

**Auditor's Report
and
Audited Consolidated Financial Statements
of
LafargeHolcim Bangladesh PLC.
For the year ended 31 December 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of LafargeHolcim Bangladesh PLC.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LafargeHolcim Bangladesh PLC. and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 9.1 to the financial statements which describes the status of Gas sales agreement in between the Company, the Jalalabad Gas Transmission and Distribution Systems Limited ("JGTDS") and the status of dispute of the past sales agreement.

Our opinion is not modified in respect of this matter.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Impairment testing of goodwill

See Note 6 to the consolidated financial statements for relevant disclosures regarding goodwill.

Underlying rationale for considering impairment testing of goodwill as KAM:

The Group reported goodwill of Tk317 million as at 31 December 2025 which is material to the consolidated financial statements. Under International Accounting Standard (IAS) 36: *Impairment of Assets*, the Group is required to annually test goodwill for impairment. The recoverable amount is based on the higher of the value in use or fair value less costs to sell. The impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements related to impairment testing of goodwill.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Performed risk assessment procedures by obtaining an understanding of the Group's nature of business and process for impairment analysis.
- Performed an independent assessment of the goodwill impairment process based on information accessible in the public domain, historical data pertaining to the Group, current year financial and non-financial information and knowledge about the Group's business.
- Evaluated the reasonableness of management's historical forecasting accuracy by assessing input and assumptions used in the goodwill impairment testing.
- Evaluated and assessed the reasonableness of discount rate using both Group specific information and information accessible in the public domain.
- Performed sensitivity analysis and assessed headroom for goodwill impairment.
- Verified the long-term growth rate employed for extrapolating cash flow projections beyond the period covered by the most recent budgets/forecasts.
- Reassessed the determination of fair value using observable quoted price.

2) Management override of control – Journal entries

Underlying rationale for considering management override of control – journal entries as KAM:

Journal entries are posted in the system as per access given to the personnel authorized for it. Management is in a unique position to make improper entries in accounting records through journal entries. There is an underlying risk that management can record improper journal entries and prepare materially misstated consolidated financial statements. Due to the pervasive impact of the journal entries, we have ascertained journal entries posted in financial reporting process as a key audit matter.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Obtained an understanding of the Group's business, financial reporting process and authorization and approval procedures.

- Evaluated the design and implementation and tested the operating effectiveness of identified internal controls related to the recording of journal entries.
- Utilized data analytics to assess the completeness of the annual journal entry population by generating a trial balance derived from the journal entry dump itself. Subsequently, compared this derived trial balance with the actual trial balance to ensure completeness of the journal entry population.
- Conducted testing on the journal entries identified by us through application of professional judgment and utilization of data analytics procedure. We scrutinized the journal listing for the year and employed data analytics and professional judgement to establish criteria for identifying journal entries. The criteria so established involved various parameters such as entries directed towards seldom used accounts, large debits to revenue, users with few postings, closing entries, words of interest, and amount analysis all within the context of our understanding of the business. Subsequently, selected and tested samples from non-standard journal entries based on these parameters.
- Assessed the business rationale, or lack thereof, for the selected journal entries.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appeared from our examination of these books;
- c) the statement of consolidated financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditures incurred were for the purposes of the Group's business.

The engagement partner on the audit resulting in this independent auditor's report is Sk Ashik Iqbal FCA.

For Nurul Faruk Hasan & Co

Chartered Accountants

FRC Enlistment Number: CAF-001-139



Sk Ashik Iqbal FCA

Partner

Enrollment Number: 1310

DVC: 2603111310AS742354

Dhaka, Bangladesh

Date: 11 March 2026

LafargeHolcim Bangladesh PLC.
Consolidated statement of financial position
As at 31 December

	Note	31 December 2025 Taka'000	31 December 2024 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5A	18,444,241	16,603,659
Intangible assets	6A	1,178,545	1,267,827
Employee benefits - funded plan assets	15	90,075	217,463
Total non-current assets		19,712,861	18,088,949
Current assets			
Inventories	7	3,848,105	3,941,669
Trade receivables	8	808,534	503,207
Other current assets	9	7,489,559	4,378,890
Advance income tax	19	-	63,177
Cash and cash equivalents	10	9,517,615	9,600,898
Total current assets		21,663,813	18,487,841
Total assets		41,376,674	36,576,790
Equity & liabilities			
Equity			
Share capital	11.3	11,613,735	11,613,735
Retained earnings		6,688,763	5,877,401
Other components of equity	11.6	(91,901)	9,329
Foreign currency translation		853,221	1,091,911
Equity attributable to owners of the Company		19,063,818	18,592,376
Non-controlling interests	12	(488)	(584)
Total equity		19,063,330	18,591,792
Non-current liabilities			
Lease liabilities	13A	60,814	102,137
Deferred tax liabilities	14	1,478,543	1,772,726
Employee benefits - unfunded plan obligations	15	200,464	157,424
Provisions	16	105,428	97,410
Total non-current liabilities		1,845,249	2,129,697
Current liabilities			
Trade payables	17	17,205,312	14,348,355
Other current liabilities	18	2,964,369	1,054,208
Short-term borrowings		-	232,579
Lease liabilities	13B	38,724	28,351
Current income tax liabilities	19	213,404	-
Unclaimed dividend		46,286	191,808
Total current liabilities		20,468,095	15,855,301
Total liabilities		22,313,344	17,984,998
Total equity and liabilities		41,376,674	36,576,790
Net Asset Value (NAV) Per Share	28B	16.41	16.01

The accompanying Notes 1 to 35 form an integral part of these financial statements.


Chief Financial Officer


Company Secretary



Director


Chief Executive Officer

As per our annexed report of same date.

Dhaka, Bangladesh
Dated: 11 March 2026

For Nurul Faruk Hasan & Co.
Chartered Accountants
FRC Enlistment Number: CAF-001-139


SK Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2603111310AS742354

LafargeHolcim Bangladesh PLC.
Consolidated statement of profit or loss
For the year ended 31 December

		<u>31 December 2025</u>	<u>31 December 2024</u>
	Note	Taka'000	Taka'000
Revenue	21A	29,313,688	27,542,719
Cost of sales	22	(20,467,288)	(19,297,730)
Gross profit		<u>8,846,400</u>	<u>8,244,989</u>
Other operating income	25A	40,752	118,155
General and administrative expenses	23	(1,716,695)	(1,787,419)
Sales and marketing expenses	24	(618,307)	(608,009)
Other operating expense	25B	-	(90,824)
Operating profit		<u>6,552,150</u>	<u>5,876,892</u>
Finance cost	26	(9,905)	(497,088)
Finance income	26	236,387	178,690
Profit before tax		<u>6,778,632</u>	<u>5,558,494</u>
Income tax	27	(1,670,194)	(1,739,208)
Profit for the year		<u>5,108,438</u>	<u>3,819,286</u>
Profit attributable to:			
Owners of the parent Company		5,108,444	3,819,305
Non-controlling interests		(6)	(19)
		<u>5,108,438</u>	<u>3,819,286</u>
Earnings Per Share (EPS)			
Basic EPS (Taka)	28A	4.40	3.29
Diluted EPS (Taka)	28A	4.40	3.29

The accompanying Notes 1 to 35 form an integral part of these financial statements.


 Chief Financial Officer


 Company Secretary


 Director


 Chief Executive Officer

As per our annexed report of same date.

Dhaka, Bangladesh
 Dated: 11 March 2026

For Nurul Faruk Hasan & Co.
 Chartered Accountants
 FRC Enlistment Number: CAF-001-139


 Sk Ashik Iqbal FCA
 Partner
 Enrollment Number: 1310
 DVC: 2603111310AS742354

LafargeHolcim Bangladesh PLC.
Consolidated statement of comprehensive income
For the year ended 31 December

	<u>31 December 2025</u> Taka'000	<u>31 December 2024</u> Taka'000
Profit for the year	<u>5,108,438</u>	<u>3,819,286</u>
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss)-net off tax	<u>(118,107)</u>	<u>180,237</u>
Total items that will not be reclassified to profit or loss	<u>(118,107)</u>	<u>180,237</u>
Items that are or may be reclassified subsequently to profit or loss		
Cash flow hedge-net off tax	16,877	497
Foreign operation-foreign currency translation differences	(238,690)	378,999
Non controlling interests-currency translation adjustment	102	(38)
Total items that may be reclassified to profit or loss	<u>(221,711)</u>	<u>379,458</u>
Other comprehensive income for the year	<u>(339,818)</u>	<u>559,695</u>
Total comprehensive income for the year	<u><u>4,768,620</u></u>	<u><u>4,378,981</u></u>
Profit attributable to:		
Owners of the parent Company	4,768,524	4,379,038
Non-controlling interests	96	(57)
	<u><u>4,768,620</u></u>	<u><u>4,378,981</u></u>

The accompanying Notes 1 to 35 form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date.

Dhaka, Bangladesh
Dated: 11 March 2026

For Nurul Faruk Hasan & Co.
Chartered Accountants
FRC Enlistment Number: CAF-001-139



Sk Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2603111310AS742354

LafargeHolcim Bangladesh PLC.
Consolidated statement of changes in equity
For the year ended 31 December

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Balance at 01 January 2024	11,613,735	10,071,574	(171,405)	712,912	22,226,816	(527)	22,226,289
Total comprehensive income for the year	-	3,819,305	180,734	378,999	4,379,038	(57)	4,378,981
Dividend for 2023	-	(5,806,868)	-	-	(5,806,868)	-	(5,806,868)
Interim dividend	-	(2,206,610)	-	-	(2,206,610)	-	(2,206,610)
Balance at 31 December 2024	11,613,735	5,877,401	9,329	1,091,911	18,592,376	(584)	18,591,792
Balance at 01 January 2025	11,613,735	5,877,401	9,329	1,091,911	18,592,376	(584)	18,591,792
Total comprehensive income for the year	-	5,108,444	(101,230)	(238,690)	4,768,524	96	4,768,620
Dividend for 2024	-	(2,206,610)	-	-	(2,206,610)	-	(2,206,610)
Interim Dividend for 2025	-	(2,090,472)	-	-	(2,090,472)	-	(2,090,472)
Balance at 31 December 2025	11,613,735	6,688,763	(91,901)	853,221	19,063,818	(488)	19,063,330

The accompanying Notes 1 to 35 form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

LafargeHolcim Bangladesh PLC.
Consolidated statement of cash flows
For the year ended 31 December

	Note	31 December 2025 Taka'000	31 December 2024 Taka'000
Cash flows from operating activities			
Cash receipts from customers		30,863,489	28,336,359
Cash paid to suppliers and employees		(20,752,491)	(17,969,137)
Cash generated from operations		10,110,998	10,367,222
Income taxes paid		(1,655,626)	(2,470,603)
Other receipts		37,007	26,014
Net cash generated from operating activities*	34	8,492,379	7,922,633
Cash flows from investing activities			
Payments for property, plant and equipment		(4,091,354)	(1,228,461)
Proceeds from sale of property, plant and equipment		1,702	26,070
Interest income		215,383	196,424
Net cash (used in)/from investing activities		(3,874,269)	(1,005,967)
Cash flows from financing activities			
Repayments of the lease liabilities		(30,950)	(30,764)
Interest paid on lease liabilities		(11,362)	(6,298)
Payment of interest and other finance costs		(16,875)	(115,108)
(Repayments)/Proceeds from short term borrowing		(232,579)	232,579
Margin accounts balances with banks		67,678	1,010,831
Dividend paid		(4,442,604)	(7,848,019)
Net cash used in financing activities		(4,666,692)	(6,756,779)
Net increase/(decrease) in cash and cash equivalents		(48,582)	159,887
Net effect of foreign currency translation on cash and cash equivalents		(34,701)	95,486
Cash and cash equivalents at beginning of the year	10	-	9,345,525
Cash and cash equivalents at end of the year	10	(83,283)	9,600,898
Net Operating Cash Flow Per Share (NOCFPS)	28C	7.31	6.82

*Refer to Note 34 for a reconciliation between net profit with cash flows from operating activities.

The accompanying Notes 1 to 35 form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

LafargeHolcim Bangladesh PLC.
Notes to the consolidated financial statements
For the year ended 31 December

1. General information

LafargeHolcim Bangladesh PLC. (LHB) - (hereinafter referred to as "the Company") was incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994 having its registered office in Dhaka. At the time of incorporation the name of the Company was "Lafarge Surma Cement Limited". On 07 February 2017 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) approved the name change to "LafargeHolcim Bangladesh Limited" of the Company. On 18 August 2024 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) further approved the name change to "LafargeHolcim Bangladesh PLC." of the Company. The Company has subsequently been converted into a public limited company on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges. Presently the Company has two subsidiaries in India. The main objectives of the subsidiaries are to support the holding company. A brief description of each of the subsidiary is given below:

Lafarge Umiam Mining Private Limited (LUMPL) - LUMPL is fully owned subsidiary of the Company. LUMPL was incorporated under the Indian Companies Act 1956 on 22 March 1999 as a private limited company with its registered office at Shella in the State of Meghalaya, India.

Lum Mawshun Minerals Private Limited (LMMPL) - LMMPL is a 74% owned subsidiary of the Company. LMMPL was incorporated under the Indian Companies Act 1956 on 17 November 1994 as a private limited company with its registered office at Shella in the State of Meghalaya, India.

For the purpose of the consolidated financial statements, Group represents the Company, LUMPL and LMMPL.

1.1 Nature of business

LafargeHolcim Bangladesh PLC. (LHB) - The Company operates cement and aggregates manufacturing plants at Chhatak under Sunamganj district, and three (3) grinding plants near Dhaka and Khulna. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya, India, owned by the Company's fully owned subsidiary, Lafarge Umiam Mining Private Limited. A 17 kilometres cross-border conveyor belt links the quarry with the cement plant for transportation of raw materials. The Company is engaged in manufacturing and marketing of building materials in the local and international market.

Lafarge Umiam Mining Private Limited (LUMPL) - LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. The project involves supply of crushed limestone and shale from the mines located in the State of Meghalaya through continuous cross border elevated belt conveyor to the plant at Chhatak in Bangladesh promoted by Lafarge SA France and Molins of Spain for the manufacture building materials by LHB.

Lum Mawshun Minerals Private Limited (LMMPL) - LMMPL was formed for acquisition of mining and land rights to facilitate the mining operation of limestone and shale. During the earlier years LMMPL transferred the mining and land rights as well as freehold and leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government of India. Consequently, there has been no business during the year as well as in the previous years. However, LMMPL is exploring new opportunities.

2. Adoption of new and revised Standards

2.1 New and amended IFRS Standards that are effective for the current year

The following are the amendments that are effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 21

The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

2.2 New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the Company.

Amendments to IFRS 9 and IFRS 7	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Annual Improvements to IFRS Accounting Standards - Volume 11	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows</i>
Amendments IFRS 9 and IFRS 7 IFRS 18 IFRS 19	<i>Contracts Referencing Nature-dependent Electricity Presentation and Disclosures in Financial Statements Subsidiaries without Public Accountability: Disclosures</i>

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

3. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

3.1 Basis of preparation

The consolidated financial statements have been prepared in line with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 2020. They were authorized for issue by the Company's Board of Directors on 11 March 2026.

3.2 Basis of consolidation

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company controls these entities. The Company holds majority of voting right in all of the subsidiaries.

The name of subsidiaries, country of incorporation and proportion of ownership interest are as follows:

Name of subsidiary	Country of incorporation	% of ownership interest
Lafarge Umiam Mining Private Limited	India	100
Lum Mawshun Minerals Private Limited	India	74

i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.3 Use of estimates and judgements

i) Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these consolidated financial statements include assumptions used for depreciation, deferred taxes, impairment of goodwill, impairment of investment in subsidiary and provisions for employees benefits.

ii) Judgements

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the consolidated financial statements is judgmental.

iii) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in financial instruments (Note: 31).

3.4 Functional and presentation currency

These consolidated financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the functional and presentation currency of the Group. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

3.5 Translation of financial statements denominated in foreign currencies

The accounts of the Indian subsidiaries have been translated into Bangladesh Taka using the year end closing rate of exchange for all financial position items and the average rate of exchange for revenues, expenses and amounts presented in the statement of cash flows. The resulting translation adjustments are included as a separate component of shareholders' equity. The exchange rates used for consolidating the Indian entities are as follows:

Taka equivalent of Rs. 1	<u>2025</u>	<u>2024</u>
Average rate	1.4011	1.3847
Closing rate	1.3625	1.4086

3.6 Property, plant and equipment

i) Recognition of property, plant and equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent costs

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

iii) Construction in progress

These expenditures are capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

iv) Depreciation of property, plant and equipment

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

<u>Category</u>	<u>Rate %</u>
Building	2-3.5
Plant & machinery	3.33-20
Vehicles	20
Office equipment	10, 20 & 33.33
Furniture & fixtures	10

v) Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the year concerned.

vi) Retirement and disposals

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of profit or loss in "gain/(loss) on disposals and other non-operating income/(expenses)".

vii) Leases

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Group uses its incremental borrowing rate as the discount rate.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'non current and current liabilities' in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Goodwill

In the year 2019, Holcim Cement (Bangladesh) Limited (HBL) was amalgamated with the Company pursuant to a court order. Investment in subsidiary - HBL and net equity of HBL have were eliminated and the excess representing goodwill was recognized into the financial statements of the Company. This goodwill originally arose on the acquisition of HBL as on 07 January 2018.

Goodwill is measured at cost less accumulated impairment losses. At acquisition of HBL, goodwill was measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating unit expected to benefit from the synergies of the initial combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

3.8 Intangible assets

i) Software

Software costs are capitalized where it is expected to provide future economic benefits. Capitalization costs include license fees and cost of implementation/system integration services which are capitalized in the year in which the relevant software is installed for use. Costs of maintenance, upgradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

ii) Others

Capitalization costs of leasehold land and quarry land include statutory fees, lump sum payment to lessor and subsequent development cost. These are shown as "intangible assets" in line with the Group policy.

iii) Construction in progress

These expenditures are capitalized and recognized as operating assets upon completion of the development process.

iv) Amortization of intangible assets

a) Software

Software costs are amortized using the straight-line method over their useful lives (three years).

b) Others

The leased land and quarry land are amortized using the straight-line method over their amortization year calculated on the basis of different leased years. However, the quarry lands are amortized over a maximum of thirty years. The rate of amortization for lease hold land is 1%- 5%.

3.9 Inventories

Inventories are stated at the lower of cost and net realizable value while packing materials and spare parts are valued at cost. The cost of inventories is based on the weighted average cost method.

3.10 Financial instruments

i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objective for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortized cost:

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

iii) Derivative instruments

The Group enters into financial derivative contracts only in order to reduce its exposure to changes in interest rates and foreign currency exchange rates.

Forward exchange contracts are used to hedge foreign currency exchange rate exposures.

Pursuant to the guidance in IFRS 9, the Group records in the consolidated statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Group designates its derivatives based on the criteria established under IFRS 9.

In case of fair value hedge relationship, changes in fair value on the hedging items are recognized in the consolidated statement of profit or loss of the year of change.

In case of cash flow hedge relationship, changes in fair value on the hedging items are recognized directly in other comprehensive income for the effective portion and in the consolidated statement of profit or loss under the "Finance cost/income" caption for the ineffective portion. The gain and loss recognized in equity is subsequently reclassified to the consolidated statement of profit or loss when hedge exposure affects earnings.

iv) Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.11 Foreign currency translation/transaction

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central bank). The resultant gain and loss has been reflected in the financial statements.

3.12 Employees' benefit schemes

i) Gratuity plan - funded

The Group operated an unfunded gratuity plan till 15 January 2014 and thereafter, the scheme has been converted to a funded one. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

ii) Gratuity plan - unfunded (Holcim Cement Bangladesh Limited- amalgamated)

The Group operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

iii) Gratuity plan - unfunded (LUMPL)

LUMPL operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

iv) Provident fund

The Group also operates a recognized provident fund scheme with equal contributions by the employees and the Group. The fund is administered by the Board of Trustees.

v) Workers' profit participation and welfare funds - for LHBL

The Group recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of income before tax before charging such expenses as per Bangladesh Labor Act, 2006 (Amended in 2013).

3.13 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

ii) Deferred tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.14 Revenue recognition

Revenue from the sale of the Group's core products is recognized when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered to them.

The core products are often sold with volume discounts. Revenue from these sales is recognized based on the price specified on the invoice, net of variable considerations. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 60 days depending on the specific terms agreed with the group concerned, which is consistent with market practice. Generally, cement, aggregates and clinker are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

Contract liabilities, which is the Group's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers.

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

3.15 Provision

The Group recognizes provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Group.

3.16 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.17 Comparatives

Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary to conform with changes in presentation in the current year.

3.18 Dividend distribution

Final dividend distributions to the Group's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid.

3.19 Operating segment

LafargeHolcim Bangladesh PLC. have two operating segments clinker & cement and aggregates whose results are regularly reviewed by the entity's Chief Operating Decision Maker, who is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to segments and assess its performance and for which discrete financial information is available.

4. Comparatives and rearrangement

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's consolidated financial statements. Comparative figures and account titles in the consolidated financial statements have been rearranged/reclassified where necessary, to ensure better comparability with the current year's financial statements and to comply with relevant IFRSs.

B. Details of disposal of property, plant and equipment

2025	Building		Plant & machinery		Vehicles		Office equipment		Furniture & fixtures		Construction in progress		Total	
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost	1,800	397,376	17,023	15,616	-	-	-	-	-	-	-	-	431,815	
Accumulated depreciation	(502)	(397,376)	(17,023)	(15,616)	-	-	-	-	-	-	-	-	(430,517)	
Carrying amount at 31 December 2024	1,298	-	-	-	-	-	-	-	-	-	-	-	1,298	
Sale proceeds	-	-	1,702	-	-	-	-	-	-	-	-	-	1,702	

Mode of disposal

Particulars of purchaser/type of disposal

Company policy	Company policy	Company policy/tender	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company
Written off	Written off	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees

2024

2024	Building		Plant & machinery		Vehicles		Office equipment		Furniture & fixtures		Construction in progress		Total	
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost	346	220,132	32,782	29,479	265	283,004	-	-	-	-	-	-	283,004	
Accumulated depreciation	(158)	(107,260)	(29,586)	(29,479)	(265)	(166,748)	-	-	-	-	-	-	(166,748)	
Carrying amount at 31 December 2024	188	112,872	3,196	-	-	116,256	-	-	-	-	-	-	116,256	
Sale proceeds	-	11,100	12,942	1,994	34	26,070	-	-	-	-	-	-	26,070	

Mode of disposal

Particulars of purchaser/type of disposal

Company policy	Company policy	Company policy/tender	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company
Written off	Written off	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees	Third party & employees

6. Intangible assets

A. Reconciliation of carrying amount

	Goodwill	Quarry land	Software	Total excluding goodwill	Total including goodwill
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost					
At 1 January 2024	317,776	1,186,046	176,753	1,362,799	1,680,575
Additions	-	373,821	-	373,821	373,821
Translation adjustments	-	82,649	326	82,975	82,975
At 31 December 2024	317,776	1,642,516	177,079	1,819,595	2,137,371
At 1 January 2025	317,776	1,642,516	177,079	1,819,595	2,137,371
Additions	-	1,275	11,629	12,904	12,904
Disposals	-	-	(73)	(73)	(73)
Translation adjustments	-	(52,579)	(490)	(53,069)	(53,069)
At 31 December 2025	317,776	1,591,212	188,145	1,779,357	2,097,133
Accumulated impairment and depreciation amortization					
At 1 January 2024	-	609,271	164,366	773,637	773,637
Amortization charge for the year	-	52,005	2,583	54,588	54,588
Translation adjustments	-	40,998	321	41,319	41,319
At 31 December 2024	-	702,274	167,270	869,544	869,544
At 1 January 2025	-	702,274	167,270	869,544	869,544
Amortization charge for the year	-	68,501	5,514	74,015	74,015
Disposals	-	-	(73)	(73)	(73)
Translation adjustments	-	(24,721)	(177)	(24,898)	(24,898)
At 31 December 2025	-	746,054	172,534	918,588	918,588
Carrying amount					
At 31 December 2025	317,776	845,158	15,611	860,769	1,178,545
At 31 December 2024	317,776	940,242	9,809	950,051	1,267,827
At 1 January 2024	317,776	576,775	12,387	589,162	906,938
Amortization charge for the year allocated to				31 December 2025	31 December 2024
				Taka'000	Taka'000
Production and maintenance costs (note 22.2)				74,015	54,588
				74,015	54,588

B. Impairment testing for goodwill

The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from continuing use. Forecast free cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the inflation rate. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated sales volume and price growth for forecast period.

	31 December 2025	31 December 2024
	Taka'000	Taka'000
7. Inventories		
Raw materials	503,552	693,078
Semi-finished and finished products	1,375,295	1,725,012
Parts and supplies	1,969,258	1,523,579
	<u>3,848,105</u>	<u>3,941,669</u>
8. Trade receivables		
Trade receivables	<u>808,534</u>	<u>503,207</u>

See Note 31B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.

9. Other current assets

Advance payment to trade suppliers	48,596	149,359
Prepaid expenses	89,457	58,670
Security and other deposits	649,343	92,207
Other receivables (note 9.1)	4,200,086	3,843,405
Advance payment to suppliers of fixed assets	2,480,882	155,849
Accrued interest on bank deposits	20,920	11,447
Margin accounts balances with banks	275	67,953
	<u>7,489,559</u>	<u>4,378,890</u>

9.1 Gas Sales Agreement (GSA) with JGTDS

The Gas Sales Agreement between LafargeHolcim Bangladesh PLC. (the "Company") and Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS) ended on January 17, 2026 (the "Old GSA"). Thereafter, since January 18, 2026 JGTDS is supplying gas to the Company under two new Gas Sales Agreements (the "New GSAs") both dated June 24, 2025. The New GSAs are valid until January 18, 2036.

There was a dispute between the Company and JGTDS relating to the provisions of Ceiling Price of the Old GSA. The dispute was forwarded to an International Arbitration Tribunal. On September 15, 2023 the Tribunal passed the Award (the "Award") in favor of the Company declaring the Ceiling Price under the Old GSA as "valid and enforceable". JGTDS is yet to comply with the Award. In November 2025, the Company filed the Money Decree Execution Case no. 35 of 2025 before the Court of District Judge, Dhaka in relation to the enforcement of the award.

During the pendency of the Arbitration, in compliance with an Interim Order dated March 18, 2021 passed by the Appellate Division of the Supreme Court of Bangladesh, the Company paid JGTDS Taka 2,969.76 million as advance which is included in the Other Current Assets.

On November 19, 2025 JGTDS served a Notice of Discontinuation of gas line which the Company challenged before the appropriate courts and on December 17, 2025 the Appellate Division passed an order (received by the Company on February 24, 2026) as follows:

- i) The Learned District Judge, Dhaka is directed to conclude the proceedings of the aforesaid Money Decree Execution Case no. 35 of 2025 by February 28, 2026.
- ii) LHB to furnish a Bank Guarantee for an amount of Taka 4,000 million in favor of JGTDS.

The Money Decree Execution case is still pending, and the Company is now in the process of submitting the Bank Guarantee.

10. Cash and cash equivalents

Cash in hand	974	967
	<u>974</u>	<u>967</u>
Cash at banks		
Current accounts*	4,416,641	5,066,030
Short term deposit accounts	5,100,000	4,533,901
	<u>9,516,641</u>	<u>9,599,931</u>
Cash and cash equivalents in statement of financial position	<u>9,517,615</u>	<u>9,600,898</u>

*The current accounts balances are included amounting to Taka 46,286 (in thousands) of dividend accounts (Year 2024: Taka 191,808 in thousands).

11. Share capital

11.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each

31 December 2025	31 December 2024
Taka'000	Taka'000
<u>14,000,000</u>	<u>14,000,000</u>

In the year 2011, authorized capital was increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further 58,068,675 ordinary shares of Taka 100 per share were issued as right shares at par amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) was obtained on 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

11.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each

<u>11,613,735</u>	<u>11,613,735</u>
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11.3 Paid up capital

Fully paid up in cash
Fully paid up in other than cash
Fully paid up in cash as rights issue

5,759,888	5,759,888
46,980	46,980
5,806,867	5,806,867
<u>11,613,735</u>	<u>11,613,735</u>

11.4 Composition of shareholders at 31 December

Name of the shareholders	Nationality/ Incorporated in	Number of shares		Holding %	
		2025	2024	2025	2024
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87%	58.87%
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75%	2.75%
Sinha Fashions Limited	Bangladesh	20,118,000	27,845,000	1.73%	2.40%
Other Shareholders	Bangladesh and non-resident Bangladeshi	425,642,600	417,915,600	36.65%	35.98%
Total		1,161,373,500	1,161,373,500	100%	100%

11.5 Classification of shares by holding at 31 December

Slabs by number of shares	Number of Shareholders		Number of shares		Holding %	
	2025	2024	2,025	2,024	2025	2024
Less than 500 Shares	10,457	11,186	2,215,957	2,394,323	0.19%	0.21%
501 to 5,000 Shares	11,248	11,465	21,872,015	22,050,025	1.88%	1.90%
5,001 to 10,000 Shares	2,078	2,048	15,667,325	15,428,777	1.35%	1.33%
10,001 to 20,000 Shares	1,282	1,242	18,800,450	18,329,137	1.62%	1.58%
20,001 to 30,000 Shares	455	464	11,364,986	11,600,613	0.98%	1.00%
30,001 to 40,000 Shares	262	242	9,295,852	8,638,887	0.80%	0.74%
40,001 to 50,000 Shares	207	198	9,606,552	9,239,526	0.83%	0.80%
50,001 to 100,000 Shares	365	364	27,028,610	27,088,560	2.33%	2.33%
100,001 to 1,000,000 Shares	335	318	85,781,800	80,735,425	7.39%	6.95%
Over 1,000,000 Shares	43	45	959,739,953	965,868,227	82.64%	83.17%
Total	26,732	27,572	1,161,373,500	1,161,373,500	100%	100%

	31 December 2025	31 December 2024
	Taka'000	Taka'000
11.6 Other components of equity		
Actuarial loss-net of tax	(96,511)	21,596
Cash flow hedge-net of tax	4,610	(12,267)
	(91,901)	9,329

11.7 Dividends

The Board of Directors of the Company in its meeting held on 21 October 2025 has approved an interim cash dividend amounts to Taka 2,090,472,300 which is 18% at Taka 1.80 per equity share with a face value of Taka 10 each for the period ended on 30 September 2025.

The Board of Directors of the Company in its meeting held on 11 March 2026 proposed a final cash dividend amounts to Taka 2,555,021,700 which is 22% at Taka 2.20 per equity share with a face value of Taka 10 each for the year 2025 for approval at the Annual General Meeting of the shareholders. As this dividend is subject to approval by the shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2025.

12. Non-controlling interests

Retained earnings	(1,065)	(1,180)
Share capital	194	200
Share money deposits	383	396
	(488)	(584)

13. Lease liabilities

A. Long term

Non-current portion	60,814	102,137
Non-current portion	60,814	102,137

B. Short term

Current portion	38,724	28,351
Current portion	38,724	28,351

14. Deferred tax liabilities

Deferred tax by type of temporary differences that resulted in deferred tax assets and liabilities:

Property, plant and equipment	1,537,452	1,809,874
Actuarial gain	-	11,758
Cash flow Hedging	444	3,428
Deferred tax liabilities	1,537,896	1,825,060
Provision for gratuity	15,359	20,650
Actuarial loss	11,826	-
Provision for doubtful debts	19,048	18,564
Provision for obsolescence of spare parts	13,120	13,120
Deferred tax assets	59,353	52,334
Net deferred tax liabilities	1,478,543	1,772,726

14.1 Change in deferred tax assets and liabilities

Balance at 01 January- deferred tax liabilities	1,772,726	1,826,315
Deferred tax income for the year	(264,838)	(113,034)
Other components of equity	(26,149)	15,186
Translation adjustments	(3,196)	44,259
At 31 December-deferred tax liabilities	1,478,543	1,772,726

	31 December 2025	31 December 2024
	Taka'000	Taka'000
15. Employee benefits		
Funded plan (Note 15.1A)	90,075	217,463
Unfunded plan (Note 15.2.C)	(200,464)	(157,424)
	<u>(110,389)</u>	<u>60,039</u>

15.1 Funded plan

A. Net position of gratuity plan

Present value of defined benefit obligation	(516,751)	(389,387)
Fair value of plan assets	606,826	606,850
Net funded status	<u>90,075</u>	<u>217,463</u>

B. Actuarial valuation

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2025 by a professional actuary using Projected Unit Credit Method. Present value of obligation includes both the funded and unfunded gratuity plans.

C. Assumptions employed for the valuations are as follows:

	%	%
Salary increase rate	9.00	9.00
Discount rate	10.00	12.45

	31 December 2025	31 December 2024
	Taka'000	Taka'000
D. Movement in the present value of the defined benefit obligation are as follows:		
Balance at 01 January	389,387	516,451
Current service cost	33,915	46,887
Interest cost	46,450	42,687
Actuarial loss/(gain) [Note D.1]	81,757	(162,148)
Benefits paid during the year	(34,758)	(54,490)
At 31 December	<u>516,751</u>	<u>389,387</u>

D.1 Actuarial loss/(gain)

Financial	84,375	(141,623)
Experience	(2,618)	(20,525)
	<u>81,757</u>	<u>(162,148)</u>

E. Movement in the fair value of the plan assets are as follows:

Balance at 01 January	606,850	593,944
Expected return on plan assets	75,400	51,378
Employer contribution	-	-
Actuarial gain/ (loss)	(40,666)	16,018
Benefits paid during the year	(34,758)	(54,490)
At 31 December	<u>606,826</u>	<u>606,850</u>

The above has been invested in treasury bond.

F. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation to the amounts shown below:

Effect in thousands of Taka	Effect	2025	2024
Discount rate			
a. Discount rate - 50 basis points	Increase	537,136	403,814
b. Discount rate + 50 basis points	Decrease	497,540	375,766
Salary increase rate			
a. Rate - 50 basis points	Decrease	497,282	375,284
b. Rate + 50 basis points	Increase	537,232	404,215

15.2 Unfunded plan

A. Actuarial valuation

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2025 by a professional actuary using Projected Unit Credit Method.

B. Assumptions employed for the valuations are as follows:

	%	%
Salary increase rate	9.00	9.00
Discount rate	10.00	12.45

C. Movement in the present value of the defined benefit obligation are as follows:

Balance at 01 January	157,424	180,830
Current service cost	11,713	13,770
Interest cost	16,888	14,768
Actuarial loss/(gain) [Note C.1]	25,508	(47,590)
Benefits paid during the year	(9,883)	(6,438)
Translation adjustment	(1,186)	2,084
Balance as at 31 December	<u>200,464</u>	<u>157,424</u>

C.1 Actuarial loss/(gain)

Financial	27,382	(44,487)
Experience	(1,874)	(3,103)
	<u>25,508</u>	<u>(47,590)</u>

D. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect in thousands of Taka	Movement type	2025	2024
Discount rate			
a. Discount rate - 50 basis points	Increase	204,096	165,850
b. Discount rate + 50 basis points	Decrease	197,734	149,808
Salary increase rate			
a. Rate - 50 basis points	Decrease	197,395	156,384
b. Rate + 50 basis points	Increase	204,203	158,997

Assumptions regarding future longevity have been based on published statistics and mortality tables.

	31 December 2025	31 December 2024
	Taka'000	Taka'000
16. Provisions		
Site restoration provisions		
Balance at 01 January	97,410	80,614
Addition for the year	3,975	11,450
Translation adjustment	4,043	5,346
At 31 December	<u>105,428</u>	<u>97,410</u>

LafargeHolcim Bangladesh PLC. is required to restore a quarry site, the estimated costs of site restoration are accrued and recognized to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).

17. Trade payables

Payable for goods and services	13,597,088	12,595,259
Contract liabilities	3,608,224	1,753,096
	<u>17,205,312</u>	<u>14,348,355</u>

18. Other current liabilities

Payables to suppliers of fixed assets	1,936,756	121,984
Income tax and VAT deducted at source	382,579	322,732
Derivative liabilities*	1,765	23,752
Others	643,269	585,740
	<u>2,964,369</u>	<u>1,054,208</u>

*The Group entered into forward contracts with the commercial banks in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Group would pay to settle the foreign exchange liabilities at the end of the year.

19. Current tax liabilities/ (Advance income tax)

Balance at 01 January	(63,177)	555,586
Provision for the year (Note-27)	1,935,032	1,852,242
Advance payment of income tax	(1,655,626)	(2,470,603)
Translation adjustment	(2,825)	(402)
At 31 December	<u>213,404</u>	<u>(63,177)</u>

20. Commitments and contingencies**20.1 Commitments****Commitments related to operating activities**

Purchase commitments	3,735,946	2,586,967
Commitments against Jalalabad Gas T&D System	718,967	1,157,345
Capital expenditure commitments	1,205,697	380,464
Guarantees given	1,841,138	621,406
	<u>7,501,748</u>	<u>4,746,182</u>

20.2 Contingencies**LafargeHolcim Bangladesh PLC.**

Tax related cases with the tax authorities and Hon'ble High Court	1,951,228	1,745,043
VAT related cases with the VAT authorities and Hon'ble High Court	413,887	449,138
Custom related case with the Hon'ble High Court	10,400	10,400
	<u>2,375,515</u>	<u>2,204,581</u>

Lafarge Umiam Mining Private Limited (LUMPL)**A. Contingent liabilities not provided for:**

i) LUMPL has received demand notice from the Additional Director General, Directorate General of Goods & Service Tax Intelligence, Guwahati Zonal Unit demanding Rs. 860.60 lakhs as Service Tax under Reverse Charge Mechanism on services received from Government for extraction of limestone during the period April 2016 to June 2017, the Company has paid Rs. 587.58 lakhs as Service Tax for the above period before issuing the demand notice. The net demand of service tax of Rs. 273.02 lakhs are arising only due to mis-interpretation as to point of taxation/time of supply by the revenue authority. While LUMPL has paid Rs. 332.80 lakhs GST in respect of services received from Government under Reverse Charge Mechanism, the revenue authority is proposing service tax against the same.

LUMPL has submitted a reply to the Commissioner, Central GST Commissionerate, Shillong against the demand and their response is awaited.

ii) LUMPL entered into a Limestone Mining Agreement with a mining contractor (the "Contractor"). The Contractor failed to engage the right mining equipment, many mining equipment were more than 5 years old and in violation of the provisions of the Agreement. The Contractor failed to produce right sizes of Limestone as specified in the Agreement. LUMPL issued notices of Material Breach to the Contractor in terms of the Agreement. On 28.02.2015 the Agreement was terminated.

In this connection, reference can be made to the judgement of the Hon'ble Supreme Court in the case of Udaipur Chamber of Commerce and Industry vs UOI [SLP No. 37326 / 2017] wherein the Hon'ble Court has vide its order dated 11-01-2018 granted a stay from payment of service tax on grant of mining lease / royalty and the matter is presently sub-judice. Similar stay from payment of service tax against royalty for mining has been granted by various Hon'ble High Courts.

LUMPL has submitted a reply to the Commissioner, Central GST Commissionerate, Shillong against the demand and their response is awaited. The case has not been adjudicated in view of various ongoing cases for similar matters and adjudication is kept in abeyance until the matter is settled at Hon'ble Supreme Court and various High Courts.

On December 5, 2023 when the matter came up for hearing, it was directed to be transferred to the Commercial Division of the Hon'ble High Court.

iii) Income tax liability (including penalty) that may arise in respect of matters in appeal/ challenged by LUMPL amounting to Rs. 1,012.85 lacs pertaining to tax financial year 2021-22. LUMPL has paid Rs. 231.65 lakhs as pre deposit against tax appeal/tax under dispute.

B. Commitments:

i) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 883.58 lakhs (as at December 31, 2024 Rs. 272.26 lakhs).

ii) Bank Guarantee amounting to Rs. 370.00 lakhs (as at 31st December 2024 Rs. 370.00 lakhs) issued by The Hongkong and Shanghai Banking Corporation Limited, Mumbai Branch on behalf of LUMPL favoring Indian Bureau of Mines as financial assurance for the progressive mines closure plan.

21A. Revenue

The Group derives its revenue from the transfer of goods at a point in the time in the following product lines. This is consistent with the segment information that is disclosed for each reportable segment under IFRS 8 (note- 21B).

Segment revenue	31 December 2025	31 December 2024
	Taka'000	Taka'000
Sale of gray cement*	22,738,819	22,308,357
Sale of cement clinker	141,926	59,184
Sale of aggregates	6,432,943	5,175,178
	<u>29,313,688</u>	<u>27,542,719</u>
Products transferred at a point in time	29,313,688	27,542,719
	<u>29,313,688</u>	<u>27,542,719</u>
*Sale of gray cement		
Local sales	22,624,895	22,230,752
Export in Export Processing Zones and India	113,924	77,605
	<u>22,738,819</u>	<u>22,308,357</u>

21B. Segment information

2025	Reportable segments		
	Clinker and cement	Aggregates	Total
	Taka'000	Taka'000	Taka'000
Statement of profit and loss			
Segment revenue	22,880,745	6,432,943	29,313,688
Operating profit	3,130,408	3,421,742	6,552,150

	Reportable segments		
	Clinker and cement	Aggregates	Total
	Taka'000	Taka'000	Taka'000
Statement of financial position			
Assets			
Segment assets			
Unallocated assets*	30,716,606	1,142,453	31,859,059
Total assets	30,716,606	1,142,453	41,376,674
Equity and liabilities			
Segment liabilities			
Unallocated equity and liabilities**	19,385,543	1,303,434	20,688,977
Total equity and liabilities	19,385,543	1,303,434	41,376,674

2024

2024	Reportable segments		
	Clinker and cement	Aggregates	Total
	Taka'000	Taka'000	Taka'000
Statement of profit and loss			
Segment revenue	22,367,541	5,175,178	27,542,719
Operating profit	3,367,685	2,509,207	5,876,892

Statement of financial position

	Reportable segments		
	Clinker and cement	Aggregates	Total
	Taka'000	Taka'000	Taka'000
Assets			
Segment assets			
Unallocated assets*	26,483,174	429,541	26,912,715
Total assets	26,483,174	429,541	36,576,790
Equity and liabilities			
Segment liabilities			
Unallocated equity and liabilities**	15,114,473	542,924	15,657,397
Total equity and liabilities	15,114,473	542,924	36,576,790

*Advance tax, derivatives instruments and cash and cash equivalents

** Borrowings, deferred tax liabilities and unclaimed dividend.

C. Major customers

No single external customer accounted for 10% or more of the Group's total revenue during the year.

	31 December 2025	31 December 2024
	Taka'000	Taka'000
22. Cost of sales		
Opening finished goods and semi finished goods (Note-7)	1,725,012	1,262,300
Raw materials costs (Note-22.1)	6,632,442	6,555,918
Consumption of purchased clinker	3,006,246	1,998,370
Power and fuel costs	2,806,917	2,830,462
Production and maintenance costs (Note-22.2)	3,438,400	3,181,228
Plant-general and administrative costs (Note-22.3)	566,651	560,221
Freight cost to customers	620,634	617,593
Depot operating and transportation costs (Note-22.4)	1,173,526	1,164,422
Inventory movement and related costs	1,861,427	2,840,778
Site restoration costs	11,328	11,450
Closing finished goods and semi finished goods (Note-7)	(1,375,295)	(1,725,012)
	20,467,288	19,297,730
22.1 Raw materials costs		
Fly ash	612,771	634,836
Slag	687,283	640,136
Gypsum	507,621	555,439
Iron ore	52,759	53,897
Sand	60,797	55,987
Clay	176,300	149,880
Limestone	3,323,142	3,293,607
Packing materials	1,211,769	1,172,136
	6,632,442	6,555,918
22.2 Production and maintenance costs		
Salary, allowances and benefits	499,475	434,744
Contributions to employees' benefit schemes	39,407	45,316
Maintenance	343,041	328,390
Other supplies and spares	490,689	503,198
Material handling	279,118	270,090
Other expenses	438,174	412,001
Technical studies	1,371	1,541
Write-off of software	73	-
Depreciation	1,273,037	1,131,360
Amortization of intangible assets	74,015	54,588
	3,438,400	3,181,228
22.3 Plant-general and administrative costs		
Salary, allowances and benefits	106,803	90,700
Contributions to employees' benefit schemes	7,206	12,750
Staff welfare expenses	57,000	55,618
Travelling, Training, seminars and meetings	11,004	10,544
Gas, electricity and water	738	311
Telephone, fax and postage	1,924	1,824
Office maintenance	99,151	39,601
Security services	103,098	103,991
Printing and stationery	306	3,702
Other supplies and spares	10,482	50,967
Other office expenses	20,309	44,247
Consultancy	20,171	19,998
Vehicles running expenses	2,198	2,044
Corporate social activities	38,300	30,622
Insurance	31,748	38,900
Depreciation	56,213	54,402
	566,651	560,221
22.4 Depot operating and transportation costs		
Salary, allowances and benefits	100,264	83,821
Contributions to employees' benefit schemes	7,795	10,567
Staff welfare expenses	2,484	3,601
Training, seminars and meeting	4,939	4,673
Depreciation	50,054	53,954
Depot other operating costs	217,585	213,319
Transportation costs	790,405	794,487
	1,173,526	1,164,422

23. General and administrative expenses		
Salary, allowances and staff welfare expenses		
Contributions to employees' benefit schemes	153,269	239,888
Travelling, Training, seminars and meeting	23,067	27,158
Gas, electricity and water	22,431	43,854
Telephone, fax and postage	1,258	1,018
Entertainment	1,283	1,321
Office maintenance	3,032	2,686
Office security services	3,564	4,813
Printing and stationery	1,458	484
IT maintenance expenses	1,106	1,525
Other office expenses	64,597	113,663
Registration and other fees	18,889	27,971
Audit and tax advisory fees	3,821	3,475
Legal expenses	1,932	2,300
Vehicles running expenses	20,754	5,427
Publicity and public relation	25,400	26,054
General assistance fee	1,277	3,832
Royalty- trademark license fee	514,349	499,157
Consulting, survey and studies	514,349	499,157
Depreciation	3,238	1,438
Contribution to Workers' Profit Participation and Welfare Fund	29,744	33,035
	307,877	249,163
	<u>1,716,695</u>	<u>1,787,419</u>
24. Sales and marketing expenses		
Salary, allowances and benefits	170,811	135,354
Contributions to employees' benefit schemes	14,514	16,387
Staff welfare expenses	9,994	6,277
Travelling, Training, seminars and meeting	44,260	30,958
Gas, electricity and water	809	1,213
Telephone, fax and postage	2,577	2,254
Entertainment	555	446
Office maintenance	2,731	3,858
Printing and stationery	84	70
Other office expenses	6,023	3,148
Registration and other fees	13,936	11,145
Vehicles running expenses	31,133	25,887
Advertisement expenses	282,853	339,065
Promotional expenses	28,701	22,989
Bad debts and provision for trade receivables	2,421	-
General survey and studies	1,307	2,333
Depreciation	5,598	6,625
	<u>618,307</u>	<u>608,009</u>
	31 December 2025	31 December 2024
	Taka'000	Taka'000
25A. Other operating income		
Gain on sale of miscellaneous scrap items	37,007	26,014
Gain on sale of property, plant and equipment	1,702	637
Others	2,043	91,504
	<u>40,752</u>	<u>118,155</u>
25B. Other operating expense		
Loss on sale of property, plant and equipment	-	90,824
	<u>-</u>	<u>90,824</u>
26. Finance costs and income		
Bank charges and commission	14,113	18,870
Other finance costs	2,762	96,238
Interest expenses on lease liabilities	11,362	6,298
Exchange loss/(gain)	(18,332)	375,682
Finance costs	<u>9,905</u>	<u>497,088</u>
Interest income on bank deposits	224,856	178,690
Other finance income	11,531	-
Finance income	<u>236,387</u>	<u>178,690</u>
Net finance cost/(income)	<u>(226,482)</u>	<u>318,398</u>
27. Income tax		
Current income tax expenses	1,935,032	1,852,242
Deferred tax (income)	(264,838)	(113,034)
	<u>1,670,194</u>	<u>1,739,208</u>
27.1 Reconciliation of effective tax rate (%)		
Average statutory tax rate	22.59	24.56
Permanent differences	0.61	1.72
Effect of change in tax rate	1.97	-
Effect of foreign tax differentials	(0.53)	2.37
Effective tax rate	<u>24.64</u>	<u>28.65</u>

28A Earnings Per Share (EPS)

The computation of basic and diluted earnings per share for the years ended 31 December 2025 and 31 December 2024 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Profit for the year - attributable to owners of the Group		5,108,444	3,819,305
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Basic Earnings Per Share	<i>Taka</i>	4.40	3.29
Diluted Earnings Per Share	<i>Taka</i>	4.40	3.29

28B Net Asset Value (NAV) Per Share

The computation of net asset value per share for the years ended 31 December 2025 and 31 December 2024 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net asset value for the year - attributable to owners of the Group		19,063,818	18,592,376
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net Asset Value (NAV) Per Share	<i>Taka</i>	16.41	16.01

28C Net Operating Cash Flow Per Share (NOCFPS)

The computation of net operating cash flow per share for the years ended 31 December 2025 and 31 December 2024 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net operating cash flow for the year		8,492,379	7,922,633
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net Operating Cash Flow Per Share	<i>Taka</i>	7.31	6.82

29. Related party transactions

During the period, the Group carried out a number of transactions with related parties in the normal course of business. Nature of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

	Transaction values for the year ended		Balance outstanding as at	
	31 December		31 December	
	2025	2024	2025	2024
Sale of goods				
Shareholder's associated entity	93,856	20,217	8,888	2,528
Other				
Shareholder				
- Dividend payment	2,529,685	4,717,565	-	-
- Intercompany purchase	1,194,884	1,384,090	18,964	(904,076)
- Intercompany service	117,019	105,370	(253,653)	(157,564)
- Trademark license and others	1,101,670	998,314	(2,158,568)	(2,722,806)

30. Directors', managers' and officers' remuneration

	31 December 2025	31 December 2024
Salary, allowances and benefits	Taka'000	Taka'000
Contributions to employees' benefit scheme	496,733	541,581
Reimbursable expenses	41,407	53,321
	23,865	23,065
	562,005	617,967

During the year, the Board of Directors received sitting fees of BDT 450,000 (no fee in 2024) for attending meetings of the Board of Directors and its sub committees or General Meetings.

31. Financial instruments

A. Accounting classifications

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2025

In thousands of Taka

Financial assets measured at fair value

Forward exchange contracts used for hedging

Financial assets not measured at fair value

Trade and other current assets

Cash and cash equivalents

Financial liabilities measured at fair value

Forward exchange contracts used for hedging

Financial liabilities not measured at fair value

Lease liabilities

Trade payables

Other current liabilities

31 December 2024

Financial assets measured at fair value

Forward exchange contracts used for hedging

Financial assets not measured at fair value

Trade and other current assets

Cash and cash equivalents

Financial liabilities measured at fair value

Forward exchange contracts used for hedging

Financial liabilities not measured at fair value

Lease liabilities

Trade payables

Other current liabilities

	Carrying amount			Fair value			
	Fair value - Hedging instruments	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	5,727,754	-	5,727,754	-	-	-
	-	9,517,615	-	9,517,615	-	-	-
	-	15,245,369	-	15,245,369	-	-	-
	1,765	-	-	1,765	-	1,765	-
	1,765	-	-	1,765	-	1,765	-
	-	-	99,538	99,538	-	-	-
	-	-	17,205,312	17,205,312	-	-	-
	-	-	2,964,369	2,964,369	-	-	-
	-	-	20,269,219	20,269,219	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	4,667,578	-	4,667,578	-	-	-
	-	9,600,898	-	9,600,898	-	-	-
	-	14,268,476	-	14,268,476	-	-	-
	23,752	-	-	23,752	-	23,752	-
	23,752	-	-	23,752	-	23,752	-
	-	-	130,488	130,488	-	-	-
	-	-	14,348,355	14,348,355	-	-	-
	-	-	1,054,208	1,054,208	-	-	-
	-	-	15,533,051	15,533,051	-	-	-

B. Financial risk management

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other current assets.

The carrying amounts of financial assets represents the maximum credit exposure.

Provision for trade receivables recognized in profit or loss up to 2025 were as follows:

<i>In thousands of Taka</i>	31 December 2025	31 December 2024
Provision for trade receivables from contracts with customers	(95,239)	(92,818)
	(95,239)	(92,818)

Trade receivables and other current assets

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness. The Group's review includes financial statements and industry information. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the credit committee.

The Group's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 to 60 days for distributors and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are distributors, corporate customers, industry, trading history with the Group and existence of previous financial difficulties. The Group obtains bank guarantees from selected customers based on their credit characteristics.

An analysis of the ageing of gross trade receivables is as follows:

<i>In thousands of Taka</i>	31 December 2025	31 December 2024
Neither past due	287,839	281,368
Past due		
Past due 1-30 days	400,894	181,160
Past due 31-90 days	108,120	30,192
Past due 91-180 days	10,069	5,353
Over 180 days	96,851	97,952
	903,773	596,025

For trade receivables, the Group determined provision for trade receivables by using a provision policy. The Group also considered whether the receivables was secured by bank guarantee in determining the amount of provision for trade receivables.

The change in the valuation allowance for doubtful receivables is as follows:

<i>In thousands of Taka</i>	31 December 2025	31 December 2024
Balance at 01 January	(92,818)	(94,556)
Decrease (increase) in current year	(2,421)	1,738
	(95,239)	(92,818)

Maximum exposure to credit risk of the Group at reporting date are as follows:

Trade receivables net of impairment loss	808,534	503,207
Other current assets excluding prepaid expenses	7,400,102	4,320,220
	8,208,636	4,823,427

Cash and cash equivalents

Cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

31 December 2025

	Carrying amount Taka '000	6 months or less Taka '000	Contractual cash flows	
			From 6 to 12 months Taka '000	From 1 to 5 years Taka '000
Non-derivative financial liabilities				
Trade payables	17,205,312	13,863,344	3,341,968	-
Other current liabilities	2,964,369	2,673,384	290,985	-
	20,169,681	16,536,728	3,632,953	-
Derivative financial liabilities				
Forward exchange contracts used for hedging	1,765	1,765	-	-
	1,765	1,765	-	-
31 December 2024				
Non-derivative financial liabilities				
Trade payables	14,348,355	9,142,077	5,206,278	-
Other current liabilities	1,054,208	793,337	260,871	-
	15,402,563	9,935,414	5,467,149	-
Derivative financial liabilities				
Forward exchange contracts used for hedging	23,752	23,752	-	-
	23,752	23,752	-	-

iii) Market risk

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices-will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Group in line with the requirements of IFRS 9.

a) Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are Euro, US dollars, Swiss franc and Indian rupee.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	Taka'000	INR'000	USD'000	EUR'000	CHF'000
At 31 December 2025					
<i>Foreign currency denominated assets</i>					
Trade and other receivables	4,600,331	3,376,390	-	-	-
Cash and cash equivalents	1,437,627	804,957	2,787	-	-
Total	6,037,958	4,181,346	2,787	-	-
<i>Foreign currency denominated liabilities</i>					
Trade payables	1,314,955	801,512	971	-	675
Other current liabilities	290,985	109,037	544	393	125
Total	1,605,940	910,549	1,515	393	800
At 31 December 2024					
<i>Foreign currency denominated assets</i>					
Trade and other receivables	3,942,067	2,798,571	-	-	-
Cash and cash equivalents	1,521,207	912,968	1,960	-	-
Total	5,463,274	3,711,539	1,960	-	-
<i>Foreign currency denominated liabilities</i>					
Trade payables	2,537,516	1,056,244	7,930	158	590
Other current liabilities	260,871	104,513	544	266	114
Total	2,798,387	1,160,757	8,474	424	704
Foreign currency translation/transaction					

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central Bank). The resultant gain and loss has been reflected in the financial statements. The following exchange rates have been applied:

Currencies	31 December 2025		31 December 2024	
	Closing rate	Average rate	Closing rate	Average rate
Taka/INR	1.3625	1.4011	1.4086	1.3847
Taka/USD	122.30	122.10	120.00	115.84
Taka/EUR	143.98	137.51	124.89	125.34
Taka/CHF	154.23	147.25	132.81	131.67

Exchange rate sensitivity

If the Taka increases in value against a currency, the value in Taka of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the Taka decreases in value against a currency, the value in Taka of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the Taka may affect the value in Taka of non-Taka assets, liabilities, income and expenses, even though the value of these items have not changed in their original currency.

A change of 50 basis points (bp) in foreign currencies would have increased or decreased equity and profit or loss of the Group by the amounts shown below:

A reasonably possible strengthening (weakening) of INR/USD/EUR/CHF against Taka at 31 December would have effected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

	Profit or (loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2025				
<i>Assets denominated in foreign currency</i>				
INR (.5% movement)	28,485	(28,485)	28,485	(28,485)
USD (.5% movement)	1,704	(1,704)	1,704	(1,704)
<i>Liabilities denominated in foreign currency</i>				
INR (.5% movement)	(6,203)	6,203	(6,203)	6,203
USD (.5% movement)	(927)	927	(927)	927
EUR (.5% movement)	(283)	283	(283)	283
CHF (.5% movement)	(617)	617	(617)	617
31 December 2024				
<i>Assets denominated in foreign currency</i>				
INR (.5% movement)	26,140	(26,140)	26,140	(26,140)
USD (.5% movement)	1,176	(1,176)	1,176	(1,176)
<i>Liabilities denominated in foreign currency</i>				
INR (.5% movement)	(8,175)	8,175	(8,175)	8,175
USD (.5% movement)	(5,084)	5,084	(5,084)	5,084
EUR (.5% movement)	(265)	265	(265)	265
CHF (.5% movement)	(468)	468	(468)	468

b) Interest rate risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its debts and short term deposits.

Interest rate sensitivity

A +/- 1% change in short-term interest rates calculated on the financial assets and financial liabilities, would have a maximum impact on the Group's 2025 profit before tax of +/- Taka 51,000 (Taka 45,339 for 2024) in thousands and Taka 995 (Taka 3,631 for 2024) in thousands respectively.

	31 December 2025	31 December 2024
	Taka'000	Taka'000
Financial assets		
Short term deposits	5,100,000	4,533,901
	<u>5,100,000</u>	<u>4,533,901</u>
Financial liabilities		
Lease liabilities	99,538	130,488
Short-term borrowings	-	232,579
	<u>99,538</u>	<u>363,067</u>

c) Other price risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk and currency risk. The Group is not exposed to any equity risk, as the Group does not have any investment in equity shares. The Group also does not have any significant exposure to commodity price risk.

32. Average number of employees

LafargeHolcim Bangladesh PLC.

Nationality:

Bangladeshi

Non-Bangladeshi

	31 December 2025	31 December 2024
Bangladeshi	538	540
Non-Bangladeshi	3	4

Lafarge Umiam Mining Private limited

Nationality:

Indian

	31 December 2025	31 December 2024
Indian	134	128
	<u>675</u>	<u>672</u>

Salary range:

Monthly Taka 12,000 or above

Monthly below Taka 12,000

	31 December 2025	31 December 2024
	Taka'000	Taka'000
Monthly Taka 12,000 or above	675	672
Monthly below Taka 12,000	Nil	Nil

33. Comparative information of the shareholders (Note- 28)

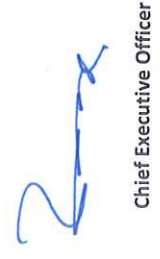
	31 December 2025	31 December 2024
	Taka'000	Taka'000
Net Asset Value (NAV) Per Share	16.41	16.01
Earning Per Share (EPS)	4.40	3.29
Net Operating Cash Flow Per Share (NOCFPS)	7.31	6.82
Profit for the year (in thousand) - attributable to owners of the Group	5,108,444	3,819,305

	31 December 2025	31 December 2024
	Taka'000	Taka'000
34. Reconciliation of net profit with cash flows from operating activities		
Net profit for the period	5,108,438	3,819,286
Income tax expenses	1,670,194	1,739,208
Net profit before tax	6,778,632	5,558,494
Depreciation and amortization	1,488,661	1,333,964
Other non-cash items	37,890	58,337
Non-operating items	(226,482)	318,398
Income tax paid	(1,655,626)	(2,470,603)
Changes in net working capital	2,069,304	3,124,043
Cash flows from operating activities	8,492,379	7,922,633
35. Short-term Lease disclosures		
Short-term lease expenses	(5,153)	(6,291)
Payment for short-term leases	(5,153)	(6,291)
Average lease terms (in years)	1	1


 Chief Financial Officer


 Company Secretary


 Director


 Chief Executive Officer