While premium Pakistani basmati continued to command higher realizations, overall demand remained price-sensitive.
- Export financing costs in Pakistan remained comparatively higher than regional peers, while exchange rate movements during the harvest season reduced relative pricing competitiveness.
- Monsoon flooding in certain basmati-producing regions resulted in localized supply constraints and upward pressure on domestic procurement prices.

These developments reflect a broader structural reset in the international basmati trade rather than a decline in global demand fundamentals.

Against this challenging export backdrop, the Company demonstrated resilience through diversification and domestic market penetration. Domestic basmati sales recorded healthy growth during the period, supported by stronger brand positioning and



MATCO FOODS LIMITED

stable consumer demand. Additionally, local sales of Rice Glucose and Maltodextrin expanded meaningfully, reducing reliance on commodity-driven export margins.

The strategic shift toward higher-margin industrial ingredients and value-added consumer segments has strengthened earnings stability and improved margin resilience.

As outlined in the previous year, the Company undertook a corporate restructuring to streamline operations and unlock growth potential. During the current period, this plan has been successfully executed:

Matco Corn Products (Private) Limited (MCPPL) now operates as the dedicated corn starch subsidiary and has demonstrated operational stability in its first half-year of independent reporting.

Falak Foods Limited (FFL) has been positioned as the branded consumer platform. The Board has resolved to pursue its listing on the Pakistan Stock Exchange, subject to regulatory approvals and market conditions, to unlock shareholder value and provide growth capital.

This transition marks a significant milestone, moving from strategic intent to operational implementation.

The easing of the State Bank of Pakistan's policy rate to 10.5% has improved the domestic financing environment. Consolidated financial charges declined materially during the period, strengthening profitability and cash flow sustainability.

Exchange rate stability and projected GDP growth in the range of 3.75% to 4.75% for FY2026 are expected to support domestic consumption and industrial demand, particularly for food ingredients and branded staples.

Outlook

While global rice markets remain competitive and pricing recovery may be gradual, the Company is better positioned to navigate volatility due to:

- Diversified revenue streams,
- Strengthened subsidiary structure,
- Improved financial discipline,
- Focus on high-margin industrial ingredients and consumer products

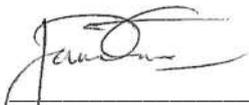
By combining premium-quality basmati offerings, including Sustainable Rice Platform (SRP) certified varieties, with scalable industrial ingredient operations, the Company continues its transition toward a diversified agri-industrial model.

The Directors remain confident that disciplined execution, structural optimization, and market diversification will enhance long-term resilience and deliver sustainable value for shareholders.

Acknowledgement:

The directors extend sincere gratitude to our esteemed customers, financial institutions, shareholders, and other stakeholders for their unwavering trust and support. We deeply appreciate the dedication and hard work of all our employees, whose contributions have been invaluable to the Company's achievements and successes.

On behalf of the Board



Jawed Ali Ghori
Chairman



Khalid Sarfaraz Ghori
Chief Executive Officer

Karachi

February 17, 2026

ڈائریکٹرز کی جائزہ رپورٹ

اللہ تعالیٰ کے فضل و کرم سے، آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے چھ ماہ کے لیے کمپنی اور گروپ کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

بنیادی سرگرمیاں اور اسٹریٹجک تنظیم نو:

کمپنی کی بنیادی سرگرمیاں بدستور چاول، رائس گلوکوز اور متعلقہ خوراک کی مصنوعات کی پروسیسنگ اور برآمد پر مبنی ہیں۔ زیر جائزہ مدت کے دوران، کمپنی نے منظور شدہ بزنس ٹرانسفر ایگریمنٹ (BTA) اور اسکیم آف ایجنمنٹ کے تحت ایک اہم اسٹریٹجک تنظیم نو کو کامیابی سے مکمل کیا ہے۔ اس عمل کے تحت چاول اور کارن اسٹارچ کے شعبوں کو منتقل کر کے دو مکمل ملکی ذیلی کمپنیوں، فلک فوڈز لمیٹڈ اور میٹکو کارن پرائڈ کنس (پرائیویٹ) لمیٹڈ میں تبدیل کر دیا گیا ہے۔ اس اسٹریٹجک اقدام کا مقصد ہر کاروباری شعبے کی انتظامی نگرانی کو بہتر بنانا، آپریشنل کارکردگی میں اضافہ کرنا اور آزادانہ طور پر سرمایہ کاری کے مواقع فراہم کرنا ہے۔

شیر ہولڈرز کو مطلع کیا جاتا ہے کہ غیر مستحکم (unconsolidated) کارکردگی میں تبدیلی کسی آپریشنل کمزوری کے بجائے اسٹریٹجک تبدیلی کی عکاسی کرتی ہے۔ اب ان شعبوں کی آمدنی اور اخراجات کو علاحدہ دکھانے کے بجائے "ذیلی کمپنیوں میں طویل مدتی سرمایہ کاری" کے طور پر ظاہر کیا گیا ہے۔

مالیاتی نتائج (روپے '000 میں):

Description	Unconsolidated		Consolidated	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	-----Rupees in '000-----		-----Rupees in '000-----	
Sales – net	8,170,524	12,936,528	11,805,938	12,938,723
Cost of sales	(6,959,374)	(11,177,932)	(10,014,787)	(11,177,932)
Gross Profit	1,211,150	1,758,596	1,791,151	1,760,791
Selling and distribution	(202,774)	(264,373)	(295,168)	(265,734)
Administrative	(347,359)	(371,760)	(545,473)	(388,504)
Operating profit	661,017	1,122,463	950,510	1,106,553
Other Operating Income	46,615	63,009	56,483	63,011
Exchange Gain/(Loss)	26,114	211,954	25,701	211,954
Financial Charges	(703,747)	(1,072,416)	(727,200)	(1,072,836)
Share of profit/(loss) from Associated Company	-	-	49,352	14,777
Provision for workers' welfare fund	(561)	(6,075)	(4,708)	(6,075)
Provision for workers' profit participation fund	(1,402)	(15,187)	(11,771)	(15,187)
Profit Before Tax	28,036	303,748	338,367	302,197
Income Tax	12,249	(65,448)	(10,407)	(65,448)
Profit for the Period	40,285	238,300	327,960	236,749
Earnings Per Share	0.33	1.95	2.68	1.93

مجموعی طور پر گروپ نے 327.96 ملین روپے کا خالص منافع حاصل کیا، جو پچھلے سال کے مقابلے میں 39 فیصد زیادہ ہے۔

زیر جائزہ مدت کے دوران، کمپنی نے 15,096 میٹرک ٹن باسستی چاول برآمد کیے جبکہ گزشتہ سال کی اسی مدت میں یہ مقدار 19,461 میٹرک ٹن تھی، جو کہ 22 فیصد کمی کی عکاسی کرتی ہے۔ یہ کمی بنیادی طور پر بھارت کی جانب سے اپنی کم از کم برآمدی قیمت (MEP) کے خاتمے اور برآمدات کے لیے معاون اقدامات کے نفاذ کے بعد عالمی مارکیٹ میں اس کی دوبارہ واپسی کی وجہ سے ہوئی۔ بھارتی چاول کی مسابقتی قیمتوں پر دستیابی نے اہم برآمدی منڈیوں میں قیمتوں کی بنیاد پر مقابلے کی فضا کو شدید کر دیا، جس سے پاکستانی باسستی کی برآمدات پر منفی اثرات مرتب ہوئے۔

زیر جائزہ چھ ماہ کی مدت کے دوران اوسط برآمدی فروخت کی قیمت 1,015 امریکی ڈالر فی میٹرک ٹن رہی، جبکہ گزشتہ سال کی اسی مدت میں یہ قیمت 1,049 امریکی ڈالر فی میٹرک ٹن تھی۔ عالمی منڈیوں میں بھارتی چاول کی کثیر آمدی وجہ سے باسستی کی عالمی قیمتوں میں نمایاں کمی آئی، جس کے نتیجے میں برآمدی وصولیاں (export realizations) کم رہیں۔

برآمدی حجم میں کمی اور بین الاقوامی قیمتوں میں مندی کے باوجود، مجموعی (consolidated) گراس منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 1.72 فیصد اضافہ ہوا۔ گراس مارجنز بہتر ہو کر 15.17 فیصد تک پہنچ گئے، جس کی وجہ خام مال کی مؤثر خریداری، انویسٹری کی بہترین انتظامی ترتیب، بہتر پیداواری منصوبہ بندی، اور شمسی توانائی کے اقدامات کے ذریعے حاصل ہونے والی بجلی کے اخراجات میں بچت ہے۔ ان آپریشنل کامیابیوں نے قیمتوں میں کمی کے دباؤ، بڑھتے ہوئے لاجسٹک اخراجات اور بحیرہ احمر (Red Sea) سمیت اہم بحری راہداریوں میں مداخلت کے باعث بحری جہازوں کے راستوں کی تبدیلی سے پیدا ہونے والے اثرات کو جزوی طور پر زائل کرنے میں مدد دی۔

خالص منافع میں بہتری کی ایک بڑی وجہ مالیاتی اخراجات میں ہونے والی خاطر خواہ کمی تھی۔ مجموعی مالیاتی چارجز (consolidated financial charges) میں تقریباً 32 فیصد کمی واقع ہوئی، جو کہ گزشتہ سال کی اسی مدت کے 1,072.84 ملین روپے کے مقابلے میں موجودہ ششماہی کے دوران 727.20 ملین روپے رہے۔ یہ کمی ورکنگ کیسٹیبل کی منظم انتظام کاری، کیش سائیکل کی کارکردگی میں بہتری اور دستیاب فنانسنگ لائنوں کے بہترین استعمال کی بدولت ممکن ہوئی۔ مالیاتی اخراجات میں اس کمی نے خالص منافع کو نمایاں طور پر مستحکم کیا اور برآمدی حجم میں کمی اور قیمتوں کے دباؤ کے منفی اثرات کو زائل کرنے میں مدد فراہم کی۔

منافع میں یہ بہتری گروپ کی اس مسلسل اسٹریٹجک تبدیلی کی بھی عکاسی کرتی ہے جس کے تحت زیادہ مارجن والے صنعتی اجزاء اور ویلیو ایڈڈ صارفی مصنوعات پر توجہ مرکوز کی جارہی ہے۔ کارن اسٹارچ ڈویژن اور فلک فوڈز ڈویژن کی شاندار کارکردگی نے چاول کی برآمدات کے شعبے میں درپیش چیلنجز کا مؤثر طریقے سے مقابلہ کیا، جس سے مجموعی آمدنی کے استحکام (resilience) میں اضافہ ہوا۔

کاروباری اور مستقبل کے امکانات:

کمپنی اپنے صارفین کے ساتھ مسلسل رابطے میں رہنے اور مارکیٹ کے نئے رجحانات سے باخبر رہنے کے لیے ایک فعال طرز عمل برقرار رکھتی ہے۔ اس مقصد کے لیے، کمپنی معروف بین الاقوامی خوراک کی نمائشوں جیسے کہ انوگا (جرمنی)، بائیوفیک (جرمنی) اور گلوفڈ میں اپنی بھرپور شرکت کو مستقل بنیادوں پر جاری رکھے ہوئے ہے۔

مالی سال 2025-26 کے پہلے چھ ماہ کے دوران، پاکستان کی باسستی چاول کی برآمدات میں نمایاں کمی دیکھی گئی۔ پوری صنعت کی برآمدی آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً 36 فیصد کم ہو کر 280 ملین روپے رہ گئی، جبکہ برآمدی حجم 40 فیصد کمی کے ساتھ 250,269 میٹرک ٹن ریکارڈ کیا گیا۔

اس کمی کی بنیادی وجہ مختلف بیرونی عوامل کا مجموعہ تھی:

- بھارت کی جانب سے اپنی کم از کم برآمدی قیمت (MEP) کے خاتمے اور برآمدات کے لیے معاون اقدامات کے نفاذ کے بعد عالمی چاول کی منڈی میں اس کی دوبارہ واپسی نے عالمی رسد کے نظام (supply dynamics) کو کافی حد تک تبدیل کر دیا۔ بھارتی چاول کی مسابقتی قیمتوں پر دستیابی نے بین الاقوامی قیمتوں اور حجم پر دباؤ ڈالا۔ اس مدت کے دوران باسستی کی اوسط بین الاقوامی قیمتیں تقریباً 1,178 ڈالر سے کم ہو کر 997 ڈالر فی میٹرک ٹن رہ گئیں۔ اگرچہ پاکستانی پریمیم باسستی نے اب بھی بہتر قیمتیں حاصل کیں، لیکن مجموعی طلب قیمتوں کے معاملے میں حساس رہی۔
- پاکستان میں برآمدی فنانسنگ کے اخراجات دیگر علاقائی حریف ممالک کے مقابلے میں زیادہ رہے، جبکہ فصل کی کٹائی کے موسم کے دوران شرح تبادلہ کی تبدیلیوں نے قیمتوں کی مسابقت کو متاثر کیا۔
- باسستی پیدا کرنے والے مخصوص علاقوں میں مون سون کی بارشوں اور سیلاب کی وجہ سے مقامی رسد میں رکاوٹیں پیدا ہوئیں اور مقامی خریداری کی قیمتوں میں اضافہ ہوا۔

یہ تبدیلیاں بین الاقوامی باسستی تجارت میں ایک وسیع تر ڈھانچہ جاتی تبدیلی (structural reset) کی عکاسی کرتی ہیں، نہ کہ عالمی طلب کی بنیادی ضرورتوں میں کسی کمی کی۔

برآمدات کے ان مشکل حالات کے باوجود، کمپنی نے تنوع (diversification) اور مقامی مارکیٹ میں رسائی کے ذریعے اپنی مضبوطی (resilience) کا ثبوت دیا۔ اس مدت کے دوران، بہتر برانڈ پوزیشننگ اور مستحکم صارفی طلب کی بدولت باسستی کی مقامی فروخت میں خاطر خواہ اضافہ ریکارڈ کیا گیا۔ مزید برآں، رائس گلو کوز اور مالٹوڈیکسٹریٹ کی مقامی فروخت میں بھی نمایاں توسیع ہوئی، جس نے ایشیا کی قیمتوں پر منحصر برآمدی مارجنز پر انحصار کم کر دیا۔ زیادہ مارجن والے صنعتی اجزاء اور ویلیو ایڈڈ صارفی حصوں کی جانب اسٹریٹجک تبدیلی نے آمدنی کے استحکام کو تقویت دی ہے اور مارجنز کو مزید مستحکم کیا ہے۔

جیسا کہ گزشتہ سال خاکہ پیش کیا گیا تھا، کمپنی نے آپریشنز کو بہتر بنانے اور ترقی کی نئی راہوں کو کھولنے کے لیے کارپوریٹ ری اسٹرکچرنگ (تنظیم نو) کا آغاز کیا تھا۔ موجودہ مدت کے دوران، اس منصوبے پر کامیابی سے عمل درآمد کر لیا گیا ہے:

میٹکو کارن پرائڈکٹس (پرائیویٹ) لمیٹڈ (MCPPL) اب کارن اسٹارچ کی ایک مخصوص ذیلی کمپنی کے طور پر کام کر رہی ہے اور آزادانہ رپورٹنگ کے اپنے پہلے چھ ماہ میں، بہترین آپریشنل استحکام کا مظاہرہ کیا ہے۔ فلک فوڈز لمیٹڈ (FFL) کو برانڈڈ کنزیومر پیٹ فارم کے طور پر مستحکم کیا گیا ہے۔ بورڈ نے ریگولیٹری منظور یوں اور مارکیٹ کے حالات کے مطابق، اسے پاکستان اسٹاک ایکسچینج میں لسٹ کروانے کا ارادہ کیا ہے تاکہ شیئر ہولڈرز کی قدر (value) میں اضافہ ہو اور ترقی کے لیے سرمایہ فراہم کیا جاسکے۔

یہ منتقلی ایک اہم سنگ میل کی حیثیت رکھتی ہے، جو اسٹریٹجک مقصد سے عملی نفاذ کی جانب ہماری پیش رفت کو ظاہر کرتی ہے۔

اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ کو کم کر کے 10.5 فیصد کرنے سے مقامی مالیاتی ماحول میں بہتری آئی ہے۔ اس مدت کے دوران مجموعی مالیاتی چارجز میں نمایاں کمی واقع ہوئی ہے، جس نے منافع بخشی اور کیش فلو کے استحکام کو مزید تقویت بخشی ہے۔

شرح تبادلہ میں استحکام اور مالی سال 2026 کے لیے 3.75 فیصد سے 4.75 فیصد کی حد میں متوقع جی ڈی پی (GDP) شرح نمو سے مقامی کھپت اور صنعتی طلب، بالخصوص غذائی اجزاء اور برانڈڈ اشیائے ضروریہ کی طلب کو سہارا ملنے کی توقع ہے۔

مستقبل کے امکانات:

اگرچہ عالمی چاول کی منڈیوں میں مقابلہ بدستور سخت ہے اور قیمتوں کی بحالی بتدریج ہو سکتی ہے، لیکن کمپنی درج ذیل وجوہات کی بنا پر اتار چڑھاؤ سے نمٹنے کے لیے بہتر پوزیشن میں ہے:

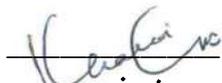
- آمدنی کے متنوع ذرائع
 - مضبوط ذیلی ڈھانچہ (subsidiary structure)
 - بہتر مالیاتی نظم و ضبط
 - زیادہ مارجن والے صنعتی اجزاء اور صارفی مصنوعات پر توجہ
- اعلیٰ معیار کی باسمتی مصنوعات، بشمول سسٹیلیا، ایل رانس پیٹ فارم (SRP) سے تصدیق شدہ اقسام کو صنعتی اجزاء کے بڑے پیمانے پر آپریشنز کے ساتھ ملا کر، کمپنی ایک متنوع زرعی صنعتی ماڈل کی طرف اپنی منتقلی جاری رکھے ہوئے ہے۔

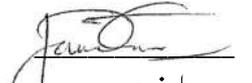
ڈائریکٹرز کو پورا یقین ہے کہ نظم و ضبط کے ساتھ عملدرآمد، ڈھانچہ جاتی بہتری، اور مارکیٹ کی تنوع سے طویل مدتی استحکام بڑھے گا اور شیئر ہولڈرز کے لیے پائیدار قدر (value) پیدا ہوگی۔

اظہار تشکر:

ڈائریکٹرز اپنے معزز صارفین، مالیاتی اداروں، شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کا ان کے غیر متزلزل اعتماد اور تعاون پر تہہ دل سے شکریہ ادا کرتے ہیں۔ ہم اپنے تمام ملازمین کی لگن اور محنت کو بھی سراہتے ہیں، جن کی خدمات کمپنی کی کامیابیوں اور کامرانیوں میں نہایت قیمتی رہی ہیں۔

بورڈ کی جانب سے


خالد سرفراز غوری
چیف ایگزیکٹو آفیسر


جاوید علی غوری
چیئر مین

کراچی

17 فروری 2026

Unconsolidated Condensed Interim Financial Statements



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matco Foods Limited

Report on the Review of Unconsolidated Condensed Interim Financial Statements

**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

T +92 21 35672951-56

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Matco Foods Limited** as at December 31, 2025, and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Emphasis of Matter

We draw attention to note 1.2 of the unconsolidated condensed interim financial statements in respect of the comprehensive corporate restructuring carried out by the Company. Our opinion is not modified in respect of this matter.

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 these unconsolidated condensed interim statement of profit and loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



Chartered Accountants

Karachi

Date: February 26, 2026

UDIN: RR202510093qw8zEtDTH

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	-----Rupees in '000'-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		2,000,000	2,000,000
Issued, subscribed and paid up share capital	6	1,224,007	1,224,007
Capital reserve		680,467	680,467
Unappropriated profit		3,449,554	3,474,859
Surplus on revaluation of property, plant and equipment - net of tax		4,576,633	5,023,576
Total shareholders' equity		9,930,661	10,402,909
Non-current liabilities			
Long-term finances - secured	7	416,006	1,117,427
Lease liabilities		163,978	298,193
Deferred liabilities	8	511,736	800,314
Total non-current liabilities		1,091,720	2,215,934
Current liabilities			
Trade and other payables		3,377,132	2,915,485
Advance from customers - secured		221,204	386,344
Accrued mark-up		248,007	268,461
Due to related parties		-	2,086
Short-term borrowings - secured	9	14,972,601	13,330,527
Current portion of long-term finances - secured	7	151,420	354,835
Current portion of lease liabilities		63,585	84,940
Unpaid dividend	10	931	934
Total current liabilities		19,034,880	17,343,612
Total liabilities		20,126,600	19,559,546
Contingencies and commitments	11		
Total equity and liabilities		30,057,261	29,962,455

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025**

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	-----Rupees in '000'-----	
ASSETS			
Non-current assets			
Property, plant and equipment	12	8,125,659	10,983,120
Right-of-use assets		222,734	380,602
Intangible assets		-	-
Long-term deposits		18,105	20,708
Long-term investments	13	1,270,723	55,683
Total non-current assets		9,637,221	11,440,113
Current assets			
Stores, spares and loose tools		289,042	325,002
Stock in trade	14	14,917,603	13,668,047
Trade debts	15	1,424,069	1,957,417
Loans and advances		1,465,267	1,756,069
Trade deposits and short term prepayments		16,979	31,392
Short-term investment		1,200	1,200
Sales tax refundable		25,000	25,000
Due from related parties		1,467,546	38,422
Taxation and levies - net		468,945	366,351
Cash and bank balances	16	344,389	353,442
Total current assets		20,420,040	18,522,342
Total assets		30,057,261	29,962,455

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Note	Three-Months Ended		Six-Months Ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		-----Rupees in '000'-----			
Sales - net	17	3,847,575	6,361,284	8,170,524	12,936,528
Cost of sales		(3,350,529)	(5,509,970)	(6,959,374)	(11,177,932)
Gross profit		497,046	851,314	1,211,150	1,758,596
Selling and distribution expenses		(106,726)	(103,559)	(202,774)	(264,373)
Administrative expenses		(178,567)	(158,706)	(347,359)	(371,760)
		(285,293)	(262,265)	(550,133)	(636,133)
Operating profit		211,753	589,049	661,017	1,122,463
Finance cost		(340,910)	(515,869)	(703,747)	(1,072,416)
Other income		29,085	49,201	46,615	63,009
Exchange gain - net		34,177	47,486	26,114	211,954
Provision for workers' welfare fund		3,301	(6,075)	(561)	(6,075)
Provision for workers' profit participation fund		8,253	(15,187)	(1,402)	(15,187)
Profit before levies and income tax		(54,341)	148,605	28,036	303,748
Levies - final and minimum tax		(6,204)	(33,184)	(68,463)	(100,185)
Taxation		65,082	17,363	80,712	34,737
Profit for the period		4,537	132,784	40,285	238,300
Earnings per share - basic and diluted	19	0.04	1.08	0.33	1.95

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025**

	Three-Months Ended		Six-Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	-----Rupees in '000'-----			
Profit for the period	4,537	132,784	40,285	238,300
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified subsequently to the unconsolidated statement of profit or loss</i>	-	-	-	-
<i>Items that will not to be reclassified subsequently to the unconsolidated statement of profit or loss</i>				
- Remeasurement of defined benefits obligation	-	(550)	-	(550)
- Unrealized gain on revaluation of investment at fair value through OCI during the period	-	-	-	-
Other comprehensive loss	-	(550)	-	(550)
Total comprehensive income for the period	4,537	132,234	40,285	237,750

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025**

	Six Months Ended	
	December 31, 2025	December 31, 2024
Note	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	28,036	303,748
Adjustments for:		
Depreciation	218,399	372,911
Depreciation on right of use assets	18,212	27,057
Exchange gain - net	(23,360)	(212,946)
Provision for slow moving stock	1,730	766
Finance cost	710,399	1,081,124
Provision for staff gratuity	-	52,350
Gain on disposal of property, plant and equipment	(29,376)	(29,927)
	896,004	1,291,335
	924,040	1,595,083
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(170,584)	(47,205)
Stock-in-trade	(3,256,337)	(2,127,751)
Trade debts - considered good	8,711	(31,767)
Loans and advances	158,714	(744,994)
Trade deposits and prepayments	14,413	14,890
Due from related parties	400,069	(24,072)
	(2,845,014)	(2,960,899)
Increase/(decrease) in current liabilities		
Trade and other payables	1,142,128	225,958
Due to related parties	(2,086)	(151)
Advances from customers	156,180	244,930
	1,296,222	470,737
Cash used in operations	(624,752)	(895,079)
Finance cost paid	(723,440)	(1,419,553)
Income taxes and levies paid	(116,037)	(215,284)
Gratuity paid	(55,529)	(100,449)
Net cash used in operating activities	(1,519,758)	(2,630,365)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure including capital work in progress	(53,373)	(177,048)
Proceeds from disposal of property, plant and equipment	50,511	223,140
Long term investment	(48,716)	-
Long-term deposits	2,603	(1,000)
Net cash (used in) / generated from investing activities	(48,975)	45,092
<i>Balance carried forward</i>	(1,568,733)	(2,585,273)

MATCO FOODS LIMITED**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025**

	December 31, 2025	December 31, 2024
Note	-----Rupees in '000'-----	
<i>Balance brought forward</i>	(1,568,733)	(2,585,273)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finances - net	(53,158)	(183,060)
Lease liabilities paid during the period	(26,480)	(26,978)
Dividend paid	(2)	(27,403)
Short-term borrowings - net	1,642,074	2,600,826
Net cash generated from financing activities	1,562,434	2,363,385
Net change in cash and cash equivalents during the period	(6,299)	(221,888)
Cash and cash equivalents as at the beginning of period	353,442	357,419
Effects of exchange rate changes on cash and cash equivalents	(2,754)	992
Cash and cash equivalents as at the end of period	16 <u>344,389</u>	<u>136,523</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Total
	-----Rupees in '000'-----				
Balance as at July 01, 2024 (Audited)	1,224,007	680,467	2,888,862	5,194,286	9,987,622
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	238,300	-	238,300
Other comprehensive income	-	-	(550)	-	(550)
Total comprehensive income	-	-	237,750	-	237,750
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	85,047	(85,047)	-
Transferred from surplus on revaluation of fixed assets on account of disposal - net of tax	-	-	624	(624)	-
Balance as on December 31, 2024 (Unaudited)	<u>1,224,007</u>	<u>680,467</u>	<u>3,212,283</u>	<u>5,108,615</u>	<u>10,225,372</u>

MATCO FOODS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Issued, subscribed and paid up share capital	Capital reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Total
		Share premium reserve			
-----Rupees in '000'-----					
Balance as on July 01, 2025 (Audited)	1,224,007	680,467	3,474,859	5,023,576	10,402,909
<i>Total comprehensive income for the period</i>					
Profit for the period	-	-	40,285	-	40,285
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	40,285	-	40,285
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	62,902	(62,902)	-
Balance transferred as per scheme detailed in note 1.2	-	-	(128,492)	(384,041)	(512,533)
Balance as on December 31, 2025 (Unaudited)	<u>1,224,007</u>	<u>680,467</u>	<u>3,449,554</u>	<u>4,576,633</u>	<u>9,930,661</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated financial statements.



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025****1 STATUS AND NATURE OF BUSINESS**

1.1 Matco Foods Limited, ('the Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (now: Companies Act, 2017). The Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Company is to carry out the business of processing and export of rice, rice glucose and rice protein. The registered office of the Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Company are situated at (i) Plot A-15 & 16, SITE-II, Super Highway Karachi; (ii) A-21, SITE-II, Super Highway Karachi; (iii) G-205, SITE-II, Super Highway Karachi; (iv) 50 KM G.T. Road, Sadhoke, Tehsil Kamonki, District Gujranwala.

The Company has 100% ownership in JKT General Trading FZE (subsidiary) a United Arab Emirates based company which is situated at P.O.Box 123347, Sharjah - U.A.E, and registered with Government of Sharjah. The business of the subsidiary is purchasing and selling of processed rice.

The Company has 99.99% ownership in Falak Foods Limited (a public unlisted company) formerly known as Matco Marketing (Private) Limited (the subsidiary), which was incorporated on June 16, 2016 with authorized and paid-up share capital of Rs. 10,000,000 and Rs. 7,500,000, respectively. The subsidiary is situated at B-1/A, S.I.T.E. Phase-1, Super Highway Industrial Area, Karachi. During July, Matco Foods Limited transferred its business division of Falak Foods to Falak Foods Limited (formerly known as Matco Marketing (Private) Limited), including net assets amounting to Rs. 353.78 million. The company has recognized consideration as receivable from Falak Foods Limited (formerly known as Matco Marketing (Private) Limited) in these interim financial statements.

The Company has 99.99% ownership in Matco Corn Products (Private) Limited (subsidiary) which was incorporated on May 07, 2025 with authorized and initial paid-up share capital of Rs. 1,500,000,000 and Rs.100,000 respectively. The subsidiary is situated at Plot No. 8-C (3rd and 4th Floor), Shahbaz Lane No. 2, Phase VI, DHA, Karachi. The principal line of business of the company shall be to produce, store, and process corn and other agricultural products to create value-added products for Human Nutrition Ingredients (HNI), Animal Nutrition Ingredients (ANI), and general industrial purposes.

These are the separate financial statements of the Company in which investments in subsidiaries and joint venture are stated at cost less impairment losses, if any.

1.2 During the period, the Company undertook a comprehensive corporate restructuring aimed at enhancing operational efficiency and sharpening strategic focus across its business verticals. Matco Corn Products (Private) Limited (MCPPL), a wholly owned subsidiary of the Company, was incorporated on May 07, 2025, in which the Company holds 99.99% ownership. The subsidiary has an authorized share capital of Rs. 1,500,000,000 and a initial paid-up share capital of Rs. 100,000.

As part of the restructuring, the Company's Corn Starch business was carved out into MCPPL pursuant to a Scheme of Arrangement dated May 23, 2025, which was approved by the Honorable Sindh High Court through an order dated December 08, 2025. As a result of the restructuring, net assets amounting to Rs. 1,215.04 million were transferred to the subsidiary under the approved Scheme of Arrangement, against which the subsidiary will issue 121,503,918 additional ordinary shares at par value to the Company. Out of these additional shares, 18,800,000 ordinary shares were issued on July 03, 2025, resulting in an increase in the paid-up share capital of the subsidiary to 18,810,000 ordinary shares, while the remaining shares will be issued shortly.

Further, the Company's Falak Foods (Masala) business was transferred to a wholly owned subsidiary, Falak Foods Limited (formerly known as Matco Marketing (Private) Limited) (FFL), through a Business Transfer Agreement executed on November 17, 2025. In lieu of this business transfer, net assets amounting to Rs. 353.78 million were transferred to FFL. These restructuring initiatives are intended to enhance operational efficiency, improve management focus, and are expected to have a significant impact on the Company's financial position and performance.

Following net assets relating to the two segments are transferred to MCPPL and FFL under restructuring, effective from July 01, 2025.

ASSETS	-----Rupees in '000'-----	
	MCPPL	FFD
Property, plant and equipment	2,657,782	9,553
Right-of-use assets	154,971	13,691
Stores, spares and loose tools	206,544	-
Stock in trade	1,864,049	141,002
Trade debts	458,784	91,967
Loans and advances	108,000	24,088
Balance <i>b/f</i>	5,450,130	280,301

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

Balance c/f	5,450,130	280,301
Cash and bank balances	48,716	-
Inter Division Payable	-	130,348
	5,498,846	410,649
LIABILITIES		
Long-term finances - secured	851,678	-
Lease liabilities	135,346	18,787
Deferred liabilities	197,910	9,447
Trade and other payables	651,844	28,637
Advance from customers - secured	321,319	-
Accrued mark-up	7,413	-
Inter Division Receivable	1,605,763	-
	3,771,273	56,871
Equity		
Surplus on revaluation of property, plant and equipment - net of tax	384,041	-
Unappropriated profit	128,492	-
	512,533	-
Adjustable against shares/ receivable	1,215,040	353,778

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

During the period, the Company has entered into corporate restructuring through carve-out of its two business segments under the Scheme of Arrangement & Business Transfer Agreement, as disclosed in note 1.2 of these unconsolidated condensed interim financial statements. As a result of this, net assets of the Company are transferred to Matco Corn Products (Private) Limited (MCPPL) and Falak Foods Limited (FFL) (formerly known as Matco Marketing (Private) Limited), effective from July 01, 2025.

3 BASIS OF PREPARATION**3.1 Statement of compliance**

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

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the required of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed in preparation of these unconsolidated financial statements.

3.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2025.

3.3 The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2025 and December 31, 2024 and notes forming part thereof have not been reviewed by the auditors of the Company. Also, the figures for the quarter ended September 30, 2025, as reported by the Company included operations from the two segments which are carved-out and stand restated due to the transfer of net assets and operations effective from July 01, 2025.

3.4 These condensed interim financial statements are presented in the Pakistani rupees which is also the Company's functional currency.

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025****3.5 Standards, Amendments and Interpretations to Approved Accounting Standards****3.5.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current period**

There were certain amendments to accounting and reporting standards which became effective for the Company for the current period. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.5.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

Amendments to IFRS 7 'Financial Instruments – Disclosures' and IFRS 9 'Financial Instruments': Amendments regarding the classification and measurement of financial instruments

January 1, 2026

IFRS 17 – Insurance Contracts

January 1, 2026

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

January 1, 2027

IFRS S2 – Climate-related Disclosures

July 1, 2026

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

3.5.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's condensed interim financial statements and operations and, therefore, have not been adopted by the SECP.

4 MATERIAL ACCOUNTING POLICIES

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this unconsolidated condensed interim financial statements, the significant judgement made by management in applying the Company's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2025.

6 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Un-audited) December 31, 2025	(Audited) June 30, 2025		(Un-audited) December 31, 2025	(Audited) June 30, 2025
(Number of shares)			-----Rupees in '000'-----	
		Ordinary shares of Rs. 10 each:		
50,340,213	50,340,213	- fully paid in cash	503,402	503,402
6,002,950	6,002,950	- issued for consideration other than cash	60,030	60,030
66,057,535	66,057,535	- issued as fully paid bonus shares	660,575	660,575
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,007</u>	<u>1,224,007</u>

MATCO FOODS LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
7 LONG-TERM FINANCES - SECURED	-----Rupees in '000'-----	
<i>From banking companies and financial institution:</i>		
LTFF/ILTF	107,841	109,374
TERF/ITERF	779,756	784,965
FFSAP/IFFASP	139,834	145,603
Demand Finance	391,673	432,320
	<u>1,419,104</u>	<u>1,472,262</u>
Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	<u>(851,678)</u>	-
	<u>567,426</u>	<u>1,472,262</u>
Current portion of long-term finances	<u>(151,420)</u>	(354,835)
	<u><u>416,006</u></u>	<u><u>1,117,427</u></u>

7.1 The Company has obtained long-term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets of the Company. The mark-up charged on these finances are same as disclosed in unconsolidated annual financial statements as at June 30, 2025.

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
8 DEFERRED LIABILITIES	-----Rupees in '000'-----	
Deferred tax liability	590,578	616,270
Staff gratuity scheme - unfunded	128,515	184,044
	<u>719,093</u>	<u>800,314</u>
Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	<u>(197,910)</u>	-
Balance transferred as at July 01, 2025 as per Business transfer agreement detailed in note 1.2	<u>(9,447)</u>	-
	<u><u>511,736</u></u>	<u><u>800,314</u></u>

9 SHORT-TERM BORROWINGS SECURED

Export re-finance	7,467,959	7,746,988
Own resource	6,829,218	4,975,251
FE-25 Scheme	394,112	456,206
Foreign bills purchased/negotiated	281,312	152,082
	<u>14,972,601</u>	<u>13,330,527</u>

9.1 The facilities available from various banks amount to Rs. 15,125 million (2025: Rs. 13,870 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets. The mark up charged on these finances are same as disclosed in unconsolidated annual financial statements as at June 30, 2025.

10 UNPAID DIVIDEND

This represents dividends (both interim and final) that remain unpaid to shareholders who have not provided their valid Central Depository System (CDS) account number and International Bank Account Number (IBAN). The Company has already communicated with such shareholders to obtain the required information.

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

The current status of the contingencies is same as disclosed in the annual audited financial statements of the Company for the year ended June 30, 2025.

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	notes	-----Rupees in '000'-----	
11.2	Commitments		
	Letter of credit	118,770	38,895
	Letter of guarantee	45,701	55,632
	Capital expenditure	91,631	200,000
	Cheques issued in favor of Nazir of High court in relation to SSGC case	7,732	7,732
		<u>263,834</u>	<u>302,259</u>
12	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	8,037,299	10,736,913
	Capital work in progress	88,360	246,207
		<u>8,125,659</u>	<u>10,983,120</u>
12.1	Opening balance	10,736,913	11,257,083
	Additions during the period	48,078	429,337
		10,784,991	11,686,420
	Depreciation	(218,399)	(747,898)
	Disposals during the period - NBV	(24,266)	(201,608)
		(242,665)	(949,506)
	Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	(2,495,474)	-
	Balance transferred as at July 01, 2025 as per Business transfer agreement detailed in note 1.2	(9,553)	-
		(2,505,027)	-
	Closing balance	<u>8,037,299</u>	<u>10,736,914</u>
12.2	Following is the movement in capital work in progress during the period.		
	Opening balance	246,207	162,777
	Additions during the period	4,462	204,286
		250,669	367,064
	Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	(162,308)	-
	Transferred to operating fixed assets	-	(120,857)
	Closing balance	<u>88,361</u>	<u>246,207</u>
12.3	Details of additions and disposals to fixed operating assets during the six months ended December 31, 2025 are as follows:		
		Additions at cost	Disposals at net book value
		-----Rupees in '000'-----	
	Factory building	5,792	-
	Plant and machinery	29,030	-
	Electric cables and fitting	19	-
	Furniture and fixture	286	-
	Motor vehicles	1,436	24,043
	Office equipment	1,927	-
	Factory equipment	8,001	-
	Computers	1,587	-
	Camera	-	-
	Mobile phone	-	222
	Generator	-	-
	December 31, 2025	<u>48,078</u>	<u>24,266</u>
	June 30, 2025	<u>429,336</u>	<u>201,608</u>

MATCO FOODS LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
-----Rupees in '000'-----			
13	LONG-TERM INVESTMENTS		
	<i>Subsidiaries</i>		
	JKT General Trading (FZE)	23,583	23,583
	Falak Foods (Private) Limited	7,500	7,500
	Matco Corn Products (Private) Limited	1,215,140	100
	<i>Joint Venture</i>		
	Barentz Pakistan (Private) Limited	24,500	24,500
		<u>1,270,723</u>	<u>55,683</u>
13.1	On October 8, 2013, the Company incorporated a new wholly owned subsidiary, JKT General Trading FZE in U.A.E. The principal activities are general trading, export / import and other related activities. The Company has made an equity investment of USD 255,000 (June 30, 2023: USD 255,000) out of which shares of USD 40,872 (June 30, 2023: USD 40,872) have been issued. Shares for the remaining amount would be issued after completion of necessary regulatory formalities.		
13.2	The Company has 99.99% ownership in Falak Foods Limited (a public unlisted company), previously known as Matco Marketing (Private) Limited (the subsidiary), which was incorporated on June 16, 2016 with authorized and paid-up share capital of Rs. 10,000,000 and Rs. 7,500,000, respectively. The subsidiary is situated at B-1/A, S.I.T.E. Phase-1, Super Highway Industrial Area, Karachi. During July, Matco Foods Limited transferred its business division of Falak Foods to Falak Foods Limited (a public unlisted company), previously known as Matco Marketing (Private) Limited (the subsidiary), including net assets amounting to Rs. 353.78 million against which consideration is still outstanding and recorded in due from related parties.		
13.3	The Company has 99.99% ownership in Matco Corn Products (Private) Limited (the “Subsidiary”), which was incorporated on May 07, 2025 with authorized and paid-up share capital of Rs. 1,500,000,000 and Rs. 100,000, respectively. During the period, the Company transferred net assets amounting to Rs. 1,215.04 million to the Subsidiary under a Scheme of Arrangement approved by the Honorable Court, against which the Subsidiary will issue 121,503,918 additional ordinary shares at par value. Out of these, 18,800,000 ordinary shares were issued on July 03, 2025, increasing the paid-up share capital from 10,000 shares to 18,810,000 shares. The remaining shares will be issued shortly.		
13.4	On June 28, 2019, the company has been incorporated in Pakistan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 million (June 30, 2025: Rs. 50 million), thereby, constituting a joint venture.		
		(Un-audited) December 31, 2025	(Audited) June 30, 2025
-----Rupees in '000'-----			
14	STOCK IN TRADE		
	Raw materials	9,234,354	7,372,387
	Packing materials	564,589	459,653
	Finished goods	7,151,180	5,861,746
		<u>16,950,123</u>	<u>13,693,786</u>
	Provision for slow moving / obsolete items	(27,469)	(25,739)
		<u>16,922,654</u>	<u>13,668,047</u>
	Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	(1,864,049)	-
	Balance transferred as at July 01, 2025 as per Business transfer agreement detailed in note 1.2	(141,002)	-
		<u>14,917,603</u>	<u>13,668,047</u>

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
15 TRADE DEBTS	-----Rupees in '000'-----	
- Export - secured	1,121,100	1,090,976
- Local - unsecured	853,720	866,441
Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	(458,784)	-
Balance transferred as at July 01, 2025 as per Business transfer agreement detailed in note 1.2	(91,967)	-
	<u>1,424,069</u>	<u>1,957,417</u>
16 CASH AND BANK BALANCES		
Cash in hand	6,348	10,816
Cash at bank	386,757	342,626
Balance transferred as at July 01, 2025, as per Scheme detailed in note 1.2	(48,716)	-
	<u>344,389</u>	<u>353,442</u>
	(Un-Audited) December 31, 2025	(Un-Audited) December 31, 2024
17 OPERATING RESULTS	-----Rupees in '000'-----	
Disaggregation of revenue		
Export Sales	5,316,375	7,706,650
Local Sales		
- Main Products	1,570,326	3,491,369
- By-Products and Others	1,691,205	2,972,762
	<u>3,261,531</u>	<u>6,464,131</u>
Gross Sales	8,577,906	14,170,781
Sales discount / return	(27,785)	(127,997)
Sales tax	(71,336)	(514,498)
Freight	(272,346)	(549,395)
Clearing and forwarding	(35,915)	(42,363)
Net Sales	<u>8,170,524</u>	<u>12,936,528</u>

17.1 During the period, the Corn Starch and Falak Foods segments were transferred out of the Company as explained in note 1.2.

18 SEGMENT INFORMATION

Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker for the purposes of resource allocation and performance assessment, in accordance with IFRS 8 Operating Segments.

During the period, two of the Company's operating segments, namely Falak Foods and Corn Starch, were demerged as disclosed in note 1.2 of these interim financial statements. Following this, the Company now operates through a single reporting segment i.e., rice and allied products. Accordingly, the Company no segment reporting requirement.

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

	(Un-Audited) December 31, 2025	(Un-Audited) December 31, 2024
19 EARNINGS PER SHARE - BASIC & DILUTED	-----Rupees in '000'-----	
Basic earning per share		
Profit for the period	40,285	238,300
Weighted average number of ordinary shares	122,401	122,401
Earning per share	0.33	1.95

19.1 Diluted earning per share

There is no dilutive effect on earnings per share as the Company does not have any convertible instruments.

20 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O 1278(I)/2024 dated August 15 2024:

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
Financing as per Islamic Mode	-----Rupees in '000'-----	
Long-term financing (including current portion)	54,449	551,117
Short-term borrowings	6,161,895	4,979,593
Interest accrued on conventional loans		
Finance Cost	116,127	145,153
Shariah compliant bank balances		
Bank Balances	48,734	34,986
Profit paid on Islamic mode of financing		
Long-term financing	734	12,420
Short-term borrowings	304,797	343,281

Relationship with Shariah-compliant financial institutions

Name	Relationship
Dubai Islamic Bank Pakistan Limited	Funded Facility & Bank Balance
Faysal Bank Limited	Funded Facility & Bank Balance
Meezan Bank Limited	Funded Facility & Bank Balance
Standard Chartered Pakistan	Funded Facility & Bank Balance
Bank Islami Limited	Funded Facility & Bank Balance

MATCO FOODS LIMITED**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025****21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

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

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

21.1 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim unconsolidated financial statements approximate their fair values.

21.2 Fair value hierarchy

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

22 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	December 31,	December 31,
			2025	2024
-----Rupees in '000'-----				
Directors		Godown rent paid to director	<u>17,406</u>	<u>21,893</u>
Subsidiary				
JKT General Trading FZE	100%	Sales	<u>62,247</u>	<u>50,903</u>
		Payment received on account of sales	<u>47,511</u>	<u>41,890</u>
		Payment made on behalf	<u>-</u>	<u>400</u>
Matco Corn Products (Private) Limited	99.99%	Net Assets transfer	<u>1,215,040</u>	<u>-</u>
		Inter-Division balance receivable	<u>1,605,763</u>	<u>-</u>
		Output Tax Payment paid on behalf	<u>462,699</u>	<u>-</u>
		Loan Transfer	<u>750,000</u>	<u>-</u>
		Paid expenses on behalf	<u>784,314</u>	<u>-</u>
		Collection on their behalf	<u>805,407</u>	<u>-</u>
Falak Foods Limited (formerly known as Matco Marketing (Private) Limited)	99.99%	Reimbursement of expenses paid on behalf - net	<u>60,252</u>	<u>(151)</u>
		Business Transfer Receivable	<u>353,778</u>	<u>-</u>
		Inter-Division balance payable-BTA	<u>130,347</u>	<u>-</u>

MATCO FOODS LIMITED
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

Nature of relationship	Percentage of Holding	Transactions	December 31,	December 31,
			2025	2024
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>33,082</u>	104,355
		Payment received on account of expenses	<u>53,032</u>	81,635
		Interest Income	<u>262</u>	5,447
		Interest Received	<u>6,294</u>	5,528
		Rental and service income	<u>449</u>	408
		Rental and service income received	<u>3,755</u>	575
		Commission paid	<u>-</u>	1,048
		Sale of vehicle	<u>-</u>	2,648
		Purchase from Barentz	<u>364,270</u>	105,269
		Payment made on account of purchases	<u>424,946</u>	53,741
		Sale to Barentz	<u>62,744</u>	89,635
		Payment received on account of sales	<u>93,437</u>	103,148
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>7,662</u>	7,157
		Payment received on account of expenses	<u>7,662</u>	7,157
Faiyaz Center Owner Association	0%	Paid expenses on behalf	<u>1,487</u>	993
		Payment received on account of expenses	<u>1,487</u>	993
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	<u>7,265</u>	8,875
		Payment received on account of expenses	<u>54</u>	48
		Donation expense	<u>7,212</u>	8,827
Nature of relationship	Percentage of Holding	Balances	December 31,	June 30,
			2025	2025
-----Rupees in '000'-----				
Subsidiary				
JKT General Trading FZE	100%	Trade receivables outstanding	<u>23,795</u>	9,059
		Payable against expenses	<u>15,070</u>	15,070
		Advance outstanding against sales	<u>-</u>	39,869
Falak Foods Limited (formerly known as Matco Marketing (Private) Limited)	99.99%	Advance outstanding	<u>192,685</u>	2,086
		Business Transfer Receivable	<u>353,778</u>	-
Matco Corn Products (Private) Limited	99.99%	Long-term investments	<u>1,215,040</u>	100
		Inter-Division balance receivable	<u>1,297,369</u>	-
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	<u>8,815</u>	28,765
		Interest receivable	<u>45</u>	6,076
		Receivable against rent and services	<u>225</u>	3,531
		Receivable against sales	<u>21,548</u>	52,241
		Payable against purchases	<u>52,198</u>	112,874

MATCO FOODS LIMITED

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

23 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 17, 2026 by the board of directors of the Company.

24 GENERAL

24.1 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

24.2 Certain prior year's figures have been reclassified where necessary for the purpose of comparison, but no material reclassification is made in these financial statements.



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

Consolidated Condensed Interim Financial Statements



MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	-----Rupees in '000'-----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		2,000,000	2,000,000
Issued, subscribed and paid up share capital	6	1,224,007	1,224,007
Capital reserve		680,467	680,467
Exchange Revaluation Reserve		67,817	68,546
Unappropriated profit		3,899,821	3,489,757
Surplus on revaluation of property, plant and equipment - net of tax		4,941,472	5,023,576
Total shareholders' equity		10,813,584	10,486,354
Non-current liabilities			
Long-term finances - secured	7	1,732,973	1,117,427
Lease liabilities		322,710	298,193
Deferred liabilities	8	712,452	795,236
Total non-current liabilities		2,768,135	2,210,856
Current liabilities			
Trade and other payables		4,120,851	2,918,499
Advance from customers - secured		565,692	332,769
Accrued mark-up		255,419	268,461
Due to related parties		-	-
Short-term borrowings - secured	9	14,972,601	13,330,527
Current portion of long-term finances - secured	7	359,009	354,835
Current portion of lease liabilities		67,630	84,940
Unpaid dividend	10	931	934
Total current liabilities		20,342,133	17,290,965
Total liabilities		23,110,268	19,501,821
Contingencies and commitments	11		
Total equity and liabilities		33,923,852	29,988,175

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

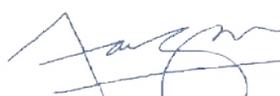
MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
	Note	-----Rupees in '000'-----	
ASSETS			
Non-current assets			
Property, plant and equipment	12	10,745,283	10,983,183
Right-of-use assets		411,365	380,602
Intangible assets		-	-
Long-term deposits		18,105	20,709
Long-term investments	13	110,318	60,966
Total non-current assets		11,285,071	11,445,460
Current assets			
Stores, spares and loose tools		512,131	325,002
Stock in trade	14	16,784,093	13,668,047
Trade debts	15	2,437,826	1,959,116
Loans and advances		1,904,292	1,756,069
Trade deposits and short term prepayments		17,242	32,790
Short-term investment		3,916	1,200
Sales tax refundable		25,000	25,000
Due from related parties		59,078	38,422
Taxation and levies - net		471,736	366,351
Cash and bank balances	16	423,467	370,718
Total current assets		22,638,781	18,542,715
Total assets		33,923,852	29,988,175

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

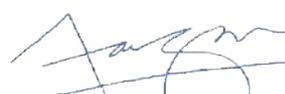
MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Note	Three-Months Ended		Six-Months Ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		-----Rupees in '000'-----			
Sales - net	17	5,740,662	6,359,543	11,805,938	12,938,723
Cost of sales		(4,902,194)	(5,509,970)	(10,014,787)	(11,177,932)
Gross profit		838,468	849,573	1,791,151	1,760,791
Selling and distribution expenses		(163,325)	(103,821)	(295,168)	(265,734)
Administrative expenses		(276,690)	(168,224)	(545,473)	(388,504)
		(440,015)	(272,045)	(840,641)	(654,238)
Operating profit		398,453	577,528	950,510	1,106,553
Finance cost		(364,155)	(516,119)	(727,200)	(1,072,836)
Other income		38,953	49,203	56,483	63,011
Share of profit from associated company		20,693	6,424	49,352	14,777
Exchange gain - net		33,764	47,486	25,701	211,954
Provision for workers' welfare fund		(846)	(6,075)	(4,708)	(6,075)
Provision for workers' profit participation fund		(2,116)	(15,187)	(11,771)	(15,187)
Profit before levies and income tax		124,746	143,260	338,367	302,197
Levies - final and minimum tax		(9,502)	(33,184)	(71,761)	(100,185)
Taxation		45,723	17,363	61,353	34,737
Profit for the period		160,968	127,439	327,960	236,749
Attributable to:					
Shareholders of Holding Company		160,968	127,439	327,960	236,749
Non-controlling interest		-	-	-	-
Earnings per share - basic and diluted	18	1.32	1.04	2.68	1.93

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025**

	Three-Months Ended		Six-Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	-----Rupees in '000'-----			
Profit for the period	160,968	127,439	327,960	236,749
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified subsequently to the unconsolidated statement of profit or loss</i>				
- Exchange difference of translation of foreign operations	(198)	297	(729)	900
<i>Items that will not be reclassified subsequently to the unconsolidated statement of profit or loss</i>				
- Remeasurement of defined benefits obligation	-	(550)	-	(550)
- Unrealized gain on revaluation of investment at fair value through OCI during the period	-	-	-	-
Other comprehensive loss	-	(253)	-	350
Total comprehensive income for the period	160,770	127,186	327,231	237,099

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.



Khalid Sarfaraz Ghori
Chief Executive Officer



M. Aamir Farooqui
Chief Financial Officer



Faizan Ali Ghori
Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Six Months Ended	
	December 31, 2025	December 31, 2024
Note	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before levies and income tax	338,367	302,197
Adjustments for:		
Depreciation	346,433	372,930
Depreciation on right of use assets	30,758	27,057
Exchange gain - net	(23,017)	(212,946)
Provision for slow moving stock	5,764	766
Share of (profit)/loss from associated company	(49,352)	(14,777)
Finance cost	733,852	1,081,544
Provision for staff gratuity	-	52,350
Gain on disposal of property, plant and equipment	(29,404)	(29,927)
	<u>1,015,034</u>	<u>1,276,997</u>
	1,353,401	1,579,194
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(187,129)	(47,205)
Stock-in-trade	(3,121,810)	(2,127,751)
Trade debts - considered good	(453,009)	(31,815)
Loans and advances	(148,223)	(744,994)
Trade deposits and prepayments	15,548	13,436
Due from related parties	(20,656)	(24,072)
	<u>(3,915,279)</u>	<u>(2,962,401)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	1,202,352	226,680
Due to related parties	-	-
Advances from customers	232,923	270,967
	<u>1,435,275</u>	<u>497,647</u>
Cash used in operations	(1,126,603)	(885,560)
Finance cost paid	(746,894)	(1,419,973)
Income taxes and levies paid	(122,126)	(215,284)
Gratuity paid	(56,668)	(100,449)
Net cash used in operating activities	(2,052,291)	(2,621,266)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure including capital work in progress	(130,498)	(177,048)
Proceeds from disposal of property, plant and equipment	50,511	223,140
Long term investment	(49,352)	-
Long-term deposits	2,604	(1,000)
Net cash (used in) / generated from investing activities	(126,735)	45,092
<i>Balance carried forward</i>	<u>(2,179,026)</u>	<u>(2,576,174)</u>

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	December 31, 2025	December 31, 2024
<i>Balance brought forward</i>	(2,179,026)	(2,576,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finances - net	619,720	(183,059)
Lease liabilities paid during the period	(27,332)	(26,978)
Dividend paid	(3)	(27,403)
Short-term borrowings - net	1,642,074	2,600,826
Net cash generated from financing activities	2,234,459	2,363,386
Net change in cash and cash equivalents during the period	55,433	(212,788)
Effect of exchange rate changes on value of foreign operation		900
Cash and cash equivalents as at the beginning of period	370,718	362,449
Effects of exchange rate changes on cash and cash equivalents	(2,684)	992
Cash and cash equivalents as at the end of period	423,467	151,553

Note

-----Rupees in '000'-----

16

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Khalid Sarfaraz Ghori
Chief Executive Officer


M. Aamir Farooqui
Chief Financial Officer


Faizan Ali Ghori
Director

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Equity attributable to the Holding Company's Shareholders	Total
-----Rupees in '000'-----							
Balance as at July 01, 2024 (Audited)	1,224,007	680,467	66,746	2,902,806	5,194,286	10,068,312	10,068,312
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-		236,749	-	236,749	236,749
Other comprehensive income	-	-	900	(550)	-	350	350
Total comprehensive income	-	-	900	236,199	-	237,099	237,099
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-		85,047	(85,047)		-
Transferred from surplus on revaluation of fixed assets on account of disposal - net of tax	-	-		624	(624)		-
Balance as on December 31, 2024 (Unaudited)	1,224,007	680,467	67,646	3,224,676	5,108,615	10,305,411	10,305,411

MATCO FOODS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31,2025

	Issued, subscribed and paid up share capital	Capital reserve Share premium reserve	Exchange Revaluation Reserve	Unappropriated profit	Surplus on revaluation of property, plant and equipment - net of tax	Equity attributable to the Holding Company's Shareholders	Total
	-----Rupees in '000'-----						
Balance as on July 01, 2025 (Audited)	1,224,007	680,467	68,546	3,489,757	5,023,576	10,486,353	10,486,353
<i>Total comprehensive income for the period</i>							
Profit for the period	-	-	(729)	327,960	-	327,231	327,231
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	-	(729)	327,960	-	327,231	327,231
Transferred from surplus on revaluation of fixed assets on account	-	-	-	82,104	(82,104)	-	-
Balance as on December 31, 2025 (Unaudited)	<u>1,224,007</u>	<u>680,467</u>	<u>67,817</u>	<u>3,899,821</u>	<u>4,941,472</u>	<u>10,813,584</u>	<u>10,813,584</u>

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director

MATCO FOODS LIMITED

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

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

1 STATUS AND NATURE OF BUSINESS

The 'Group' consists of:

Holding Company

- Matco Foods Limited (the Holding Company)

Subsidiary Company

- JKT General Trading FZE
- Falak Foods Limited
- Matco Corn Products (Private) Limited

Associated Company

- Barentz Pakistan (Private) Limited

The Group is engaged in the business of processing and export of rice, glucose, protein, corn starch, Falak masala, pink salt, kheer and flour, manufacturing, general trading, exports/imports and other related activities. Brief profile of the Holding Company, subsidiaries and associated company is as under:

a) Matco Foods Limited

Matco Foods Limited, ('the Holding Company') was incorporated on April 14, 1990 in Karachi as a private limited company under the repealed Companies Ordinance, 1984 (Now: Companies Act, 2017). The Holding Company was listed on Pakistan Stock Exchange Limited on February 13, 2018. The principal activity of the Holding Company is to carry out the business of processing, export of rice, rice glucose, and rice protein. The registered office of the Holding Company is situated at B-1/A, S.I.T.E.-II Phase 1, Super Highway Industrial Area, Karachi; whereas the factories of the Holding Company are situated at (i) Plot A-15 & 16, SITE-II, Super highway Karachi; (ii) A-21, SITE-II, Super highway Karachi; (iii) G-205, SITE-II, Super highway Karachi and (iv) 50 KM G.T Road, Sadhoke, Tehsil Kamoke, District Gujranwala.

b) JKT General Trading FZE

JKT General Trading FZE, ('the establishment') is a free zone establishment with limited liability registered in Saif-Zone, Sharjah, United Arab Emirates (UAE) under general trading license no. 12689. The principal activity of the establishment is purchasing and selling of processed rice.

JKT General Trading FZE, ('the establishment') is a free zone establishment with limited liability registered in Saif-Zone, Sharjah, United Arab Emirates (UAE) under general trading license no. 12689. The principal activity of the establishment is purchasing and selling of processed rice.

c) Falak Foods Limited

The Holding Company has 99.99% ownership in Falak Foods (Private) Limited previously known as Matco Marketing (Private) Limited (subsidiary) which was incorporated on June 16, 2016 with authorized and paid-up share capital of Rs. 2,000,000,000 and Rs. 7,500,000 respectively. The subsidiary is situated at B-1/A, S.I.T.E. Phase 1, Super Highway Industrial Area, Karachi. However, no business activity has been carried out by the subsidiary since its incorporation.

d) Matco Corn Products (Private) Limited

The Company has 99.99% ownership in Matco Corn Products (Private) Limited (subsidiary) which was incorporated on May 07, 2025 with authorized and paid-up share capital of Rs. 1,500,000,000 and Rs. 18,8100,000 respectively. The subsidiary is situated at Plot No. 8-C (3rd and 4th Floor), Shahbaz Lane No. 2, Phase VI, DHA, Karachi. The principal line of business of the company shall be to produce, store, and process corn and other agricultural products to create value-added products for Human Nutrition Ingredients (HNI), Animal Nutrition Ingredients (ANI), and general industrial purposes.

e) Barentz Pakistan (Private) Limited

The Barentz Pakistan (Private) Limited (a joint venture between Barentz International B.V and Matco Foods Limited with holding of 51% and 49% respectively) has been incorporated in Pakistan on June 28, 2019 with the approval of Securities & Exchange Commission of Pakistan and Competition Commission of Pakistan.

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

- 1.1 During the period, the Company undertook a comprehensive corporate restructuring aimed at enhancing operational efficiency and sharpening strategic focus across its business verticals. Matco Corn Products (Private) Limited (MCPPL), a wholly owned subsidiary of the Company, was incorporated on May 07, 2025, in which the Company holds 99.99% ownership. The subsidiary has an authorized share capital of Rs. 1,500,000,000 and a initial paid-up share capital of Rs. 100,000.

As part of the restructuring, the Company's Corn Starch business was carved out into MCPPL pursuant to a Scheme of Arrangement dated May 23, 2025, which was approved by the Honorable Sindh High Court through an order dated December 08, 2025. As a result of the restructuring, net assets amounting to Rs. 1,215.04 million were transferred to the subsidiary under the approved Scheme of Arrangement, against which the subsidiary will issue 121,503,918 additional ordinary shares at par value to the Company. Out of these additional shares, 18,800,000 ordinary shares were issued on July 03, 2025, resulting in an increase in the paid-up share capital of the subsidiary to 18,810,000 ordinary shares, while the remaining shares will be issued shortly.

Further, the Company's Falak Foods (Masala) business was transferred to a wholly owned subsidiary, Falak Foods Limited (formerly known as Matco Marketing (Private) Limited) (FFL), through a Business Transfer Agreement executed on November 17, 2025. In lieu of this business transfer, net assets amounting to Rs. 353.78 million were transferred to FFL. These restructuring initiatives are intended to enhance operational efficiency, improve management focus, and are expected to have a significant impact on the Company's financial position and performance.

Following net assets relating to the two segments are transferred to MCPPL and FFL under restructuring, effective from July 01, 2025.

	-----Rupees in '000'-----	
	MCPPL	FFD
ASSETS		
Property, plant and equipment	2,657,782	9,553
Right-of-use assets	154,971	13,691
Stores, spares and loose tools	206,544	-
Stock in trade	1,864,049	141,002
Trade debts	458,784	91,967
Loans and advances	108,000	24,088
Balance <i>b/f</i>	5,450,130	280,301
Balance <i>c/f</i>	5,450,130	280,301
Cash and bank balances	48,716	-
Inter Division Payable	-	130,348
	5,498,846	410,649
LIABILITIES		
Long-term finances - secured	851,678	-
Lease liabilities	135,346	18,787
Deferred liabilities	197,910	9,447
Trade and other payables	651,844	28,637
Advance from customers - secured	321,319	-
Accrued mark-up	7,413	-
Inter Division Receivable	1,605,763	-
	3,771,273	56,871
Equity		
Surplus on revaluation of property, plant and equipment - net of tax	384,041	-
Unappropriated profit	128,492	-
	512,533	-
Adjustable against shares/ receivable	1,215,040	353,778

MATCO FOODS LIMITED

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

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE GROUP'S FINANCIAL POSITION AND PERFORMANCE

During the period, the Company has entered into corporate restructuring through carve-out of its two business segments under the Scheme of Arrangement & Business Transfer Agreement, as disclosed in note 1.2 of these consolidated condensed interim financial statements. As a result of this, net assets of the Company are transferred to Matco Corn Products (Private) Limited (MCPPL) and Falak Foods Limited (FFL) (formerly known as Matco Marketing (Private) Limited), effective from July 01, 2025.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the required of IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed in preparation of these consolidated financial statements.

3.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with Group's consolidated annual audited financial statements for the year ended June 30, 2025.

3.3 The figures of the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2025 and December 31, 2024 and notes forming part thereof have not been reviewed by the auditors of the Company. Also, the figures for the quarter ended September 30, 2025, as reported by the Company included operations from the two segments which are carved-out and stand restated due to the transfer of net assets and operations effective from July 01, 2025.

3.4 These condensed interim financial statements are presented in the Pakistani rupees which is also the Group's functional currency.

3.5 Standards, Amendments and Interpretations to Approved Accounting Standards

3.5.1 Standards, amendments and interpretations to the published standards that are relevant to the group and adopted in the current period

There were certain amendments to accounting and reporting standards which became effective for the Group for the current period. However, these are considered not to be relevant or to have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these financial statements.

3.5.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Group

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these financial statements.

Amendments to IFRS 7 'Financial Instruments – Disclosures' and IFRS 9

'Financial Instruments': Amendments regarding the classification and measurement of financial instruments

January 1, 2026

IFRS 17 – Insurance Contracts

January 1, 2026

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

January 1, 2027

IFRS S2 – Climate-related Disclosures

July 1, 2026

Certain amendments updating a reference to the Conceptual Framework and annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

MATCO FOODS LIMITED

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

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

3.5.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Group's condensed interim financial statements and operations and, therefore, have not been adopted by the SECP.

4 MATERIAL ACCOUNTING POLICIES

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

5 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparations of this consolidated condensed interim financial statements, the significant judgement made by management in applying the Group's accounting policies and the key sources of estimations and uncertainly were the same as those that applied to the audited annual financial statements of the Group for the year ended June 30, 2025.

6 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

(Un-audited) December 31, 2025	(Audited) June 30, 2025		(Un-audited) December 31, 2025	(Audited) June 30, 2025
(Number of shares)			-----Rupees in '000'-----	
		Ordinary shares of Rs. 10 each:		
50,340,213	50,340,213	- fully paid in cash	503,402	503,402
6,002,950	6,002,950	- issued for consideration other than cash	60,030	60,030
66,057,535	66,057,535	- issued as fully paid bonus shares	660,575	660,575
<u>122,400,698</u>	<u>122,400,698</u>		<u>1,224,007</u>	<u>1,224,007</u>
			(Un-audited) December 31, 2025	(Audited) June 30, 2025

7 LONG-TERM FINANCES - SECURED

From banking companies and financial institution:

LTF/ILTF	107,841	109,374
TERF/ITERF	721,836	784,964
FFSAP/IFFASP	120,632	145,603
Demand Finance	<u>1,141,673</u>	<u>432,320</u>
	2,091,982	1,472,261
Current portion of long-term finances	<u>(359,009)</u>	<u>(354,835)</u>
	<u>1,732,973</u>	<u>1,117,427</u>

7.1 The Group has obtained long-term finance facility from various banks for plant & machinery expansion. The facilities available from different banks are secured by way of 1st pari passu hypothecation charge of present and future fixed assets of the Group. The mark-up charged on these finances are same as disclosed in consolidated annual financial statements as at June 30, 2025.

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)****FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

		(Un-audited) December 31, 2025	(Audited) June 30, 2025
		-----Rupees in '000'-----	
8	DEFERRED LIABILITIES		
	Deferred tax liability	583,151	609,246
	Staff gratuity scheme - unfunded	127,376	184,044
	Employees' end of services benefit	1,925	1,945
		<u>712,452</u>	<u>795,236</u>
9	SHORT-TERM BORROWINGS SECURED		
	Export re-finance	7,467,959	7,746,988
	Own resource	6,829,218	4,975,251
	FE-25 Scheme	394,112	456,206
	Foreign bills purchased/negotiated	281,312	152,082
		<u>14,972,601</u>	<u>13,330,527</u>
9.1	The facilities available from various banks amount to Rs. 15,125 million (2025: Rs. 13,870 million). These facilities are secured by way of hypothecation charge of all present and future cash collateral/TDR, receivable, stocks & current assets. These facilities are registered by mortgage charge of land, building, plant and machinery and all present & future fixed assets. The mark up charged on these finances are same as disclosed in consolidated annual financial statements as at June 30, 2025.		
10	UNPAID DIVIDEND		
	This represents dividends (both interim and final) that remain unpaid to shareholders who have not provided their valid Central Depository System (CDS) account number and International Bank Account Number (IBAN). The Group has already communicated with such shareholders to obtain the required information.		
11	CONTINGENCIES AND COMMITMENTS		
11.1	Contingencies		
	The current status of the contingencies is same as disclosed in the annual audited financial statements of the Group for the year ended June 30, 2025.		
		(Un-audited)	(Audited)
		December 31,	June 30,
		2025	2025
		-----Rupees in '000'-----	
11.2	Commitments		
	Letter of credit	118,770	38,895
	Letter of guarantee	45,701	55,632
	Capital expenditure	91,631	200,000
	Cheques issued in favor of Nazir of High court in relation to SSGC case	7,732	7,732
		<u>263,834</u>	<u>302,259</u>
12	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	10,448,395	10,736,977
	Capital work in progress	296,887	246,207
		<u>10,745,283</u>	<u>10,983,183</u>
12.1	Details of additions and disposals to fixed operating assets during the six months ended December 31, 2025 are as follows:		

MATCO FOODS LIMITED

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

FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

		Additions at cost	Disposals at net book value
		-----Rupees in '000'-----	
Factory building		5,792	-
Plant and machinery		32,230	-
Electric cables and fitting		19	-
Furniture and fixture		1,777	-
Motor vehicles		42,237	38,378
Office equipment		1,954	-
Factory equipment		11,514	-
Computers		1,792	-
Camera		-	-
Mobile phone		-	713
Generator		-	-
December 31, 2025		97,315	39,091
June 30, 2025		429,336	201,608
		(Un-audited)	(Audited)
		December 31,	June 30,
		2025	2025
		-----Rupees in '000'-----	
13 LONG-TERM INVESTMENTS			
<i>Investment - at cost</i>			
<i>Unquoted</i>			
Associate - Equity accounted investment	13.1	110,318	60,966
13.1 Equity accounted investment - Barentz International B.V.			
Balance at beginning of the period		60,966	15,511
Investment in associate			-
Share of profit/(loss) for the year - net of tax		49,352	45,456
Dividend received during the year			-
		110,318	60,966
13.2	On June 28, 2019, the company has been incorporated in Pakistan as per agreement between Matco Foods Limited and Barentz International B.V. Matco Foods Limited has subscribed 49% of total shareholding of Rs. 50 million (June 30, 2025: Rs. 50 million), thereby, constituting a joint venture.		
		(Un-audited)	(Audited)
		December 31,	June 30,
		2025	2025
		-----Rupees in '000'-----	
14 STOCK IN TRADE			
Raw materials		9,023,271	7,372,387
Packing materials		543,841	459,653
Finished goods		7,244,450	5,861,746
		16,811,562	13,693,786
Provision for slow moving / obsolete items		(27,469)	(25,739)
		16,784,093	13,668,047

MATCO FOODS LIMITED
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025**

	(Un-audited) December 31, 2025	(Audited) June 30, 2025
15 TRADE DEBTS	-----Rupees in '000'-----	
- Export - secured	1,352,736	1,119,283
- Local - unsecured	1,085,091	839,833
	<u>2,437,826</u>	<u>1,959,116</u>
16 CASH AND BANK BALANCES		
Cash in hand	9,187	10,816
Cash at bank	414,280	359,902
	<u>423,467</u>	<u>370,718</u>
	(Un-Audited) December 31, 2025	(Un-Audited) December 31, 2024
17 OPERATING RESULTS	-----Rupees in '000'-----	
Disaggregation of revenue		
Export Sales	5,757,342	7,708,845
Local Sales		
- Main Products	4,844,558	3,491,369
- By-Products and Others	2,348,207	2,972,762
	<u>7,192,766</u>	<u>6,464,131</u>
Gross Sales	12,950,108	14,172,976
Sales discount / return	(98,124)	(127,996)
Sales tax	(672,784)	(514,498)
Freight	(331,316)	(549,396)
Clearing and forwarding	(41,946)	(42,363)
Net Sales	11,805,938	12,938,723
18 EARNINGS PER SHARE - BASIC & DILUTED		
Basic earning per share		
Profit for the period	327,960	236,749
Weighted average number of ordinary shares	122,401	122,401
Earning per share	2.68	1.93
18.1 Diluted earning per share		

There is no dilutive effect on earnings per share as the Group does not have any convertible instruments.

19 SEGMENT INFORMATION

Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker for the purposes of resource allocation and performance assessment, in accordance with IFRS 8 Operating Segments.

During the period, two of the Group's operating segments, namely Falak Foods and Corn Starch, were demerged as disclosed in note 1.2 of these interim financial statements. Following this, the Group now operates through a single reporting segment i.e., rice and allied products. Accordingly, the Group no segment reporting requirement.

MATCO FOODS LIMITED**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025****20 DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES**

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O 1278(I)/2024 dated August 15 2024:

	(Un-audited)	(Audited)
	December 31,	June 30,
	2025	2025
	-----Rupees in '000'-----	
Financing as per Islamic Mode		
Long-term financing (including current portion)	498,970	551,117
Short-term borrowings	6,161,895	4,979,593
Interest accrued on conventional loans		
Finance Cost	116,127	145,153
Shariah compliant bank balances		
Bank Balances	48,734	34,986
Profit paid on Islamic mode of financing		
Long-term financing	4,335	12,420
Short-term borrowings	304,797	343,281

Relationship with Shariah-compliant financial institutions

Name	Relationship
Dubai Islamic Bank Pakistan Limited	Funded Facility & Bank Balance
Faysal Bank Limited	Funded Facility & Bank Balance
Meezan Bank Limited	Funded Facility & Bank Balance
Standard Chartered Pakistan	Funded Facility & Bank Balance
Bank Islami Limited	Funded Facility & Bank Balance

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

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

21.1 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in these condensed interim consolidated financial statements approximate their fair values.

21.2 Fair value hierarchy

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

22 TRANSACTIONS WITH RELATED PARTIES

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

Nature of relationship	Percentage of Holding	Transactions	December 31, 2025	December 31, 2024
-----Rupees in '000'-----				
Directors		Godown rent paid to director	<u>17,406</u>	<u>21,893</u>
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Paid expenses on behalf	<u>33,082</u>	<u>104,355</u>
		Payment received on account of expenses	<u>53,032</u>	<u>81,635</u>
		Interest Income	<u>262</u>	<u>5,447</u>
		Interest Received	<u>6,294</u>	<u>5,528</u>
		Rental and service income	<u>449</u>	<u>408</u>
		Rental and service income received	<u>3,755</u>	<u>575</u>
		Commission paid	<u>-</u>	<u>1,048</u>
		Sale of vehicle	<u>-</u>	<u>2,648</u>
		Purchase from Barentz	<u>364,270</u>	<u>105,269</u>
		Payment made on account of purchases	<u>424,946</u>	<u>53,741</u>
		Sale to Barentz	<u>62,744</u>	<u>89,635</u>
		Payment received on account of sales	<u>93,437</u>	<u>103,148</u>
Associates based on common directorship				
Matco Engineering Co (Private) Limited	0%	Paid expenses on behalf	<u>7,662</u>	<u>7,157</u>
		Payment received on account of expenses	<u>7,662</u>	<u>7,157</u>
Faiyaz Center Owner Association	0%	Paid expenses on behalf	<u>1,487</u>	<u>993</u>
		Payment received on account of expenses	<u>1,487</u>	<u>993</u>
Trust operated by the Company				
Ghori Trust	0%	Paid expenses on behalf	<u>7,265</u>	<u>8,875</u>
		Payment received on account of expenses	<u>54</u>	<u>48</u>
		Donation expense	<u>7,212</u>	<u>8,827</u>

MATCO FOODS LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2025

Nature of relationship	Percentage of Holding	Balances	December 31, 2025	June 30, 2025
-----Rupees in '000'-----				
Joint Venture				
Barentz Pakistan (Private) Limited	49%	Receivable against expenses	<u>8,815</u>	<u>28,765</u>
		Interest receivable	<u>45</u>	<u>6,076</u>
		Receivable against rent and services	<u>225</u>	<u>3,531</u>
		Receivable against sales	<u>21,548</u>	<u>52,241</u>
		Payable against purchases	<u>52,198</u>	<u>112,874</u>

23 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 17, 2026, by the board of directors of the Group.

24 GENERAL

24.1 Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

24.2 Certain prior year's figures have been reclassified where necessary for the purpose of comparison, but no material reclassification is made in these financial statements.


Khalid Sarfaraz Ghori
 Chief Executive Officer


M. Aamir Farooqui
 Chief Financial Officer


Faizan Ali Ghori
 Director



MATCO



MATCO FOODS LIMITED

SECOND QUARTERLY REPORT 2026

B-1/A, SITE, Phase 1, Super Highway Industrial Area, Karachi – 75340, Pakistan

Tel: +92 21 - 36411661-3