RAK Ceramics (Bangladesh) Ltd.

Consolidated financial statements
as at and for the period ended 30 June 2026

RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of financial position
as at 30 June 2026

	Notes	30 June 2026 Taka	31 Dec 2025 Taka
Assets			
Property, plant and equipment	4	3,379,263,290	3,537,987,262
Investment property	5	502,236,444	502,346,491
Right-of-use assets	6	98,875,272	97,233,126
Intangible assets	7	4,640,487	5,788,218
Capital work-in-progress	8	280,527,427	101,123,591
Deferred tax asset	9	144,422,090	100,814,031
Total non-current assets		**4,409,965,010**	**4,345,292,719**
Inventories	10	3,801,894,969	3,648,419,775
Trade and other receivables	11	2,735,092,459	2,646,937,998
Advances, deposits and prepayments	12	324,969,363	308,123,899
Cash and cash equivalents	13	282,365,765	302,596,176
Total current assets		**7,144,322,556**	**6,906,077,848**
Total assets		**11,554,287,566**	**11,251,370,567**
Equity			
Share capital	14	4,279,687,010	4,279,687,010
Share premium	15	1,473,647,979	1,473,647,979
Retained earnings	16	698,353,359	795,039,083
Equity attributable to equity holders of the company		**6,451,688,348**	**6,548,374,072**
Non-controlling interests		-	-
Total equity		**6,451,688,348**	**6,548,374,072**
Liabilities			
Borrowings	18	393,923,800	340,711,140
Lease liability	19	62,792,543	66,273,313
Total non-current liabilities		**456,716,343**	**406,984,453**
Employees benefits payable	17	63,088,939	-
Borrowings	18	1,883,626,077	1,518,503,061
Lease liability	19	21,047,369	20,033,887
Trade and other payables	20	1,919,180,533	1,989,743,582
Unclaimed dividend payable	21	7,561,110	7,757,382
Accrued expenses	22	350,456,116	326,348,575
Current income tax liabilities	23	400,922,731	433,625,555
Total current liabilities		**4,645,882,875**	**4,296,012,042**
Total liabilities		**5,102,599,218**	**4,702,996,495**
Total equity and liabilities		**11,554,287,566**	**11,251,370,567**

The accompanying notes are an integral part of these financial statements

Abdallah Massaad
Chairman

SAK Ekramuzzaman
Managing Director

Manoj Uttamrao Ahire
Director

Kazi Nasir Uddin
Chief Financial Officer

Muhammad Shahidul Islam FCS
Company Secretary

Dated, 26 July 2026

RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2026

	Notes	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Sales	24	3,741,497,661	3,100,539,302	1,994,666,130	1,631,543,998
Cost of sales	25	(3,021,763,553)	(2,636,314,733)	(1,568,438,561)	(1,467,082,138)
Gross profit/(loss)		**719,734,108**	**464,224,569**	**426,227,569**	**164,461,860**
Other income	26	3,468,866	1,673,181	242,719	-
Administrative expenses	27	(191,175,620)	(184,141,152)	(100,034,546)	(93,422,179)
Impairment loss on trade receivables	27.1	(33,112,971)	(24,621,499)	(17,531,206)	(15,707,919)
Marketing and selling expenses	28	(330,896,683)	(284,980,304)	(169,058,271)	(147,444,773)
		(551,716,408)	(492,069,774)	(286,381,304)	(256,574,871)
Profit/(loss) from operating activities		**168,017,700**	**(27,845,208)**	**139,846,265**	**(92,113,011)**
Finance income	29	8,061,031	7,438,582	4,682,232	4,678,196
Finance expenses	30	(139,307,752)	(130,811,249)	(71,485,958)	(69,095,230)
Net finance income/(expenses)		(131,246,721)	(123,372,667)	(66,803,726)	(64,417,034)
Profit/(loss) before contribution to workers' profit participation and welfare fund		**36,770,979**	**(151,217,875)**	**73,042,539**	**(156,530,045)**
Contribution to workers' profit participation and welfare fund	31	(1,423,758)	(189,797)	(1,138,451)	(136)
Profit/(loss) before income tax		**35,347,221**	**(151,407,672)**	**71,904,088**	**(156,530,181)**
Income tax expense					
Current tax	32	(56,154,724)	(97,099,666)	(11,430,955)	(49,352,950)
Deferred tax	9	43,608,059	38,124,257	18,059,354	20,879,669
		(12,546,665)	(58,975,409)	6,628,399	(28,473,281)
Profit/(loss) after tax for the period		**22,800,556**	**(210,383,081)**	**78,532,487**	**(185,003,462)**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**22,800,556**	**(210,383,081)**	**78,532,487**	**(185,003,462)**
Profit/(loss) attributable to:					
Equity holders of the company		22,800,556	(210,383,081)	78,532,487	(185,003,462)
Non-controlling interests		-	-	-	-
Profit/(loss) after tax for the period		**22,800,556**	**(210,383,081)**	**78,532,487**	**(185,003,462)**
Basic earnings per share (Par value TK 10)	39	**0.05**	**(0.49)**	**0.18**	**(0.43)**

The accompanying notes are an integral part of these financial statements

Abdallah Massaad
Chairman

SAK Ekramuzzaman
Managing Director

Manoj Uttamrao Ahire
Director

Kazi Nasir Uddin
Chief Financial Officer

Muhammad Shahidul Islam FCS
Company Secretary

Dated, 26 July 2026

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of changes in equity
For the period ended 30 June 2026

	Attributable to owners of the Company					
	Share capital Taka	Share Premium Taka	Retained earnings Taka	Total Taka	Non-controlling interests Taka	Total equity Taka
	(Note - 14)	(Note - 15)	(Note - 16)			
Balance as at 01 January 2025	4,279,687,010	1,473,647,979	1,618,936,861	7,372,271,850	1,393	7,372,273,243
Total comprehensive income for 2025						
Profit/(loss) for the period	-	-	(210,383,081)	(210,383,081)	-	(210,383,081)
Prior year adjustment	-	-	1,393	1,393	(1,393)	-
Transactions with the shareholders:						
Cash dividend (2024)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 30 June 2025	**4,279,687,010**	**1,473,647,979**	**980,586,472**	**6,733,921,461**	**-**	**6,733,921,461**
Balance as at 01 January 2026	4,279,687,010	1,473,647,979	795,039,083	6,548,374,072	-	6,548,374,072
Total comprehensive income for 2026						
Profit/(loss) for the period	-	-	22,800,556	22,800,556	-	22,800,556
Transactions with the shareholders:						
Cash dividend (2025)	-	-	(119,486,280)	(119,486,280)	-	(119,486,280)
Balance as at 30 June 2026	**4,279,687,010**	**1,473,647,979**	**698,353,359**	**6,451,688,348**	**-**	**6,451,688,348**

The accompanying notes are an integral part of these financial statements

RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of cash flows
For the period ended 30 June 2026

	30 June 2026 Taka	30 June 2025 Taka
Cash flows from operating activities		
Cash receipts from customers	3,653,227,516	3,369,088,645
Cash payments to suppliers and employees	(3,515,293,429)	(3,201,087,316)
Cash generated from operating activities	137,934,087	168,001,329
Interest received from bank deposits	1,914,059	2,990,786
Income tax paid (note - 23)	(88,857,549)	(100,827,708)
Net cash (used in)/from operating activities (note-42)	50,990,597	70,164,406
Cash flows from investing activities		
Acquisition of property, plant and equipment	(244,570,297)	(123,412,104)
Sale of property, plant and equipment (note-5.3)	217,800	5,379,500
Interest received from FDR	6,262,656	4,388,216
Intangible assets	(2,415,595)	(1,670,768)
Net cash (used in)/from investing activities	(240,505,436)	(115,315,156)
Cash flows from financing activities		
Finance charges	(121,948,082)	(104,641,908)
Avail/(repayment) of term loan	61,634,317	(31,399,819)
Avail/(repayment) of short-term loan	356,701,359	279,673,813
Payment of lease liability	(7,693,683)	(7,949,241)
Dividend paid	(119,682,553)	(151,103,262)
Net cash (used in)/from financing activities	169,011,358	(15,420,417)
Effect of exchange rate changes in cash and cash equivalents	273,070	238,961
Net increase/(decrease) in cash and cash equivalents	(20,230,411)	(60,332,206)
Cash and cash equivalents as at 01 January	302,596,176	424,164,546
Cash and cash equivalents as at 30 June (Note 13)	**282,365,765**	**363,832,340**

The accompanying notes are an integral part of these financial statements

RAK Ceramics (Bangladesh) Ltd.

Notes to the consolidated financial statements as at and for the period ended 30 June 2026

1. Reporting entity

RAK Ceramics (Bangladesh) Ltd. (the Company), formerly RAK Ceramics (Bangladesh) Pvt. Limited, a UAE-Bangladesh joint venture company, was incorporated in Bangladesh on 26 November 1998 as a private company limited by shares under the Companies Act 1994. The Company was later converted from a private limited into a public limited on 10 June 2008 after observance of required formalities as per laws. The name of the Company was thereafter changed to RAK Ceramics (Bangladesh) Limited as per certificate issued by the Registrar of Joint Stock Companies dated 11 February 2009. The address of the Company's registered office is RAK Tower, Plot # 1/A, Jasimuddin Avenue, Sector # 3, Uttara, Dhaka 1230. The company got listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 13 June 2010.

1.1 Nature of business

The Company is engaged in manufacturing and marketing of ceramics tiles, wash room sets and all types of sanitary ware. It has started its commercial production on 12 November 2000. The commercial production of its new sanitary ware plant, expansion unit of ceramics facilities, tiles and sanitary plant was started on 10 January 2004, 1 July 2004,1 September 2007, 1 April 2015 and 17 May 2016 respectively.

1.2 Description of subsidiaries

RAK Power Pvt. Ltd.

RAK Power Pvt. Limited has been incorporated in Bangladesh under the Companies Act 1994 on 30 June 2005 as a private company limited by shares with an authorized capital of Taka 1,000,000,000 divided into 10,000,000 ordinary shares of Taka 100 each. The paid up capital stands at Taka 205,000,000 at the end of reporting period. The Company has gone into operation from 1 May 2009. The registered office of the Company is at RAK Tower (8th floor), Jashimuddin Avenue, Plot # 1/A, Sector # 03, Uttara Model Town, Dhaka - 1230. The Power Plant is located at Village : Dhanua, P.S: Sreepur, District: Gazipur. 57% shares of RAK Power Pvt. Limited is held by RAK Ceramics (Bangladesh) Limited.

The Board of Directors of RAK Ceramics (Bangladesh) Limited in its meeting held on July 26, 2015 have decided to further increase the shareholding in RAK Power Pvt. Limited from 57% to 99.99% through purchase of 881,495 number of ordinary shares of BDT 100 each in consideration of BDT 255 per share totaling to BDT 224,781,225 only from all the other shareholders of RAK Power Pvt. Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015.The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Power (Pvt.) Ltd. on 20 October 2015

RAK Security and Services (Pvt.) Ltd.

RAK Security and Services (Pvt.) Limited has been incorporated in Bangladesh under the Companies Act 1994 on 21 December 2006 as a private company limited by shares with an authorized capital of Taka 100,000,000 divided into 1,000,000 ordinary shares of Taka 100 each. The paid up capital stands at Taka 1,000,000 at the end of reporting period. The Company has gone into operation from 1 May 2007. The registered office of the Company is at RAK Tower (8th floor), Plot # 1/A, Jasimuddin Avenue, Sector # 03, Uttara Model Town, Dhaka-1230. 35% shares of RAK Security and Services (Pvt.) Ltd. is held by RAK Ceramics (Bangladesh) Limited.

The Board of Directors of RAK Ceramics (Bangladesh) Limited in its meeting held on July 26, 2015 have decided to further increase the shareholding in RAK Security & Services (Pvt.) Limited from 35% to 99.00% through purchase of 6,400 number of ordinary shares of BDT 100 each in consideration of BDT 2,875 per share totaling to BDT 18,687,500 only from all the other shareholders of RAK Security & Services (Pvt.) Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015. The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Security and Services (Pvt.) Ltd. on 20 October 2015.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 2020.

The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management IFRSs titles and format give better presentation to the shareholders.

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on 26 July 2026.

2.2 Basis of measurement

These financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realisable value.

2.3 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the functional currency and presentation currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgements

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are stated in the following notes:

Note 4	Property, plant & equipment
Note 5	Investment property
Note 6	Right-of-use assets
Note 9	Deferred tax liability/Assets
Note 17	Employees benefit payable
Note 19	Lease liability
Note 23	Current income tax liabilities
Note 27.1	Impairment on trade receivable

2.5 Reporting period

The financial period of the Company covers one year from 1 January to 31 December each year and is followed consistently. These interim financial statements were prepared for a period from 1 January 2026 to 30 June 2026. The comparative figures cover the period from 1 January 2025 to 30 June 2025/31 Dec 2025 as applicable.

2.6 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

3 Significant accounting policies

The accounting policies set out below, which comply with IFRSs, have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operations of the Company and its subsidiaries (collectively referred to as "the Group") on a line by line basis together with the Group's share in the net assets of its equity- accounted investees.

IFRS-10 "Consolidated Financial Statements" introduces a new control model that focuses on whether the group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns. Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiary companies are included in the consolidated financial statements on a line-by-line basis and the interest of minority shareholders, if any, in the results and net assets of subsidiaries is stated separately. The financial statement of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases. Any gains or losses on increase/decrease in non-controlling interest in subsidiaries without a change in control, is recognised as a component of equity.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Financial assets

a) Trade & other receivables

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade & other receivables are measured at amortised cost using the effective interest method, less any impairment provision.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank including short notice deposits and fixed deposits having maturity of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

3.3 Financial liabilities

a) Trade & other payables

Trade & other payables are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, trade & other payables are measured at amortised cost using the effective interest method.

b) Borrowings

Interest-bearing borrowings include short term bank loan. Interest-bearing borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

3.5 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment. Ongoing repairs and maintenance is expensed as incurred.

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

3.5.1 Depreciation on property, plant and equipment

Items of property, plant and equipment are depreciated on a straight-line basis and charged in profit or loss over the estimated useful lives of each component. Capital-work-in-progress and land are not depreciated. Depreciation on addition to fixed assets is charged when it is available for use and charging of depreciation on property, plant and equipment ceases at the earliest of the date the assets is classified held for sale in accordance with IFRS 5 and the date that assets is derecognised.

Rates of depreciation on various classes of property, plant and equipment are as under:

Category of property, plant and equipment	Rate (%)
Factory building	5-20
Office and accommodation building	5
Plant and machinery	10
Mobile plant	10-20
Electrical installation	10
Gas pipeline	10
Furniture, fixture and equipment	10-34
Office equipment	10-34
Communication equipment	10-34
Tools and appliances	10-34
Vehicles	10
Fire fighting equipment	20

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Land is not depreciated as it deemed to have an indefinite life.

3.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the investment property. Maintenance, renewals and betterments that enhances the economic useful life of the investment property or that improve the capacity, quality or reduce subsequently the operation cost or administration expenses and capitalized by adding it to the related investment property. Ongoing repairs and maintenance is expensed as incurred.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income the period in which the property is derecognised.

3.6.1 Depreciation on investment property

Depreciation is charged on the basis of straight line method. Depreciation continues to be charged on each item of investment property until written value of such fixed asset is reduced to Taka one. Depreciation on addition to fixed assets is charged when it is available for use and charging of depreciation on property, plant, equipment & investment property ceases at the earliest of the date the assets is classified held for sale in accordance with IFRS 5 and the date that assets is derecognised.

Rates of depreciation on various classes of investment property are as under:

Category of property, plant and equipment	Rate (%)
Building	5

Land is not depreciated as it deemed to have an infinite life.

3.7 Capital work-in-progress

Capital work in progress is stated at cost less impairment, if any, until the construction is completed. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalised borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

3.8 Intangible assets

Intangible assets that are acquired by the Group (such as designs and trade marks for manufacture of ceramic tiles and sanitary ware) have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives of 2 to 3 years from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No internal developed intangible assets capitalized during the year.

3.9 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Materials in transit are valued at cost.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated cost of completion and any estimated costs necessary to make the sale.

3.10 Impairment

Non-derivative financial assets

Non derivative financial assets are assessed at each reporting date to determine the loss allowance for lifetime expected credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition. When there is no significant increase in credit risk on the financial instruments since initial recognition, the expected credit losses for next 12 months is measured as loss allowance on that financial instrument.

Non-financial assets

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its estimated recoverable amount.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

Recognition of impairment

Impairment losses are recognised in profit or loss. Impairment losses in respect of CGUs are allocated first to reduced the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Employee benefit schemes

The Group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

Defined contribution plan (Provident fund)

Defined contribution plan is a post employment benefit plan under which the Group provides benefits to one or more employees. The recognised Employees Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10 percent of their basic salary to the provident fund and the Group also makes equal contribution to the fund. These are administered by the Board of Trustees. The contributions are invested separately from the Group's assets.

Contribution to defined contribution plan is recognised as an expense when an employee has rendered services to the Group. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

Defined benefit plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years.

Permanent employees are entitled to gratuity on the basis of his latest basic salary for a completed year of service or for service for a period of more than six months, salary of minimum 30 days, or salary of 45 days for a continuous service for more than ten years, it shall be in addition to any payment of compensation or payment of any wage or allowance in lieu of notice due to termination of services of a worker on different grounds. The expected cost of this benefit is included in respective annual statement of profit or loss and other comprehensive income over the year of employment.

3.12 Workers' Profit Participation Fund and Welfare Fund (WPPF)

The Company provides 5% of its net profit before tax after charging such expense as WPPF in accordance with "The Bangladesh Labour Act 2006 amended in 2025".

3.13 Provisions

Provisions are recognised on the reporting date if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.14 IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

i. Classification – financial assets

IFRS 9 contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

ii. Impairment

IFRS 9 introduces a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

· 12-months ECLs: these are ECLs which result from possible default events within the 12 months after the reporting date; and

· 12-Lifetime ECLs: these are ECLs which result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; the group has a choice to also apply this policy for trade receivables and contract assets with a significant financing component.

The estimated ECL will be calculated based on actual credit loss experience. The group will perform the calculation of ECL rates separately for different types of customers including related parties.

Actual credit losses will be adjusted to reflect differences between economic conditions during the period over which the historical data will be collected, prevalent conditions and the Group's view of economic conditions over the expected lives of the receivables and related party balances.

iii. Hedging

IFRS 9 incorporates hedge accounting rules which intend to align hedge accounting with a group's risk management objectives and strategy and to apply a more qualitative and forward looking approach to assessing hedge effectiveness.

Impact of IFRS 9 shown in note no. 35.1 (b).

3.15 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

i. Sales of goods

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

Revenue will be recognised for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the group is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

Based on the group's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the group does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

ii. Rendering of services

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the group sells the services in separate transactions.

Based on the group's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, the group does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these services.

iii. Construction contracts

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date.

3.16 IFRS 16 Leases

Under this IFRS 16, leases will be brought onto companies' balance sheets, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for a lease classification test. The IFRS 16 guidance has an increased focus on who controls the asset and may change which contracts are leases.

General impact of application of IFRS 16 *Leases*

IFRS 16 introduces requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these requirements are described in Notes to the financial statements. The impact of the adoption of IFRS 16 on the Group's financial statements is described below.

The group has applied IFRS 16 using the modified retrospective approach, without restatement of the comparative information

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts.

Impact on Lessee Accounting

Former operating leases

IFRS 16 changes how the group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;

Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss; and separates the total amount of cash paid presented within financing activities in the statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the group has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within rent expenses in the statement of profit or loss.

Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the group's financial statements.

Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures requirements, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets.

3.17 IFRS S1 and S2 Sustainability & Climate related

Formulating a prospective plan that is rooted on sustainability and climate is a demanding, yet essential undertaking. Within this framework, our group's strategy delineats its intended market position and primary competitive advantages in terms of both product offering and resource utilization.

3.18 Finance income and expenses

Finance income comprises interest income on fixed deposits and Short Notice Deposit (SND). Interest income is recognized in profit or loss as it accrues, using the effective interest rate method.

Finance costs comprises interest expense on overdraft, LTR, term loan, short term borrowings and finance lease. All finance expenses are recognised in the statement of comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.19 Foreign currency

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per International Accounting Standard IAS-21 "The Effects of Changes in Foreign Exchange Rates".

3.20 Taxation

Income tax expenses represents current tax and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax:
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous period. Provisions for corporate income tax is made following the rate applicable for companies as per Finance Act 2026.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax:
Deferred tax has been recognised in accordance with International Accounting Standard IAS-12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.21 Earning per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

3.22 Determination and presentation of operating segment

Details of product-wise segment reporting as required by IFRS-8 operating segments is followed.

3.23 Contingencies

Contingent liability

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the year in which the recognition criteria of provision have been met.

Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

3.24 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with International Accounting Standard IAS-7 *"Statement of cash flows"* as required by the Securities and Exchange Rules 2020.

3.25 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

3.26 Comparatives and reclassification

Comparative information have been disclosed in respect of 2025 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified whenever considered necessary to confirm to current period's presentation.

4 Property, plant and equipment

30 June 2026

Amount in Taka

Particulars	COST					DEPRECIATION				
	Balance as at 01 Jan 2026	Addition during the period	Sale/disposal retirement/ during the period	Balance as at 30 June 2026	Rate (%)	Balance as at 01 Jan 2026	Charged during the period	Adjustment during the period	Balance as at 30 June 2026	Net book value as at 30 June 2026
Land	1,249,421,336	-	-	1,249,421,336		-	-	-	-	1,249,421,336
Factory building	1,175,813,009	14,304,592	-	1,190,117,601	5-20	726,135,836	23,632,019	-	749,767,855	440,349,747
Office and accommodation building	615,711,997	1,500,969	-	617,212,966	5	326,490,221	16,125,939	-	342,616,160	274,596,806
Plant and machinery	6,336,116,816	38,372,936	-	6,374,489,752	10	4,926,295,743	162,369,550	-	5,088,665,293	1,285,824,459
Mobile plant	159,554,607	-	-	159,554,607	10-20	118,223,092	5,560,311	-	123,783,404	35,771,204
Electrical installation	100,698,321	-	-	100,698,321	10	86,863,133	2,676,480	-	89,539,614	11,158,708
Gas pipeline	98,491,171	-	-	98,491,171	10	80,849,821	1,853,390	-	82,703,211	15,787,960
Furniture and fixtures	54,980,593	604,154	-	55,584,747	10-34	45,530,069	2,337,517	-	47,867,586	7,717,161
Office equipment	68,047,175	2,788,333	(519,367)	70,316,141	10-34	58,559,168	2,730,236	(519,365)	60,770,038	9,546,103
Communication equipment	16,314,719	7,237,425	-	23,552,144	10-34	15,468,229	480,226	-	15,948,456	7,603,688
Tools and appliances	24,630,767	358,050	-	24,988,817	10-34	18,079,196	2,443,328	-	20,522,525	4,466,292
Vehicles	129,495,581	-	(898,000)	128,597,581	10	88,794,322	3,681,434	(898,000)	91,577,756	37,019,825
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
Total	**10,032,907,104**	**65,166,460**	**(1,417,367)**	**10,096,656,197**		**6,494,919,842**	**223,890,430**	**(1,417,365)**	**6,717,392,906**	**3,379,263,290**

31 Dec 2025

Amount in Taka

Particulars	COST					DEPRECIATION				
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal/ transfer during the year	Balance as at 31 Dec 2025	Rate (%)	Balance as at 01 Jan 2025	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2025	Net book value as at 31 Dec 2025
Land	1,249,421,336	-	-	1,249,421,336		-	-	-	-	1,249,421,336
Factory building	1,136,388,301	39,424,708	-	1,175,813,009	5-20	678,935,802	47,200,034	-	726,135,836	449,677,173
Office and accommodation building	598,487,167	17,224,830	-	615,711,997	5	293,301,979	33,188,242	-	326,490,221	289,221,776
Plant and machinery	6,524,974,245	268,298,881	(457,156,310)	6,336,116,817	10	5,007,310,085	372,059,258	(453,073,600)	4,926,295,743	1,409,821,073
Mobile plant	138,679,618	25,754,001	(4,879,012)	159,554,607	10-20	111,377,467	11,681,309	(4,835,684)	118,223,092	41,331,515
Electrical installation	242,830,147	11,798,141	(153,929,967)	100,698,321	10	234,314,100	6,478,988	(153,929,955)	86,863,133	13,835,188
Gas pipeline	86,055,003	12,436,168	-	98,491,171	10	76,252,317	4,597,504	-	80,849,821	17,641,350
Furniture and fixtures	52,298,909	4,235,527	(1,553,843)	54,980,593	10-34	42,675,216	4,408,145	(1,553,292)	45,530,069	9,450,524
Office equipment	66,050,659	6,924,300	(4,927,784)	68,047,175	10-34	56,688,764	6,718,035	(4,847,631)	58,559,168	9,488,007
Communication equipment	19,417,128	422,587	(3,524,996)	16,314,719	10-34	17,030,737	1,881,572	(3,444,080)	15,468,229	846,490
Tools and appliances	23,993,385	3,370,316	(2,732,934)	24,630,767	10-34	16,508,154	4,303,969	(2,732,927)	18,079,196	6,551,571
Vehicles	130,108,437	322,075	(934,931)	129,495,581	10	81,871,357	7,595,855	(672,889)	88,794,322	40,701,258
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
Total	**10,272,335,347**	**390,211,534**	**(629,639,777)**	**10,032,907,104**		**6,619,896,990**	**500,112,910**	**(625,090,059)**	**6,494,919,842**	**3,537,987,262**

5 Investment Property

30 June 2026

Amount in Taka

Particulars	COST				Rate	DEPRECIATION				Net book value as at 30 June 2026
	Balance as at 01 Jan 2026	Addition during the period	Sale/Transfer during the period	Balance as at 30 June 2026		Balance as at 01 Jan 2026	Charged during the period	Adjustment during the period	Balance as at 30 June 2026	
Land[1]	500,571,750	-	-	500,571,750		-	-	-	-	500,571,750
Office building[2]	4,432,737	-	-	4,432,737	5%	2,657,996	110,047	-	2,768,043	1,664,694
Total	**505,004,487**	**-**	**-**	**505,004,487**		**2,657,996**	**110,047**	**-**	**2,768,043**	**502,236,444**

31 Dec 2025

Amount in Taka

Particulars	COST				Rate	DEPRECIATION				Net book value as at 31 Dec 2025
	Balance as at 01 Jan 2025	Addition during the year	Sale/Transfer during the year	Balance as at 31 Dec 2025		Balance as at 01 Jan 2025	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2025	
Land[1]	500,571,750	-	-	500,571,750		-	-	-	-	500,571,750
Office building[2]	4,432,737	-	-	4,432,737	5%	2,436,077	221,918	-	2,657,996	1,774,741
Total	**505,004,487**	**-**	**-**	**505,004,487**		**2,436,077**	**221,918**	**-**	**2,657,996**	**502,346,491**

1 The land 10 khata is situated besides the RAK Tower was acquired in 2012 and presently the asset is under investment property as per IAS 40 considering undetermined future use.
The said property are stated at cost as per IAS 16 due to alternate reliable sources of measurement being unavailable.

2 A godown building is situated at above land and presently the asset is under investment property as per IAS 40 considering undetermined future use.
The said property is stated at cost as per IAS 16 due to alternate reliable sources of measurement being unavailable.

		30 June 2026 Taka	30 June 2025 Taka
5.1	**Depreciation**		
	Property, plant and equipment (Note 4)	223,890,430	250,350,747
	Investment Property (Note 5)	110,047	110,047
		224,000,477	**250,460,794**
5.2	**Allocation of Depreciation**		
	Cost of sales (Note 25)	201,844,916	228,243,866
	Administrative expenses (Note 5.2.1)	14,793,179	15,992,871
	Marketing & selling expenses (Note 28)	7,362,382	6,224,058
		224,000,477	**250,460,795**
5.2.1	**Administrative Depreciation**		
	Depreciation on property, plant & equipment (Note 27)	14,683,132	15,882,824
	Depreciation on investment property (Note 27)	110,047	110,047
		14,793,179	**15,992,871**

5.3 Disposal of property, plant and equipment

30 June 2026

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Office equipment	519,367	519,365	2	35,000	34,998
Vehicles	898,000	898,000	-	182,800	182,800
Total	**1,417,367**	**1,417,365**	**2**	**217,800**	**217,798**

30 June 2025

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Mobile plant	4,879,012	4,835,684	43,328	791,500	748,172
Office equipment	122,700	122,700	-	-	-
Plant and machinery	46,194,608	42,612,033	3,582,575	4,500,000	917,425
Vehicles	94,622	14,206	80,416	88,000	7,584
Total	**51,290,942**	**47,584,623**	**3,706,319**	**5,379,500**	**1,673,181**

6 Right-of-use assets

30 June 2026

Amount in Taka

Particulars	COST				DEPRECIATION				Net book value as at 30 June 2026
	Balance as at 01 Jan 2026	Addition during the period	Sale/disposal during the period	Balance as at 30 June 2026	Balance as at 01 Jan 2026	Charged during the period	Adjustment during the period	Balance as at 30 June 2026	
Display center	108,549,429	6,325,130	(3,078,341)	111,796,218	32,108,543	10,193,088	(485,398)	41,816,234	69,979,984
Accommodation building	2,496,552	-	(1,646,771)	849,780	1,089,203	474,804	(1,174,525)	389,482	460,300
Warehouse	29,631,958	26,073,319	(29,631,958)	26,073,319	14,018,751	1,731,561	(15,026,056)	724,258	25,349,061
Office Building	6,738,534	-	-	6,738,534	2,966,849	685,758	-	3,652,607	3,085,927
Total	**147,416,473**	**32,398,451**	**(34,357,070)**	**145,457,852**	**50,183,347**	**13,085,212**	**(16,685,979)**	**46,582,580**	**98,875,272**

31 Dec 2025

Amount in Taka

Particulars	COST				DEPRECIATION				Net book value as at 31 Dec 2025
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2025	Balance as at 01 Jan 2025	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2025	
Display center	89,768,706	37,885,839	(19,105,116)	108,549,428	31,968,420	17,776,417	(17,636,294)	32,108,543	76,440,886
Accommodation building	2,351,946	905,250	(760,644)	2,496,552	836,328	1,013,519	(760,644)	1,089,203	1,407,349
Warehouse	28,687,412	944,546	-	29,631,958	8,128,100	5,890,652	-	14,018,752	15,613,206
Office Building	6,517,391	221,143	-	6,738,534	1,629,348	1,337,501	-	2,966,849	3,771,685
Total	**127,325,455**	**39,956,778**	**(19,865,760)**	**147,416,473**	**42,562,196**	**26,018,089**	**(18,396,938)**	**50,183,347**	**97,233,126**

6.1 Allocation of depreciation

	30 June 2026	30 June 2025
Administrative expenses (Note 27)	1,160,562	1,140,170
Marketing & Selling expenses (Note 28)	11,924,650	11,605,710
	13,085,211	**12,745,880**

6.2 Gain/(loss) on retirement of right-of-use assets

30 June 2026

Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Warehouse	22,582,083	19,331,015	3,251,068
Total	**22,582,083**	**19,331,015**	**3,251,068**

30 June 2025

Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Warehouse	-	-	-
Total	-	-	-

1. Company rented six display centers situated in Dhaka, Chattogram, Sylhet, Rajshahi, Khulna and Mymensingh.
2. Accommodation building was rented for the use of transit employees.
3. Warehouse was rented to store finished goods.

7 Intangible assets

30 June 2026

Amount in Taka

Particulars	COST				AMORTIZATION				Net book value as at 30 June 2026
	Balance as at 01 Jan 2026	Addition during the period	Sale/disposal during the period	Balance as at 30 June 2026	Balance as at 01 Jan 2026	Amortized during the period	Adjustment during the period	Balance as at 30 June 2026	
License	40,039,275	2,335,095	-	42,374,370	35,467,003	3,221,291	-	38,688,293	3,686,077
Computer Software	14,101,930	80,500	-	14,182,430	12,885,984	342,036	-	13,228,020	954,410
Total	**54,141,205**	**2,415,595**	**-**	**56,556,800**	**48,352,987**	**3,563,327**	**-**	**51,916,313**	**4,640,487**

31 Dec 2025

Amount in Taka

Particulars	COST				AMORTIZATION				Net book value as at 31 Dec 2025
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2025	Balance as at 01 Jan 2025	Amortized during the year	Adjustment during the year	Balance as at 31 Dec 2025	
License	44,150,049	2,245,691	(6,356,465)	40,039,275	35,408,486	6,446,888	(6,388,371)	35,467,003	4,572,272
Computer Software	13,361,680	740,250	-	14,101,930	12,194,709	659,369	31,906	12,885,984	1,215,946
Total	**57,511,729**	**2,985,941**	**(6,356,465)**	**54,141,205**	**47,603,195**	**7,106,257**	**(6,356,465)**	**48,352,987**	**5,788,218**

	30 June 2026 Taka	31 Dec 2025 Taka

8 Capital Work-in-Progress

	30 June 2026 Taka	31 Dec 2025 Taka
Balance as at 1 January	101,123,591	270,280,122
Add: Addition during the period (note 8.1)	232,028,289	157,182,184
	333,151,880	427,462,306
Less: Transfer to property, plant & equipment during the period (note 8.2)	52,624,452	326,338,715
Balance as at 30 June	**280,527,427**	**101,123,591**

8.1 Addition during the period

	30 June 2026 Taka	31 Dec 2025 Taka
Building	24,925,783	53,778,501
Plant & machinery	207,087,326	97,136,580
Others	15,180	6,267,103
	232,028,289	**157,182,184**

8.2 Items transferred from capital work in progress to property, plant & equipment

	30 June 2026 Taka	31 Dec 2025 Taka
Office building	-	2,422,718
Electrical installation	-	11,768,486
Factory Building	15,805,562	38,471,890
Plant & machinery	35,375,792	262,131,913
Tools and appliances	-	1,929,151
Gas pipe line	-	9,453,773
Furniture & fixture	-	160,784
	52,624,452	**326,338,715**

9 Deferred tax liabilities/(Assets)

	30 June 2026 Taka	31 Dec 2025 Taka
Balance as at 1 January	100,814,031	15,529,147
Less : Deferred tax (income)/expenses	43,608,059	85,284,884
Balance as at 30 June	**144,422,090**	**100,814,031**

	Carrying amount on the date of statement of financial position	Tax base	Taxable/ (deductible) temporary difference
As at 30 June 2026	Taka	Taka	Taka
Property, plant and equipment (Excluding land and others)	2,117,636,758	2,422,564,513	(304,927,755)
Trade receivable	2,745,900,315	2,830,146,535	(84,246,220)
Inventories	3,731,315,783	3,991,076,869	(259,761,086)
Right of use assets	98,875,273		98,875,273
Lease liability	(83,839,910)		(83,839,910)
Net taxable temporary difference			**(633,899,698)**
Deferred tax liability (applying applicable tax rate for individual company)			**(144,422,090)**
As at 31 December 2025			
Property, plant and equipment (Excluding land and others)	2,272,768,690	2,472,189,977	(199,421,287)
Trade receivable	2,661,671,091	2,712,788,913	(51,117,822)
Inventories	3,578,345,665	3,791,303,051	(212,957,385)
Right of use assets	97,233,127	-	97,233,127
Lease liability	(86,307,198)	-	(86,307,198)
Net taxable temporary difference			**(452,570,566)**
Deferred tax liability (applying applicable tax rate for individual company)			**(100,814,031)**

	30 June 2026 Taka	31 Dec 2025 Taka
10 Inventories		
Raw materials	965,486,789	1,037,506,360
Less : Provision for slow moving & obsolete inventories	66,803,880	86,801,376
Less: Write off for obsolete raw materials	-	21,164,947
	898,682,909	929,540,037
Stores and consumables spares and packing	1,230,912,147	1,138,767,943
Less: Write off for stores and spares	-	1,834,502
Less: Provision for slow moving & obsolete inventories	116,711,387	52,619,836
	1,114,200,760	1,084,313,605
Finished goods (net of net realizable value adjustment) *	1,590,942,845	1,262,570,361
Less : Provision for slow moving & obsolete inventories	47,344,014	37,990,515
	1,543,598,831	1,224,579,846
Work-in-process	73,969,496	66,443,012
Goods-in-transit	171,442,973	343,543,276
	3,801,894,969	**3,648,419,775**

*Finished goods exclude provision of net realizable value BDT 38,635,010.

11 Trade and other receivables

Trade receivables (Note 11.1)	2,734,158,599	2,645,938,454
	2,734,158,599	2,645,938,454
Accrued interest (Note 11.2)	883,860	999,544
Other receivable	50,000	-
	2,735,092,459	**2,646,937,998**

11.1 Trade receivables

Receivables from local sales	2,813,908,071	2,694,265,549
Receivables from export sales	4,481,321	2,790,727
	2,818,389,392	2,697,056,276
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	60,136,719	33,493,510
Related parties	24,094,074	17,624,312
	2,734,158,599	**2,645,938,454**

11.2 Accrued interest

Interest accrued on Fixed Deposit Receipt	883,860	999,544
	883,860	**999,544**

	30 June 2026 Taka	31 Dec 2025 Taka
12 Advance, deposit and prepayments		
Advances:		
Employees	1,084,040	351,000
Purchase of land and others	4,931,283	1,393,583
Suppliers against materials and services	87,857,779	89,510,612
	93,873,102	91,255,195
Security and other deposits:		
Titas gas	100,531,900	100,531,900
Mymensingh Palli Bidyut Samity-2	1,955,000	1,955,000
VAT and Supplementary duty (Note 12.1)	1,365,005	1,894,762
Deposited with income tax authority	96,731,364	89,783,545
Deposited with VAT authority	11,804,770	11,804,770
Display center and others	4,686,677	4,908,900
Other deposits	1,553,226	1,553,226
	218,627,942	212,432,103
Prepayments:		
Insurance and others	12,468,319	4,436,601
	324,969,363	**308,123,899**

12.1 Supplementary duty & VAT

Balance as at 1 January	1,894,762	2,147,385
Add: Treasury deposit for SD & VAT purpose	9,257,397	17,390,853
	11,152,159	19,538,238
Less: SD & VAT on sales	9,787,154	17,643,476
Balance as at 30 June	**1,365,005**	**1,894,762**

The above amount represents RAK Security and Services (Pvt) Ltd.

	30 June 2026 Taka	31 Dec 2025 Taka
13 Cash and cash equivalents		
Cash in hand	2,933,919	1,301,586
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	60,280	60,603
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	7,009,833	8,705,074
Citibank N.A. (current account - G0100001200262018 - BDT)	114,292	122,292
Dutch Bangla Bank Ltd. (current account -117-110-12733,117-110-4311,117.110.23474 BDT)	4,310	4,717,228
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	3,411,883	3,013,350
Standard Chartered Bank (Margin money account)	1,968,575	1,968,575
Midland Bank Ltd. (Margin money account)	2,681,010	595,629
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	2,381,046	3,248,315
Al Arafa Islami Bank Ltd. (SND account - 0171220002646, 0171220002657 - BDT)	2,740,872	2,592,848
South East Bank Ltd. (Current account - 11100008546 - BDT)	2,483,979	475,281
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	124,678	125,253
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	40,713,757	15,166,086
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	106,363	107,191
Prime Bank Ltd. (SND - 2125316004690 - BDT)	1,579,332	568,181
Janata Bank Ltd. (SND 0100258556318 - BDT)	102,634	101,927
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	12,316,125	9,772,416
Dhaka Bank Ltd (SND - 102.150.274- BDT))	14,633,775	15,367,260
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	48,087	48,348
Dhaka Bank Ltd (CD - 204100000019318- BDT))	2,566,380	726,722
Commercial Bank of Ceylon (SND-2817000777 - BDT)	655	1,000
Commercial Bank of Ceylon (ERQ-1806012366 - USD)	3,802,358	3,914,393
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	288,276	245,676
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	31,951,606	65,894,706
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	35,576	51,140
Eastern Bank Ltd. (Margin Money account)	25,000	1,007,180
Commercial Bank of Ceylon (Margin Money account)	-	347,850
	131,150,684	138,944,524
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,692,029	1,688,689
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262042 - USD)	3,919,501	3,919,501
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262026 - EURO)	153,606	153,606
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262034 - GBP)	126,599	126,599
	5,891,735	5,888,395
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,818,251	2,821,596
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,082,161	1,085,506
SCB (SND - 02-6162940-02- BDT) - 2012	171,907	172,447
SCB (SND - 02-6162940-03- BDT) - 2013	317,160	317,821
SCB (SND - 02-6162940-05- BDT) - 2015	36,474	37,042
SCB (SND - 02-6162940-06- BDT) - 2016	3,151	3,726
SCB (SND - 02-6162940-10- BDT) - 2020	345,212	345,868
SCB (SND - 02-6162940-11- BDT) - 2021	37,813	41,381
MDB (SND - 0006-1090000460 - BDT) - 2022	3,059,322	5,344,091
MDB (SND - 0006-1090000504 - BDT) - 2023	3,299,740	3,353,003
MDB (SND - 0006-1090000504 - BDT) - 2024	2,569,165	2,634,443
MDB (SND - 0006-1090000639 - BDT) - 2025	2,526,414	-
	16,266,772	16,156,924
Investment in Fixed Deposit Receipt (FDR)		
Midland Bank Ltd.	60,000,000	60,000,000
Eastern Bank Ltd.	17,806,155	22,137,805
Al Arafah Islami Bank Ltd.	43,316,500	53,166,942
Commercial bank of Ceylon	5,000,000	5,000,000
	126,122,655	140,304,747
	282,365,765	**302,596,176**

	30 June 2026 Taka	31 Dec 2025 Taka

14 Share Capital

Authorised :

600,000,000 ordinary shares of Taka 10/- each	6,000,000,000	6,000,000,000

Issued, subscribed, called and paid up :

427,968,701 ordinary shares of Taka 10/- each	4,279,687,010	4,279,687,010

Percentage of shareholdings :

	30 June 2026		31 Dec 2025	
	%	Taka	%	Taka
RAK Ceramics PJSC, UAE	68.13	2,915,864,310	68.13	2,915,864,310
S.A.K. Ekramuzzaman	3.95	168,958,240	3.95	168,958,240
Other Sponsors	0.00	1,660	0.00	1,660
General Public	27.92	1,194,862,800	27.92	1,194,862,800
	100.00	**4,279,687,010**	**100.00**	**4,279,687,010**

The company was incorporated on 26th of November 1998 with paid up capital of BDT 1,000 and subsequently has issued ordinary shares including bonus shares in several dates i.e. 30 September 2000, 30 October 2005, 15 June 2009, 28 July 2009, 31 January 2010, 24 May 2010, 20 March 2011, 15 April 2012, 10 April 2013, 02 April 2014, 29 March 2017, 18 April 2018 and 09 April 2019.

Mr. SAK Ekramuzzaman pledged 15,232,353 no of shares out of his total holding of 16,895,824 no of shares.

Classification of shareholders by holding

Shareholders' range	Number of shareholders		Number of shares	
	30 June 2026	31 Dec 2025	30 June 2026	31 Dec 2025
01-499 shares	14,582	14,807	3,377,699	3,403,461
500 to 5,000 shares	6,875	6,922	11,318,589	11,584,467
5001 to 10,000 shares	884	877	6,400,459	6,556,860
10,001 to 20,000 shares	478	480	7,016,007	6,931,444
20,001 to 30,000 shares	148	147	3,415,024	3,693,708
30,001 to 40,000 shares	66	70	2,285,288	2,496,932
40,001 to 50,000 shares	54	51	2,671,112	2,394,882
50,001 to 100,000 shares	95	97	6,591,670	7,065,371
100,001 to 1,000,000 shares	80	83	25,768,075	25,849,947
1,000,001 to 1,000,000,000 Shares	17	16	359,124,778	357,991,629
	23,279	**23,550**	**427,968,701**	**427,968,701**

15 Share premium

On 31 January, 2010, company issued 10,000,000 ordinary shares in favor of institutional shareholder and employees per share BDT. 40 (include BDT. 30 as premium). On 24 May, 2010 Company again issued 34,510,000 ordinary shares through IPO per share BDT. 48 (include BDT. 38 as premium). Details reconciliation shown below:

No. of shares	Share premium (per share)	30 June 2026 Taka	31 Dec 2025 Taka
10,000,000	30	300,000,000	300,000,000
34,510,000	38	1,311,380,000	1,311,380,000
		1,611,380,000	1,611,380,000
Less : Share issue expenses		137,732,021	137,732,021
		1,473,647,979	**1,473,647,979**

16 Retained earnings (Reserve and surplus)

Balance as on 1 January	795,039,083	1,618,936,861
Add : Profit/(loss) during the period	22,800,556	(395,930,470)
	817,839,639	1,223,006,391
Add : Adjustment for NCI	-	1,393
Less: Dividend declared during the period	(119,486,280)	(427,968,701)
Balance as on 30 June	**698,353,359**	**795,039,083**

Detail movement for reserve and surplus was shown under statement of changes in equity.

	30 June 2026 Taka	31 Dec 2025 Taka

17 Employees benefits payable

Provident fund	46,119,721	-
Gratuity fund	16,969,217	-
	63,088,939	-

	30 June 2026		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the period	48,302,009	18,188,385	66,490,394
	48,302,009	18,188,385	66,490,394
Less: Payments made to fund during the period	2,182,288	1,219,168	3,401,456
	46,119,721	16,969,217	63,088,938
Balance as on 30 June	46,119,721	16,969,217	63,088,939

Forfeited amount of provident fund amounting to BDT. 593,361 for the period 2026 has been adjusted with provision and payment.

	31 Dec 2025		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the year	92,485,044	35,444,280	127,929,324
	92,485,044	35,444,280	127,929,324
Less: Payments made to fund during the year	92,485,044	35,444,280	127,929,324
Balance as at 31 December	-	-	-

Forfeited amount of provident fund amounting to BDT. 694,216 for the year 2025 has been adjusted with provision and payment.

18 Borrowings

	30 June 2026 Taka	31 Dec 2025 Taka
Non-current:		
Term loan	530,962,856	469,328,540
Current portion of term loan	(137,039,056)	(128,617,400)
	393,923,800	340,711,140
Current:		
Bank overdrafts	165,884,466	142,711,846
Short-term borrowings	1,580,702,555	1,247,173,815
Current portion of term loan	137,039,056	128,617,400
	1,883,626,077	1,518,503,061
Balance as on 30 June	2,277,549,877	1,859,214,201

18.1 Borrowings by maturity

At 30 June 2026	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	165,884,466	-	-	-	165,884,466
Short-term borrowings	1,580,702,555	-	-	-	1,580,702,555
Term loan	137,039,056	154,305,632	217,038,082	22,580,086	530,962,857
	1,883,626,077	154,305,632	217,038,082	22,580,086	2,277,549,877

At 31 December 2025	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	142,711,846	-	-	-	142,711,846
Short-term borrowings	1,247,173,815	-	-	-	1,247,173,815
Term loan	128,617,400	133,242,813	205,849,201	1,619,126	469,328,540
	1,518,503,061	133,242,813	205,849,201	1,619,126	1,859,214,201

18.2 Facilities details (Funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	36,351,126	Revolving	From company's own source	1) Hypothecation over stock & book debts on a parri - passu basis with other lenders. 2) Demand promissory note.	1) Specific charge over plant, machinery and equipment of BMRE projects of RAK Ceramics (BD) Ltd. Following are relating to RAK Power Pvt. Ltd. 2. Mortgage of 5 bigha land. 3. Lien of Term Deposit of 100 MN 4. Charge over fixed & floating assets, 5. Corporate guarantee from RAK Ceramics (BD) Limited* 6. A signed cheque covering total facility
	Short term loan	700,000,000	537,976,196	180/360 days from B/L date			
Midland Bank PLC	Overdraft	50,000,000	50,000,000	Revolving			
	Short term loan	500,000,000	451,373,930	180/360 days from B/L date	From company's own source		
Eastern Bank PLC	Long term loan	261,999,102	261,999,102	5 years with 1 year moratorium year			
	Overdraft	30,000,000	25,000,000	Revolving	From company's own source		
	Short term loan	450,000,000	280,090,766	180/360 days from B/L date			
Dutch Bangla Bank PLC.	Overdraft	25,000,000	25,000,000	Revolving			
	Short term loan	90,000,000	30,000,000	180/360 days from B/L date	From company's own source		
Commercial Bank of Ceylon	Overdraft	35,000,000	29,533,340	Revolving	From company's own source		
	Short term loan	550,000,000	281,261,663	180/360 days from B/L date			
Al Arafa Islami Bank PLC	Short term loan	15,000,000	-	180/360 days from B/L date	From company's own source		
	Long term loan*	362,900,000	268,963,755	6 years with 1 year moratorium year			

* The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new genset. Outstanding loan against the said corporate guarantee is BDT 268.96 Million at 30 June 2026.

	30 June 2026 Taka	31 Dec 2025 Taka
19 Lease liability		
Non-current:		
Lease liability	83,839,912	86,307,200
Less : Current portion of lease liability	21,047,369	20,033,887
	62,792,543	66,273,313
Current:		
Current portion of lease liability	21,047,369	20,033,887

30 June 2026

Lease liability schedule

Particulars	Balance as on 01 January 2026	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 30 June 2026
Display center	61,396,370	3,670,194	8,936,839	3,191,836	5,745,002	59,321,564
Accommodation Building	1,497,503	(532,164)	538,889	54,782	484,107	481,233
Warehouse	19,205,385	2,088,362	1,290,667	517,288	773,379	
Office Building	4,207,942	-	879,998	188,803	691,195	3,516,747
	86,307,200	**5,226,392**	**11,646,392**	**3,952,710**	**7,693,683**	**83,839,912**

31 December 2025

Lease liability schedule

Particulars	Balance as on 01 January 2025	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2025
Display center	42,306,245	28,747,614	14,464,778	4,807,288	9,657,490	61,396,370
Accommodation Building	1,586,300	905,250	1,143,041	148,994	994,047	1,497,503
Warehouse	22,844,469	944,547	6,854,737	2,271,106	4,583,631	19,205,385
Office Building	5,083,434	221,143	1,597,895	501,260	1,096,635	4,207,942
	71,820,447	**30,818,554**	**24,060,451**	**7,728,648**	**16,331,803**	**86,307,200**

20 Trade and other payables

	30 June 2026 Taka	31 Dec 2025 Taka
Trade payables		
Payable to local suppliers	417,728,309	454,074,845
Payable to foreign suppliers	553,619,832	490,530,677
Payable to service provider	126,676,066	234,533,276
Payable to C & F agent	25,457,566	71,816,241
	1,123,481,774	1,250,955,039
Other payables		
Tax deducted at source	22,361,525	22,712,542
Tax deducted at source on remuneration (Note-22.1)	132,476	-
VAT deducted at source	14,290,630	10,101,053
VAT and Supplementary duty payable (Note-20.1)	100,514,949	128,342,978
Royalty and technical know-how fee	519,491,355	519,138,764
Unclaimed share application	20,061,956	20,061,956
Advance from customer against sales	22,103,403	14,394,995
Security deposit payable	1,617,592	1,617,592
Payable to employees	4,188,685	3,259,995
Provisional liabilities - material & services	90,936,187	19,158,668
	795,698,759	738,788,543
	1,919,180,533	**1,989,743,582**

	30 June 2026 Taka	31 Dec 2025 Taka
20.1 VAT and Supplementary duty (SD) payable		
Opening Balance	128,342,978	211,175,616
Add: VAT and Supplementary duty on sales	1,272,582,718	2,452,546,216
Other payable	1,430,926	325,792
	1,402,356,621	2,664,047,623
Less: Treasury deposit for SD & VAT purpose	810,679,741	1,459,805,068
Rebate of input VAT	491,161,933	1,075,899,577
	1,301,841,673	2,535,704,644
Balance as at 31 March	**100,514,949**	**128,342,978**

21 Unclaimed Dividend Payable — **7,561,110** | **7,757,382**

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 30 June 2026	Fund Transferred to CMSF	Undistributed fund (BDT) as on 30 June 2026
2022	427,968,701	34,965,753	393,002,948	390,713,585	2,269,469	19,895
2023	427,968,701	31,206,814	396,761,887	394,098,369	-	2,663,518
2024	427,968,701	31,149,880	396,818,821	394,259,250	-	2,559,572
2025	119,486,280	15,084,425	104,401,855	102,083,730	-	2,318,125
	7,710,641,557	**645,150,675**	**7,065,490,882**	**7,004,847,811**	**53,081,961**	**7,561,110**

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2025	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Dec 2025
2022	427,968,701	34,965,753	393,002,948	390,645,706	-	2,357,242
2023	427,968,701	31,206,814	396,761,887	394,012,245	-	2,749,643
2024	427,968,701	31,149,880	396,818,821	394,168,324	-	2,650,497
	7,591,155,277	**630,066,251**	**6,961,089,026**	**6,902,519,152**	**50,812,492**	**7,757,382**

	30 June 2026 Taka	31 Dec 2025 Taka
22 Accrued expenses		
Power and gas	103,780,338	95,152,237
Staff cost	93,249,268	110,917,157
Dealer's incentive and bonus	17,899,329	5,386,870
Audit fees	1,335,355	2,385,000
Professional charges	1,035,176	1,939,002
Interest on loans	53,884,088	44,448,826
Telephone	348,885	284,299
Freight bill	3,188,246	5,318,167
Business promotion and advertisement	13,630,263	6,941,337
Managing Director's remuneration (Note 22.1)	397,427	-
Worker's profit participation and welfare fund (Note 22.2)	1,423,758	128,701
Others	60,283,983	53,446,979
	350,456,116	**326,348,575**
22.1 Managing Director's remuneration		
Balance as at 1 January	-	864,228
Add: Payable to Managing Director for the period (Note 27)	529,903	-
	529,903	864,228
Less: Tax deducted at source during the period (Note 20)	132,476	-
Less: Paid to Managing Director during the period	-	864,228
Balance as on 30 June	**397,427**	**-**
22.2 Worker's profit participation and welfare fund		
Balance as at 1 January	128,701	1,910,053
Add: Contribution made to the fund during the period	1,423,758	128,701
	1,552,459	2,038,754
Less: Payment made from the fund during the period	128,701	1,910,053
Balance as on 30 June	**1,423,758**	**128,701**
23 Current income tax liabilities		
a) Provision for income tax		
Balance as at 1 January	4,945,157,633	4,819,058,236
Add: Provision made during the period (Note 32)	56,154,724	194,792,251
Less: Adjustment for the period	-	(68,692,854)
Balance as at 30 June	**5,001,312,358**	**4,945,157,633**
b) Advance income tax		
Balance of as at 1 January	4,511,532,078	4,380,962,857
Add: Paid during the period	88,857,549	199,262,075
Less: Adjustment for the period	-	(68,692,854)
Balance as at 30 June	**4,600,389,627**	**4,511,532,078**
Current tax liability at 30 June (a-b)	**400,922,731**	**433,625,555**

24 Sales

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Gross sales from Ceramics product	5,299,934,319	4,269,876,201	2,827,489,696	2,238,495,523
Gross sales from Power generation	350,801,089	291,989,301	176,479,266	142,947,469
Gross sales from Security service	78,671,985	74,933,364	42,200,979	34,158,992
	5,729,407,393	4,636,798,866	3,046,169,940	2,415,601,984
Less: Inter company elimination	334,233,788	281,747,433	167,882,790	138,268,107
Supplementary Duty	542,214,141	434,893,772	295,066,978	226,982,000
VAT	741,556,719	604,812,255	399,606,526	315,290,911
Commission, incentive and bonus	369,905,084	214,786,600	188,947,517	103,497,463
Net sales	**3,741,497,661**	**3,100,539,302**	**1,994,666,130**	**1,631,543,998**

25 Cost of sales

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Materials consumed:				
Opening inventory as at 1 January	929,540,037	1,007,053,534	820,622,826	1,024,104,367
Add: Purchase during the period	1,708,752,309	1,548,765,205	958,238,189	739,303,199
	2,638,292,346	2,555,818,739	1,778,861,015	1,763,407,566
Less: Closing inventory as at 30 June	898,682,909	1,055,507,801	898,682,909	1,055,507,801
	1,739,609,437	1,500,310,938	880,178,106	707,899,765
Manufacturing overhead:				
Direct labour (note 25.1)	444,857,993	384,553,384	215,368,899	190,590,658
Direct expenses:				
Power and gas	412,752,485	420,311,059	195,073,298	181,709,624
Repairs and indirect materials (note 25.2)	458,758,963	414,947,804	244,735,533	211,729,596
Depreciation on property, plant & equipment (note 5.2)	201,844,916	228,243,866	93,569,810	110,692,548
Royalty and technical know-how/assistance fees *	470,122	-	470,122	-
Other production overhead (note 25.3)	9,769,999	24,016,898	4,762,864	10,174,741
Provision for slow moving & obsolete inventories (note 9)	53,447,554	48,040,313	24,522,863	30,522,696
Movement in stock	(299,747,916)	(384,109,529)	(90,242,934)	23,762,510
	3,021,763,553	**2,636,314,733**	**1,568,438,561**	**1,467,082,138**

25.1 Direct labour

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Salary & wages	305,103,477	283,282,193	151,330,400	141,401,631
Overtime	23,945,729	16,142,199	12,023,973	9,588,120
Bonus	37,708,519	41,064,701	14,933,866	20,716,935
Incentive	-	271,956	-	135,978
Temporary labour wages	30,599,842	4,969,274	14,862,346	(136,588)
Staff uniform, safety and welfare expenses	3,930,162	4,162,500	1,675,153	2,055,611
Gratuity	12,258,978	11,446,245	6,100,313	5,727,988
Employer's contribution to provident fund	15,617,058	14,384,924	7,490,798	6,862,080
Leave encashment	9,149,773	1,942,813	3,966,592	980,843
Group life insurance	2,440,815	2,099,221	1,100,993	1,066,660
Canteen and conveyance expenses	3,997,534	3,348,594	1,832,157	1,086,285
Compensation	106,106	1,438,763	52,308	1,105,114
	444,857,993	**384,553,384**	**215,368,899**	**190,590,658**

25.2 Repairs and indirect materials

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Stores, spares, repair & maintenance	249,389,027	233,135,909	136,367,822	124,622,457
Packing expenses	209,369,936	181,811,894	108,367,710	87,107,138
	458,758,963	**414,947,804**	**244,735,533**	**211,729,596**

25.3 Other production overhead

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Tour and travel expenses	1,236,200	1,283,161	832,901	808,517
Demurrage and penalty	1,756,266	317,422	633,396	243,258
Insurance	4,620,411	8,648,878	2,144,593	3,383,663
Hiring charges and transportation	-	1,580,066	-	-
Write off for stores and spares	-	10,448,652	-	5,224,326
Other expenses	2,157,122	1,738,717	1,151,974	514,975
	9,769,999	**24,016,898**	**4,762,864**	**10,174,741**

*Royalty has been calculated 8% on business profit as per Finance Act 2020.

26 Other income

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Profit on sale of fixed assets (note 5.3)	217,798	1,673,181	182,800	-
Gain on retirement of right of use assets (note 6.2)	3,251,068	-	59,919	-
	3,468,866	**1,673,181**	**242,719**	**-**

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
27 Administrative expenses				
Staff cost (note 27.2)	123,864,290	116,154,047	62,854,657	59,165,128
Annual General Meeting expenses	2,686,753	2,594,207	2,435,753	542,200
Telephone and postage	2,820,105	4,187,805	1,920,407	2,694,713
Office repair and maintenance (note 27.3)	2,809,906	2,360,753	1,694,028	1,005,076
Registration and renewal	1,041,024	587,799	699,801	371,912
Security and guard expenses	304,539	216,936	304,539	216,936
Electricity, gas and water	3,553,311	3,973,870	2,328,497	2,252,937
Depreciation on property, plant & equipment (note 5.2.1)	14,683,132	15,882,824	7,400,184	7,840,245
Depreciation on investment property (note 5.2.1)	110,047	110,047	55,328	55,328
Depreciation on right of use assets (note 6.1)	1,160,562	1,140,170	554,045	570,085
Amortization (note 7)	3,563,327	3,507,212	1,841,871	1,794,352
Legal and professional fees	6,117,302	5,532,915	2,389,020	2,888,760
Vehicle repair and maintenance	7,299,655	7,239,980	3,537,318	3,626,990
Rent, rate and tax	2,674,772	2,529,753	696,383	620,349
IT expenses	1,807,669	2,735,373	644,521	1,590,414
General Service	3,802,661	3,863,287	1,908,421	1,955,840
Donation	300,000	640,551	200,000	293,980
Managing Director's remuneration (note 27.4)	529,903	-	529,903	-
Others	12,046,662	10,883,624	8,039,870	5,936,932
	191,175,620	184,141,152	100,034,546	93,422,179

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
27.1 Impairment loss on trade receivables				
Unrelated parties	26,643,209	16,357,669	15,605,194	8,950,291
Related parties	6,469,762	8,263,830	1,926,012	6,757,628
	33,112,971	24,621,499	17,531,206	15,707,919

New classification of financial assets shown in note 35.1(b) as per IFRS 9.

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
27.2 Staff cost				
Salary & wages	89,251,549	80,955,615	45,200,888	41,070,058
Overtime	9,736	-	9,736	-
Bonus	10,904,217	12,300,721	4,175,451	6,220,893
Incentive	-	128,364	-	64,182
Gratuity	3,651,787	3,338,757	1,827,241	1,667,433
Employer's contribution to provident fund	4,944,477	4,451,234	2,470,207	2,192,092
Leave encashment	1,881,901	623,267	1,544,846	312,368
Group life insurance	532,122	437,991	258,889	212,845
Canteen and conveyance expenses	10,678,667	11,017,293	6,393,588	5,286,762
Staff uniform, safety and welfare expenses	831,547	880,820	329,989	580,998
Travelling expenses	669,496	861,135	391,606	568,603
Compensation	-	628,449	-	628,449
Medical expenses	362,190	261,665	188,767	203,808
Accommodation expenses	146,601	268,736	63,449	156,639
	123,864,290	116,154,047	62,854,657	59,165,128

Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 1,128,653 and related government levis wherever applicable. Details of the short term lease is shown in note 34. No low value item exists at the reporting period.

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
27.3 Office repair & maintenance				
Repairs office equipment	437,818	133,520	170,523	60,480
Office maintenance	2,372,088	2,227,233	1,523,505	944,596
	2,809,906	2,360,753	1,694,028	1,005,076
27.4 Managing Director's remuneration				
Provision made during the period	529,903	-	529,903	-
	529,903	-	529,903	-

Managing Director's remuneration represents provision made 3% of net profit before tax of RAK Ceramics (Bangladesh) Ltd.

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
28 Marketing & selling expenses				
Staff cost (note 28.1)	85,151,085	83,893,373	42,879,263	43,086,063
Advertisement	7,740,737	9,934,607	2,153,374	6,087,094
Freight and transportation	163,491,491	101,811,829	81,485,161	52,779,057
Compensation to customers	1,137,542	4,014,531	682,720	1,239,128
Business promotion	29,368,129	22,183,396	17,220,984	11,062,052
Depreciation on property, plant & equipment (note 5.2)	7,362,382	6,224,058	3,693,146	3,149,820
Telephone and postage	2,268,920	1,186,430	1,753,664	732,519
Depreciation on right of use assets (note 6.1)	11,439,253	11,605,710	5,811,291	5,802,854
Vehicle repair and maintenance	2,676,635	2,312,777	1,304,783	1,236,378
Showroom, office & house rent	2,167,375	3,281,313	1,278,071	1,613,067
Sample expenses	9,692,436	20,170,746	5,975,297	9,834,700
Tour, travel and others	8,400,698	18,361,536	4,820,517	10,822,040
	330,896,683	284,980,304	169,058,271	147,444,773

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
28.1 Staff cost				
Salary & wages	53,185,444	51,265,123	26,147,321	25,558,004
Bonus	6,179,532	7,477,847	2,596,279	3,780,464
Incentive	6,891,890	6,265,452	4,380,199	2,894,232
Gratuity	2,277,620	2,230,231	1,138,700	1,111,973
Employer's contribution to provident fund	2,996,109	2,953,540	1,450,454	1,437,558
Leave Encashment	1,567,952	396,228	784,800	196,577
Group life insurance	368,164	375,514	165,726	195,108
Conveyance & food expenses	11,684,374	12,833,772	6,215,784	7,816,481
Compensation	-	95,666	-	95,666
	85,151,085	83,893,373	42,879,263	43,086,063

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka

28.2 Salary & wages under staff cost (note no. 25.1, 27.2 & 28.1) includes employee contribution to provident fund for BDT.15,617,058, BDT. 4,944,477 & BDT. 2,996,109.

29 Finance income

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Interest on bank account (SND)	1,914,059	2,990,786	1,625,487	2,440,539
Interest on fixed deposits	6,146,972	4,447,796	3,056,745	2,237,657
	8,061,031	**7,438,582**	**4,682,232**	**4,678,196**

30 Finance expenses

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Interest expenses against loan	126,095,373	106,362,932	66,335,149	57,299,171
Interest expenses against lease liability	3,952,710	3,676,593	1,882,075	1,788,166
Foreign exchange loss	7,924,407	18,866,914	2,934,497	9,096,335
Bank charges	1,335,262	1,904,810	334,237	911,558
	139,307,752	**130,811,249**	**71,485,958**	**69,095,230**

31 Contribution to worker's profit participation and welfare fund

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Provision made during the period	1,423,758	189,797	1,138,451	136
	1,423,758	**189,797**	**1,138,451**	**136**

32 Income tax expenses

	30 June 2026 Taka	30 June 2025 Taka	April to June 2026 Taka	April to June 2025 Taka
Accounting profit/(loss) (PBT as per individual company)	37,347,222	(149,407,671)	71,904,090	(156,530,178)
Add: Inadmissible depreciation allowance for separate consideration:				
Accounting Depreciation of Fixed Assets	224,000,477	250,460,795	104,722,153	121,742,192
	261,347,699	101,053,123	176,626,243	(34,787,986)
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:				
Business promotion expenses	-	806,515	-	(143,425)
Royalty expenses	-	-	-	-
Sample expenses	4,118,494	15,625,870	3,147,807	7,596,205
Amortization expenses	3,563,327	3,507,212	1,841,871	1,794,352
Depreciation on Right of Use Assets (ROUA)	12,599,814	12,745,880	6,365,336	6,372,938
Interest on lease liability	3,952,710	3,676,593	1,882,075	1,788,166
Provision for slow moving inventories	53,447,554	48,040,313	24,522,863	30,522,696
NRV Provision on inventories	3,089,351	-	(4,201,981)	-
Impairment loss on trade receivable	33,112,971	24,621,499	17,531,206	15,696,853
	113,884,221	109,023,882	51,089,178	63,627,786
	375,231,920	210,077,005	227,715,421	28,839,800
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO,1984/ITA, 2023):	(114,441,922)	(120,740,123)	(58,654,711)	(61,945,952)
Admissible expenses as per ITO,1984/ITA, 2023:				
Rent expenses	(18,396,358)	(16,587,174)	(11,407,863)	(8,293,587)
Deduct: Dividend income	(2,000,000)	(2,000,000)	-	-
Taxable profit	**240,393,641**	**70,749,708**	**157,652,846**	**(41,399,738)**
Applicable tax rate for individual company		As per applicable tax rate for individual company		
On Business income	20%	20%	20%	20%
On Dividend income				
Tax expenses as per applicable tax rate for individual company :				
Business income	55,754,724	16,603,562	36,278,144	(9,119,001)
Dividend income	400,000	400,000	-	-
Current Tax Liability based on taxable profit	**56,154,724**	**17,003,562**	**36,278,144**	**(9,119,001)**
Current Tax Liability	56,154,724	97,099,666	11,430,955	49,352,950
	56,154,724	**97,099,666**	**11,430,955**	**49,352,950**

33 Reconciliation of effective tax rate

	%	30 June 2026 Taka	%	30 June 2025 Taka
Profit/(loss) before tax		35,347,221		(151,407,672)
Current tax expenses	158.87%	56,154,724	-64.13%	97,099,666
Deferred tax expenses	-123.37%	(43,608,059)	25.18%	(38,124,257)
Total tax expenses	**35.50%**	**12,546,665**	**-38.95%**	**58,975,409**
Expected income tax using applicable tax rate for individual company	26.68%	9,429,369	21.84%	(33,067,462)
Tax on non-deductible expenses	132.2%	46,725,355	-86.0%	130,167,128
Effective current tax	158.87%	56,154,724	-64.13%	97,099,666
Effective deferred tax	-123.37%	(43,608,059)	25.18%	(38,124,257)
	35.50%	**12,546,665**	**-38.95%**	**58,975,409**

34 Short term lease expenses

			30 June 2026 Taka	30 June 2025 Taka	July to Sep 2025 Taka	July to Sep 2024 Taka
Nature of the lease	**Lease term**	**Allocation**	**Rent Payment**	**Rent Payment**	**Rent Payment**	**Rent Payment**
Rented accommodation	<1 year	Admin	1,128,653	1,038,070	567,743	523,535
			1,128,653	**1,038,070**	**567,743**	**523,535**

35 Financial risk management

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

35.1 Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition etc. Trade & other receivable are mainly related to receivables from dealers, receivables from export sales, claim receivables, accrued interest and other receivables. The Company's exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	USD	USD	Amounts in Taka	
	As at 30 June 2026	As at 31 Dec 2025	As at 30 June 2026	As at 31 Dec 2025
Trade receivables				
Customer-Local	-	-	2,729,677,278	2,643,147,727
Customer-Export	36,537	22,864	4,481,321	2,790,727
	36,537	**22,864**	**2,734,158,599**	**2,645,938,454**
Other receivables				
Accrued Interest			883,860	999,544
Others			50,000	-
			933,860	**999,544**
Cash equivalents			**279,431,846**	**301,294,589**

b) Impact of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IFRS 9 for each class of the financial assets as at 31 March 2026.

Financial assets	Note	Classification under IFRS 9	Carrying amount	Carrying amount under IFRS 9	Impairment loss (Refer note 10.1)
Trade receivable-unrelated	11.1	Amortized cost	1,110,326,683	1,050,189,964	60,136,719
Trade receivable-related	11.1	Amortized cost	1,708,062,709	1,683,968,634	24,094,074
Cash at banks	13	Amortized cost	153,309,190	153,309,190	-

i The above table provides information ECLs till date. Impairment provision till Dec 2025 was Tk. 51,117,822 and provision made during the period is Tk. 33,112,971.

ii Trade receivables that were classified at amortised cost.

iii Cash at banks that were classified at amortised cost.

iv Impairment loss allowance has not been considered on other receivables and bank balances because business is confident to recover the full amount.

c) Ageing of receivables

The ageing of trade receivables was:

	Amounts in Taka	
	As at 30 June 2026	As at 31 Dec 2025
Not past due	1,024,680,813	2,026,945,261
0-90 days past due	818,431,097	570,229,763
91-180 days past due	261,327,765	11,827,748
181-365 days past due	564,998,095	15,435,863
over 365 days past due	64,720,828	21,499,819
	2,734,158,599	**2,645,938,454**

35.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

	As at 30 June 2026			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	165,884,466	165,884,466	165,884,466	-
Trade and other payables	1,919,180,533	1,919,180,533	1,919,180,533	-
Short term borrowing	1,580,702,555	1,580,702,555	1,580,702,555	-
Term loan	530,962,856	530,962,856	137,039,056	393,923,800
	4,196,730,409	**4,196,730,409**	**3,802,806,609**	**393,923,800**

	As at 31 Dec 2025			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	142,711,846	142,711,846	142,711,846	-
Trade and other payables	1,989,743,582	1,989,743,582	1,989,743,582	-
Short term borrowing	1,247,173,815	1,247,173,815	1,247,173,815	-
Term loan	469,328,540	469,328,540	128,617,400	340,711,140
	3,848,957,781	**3,848,957,781**	**3,508,246,643**	**340,711,140**

35.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Company is exposed to currency risk on certain revenues and purchase of raw material, spare parts, accessories and capital item. Majority of the company's foreign currency purchase are denominated in USD and EURO. All the export proceeds are receipt in USD, 15% of export proceeds are crediting to export retention quota account and rest of the 85% are converted to Taka and crediting to company's current account.

i Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (in Taka):

	As at 30 June 2026			As at 31 Dec 2025		
	GBP	USD	EURO	GBP	USD	EURO
Foreign currency denominated assets						
Receivable from customers-Export	-	36,537	-	-	22,864	-
Cash at bank	-	58,940	-	-	56,925	-
	-	**95,477**	-	-	**79,788**	-

	As at 30 June 2026			As at 31 Dec 2025		
	GBP	USD	EURO	GBP	USD	EURO
Foreign currency denominated liabilities						
Trade payables	65,334	3,563,514	701,192	324,731	2,446,854	911,930
Short term borrowings	-	2,807,917	-	-	3,437,123	71,700
Royalty & Technical Fees	-	4,203,004	-	-	4,230,960	-
	65,334	10,574,435	701,193	324,731	10,114,937	983,631
Net exposure	**(65,334)**	**(10,478,958)**	**(701,193)**	**(324,731)**	**(10,035,148)**	**(983,631)**

The Company has foreign exchange loss of Tk 7,924,407 during the period ended 30 June 2026 (30 June 2025: Exchange loss Tk 18,866,914)

The following significant exchange rates have been applied:

	Exchange rate as at (Average)	
	30 June 2026	31 Mar 2025
	Taka	Taka
GBP	163.3404	165.2613
USD	123.0000	122.2000
EURO	140.6797	144.0558

ii Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the GBP, USD, EURO at 30 June would have increased/(decreased) profit or loss by the amounts shown below.

	As at 30 June 2026		As at 31 Dec 2025	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
At 30 June				
GBP (3 percent movement)	(2,021)	1,903	(10,043)	9,458
USD (3 percent movement)	(324,091)	305,212	(310,365)	292,286
EURO (3 percent movement)	(21,686)	20,423	(30,422)	28,649

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company is not significantly exposed to fluctuation in interest rates as company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

Profile

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	As at 30 June 2026	As at 31 Dec 2025
	Taka	Taka
Fixed rate instruments		
Financial assets		
Investment in FDR	126,122,655	140,304,747
Cash at banks	153,309,190	160,989,842
Financial liabilities		
Term loan	530,962,856	469,328,540
Bank overdraft	165,884,466	142,711,846
Short term borrowing	1,580,702,555	1,247,173,815

Fair value of financial assets and liabilities of the Company together with carrying amount shown in the statement of financial position are as follows:

	As at 30 June 2026		As at 31 Dec 2025	
	Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka
Financial assets				
Held to maturity assets				
Investment in FDR	126,122,655	126,122,655	140,304,747	140,304,747
Loans and receivables				
Trade receivables	2,734,158,599	2,734,158,599	2,645,938,454	2,645,938,454
Other receivables	933,860	933,860	999,544	999,544
Cash equivalents	279,431,846	279,431,846	301,294,589	301,294,589
Financial liabilities				
Liabilities carried at amortised costs				
Term loan	530,962,856	530,962,856	469,328,540	469,328,540
Bank overdraft	165,884,466	165,884,466	142,711,846	142,711,846
Trade and other payables	1,919,180,533	1,919,180,533	1,989,743,582	1,989,743,582
Short term borrowing	1,580,702,555	1,580,702,555	1,247,173,815	1,247,173,815

Interest rates used for determining amortised cost

The interest rates used to discount estimated cash flows, when applicable were as follows:

	31 Mar 2026	31 Dec 2025
Investment in FDR (local currency/BDT)	6.00%-9.75%	4.00%-10.25%
Term loan	13.00%-15%	13.00%-15%
Bank overdraft (local currency/BDT)	11.00%-14.00%	12.00%-14.50%
Short term bank loan (local currency/BDT)	11.00%-14.00%	13.00%-14.50%
Short term bank loan (foreign currency/USD)	SOFR+3%	SOFR+3.80-4.00%

36 Sustainability and climate related risks and opportunities

The Management has overall responsibility for the establishment and oversee the sustainability and climate related risks and opportunities. Sustainability and climate related policies, procedure and systems are reviewed regularly to reflect changes of the environment.

a) Sustainability-related disclosure

1. Governance:
The Board of Directors oversees sustainability-related risks and opportunities. The management of the company discuss the sustainability-related risks and opportunities and review its progress and report to the board.

2. Strategy:
Our strategy includes reducing carbon emissions. We are investing in renewable energy such as ETP and heat recovery system and improving energy efficiency across our operations.

3. Risk Management:
We conduct annual risk assessments to identify and prioritize sustainability risks. This includes evaluating the impact of climate change on our supply chain and operations.

4. Metrics and Targets:
In 2026, we proactively reduced our carbon emissions by energy efficiency, recycling resources, enhancing plantation and reducing plant's waste. We also aim to enhance these initiatives by more than 20% in next 5 years.

5. Opportunities:
We believe integrating sustainability into strategic planning can enhance our overall business resilience enhancing reputation and demonstrating commitment to sustainability.

b) Climate-related disclosure

1. Governance:
The board of directors also oversee the climate-related risks putting them into the priority list for ensuring safe running of business for the longer term.

2. Roadmap:
The Company creates plan to collect relevant data over the period for analyzing and formulating relevant strategy.

3. Data Collection:
The Company gathers data from different sources that are trustworthy and carries reliability.

4. Risk Management:
The Company analyze the risks from extreme weather events, regulatory risks from climate-related policies, and transition risks related to changes in market dynamics

5. Opportunities:
Investing in clean energy, energy efficiency, and sustainable practices can mitigate climate-related risks and open new markets.

37 Related party disclosures under IAS-24

List of related parties with whom transactions have been taken place and their relationship as identified and certified by management:

Amounts in Taka

Name of related party	Relationship	Security/ Guarantee status	Bad debts Status	Period	Purchase of goods/services	Sale of goods/services	Outstanding receivables/Advance	Outstanding payable	Remuneration	Dividend income*	Dividend payable*	Royalty payable*
RAK Power Pvt. Ltd**	Subsidiary	Unsecured	Nil	30 June 2026	305,044,425	1,565,220	-	55,000,549	-	-	-	-
				30 June 2025	253,903,740	1,565,220	1,565,220	179,172,653	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	30 June 2026	28,396,099	-	-	11,620,313	-	1,980,000	-	-
				30 June 2025	27,045,434	-	-	15,495,292	-	1,980,000	-	-
RAK Ceramics PJSC, UAE	Parent	Unsecured	Nil	30 June 2026	-	-	-	-	-	-	-	519,491,355
				30 June 2025	4,343,580	-	-	33,516,390	-	-	291,586,431	519,138,764
Ceramin FZ LLC	Fellow subsidiary	Secured	Nil	30 June 2026	447,278,686	-	-	332,428,380	-	-	-	-
				30 June 2025	479,756,922	-	-	170,783,523	-	-	-	-
Kludi RAK LLC	Fellow subsidiary	Secured	Nil	30 June 2026	-	-	-	-	-	-	-	-
				30 June 2025	1,859,936	-	-	-	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	30 June 2026	72,612,631	-	-	14,539,893	-	-	-	-
				30 June 2025	40,664,649	-	-	5,190,148	-	-	-	-
Palli Properties Pte. Ltd	Other related party	Unsecured	Nil	30 June 2026	9,710,568	-	-	1,184,650	-	-	-	-
				30 June 2025	9,849,524	-	-	1,815,617	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	30 June 2026	633,558	-	-	146,320	-	-	-	-
				30 June 2025	1,301,732	-	-	21,800	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	30 June 2026	119,839	-	-	-	-	-	-	-
				30 June 2025	643,618	-	-	322,126	-	-	-	-
International Trade Agency	Other related party			30 June 2026	94,378,986	-	-	4,480,365	-	-		
				30 June 2025	39,997,656	-	-	17,029,301	-	-		
Global Business Associates Ltd.	Other related party	Unsecured	Nil	30 June 2026	-	-	-	-	-	-	-	-
				30 June 2025	-	-	-	-	-	-	-	-
Automatic Bricks & Ceramics Pvt. Ltd.	Other related party	Unsecured	Nil	30 June 2026	2,116,903	-	-	-	-	-	-	-
				30 June 2025	-	-	-	-	-	-	-	-
Mohammed Trading***	Other related party	Secured by Guaranteed Cheque	Nil	30 June 2026	-	1,356,652,536	1,707,270,166	-	-	-	-	-
				30 June 2025	-	812,022,625	1,285,118,902	-	-	-	-	-
S.A.K. Ekramuzzaman	Key Management Personnel	Unsecured	Nil	30 June 2026	1,715,052	-	-	397,427	529,903	-	-	-
				30 June 2025	2,819,112	-	-	200,000	-	-	-	-
Sadhan Kumar Dey****	Key Management Personnel	Unsecured	Nil	30 June 2026	-	-	-	-	2,497,586	-	-	-
				30 June 2025	-	-	-	-	7,222,253	-	-	-

*The figures are included tax and VAT.

**The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new genset. Outstanding loan against the said corporate guarantee is BDT 268.96 Million at 30 June 2026.

***To comply the BSEC notification no. BSEC/CMRRCD/2009-193/10/Admin/118 dated March 22, 2021 shareholders of the company in its 26th Annual General Meeting dated March 22,2025 approved an agenda to enter into contract for supply of goods and materials to Mohammed Trading (Owner of Mohammed Trading is Managing Director of RAK Ceramics (Bangladesh) Limited) equivalent to 10% (Ten percent) or above of the revenue for the immediate financial year.

****Amount represents Short term benefits BDT. 2,312,415 and Post employment benefits BDT. 185,171

37.1 Paid to Directors

During the period, Tk.529,903 provision was made as MD's remuneration.

37.2 During the period, Board meeting fees of Taka 680,000 was paid to the board members for attending the Board meetings.

38 Segment reporting

The company has three reportable segments which offer different products and services and are managed separately because they require different technology and marketing strategies. The following summary describes the operations of each segment:

Ceramics & Sanitary Ware: Engages in manufacturing and marketing of ceramics tiles, bathroom sets and all types of sanitary ware.

Power: To set-up power utilities and operate power-generating plants, transmission system and distribution system and to sell the generated electric power to any legal entity.

Security and services : Engages in providing security guard, cleaning services, verification services, termite and pest control services and set up manpower technical training.

30 June 2026	Business Segments				
	Ceramic & sanitary ware	Power	Security and Services	Inter segment	Entity total
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	3,701,802,192	-	39,695,468	-	3,741,497,661
Revenue - inter segment	-	305,044,425	29,189,363	(334,233,788)	-
Total segment revenue	3,701,802,192	305,044,425	68,884,831	(334,233,788)	3,741,497,661
Cost of sales- external customer	(2,698,532,466)	(275,720,371)	(47,510,716)	-	(3,021,763,553)
Cost of sales- inter segment	(305,044,425)	(2,358,484)	-	307,402,909	-
Total segment cost of sales	(3,003,576,891)	(278,078,855)	(47,510,716)	307,402,909	(3,021,763,553)
Gross profit	698,225,301	26,965,570	21,374,115	-	719,734,108
Other income	3,433,868	-	34,998		3,468,866
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	1,565,220	-	-	(1,565,220)	-
Financial income	5,337,718	2,623,920	99,393	-	8,061,031
Financial expenses	(127,269,335)	(11,917,773)	(120,643)	-	(139,307,751)
Depreciation	(207,856,793)	(15,875,886)	(267,798)	-	(224,000,477)
Other operating expenses	(358,593,665)	9,837,004	(12,247,990)	28,396,099	(332,608,553)
Segment profit before tax	16,822,312	11,652,835	8,872,075		35,347,221
Income tax expense	(46,986,873)	(6,690,897)	(2,476,954)	-	(56,154,724)
Deferred tax	40,203,380	3,471,826	(67,147)	-	43,608,059
Profit/(loss) for the period					**22,800,556**

30 June 2025

	Business Segments				
	Ceramic & sanitary ware	**Power**	**Security and services**	**Inter segment**	**Entity total**
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	3,062,978,862	-	37,560,439	-	3,100,539,302
Revenue - inter segment	-	253,903,740	27,843,693	(281,747,433)	-
Total segment revenue	3,062,978,862	253,903,740	65,404,132	(281,747,433)	3,100,539,302
Cost of sales- external customer	(2,358,676,584)	(232,154,135)	(45,484,014)	-	(2,636,314,732)
Cost of sales- inter segment	(253,903,740)	(2,363,479)	-	256,267,219	-
Total segment cost of sales	(2,612,580,324)	(234,517,614)	(45,484,014)	256,267,219	(2,636,314,732)
Gross profit	450,398,538	19,386,126	19,920,118	-	464,224,569
Other income	1,665,597	-	7,584		1,673,181
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	1,565,220	-	-	(1,565,220)	-
Financial income	6,452,775	853,529	132,277	-	7,438,580
Financial expenses	(119,488,980)	(11,171,418)	(150,851)	-	(130,811,250)
Depreciation	(235,352,964)	(14,953,735)	(154,096)	-	(250,460,795)
Other operating expenses	(269,511,118)	9,661,431	(10,667,706)	27,045,434	(243,471,960)
Segment profit before tax	(162,290,932)	3,795,933	9,087,326	-	(151,407,671)
Income tax expense	(92,605,653)	(1,919,656)	(2,574,357)	-	(97,099,666)
Deferred tax	38,578,058	(512,896)	59,095	-	38,124,257
Profit/(loss) for the period					**(210,383,081)**

	30 June 2026 Taka	30 June 2025 Taka
39 Calculation of Earnings per share (EPS)		
Calculation of earnings per share (EPS) is as under:		
(a) Profit/(loss) attributable to equity holders of the Company	22,800,556	(210,383,081)
(b) No. of ordinary equity shares	427,968,701	427,968,701
(c) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Earnings per share (EPS) for the period (a÷c)	0.05	(0.49)
Diluted earnings per share for the period (a÷c)	0.05	(0.49)

39.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

	30 June 2026	30 June 2025
Outstanding shares	427,968,701	427,968,701
	427,968,701	**427,968,701**

39.2 Diluted earning per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period.

39.3 Reason of increase of earnings per share:

For the period ended 30 June 2026, the Company recorded revenue growth of 20.67%, from BDT 3,100.54 million to BDT 3,741.50 million. This growth was primarily driven by higher production and corresponding increase in sales volume, supported by the improved availability of gas pressure during the current period. During this period, a significant portion of the Company's machinery had completed its depreciable life, because of this fact depreciation charged has been reduced which impacted positively in Cost of goods sold. Consequently, the gross profit margin improved from 14.97% to 19.24%. In addition, current tax expense declined significantly following a change in income tax regulations, particularly the treatment of the minimum tax and Advance Income Tax (AIT) paid in different stages as Tax Deducted at Source (TDS). This also had a positive impact on the Company's profitability, resulting in a turnaround in net profit after tax from a loss of BDT 210.38 million in the corresponding previous period to a profit of BDT 22.80 million in the current period. As a result, earnings per share (EPS) improved from BDT (0.49) to BDT 0.05 compared to the corresponding period of the previous year.

40 Calculation of Net assets value per share		
(a) Net assets value (Note 14, 15 & 16)	6,451,688,348	6,733,921,461
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net assets value per share (a÷b)	15.08	15.73
41 Calculation of Net operating cash flow per share		
(a) Net Cash flows from operating activities (Note 41)	50,990,597	70,164,406
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net operating cash flow per share (a÷b)	0.12	0.16

41.1 Reason of decrease of net operating cash flow per share:

Net operating cash flow was adversely affected during the period primarily due to higher purchases made to meet the increased production demand, resulting in higher cash outflows. In addition, trade payables decreased from BDT 1,250.96 million to BDT 1,123.48 million as the Company settled outstanding supplier balances. Although sales increased during the period from BDT 3,100.54 million to BDT 3,741.50 million, cash collections from customers did not increase proportionately, leading to a rise in trade receivables from BDT 2,645.94 million to BDT 2,734.16 million. Consequently, net operating cash flow per share (NOCFPS) declined, decreasing from BDT 0.16 in the corresponding previous period to BDT 0.12 in the current period.

42 Reconciliation of operating cash flow:

	30 June 2026	30 June 2025
Cash flows from operating activities		
Profit before taxation	35,347,221	(151,407,672)
Adjustment for:		
Depreciation	237,085,689	263,206,675
Amortization	3,563,327	3,507,212
Adjustment relating to lease	(6,249,898)	(7,473,750)
Foreign exchange loss	7,924,407	18,866,914
Finance expenses	131,383,345	111,944,335
Finance income	(8,061,031)	(7,438,582)
Other income	(3,468,866)	(1,673,181)
	397,524,193	229,531,952
Increase/decrease in trade and other receivables	(88,270,146)	268,549,343
Increase/decrease in inventories	(153,475,194)	(702,602,752)
Increase/decrease in trade and other payables	(17,844,774)	372,522,783
Cash generated from operating activities	137,934,087	168,001,329
Interest received from bank deposit	1,914,059	2,990,786
Income tax paid	(88,857,549)	(100,827,708)
Net cash (used in)/from operating activities	**50,990,597**	**70,164,406**

43 Contingent liabilities

There are contingent liabilities on account of unresolved disputed corporate tax assessments, VAT claims, customs duty and civil suits & others by the authority aggregating to Tk 1,132,577,120 (30 June 2025: Tk 446,528,877). Considering the merits of the cases, it has not been deemed necessary to make provisions for all such disputed claims.

There is also contingent liability in respect of outstanding letters of credit of Tk 438,965,494 (30 June 2025: Tk 592,522,605) and letter of guarantee of Tk 344,483,833 (30 June 2025: Tk 344,483,833).

The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new gensets. Outstanding loan against the said corporate guarantee is BDT 268.96 Million at 30 June 2026. The loan repayment is made in timely manner by the subsidiary company. Therefore, no credit loss allowance is expected.