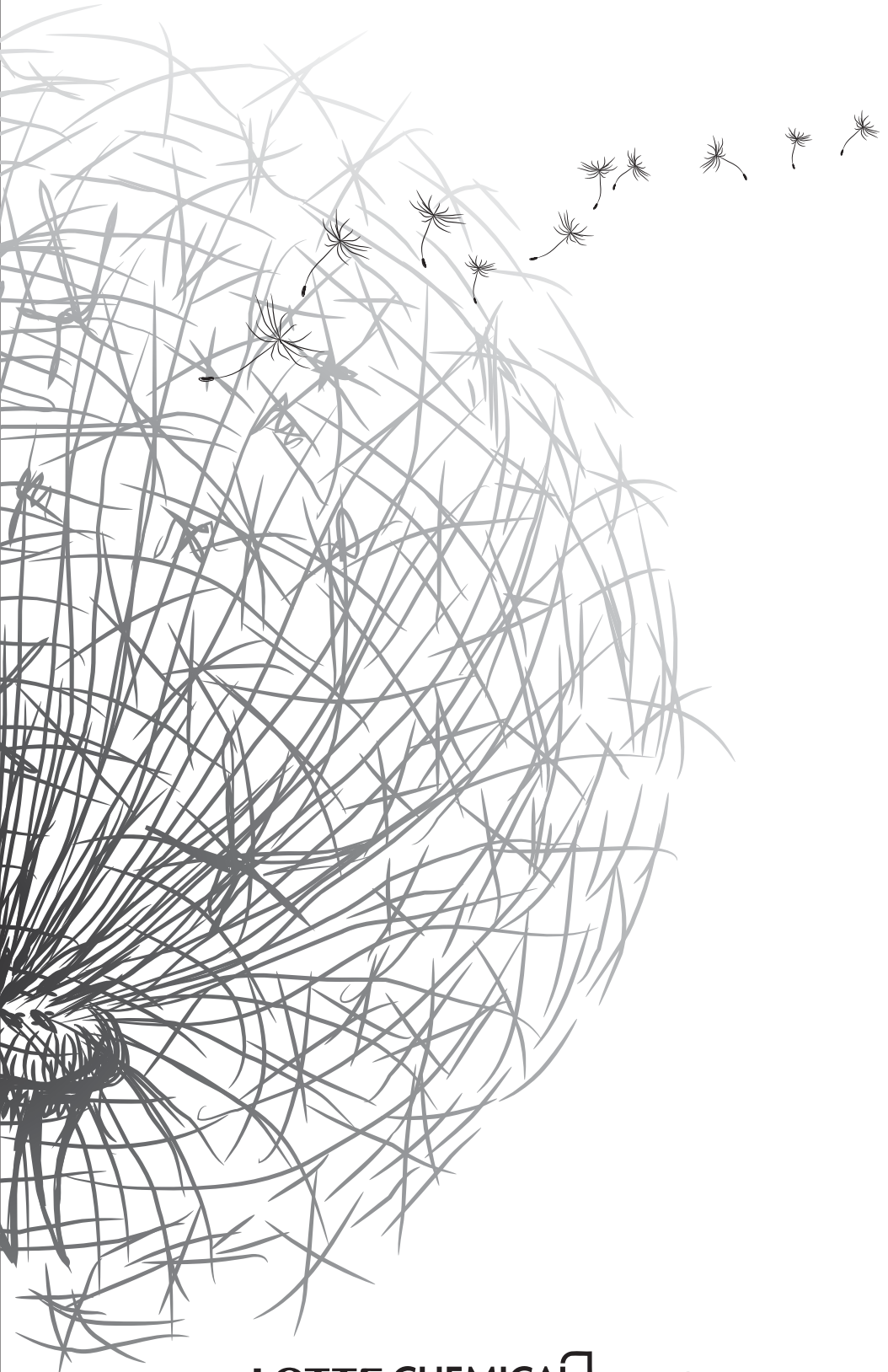


Report for the quarter &
six months ended 30 June 2015



Contents

Company Information	02
Directors' Report	03
Auditors' Report to the Members on Review of Interim Financial Information	05
Condensed Interim Balance Sheet	06
Condensed Interim Profit and Loss Account	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Cash Flow Statement	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Statements	11

Company Information

As at 21 August 2015

Board of Directors

Kwan Ho Lee	Chairman
Humair Ijaz	Chief Executive
Soo Chan Ko	Non-executive
Nak Sun Seong	Non-executive
Sang Hyeon Lee	Executive
Mohammad Qasim Khan	Independent
Pervaiz Akhtar	Independent
Istaqbal Mehdi	Non-executive

Audit Committee

Pervaiz Akhtar	Chairman
Kwan Ho Lee	Member
Istaqbal Mehdi	Member
Ashiq Ali	Secretary & Head of Internal Audit

HR & Remuneration Committee

Kwan Ho Lee	Chairman
Sang Hyeon Lee	Member
Nak Sun Seong	Member

Shares Sub Committee

Sang Hyeon Lee	Chairman
Mohammad Qasim Khan	Member
Kwan Ho Lee	Member

Chief Financial Officer and Company Secretary

Adnan Samdani

Executive Management Team

Humair Ijaz	Chief Executive
Adnan Samdani	Director Finance & Company Secretary
Mohammad Wasim	Director Manufacturing
Waheed U Khan	Corporate Human Resource Manager

Bankers

Askari Bank Limited
Citibank NA
Deutsche Bank AG
Habib Bank Limited
MCB Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor

Mohammad Mitha
148, 18th East Street,
Phase 1, DHA, Karachi

Registered Office

EZ/1/P-4, Eastern Industrial Zone,
Port Qasim, Karachi

Shares Registrar

Famco Associates (Pvt) Limited
8-F, Next to Hotel Faran, Nursery
Block-6, P.E.C.H.S,
Shahra-e-Faisal
Karachi.

Directors' Report

For the second quarter ended 30 June 2015

The Directors are pleased to present their report for the second quarter ended 30 June 2015 together with the un-audited condensed interim financial information of the Company as at and for the second quarter and six months ended 30 June 2015.

Board changes

Mr Jung Neon Kim resigned as Chief Executive and Director of the Company with effect from 22 June 2015 and Mr Humair Ijaz was appointed Chief Executive and Director with effect from 23 June 2015 for the remainder of Mr Kim's term as Director which expires on 22 June 2017.

The Board places on record its appreciation for the valuable contributions made by the outgoing Chief Executive and Director, Mr Jung Neon Kim and welcomes Mr Humair Ijaz as the new Chief Executive and Director of the Company.

Business overview

Crude oil prices recovered modestly during the quarter.

Paraxylene (PX) prices remained buoyant during the quarter and followed the uptrend in crude. This was also aided by scheduled maintenance at major PX facilities in the region, which led to tight supplies and by a fire at a major PX/PTA producer in China. PX prices were also given ample support by healthy demand from the downstream PTA sector.

PTA prices followed the strength in PX prices and remained higher than previous quarter. PTA Industry's Margin over PX was supported by strong demand from the downstream PET sector and an optimum PTA production discipline being maintained in the region. The tight availability of PX as mentioned earlier also limited PTA production in the region and thereby provided further support to PTA prices.

Domestic Polyester operating rates remained healthy during the quarter, and PSF sales were strong due to improved energy situation for the spinning sector in Punjab. The domestic PET operations were also stable during the quarter with the commencement of the summer season.

Operations

Production during the quarter at 108,179 tonnes was 14% lower than the corresponding period last year due to 19 days planned shutdown for the PTA plant overhaul in March-April 2015.

Sales volume, comprising of domestic sales only, for Q2 2015 at 128,755 tonnes was 2% higher than the corresponding quarter last year.

Profit, finance & taxation

Revenue for the quarter was 16% lower than the corresponding period last year mainly due to lower PTA prices. However, with lower PX prices as compared to the corresponding period last year, the PTA margin over PX for the quarter remained higher than same period last year. This together with lower variable conversion costs resulted in a gross profit of Rs 231 million for the quarter as compared to gross loss of Rs 64 million during the same period last year.

Distribution and selling expenses were lower than the corresponding quarter last year mainly due to zero export sales. Administration expenses for the quarter were also lower than the corresponding quarter last year.

The taxation charge for the quarter consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover as adjusted by the movement in the deferred tax account.

The profit after taxation for the quarter ended 30 June 2015 amounted to Rs 69 million as compared to loss after taxation of Rs 339 million in Q2 last year.

Directors' Report

For the second quarter ended 30 June 2015

Future outlook

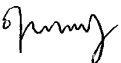
The outcome of the Iran Nuclear deal will play an important role in the overall price outlook for the Industry. The market has already reacted and Crude Oil prices have started to decline in July.

The PX supply situation has eased with the re-start of PX facilities. This coupled with weakening Crude Oil prices is expected to keep PX prices subdued in the near term.

Besides weakness in feedstock prices, PTA prices are also deteriorating as a result of high inventories and lower demand from the downstream sectors. Both prices and margins will depend on whether PTA production discipline can be maintained by producers in the region.

The Domestic polyester industry is expected to be impacted by the power situation and new tax legislations, announced in the Federal Budget 2015 - 2016. The industry is carefully monitoring both these factors and the next quarter is expected to remain challenging.

The Company is maintaining continuous follow-up with the Government of Pakistan for a regionally competitive PTA import tariff.



Kwan Ho Lee
Chairman

21 August 2015
Karachi



Humair Ijaz
Chief Executive

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Lotte Chemical Pakistan Limited (the Company) as at 30 June 2015, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 30 June 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2015.

Scope of Review

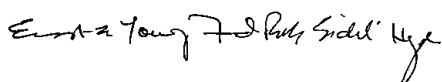
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial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

Conclusion

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

Other Matter

The interim financial information for the six months period ended 30 June 2014 and the annual financial statements of the Company for the year ended 31 December 2014 were reviewed and audited by another firm of chartered accountants, whose review report dated 29 August 2014 and audit report dated 06 March 2015 expressed an unmodified conclusion and an unmodified opinion on the aforementioned financial information and financial statements, respectively.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Review Engagement Partner: Shariq Ali Zaidi
Karachi
Date: 21 August 2015

Condensed Interim Balance Sheet

As at 30 June 2015

Amount in Rs '000

	Note	30 June 2015 (Un-audited)	31 December 2014 (Audited)
Assets			
Non-current assets			
Fixed assets	5	6,721,710	7,379,579
Long-term loans and advances		48,058	41,536
Long-term deposits and prepayments		60,800	63,518
Deferred tax asset		1,138,426	939,035
		7,968,994	8,423,668
Current assets			
Stores and spares		957,091	1,057,920
Stock-in-trade		3,262,096	2,784,277
Trade debts		2,574,053	1,316,984
Loans and advances		71,151	28,092
Trade deposits and short-term prepayments		174,482	27,462
Mark-up accrued on bank deposits		1,781	2,242
Other receivables		145,315	145,128
Tax refunds due from government - sales tax	6	428,947	423,847
Taxation - payments less provision		1,496,105	1,657,673
Cash and bank balances	7	1,381,225	1,025,890
		10,492,246	8,469,515
Total assets		18,461,240	16,893,183
Equity			
Share capital and reserves			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2014: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserves		2,345	2,345
Accumulated losses		(4,675,447)	(4,438,899)
		10,468,970	10,705,518
Liabilities			
Non-current liabilities			
Retirement benefit obligation		57,902	54,540
Current liabilities			
Trade and other payables		7,779,416	5,980,316
Interest accrued		154,952	152,809
		7,934,368	6,133,125
Total liabilities		7,992,270	6,187,665
Contingencies and commitments	8		
Total equity and liabilities		18,461,240	16,893,183

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and six months period ended 30 June 2015

Amount in Rs '000

	Note	Quarter ended		Six months ended	
		30 June		30 June	
		2015	2014 (Re-stated- Note 3.2)	2015	2014 (Re-stated- Note 3.2)
Revenue	9	10,386,897	12,415,311	18,277,228	24,804,347
Cost of sales	10	(10,155,509)	(12,479,674)	(18,232,734)	(25,278,860)
Gross profit / (loss)		231,388	(64,363)	44,494	(474,513)
Distribution and selling expenses		(21,549)	(84,393)	(45,012)	(108,489)
Administrative expenses		(80,195)	(143,618)	(160,703)	(226,864)
Other expenses	11	(541)	(25,356)	(846)	(42,938)
Other income	12	34,101	20,347	49,475	66,227
Finance (costs) / income	13	(203)	(99,364)	(24,085)	38,931
Profit / (loss) before taxation		163,001	(396,747)	(136,677)	(747,646)
Taxation	14	(93,982)	57,664	(99,871)	124,605
Profit / (loss) after taxation		69,019	(339,083)	(236,548)	(623,041)
Amount in Rupees					
Earnings per share - basic and diluted - (loss)		0.05	(0.22)	(0.16)	(0.41)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

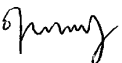
Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and six months period ended 30 June 2015

Amount in Rs '000

	Quarter ended 30 June		Six months ended 30 June	
	2015	2014 (Re-stated- Note 3.2)	2015	2014 (Re-stated- Note 3.2)
Profit / (loss) after taxation	69,019	(339,083)	(236,548)	(623,041)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss)	69,019	(339,083)	(236,548)	(623,041)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 30 June 2015

Amount in Rs '000

Note	Six months ended 30 June	
	2015	2014 (Re-stated- Note 3.2)
Cash flows from operating activities		
Cash generated from / (used in) operations	15 517,501	(1,607,107)
Long-term loans and advances - net	(6,522)	(1,644)
Long-term deposits and prepayments - net	2,718	(260)
Finance costs paid	(28,619)	(44,485)
Payments to staff retirement benefit scheme	(290)	(780)
Taxes paid	(137,694)	(673,010)
Mark-up received from bank deposits	42,319	66,622
Net cash generated from / (used in) operating activities	389,413	(2,260,664)
Cash flows from investing activities		
Payments for capital expenditure	(34,758)	(25,028)
Proceeds from sale of operating assets	741	1,200
Net cash used in investing activities	(34,017)	(23,828)
Cash flows from financing activities		
Dividend paid	(61)	(22)
Net cash used in financing activities	(61)	(22)
Net increase / (decrease) in cash and cash equivalents	355,335	(2,284,514)
Cash and cash equivalents at 1 January	1,025,890	3,068,673
Cash and cash equivalents at 30 June	1,381,225	784,159

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

Condensed Interim Statement of Changes in Equity (Un-audited)

For the six months period ended 30 June 2015

Amount in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Accumulated losses	Total
Balance as at 1 January 2015	15,142,072	2,345	(4,438,899)	10,705,518
Total comprehensive loss for the six months period ended 30 June 2015				
- Loss for the six months period ended 30 June 2015	-	-	(236,548)	(236,548)
- Other comprehensive income for the six months period ended 30 June 2015	-	-	-	-
	-	-	(236,548)	(236,548)
Balance as at 30 June 2015	<u>15,142,072</u>	<u>2,345</u>	<u>(4,675,447)</u>	<u>10,468,970</u>
Balance as at 1 January 2014 - re-stated - note 3.2	15,142,072	2,345	(3,334,528)	11,809,889
Total comprehensive loss for the six months period ended 30 June 2014				
- Loss for the six months period ended 30 June 2014	-	-	(623,041)	(623,041)
- Other comprehensive income for the six months period ended 30 June 2014	-	-	-	-
	-	-	(623,041)	(623,041)
Balance as at 30 June 2014 - re-stated - note 3.2	<u>15,142,072</u>	<u>2,345</u>	<u>(3,957,569)</u>	<u>11,186,848</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2015

1. Status and nature of business

Lotte Chemical Pakistan Limited (“the Company”) was incorporated in Pakistan on 30 May 1998 and is listed on Karachi, Lahore and Islamabad Stock Exchanges, and is engaged in the manufacture and sale of Pure Terephthalic Acid (PTA). The Company’s registered office is situated at EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi.

Lotte Chemical Corporation, South Korea is the parent company and South Korean Conglomerate Lotte is the ultimate parent company.

2. Amalgamation

Through a scheme of arrangement the Company’s wholly owned subsidiary - Lotte Powergen (Private) Limited, engaged in generation and sale of electricity and steam to the Company, amalgamated with and into the Company. The amalgamation and its related Scheme of Arrangement, effective from 01 January 2014, was approved by the Honorable Sindh High Court vide its order J.M. No. 29 of 2014 dated 29 January 2015 and filed with the registrar of companies on 02 February 2015, for which the Company’s shareholders approval was obtained in their Extraordinary General Meeting held on 25 November 2014.

3. Basis of preparation

3.1 These condensed interim financial statements of the Company for the six months period ended 30 June 2015 have been prepared in accordance with the requirements of the International Accounting Standard 34 - “Interim Financial Reporting” and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements, of the Company for the year ended 31 December 2014.

3.2 Amalgamation of the wholly owned subsidiary - Lotte Powergen (Private) Limited with and into the Company has been accounted for using the predecessor method of accounting. The method requires the merged entity’s results incorporated by line by line adding them at their pre-combination carrying values as if both entities had always been combined. Accordingly, the corresponding amounts for the same period last years have also been restated to reflect the combined results of both entities.

4. Significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are the same as those applied in preparation of the annual financial statements for the preceding year ended 31 December 2014, except for the adoption of the following new and amended standards which became effective for the current period.

Standard or Interpretation

IFRS 10 - Consolidated Financial Statements

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities (Amendment)

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

IAS 19 - Employee Benefits (Amendment)

IAS 27- Separate Financial Statements (Revised)

IAS 28 - Investments in Associates and Joint Ventures (Revised)

The Company expects that the adoption of the above new standards, revisions, amendments and interpretations of the standards will not have any material impact on these condensed interim financial statements for the current period.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects such improvements to the standards will not have any material impact on these condensed interim financial statements for the current period.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2015

Amount in Rs '000

5. Fixed assets

The following fixed assets have been added / disposed of during the six months period ended 30 June:

	2015		2014	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
Property, plant and equipment				
Operating assets - owned				
Plant and machinery	-	-	2,234	766
Furniture and equipment	1,216	-	7,289	200
Motor vehicles	-	20	-	-
Capital work-in-progress	33,542	-	15,480	-
Intangible assets	-	-	25	-

6. Tax refunds due from government - sales tax

This includes Rs 301.3 million (31 December 2014: Rs 301.3 million) on account of input tax arising from sales tax charged to the Company under the Sindh Sales Tax on Services Act, 2011 which is administered by the Sindh Revenue Board with effect from 01 July 2011. This is being deferred due to procedural issues between Federal and Provincial Tax collecting agencies, resulting in lack of verification by the refund issuing authority i.e. the Federal Board of Revenue (FBR). The Company had approached Federal Tax Ombudsman for resolution of the matter. The FTO in its order dated 02 May 2013 have directed FBR, with certain recommendations, to resolve the issue. The Company has filed a Suit No. 537 of 2014 before the Honourable Sindh High Court to resolve this issue as per the prevailing Sales Tax Law. The Honourable High Court passed an order dated 14 January 2015 directing the FBR to verify exact figure of refund of sales tax to which plaintiff is entitled.

	30 June 2015	31 December 2014
7. Cash and bank balances		
Short-term fixed deposits	1,355,850	1,001,000
With banks in current accounts	18,566	18,677
Cash in hand	6,809	6,213
	1,381,225	1,025,890

8. Contingencies and commitments

8.1 Contingencies

The Income Tax Appellate Tribunal (ITAT) vide order no ITA.No.111/KB/2006 dated 20 April 2006 had set aside the taxation officer's assessment order for the assessment year 2002-2003 (income year ending 31 December 2001) whereby the assessing officer had been directed to re-examine the issue of allocation of cost of goods sold to export sales, strictly in accordance with Rule 216 of the Income Tax Rules, 1982. The taxation officer vide order no. DC20/106 dated 29 June 2007 had used volume basis to determine the allocation of cost of goods sold to export sales, against which the Company had filed an appeal. The Commissioner Inland Revenue (Appeals-I) [CIR(A)] vide order numbers 153 and 391 dated 31 January 2011 (received by the Company on 4 June 2011) has set aside the taxation officer's order with instructions to strictly comply with the directions contained in the ITAT's order of 20 April 2006 in relation to the basis of allocation of cost of goods sold to export sales. The Deputy Commissioner Inland Revenue vide number 01/171 dated 25 June 2012 (received by the Company in July 2012) has maintained the above basis of allocation to export sales. The Company filed an appeal against the said order in August 2012. The CIR(A) vide its order dated 29 May 2013 has disagreed with 'basis of dual allocation' as per taxation officer's assessment order and has directed the officer to accordingly determine the amount on the basis of "sales" and finalise the assessment on such basis. However, the department has filed an appeal against the said order on 15 August 2013. Considering the earlier clear directions in the prior orders of both Appellate Tribunal Inland Revenue and CIR(A), the Company's management is of the view that ultimate decision in the said appeal will likely be in the Company's favour and, therefore no provision has been made in these condensed interim financial statements for the potential liability of Rs 149.69 million.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2015

Amount in Rs '000

8.2 Commitments

8.2.1 Outstanding guarantees and letters of credit issued on behalf of the Company as at 30 June 2015 were Rs 1.92 billion (31 December 2014: Rs 1.84 billion) and Rs 1.25 billion (31 December 2014: Rs 1.40 billion), respectively.

8.2.2 Commitments in respect of capital expenditure as at 30 June 2015 amount to Rs 111.90 million (31 December 2014: Rs 39.78 million).

8.2.3 Commitments for rentals under operating lease agreements / ljarah contracts in respect of vehicles are as follows:

Year	30 June 2015	31 December 2014
2015	10,596	24,771
2016	18,690	21,005
2017	13,033	14,857
2018	4,677	5,892
2019	154	-
	47,150	66,525

8.2.4 Commitments for rentals under operating lease agreements for certain supplies in respect of goods and services are as follows:

Year	30 June 2015	31 December 2014
2015	284,746	578,648
2016	586,770	611,679
2017	568,577	592,714
	1,440,093	1,783,041

8.2.5 Commitments for rentals under operating lease agreements in respects of goods and services are stated at minimum lease payments. These are priced in foreign currency and payable in Pakistan Rupees, converted at the exchange rates applicable on the date of payment.

9. Revenue

	Quarter ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Manufactured goods				
Local sales	11,089,947	10,584,885	19,584,170	23,920,650
Export sales	-	2,446,563	-	2,605,995
	11,089,947	13,031,448	19,584,170	26,526,645
Less: Sales tax	(638,459)	(602,895)	(1,131,434)	(1,345,285)
Price settlements and discounts	(103,277)	(199,636)	(324,136)	(733,281)
	10,348,211	12,228,917	18,128,600	24,448,079
Trading goods				
Local sales	40,285	205,045	157,376	392,920
Less: Sales tax	(1,049)	(12,533)	(6,544)	(25,358)
Price settlements and discounts	(550)	(6,118)	(2,204)	(11,294)
	38,686	186,394	148,628	356,268
	10,386,897	12,415,311	18,277,228	24,804,347

Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended 30 June 2015

Amount in Rs '000

10. Cost of sales	Quarter ended 30 June		Six months ended 30 June	
	2015	2014 (Re-stated- Note 3.2)	2015	2014 (Re-stated- Note 3.2)
Manufactured goods				
Opening stock of raw and packing materials	1,284,311	4,293,313	1,590,090	2,166,141
Purchases	9,066,920	9,937,209	15,869,136	23,721,092
Closing stock of raw and packing materials	(3,111,993)	(3,232,470)	(3,111,993)	(3,232,470)
Raw and packing materials consumed	7,239,238	10,998,052	14,347,233	22,654,763
Manufacturing costs	1,328,310	1,254,388	2,805,030	2,454,615
Cost of goods manufactured	8,567,548	12,252,440	17,152,263	25,109,378
Opening stock of finished goods	1,650,881	927,232	1,031,428	723,359
	10,218,429	13,179,672	18,183,691	25,832,737
Closing stock of finished goods	(100,728)	(864,821)	(100,728)	(864,821)
	10,117,701	12,314,851	18,082,963	24,967,916
Trading goods				
Opening stock	63,219	31,565	162,759	71,589
Purchases	23,964	236,180	36,387	342,277
Closing stock	(49,375)	(102,922)	(49,375)	(102,922)
	37,808	164,823	149,771	310,944
	10,155,509	12,479,674	18,232,734	25,278,860
11. Other expenses				
Donations	-	3,228	149	3,543
Workers' Profit Participation Fund	-	13,767	-	25,839
Workers' Welfare Fund	119	7,597	119	12,707
Others	422	764	578	849
	541	25,356	846	42,938
12. Other income				
Scrap sales	2,608	1,398	2,608	4,543
Gain on disposal of property, plant and equipment	-	234	721	234
Mark-up on bank deposits	27,488	18,715	41,858	61,450
Others	4,005	-	4,288	-
	34,101	20,347	49,475	66,227
13. Finance costs / (income)				
Bank overdraft	-	27	-	30
Discounting charges	1,099	26,153	14,804	29,799
Bank charges	10,892	1,211	15,958	3,836
Exchange loss / (gain) - net	(11,788)	71,973	(6,677)	(72,596)
	203	99,364	24,085	(38,931)

Notes to the Condensed Interim Financial Statements (Un-audited)

For the six months period ended 30 June 2015

Amount in Rs '000

14. Taxation

The current tax charge for the six months period ended 30 June 2015 consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover.

	Six months ended 30 June	
	2015	2014 (Re-stated- Note 3.2)
15. Cash generated from / (used in) operations		
Loss before taxation	(136,677)	(747,646)
Adjustments for non cash charges and other items:		
Depreciation and amortisation	692,607	696,331
Gain on disposal of property, plant and equipment	(721)	(234)
Provision for staff retirement benefit scheme	3,652	1,269
Finance costs	30,762	33,665
Mark-up on bank deposits	(41,858)	(61,450)
Infrastructure Cess	69,765	96,394
Gas Infrastructure Development Cess	244,659	102,017
	998,866	867,992
	862,189	120,346
Effect on cashflows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	100,829	(35,469)
Stock-in-trade	(477,819)	(1,239,124)
Trade debts	(1,257,069)	43,736
Loans and advances	(43,059)	(3,085)
Deposits and short-term prepayments	(147,020)	(1,824)
Other receivables and tax refunds due from government	(5,287)	2,054
	(1,829,425)	(1,233,712)
Increase / (decrease) in trade and other payables	1,484,737	(493,741)
Cash generated from / (used in) operations	517,501	(1,607,107)

16. Transactions with related parties

The related parties comprise parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement benefit funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed interim financial statements are as follows:

Relationship	Nature of transaction	Quarter ended 30 June		Six months ended 30 June	
		2015	2014	2015	2014
Key management personnel	Salaries and other short-term benefits	16,298	17,311	32,805	34,101
	Ex gratia to Ex Chief Executive	-	59,645	-	59,645
	Post employment benefits	1,460	2,851	2,950	5,340
Others	Payments to staff retirement benefit funds	13,994	14,575	27,255	27,274

Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended 30 June 2015

Amount in Rs '000

17. General

Figures have been rounded-off to the nearest thousand rupees except as stated otherwise.

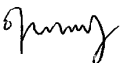
18. Corresponding figures

Corresponding figures have been re-arranged in line with the reclassifications made in the annual financial statements for the year ended 31 December 2014.

Reclassification from component	Reclassification to component	Six months ended 30 June 2014
Other income - Exchange gain - net	Finance (cost) / income - Exchange loss / (gain) - net	72,596

19. Date of authorisation

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 21 August 2015.



Kwan Ho Lee
Chairman



Humair Ijaz
Chief Executive

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