



Report for the quarter & nine
months ended 30 September 2014

LOTTE CHEMICAL  **PAKISTAN LTD**

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Company Information

As on 28 October 2014



Board of Directors

Changgyou Kim	Chairman
Jung Neon Kim	Chief Executive
Hyun Chul Park	Non-executive
Hun Ki Lee	Non-executive
Oh Hun Im	Executive
Mohammad Qasim Khan	Independent
Pervaiz Akhtar	Independent
Istaqbal Mehdi	Non-executive

Audit Committee

Pervaiz Akhtar	Chairman
Hun Ki Lee	Member
Istaqbal Mehdi	Member
Ashiq Ali	Secretary & Head of Internal Audit

HR & Remuneration Committee

Changgyou Kim	Chairman
Hun Ki Lee	Member
Oh Hun Im	Member

Shares Sub Committee

Oh Hun Im	Chairman
Mohammad Qasim Khan	Member
Hun Ki Lee	Member

Chief Financial Officer and Company Secretary

Adnan Samdani

Executive Management Team

Jung Neon Kim
Chief Executive

Adnan Samdani
Chief Financial Officer & Company Secretary

Mohammad Wasim
Director Manufacturing

Humair Ijaz
Director Commercial

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

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants

External Auditors

A.F. Ferguson & Co.,
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, Shahrah-e-Faisal,
Karachi

Directors' Report

For the third quarter ended 30 September 2014

The Directors are pleased to present their report for the third quarter ended 30 September 2014 together with the un-audited condensed interim financial information of the Company and the Group for the third quarter and nine months ended 30 September 2014. The Group results comprises of Lotte Chemical Pakistan Limited (Company) and Lotte Powergen (Private) Limited, a wholly owned subsidiary of the Company.

BUSINESS OVERVIEW

Crude oil (WTI) prices remained bearish during the quarter on the back of reduced demand by both China and Europe. Moreover, increased supplies from North America also put pressure on Crude prices.

Paraxylene (Px) was oversupplied during the quarter due to the start-up of new Px capacities and reduced operating rates by the PTA industry. The Asian Contract Price (ACP) of Px was not settled during the quarter as PTA producers did not commit to contract prices which would ensure losses, and instead took their chances in the spot market. This created an uncertain business environment, in which everyone from Px producers, down to yarn manufacturers maintained low production rates and avoided any excess inventory build-ups.

The big PTA producers in China were successful in maintaining lower production rates during the quarter. The production discipline was disrupted at the end of the quarter, as output was increased by the cash strapped PTA industry, which again brought down margins. New Px capacities and consequent lower feedstock costs were expected to improve PTA operating rates, but the underperforming polyester markets, offset that expected advantage to a great extent. PTA received support from the PET sector earlier in the quarter, which faded away by the end of the quarter.

The regional textile markets, particularly in China continued to face a challenging environment which resulted in high inventories, and price cutting measures, which compounded losses for the industry. This, along with the credit tightening measures by the Chinese government put the industry in a more difficult situation. PSF market was also impacted by the sliding cotton prices, and the Chinese government's decision to offload their cotton reserves.

The domestic polyester market remained affected by the persistent energy shortfall and the turbulent political situation in the country. Moreover, the bearish trend in the cotton markets impacted the polyester consumption, as the heavy rains and floods did minimal damage to cotton crops. PSF producers also had to contend with an influx of cheap PSF imports from desperate Chinese sellers. Under these conditions the operating rates of the PSF industry on the whole were subdued. PET consumption and production remained stable during the peak summer season.



OPERATIONS

Production volume during the quarter at 116,609 tonnes was 8% lower than the corresponding period last year mainly due to a planned plant outage taken during the quarter for routine maintenance work.

Sales volume during the quarter at 120,917 tonnes was 14% lower than the corresponding period last year mainly due to market slowdown in the domestic PSF sector. Export sales to Saudi Arabia during the quarter aggregated 6,072 tonnes.

LOTTE POWERGEN (PRIVATE) LIMITED

The financial performance of Lotte Powergen (Private) Limited together with Lotte Chemical Pakistan Limited is presented in the consolidated financial results for the quarter and nine months ended 30 September 2014.

As mentioned in the previous quarter report, the Board of Directors in their meeting held on 26 August 2014 approved the Scheme of Arrangement for amalgamation of Lotte Powergen (Private) Limited with Lotte Chemical Pakistan Limited. A petition for the sanction of the Scheme of Arrangement and other ancillary orders has been filed in the High Court of Sindh at Karachi. The High Court has now ordered the Company to convene the Extraordinary General Meeting of the Shareholders of the Company to obtain their consent for the Scheme of Arrangement. The notice for the Extraordinary General Meeting and other documents will be circulated to all shareholders shortly.

PROFIT, FINANCE & TAXATION

Despite the 1% additional PTA tariff, your Company incurred a gross loss of Rs 309 million for the quarter as compared to gross profit of Rs 299 million during the same period last year. This was mainly due to lower sales volume, lower PTA margin over Px and higher conversion costs. The conversion cost increase was mainly on account of increase in prices of Acetic Acid and energy.

Distribution and selling expenses were lower than the corresponding quarter last year mainly due to lower export sales. Administration expenses for the quarter were marginally higher than the corresponding quarter last year due to overall impact of inflation. Other income for the quarter was significantly lower than the corresponding quarter last year due to interim dividend income of Rs 387 million received from the Lotte Powergen (Private) Limited in Q3 2013.

Taxation for the quarter ended 30 September 2014, shows a credit of Rs 33 million. This is based on minimum turnover tax as reduced by the movement in the deferred tax account.

The loss after taxation for the Company for the quarter ended 30 September 2014 amounted to Rs 415 million as compared to profit after taxation of Rs 536 million in Q3 last year. On consolidated basis, the loss after taxation amounted to Rs 230 million for the quarter ended 30 September 2014.

FUTURE OUTLOOK

Oil prices are expected to remain under pressure. Px availability is expected to improve going forward, which should prompt Px producers to rationalize operating rates in order to maintain margins.

PTA pricing and margin will be dependent on the operating rates of the Chinese PTA producers. The credit rationalization regime by Chinese government is expected to prompt the industry to run at high rates, which will put pressure on margins and profitability.

The domestic market is expected to operate at low rates, as the energy shortfall persists. Moreover, cheap Chinese polyester imports and lower cotton prices will continue to put pressure on domestic operations.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

28 October 2014
Karachi

Condensed Interim Balance Sheet

As at 30 September 2014



Amounts in Rs '000

	Note	30 September 2014 (Un-audited)	31 December 2013 (Audited)
Assets			
Non-current assets			
Fixed assets	5	4,169,511	4,975,814
Long-term investment - subsidiary		4,500,000	4,500,000
Long-term loans and advances		43,647	41,297
Long-term deposits and prepayments		65,798	64,011
Deferred tax asset - net		161,393	-
		<u>8,940,349</u>	<u>9,581,122</u>
Current assets			
Stores and spares		838,459	794,770
Stock-in-trade		3,817,757	2,973,270
Trade debts		2,790,073	2,780,329
Loans and advances		29,687	24,644
Trade deposits and short-term prepayments		140,323	94,333
Mark-up accrued on bank deposits		450	4,940
Other receivables		246,817	87,140
Tax refunds due from government - sales tax	6	442,426	417,005
Taxation - payments less provision		1,190,063	858,864
Cash and bank balances	7	559,282	2,426,739
		<u>10,055,337</u>	<u>10,462,034</u>
Total assets		<u><u>18,995,686</u></u>	<u><u>20,043,156</u></u>
Equity			
Share capital and reserves			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2013: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserves		2,345	2,345
Accumulated losses		(4,641,919)	(3,567,158)
		<u>10,502,498</u>	<u>11,577,259</u>
Liabilities			
Non-current liabilities			
Long-term loan from subsidiary	8	900,000	400,000
Deferred tax liability - net		-	389,877
Retirement benefit obligation		46,361	45,002
		<u>946,361</u>	<u>834,879</u>
Current liabilities			
Trade and other payables		7,350,013	7,445,711
Interest accrued		196,814	185,307
		<u>7,546,827</u>	<u>7,631,018</u>
Total liabilities		<u>8,493,188</u>	<u>8,465,897</u>
Contingencies and commitments	9		
Total equity and liabilities		<u><u>18,995,686</u></u>	<u><u>20,043,156</u></u>

Text

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Condensed Interim Profit and Loss Account (Un-audited)

For the quarter and nine months ended 30 September 2014

Amounts in Rs '000

	Note	Quarter ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
Revenue	10	12,874,478	16,327,789	37,678,825	42,220,700
Cost of sales	11	(13,183,716)	(16,028,857)	(38,931,952)	(42,489,277)
Gross (loss) / profit		(309,238)	298,932	(1,253,127)	(268,577)
Distribution and selling expenses		(36,771)	(44,128)	(145,260)	(98,330)
Administrative expenses		(86,884)	(79,931)	(311,248)	(231,455)
Other expenses	12	(1,264)	(3,667)	(8,026)	(7,732)
Other income	13	43,424	403,266	612,636	711,502
Finance costs		(57,242)	(69,052)	(127,800)	(176,552)
(Loss) / profit before taxation		(447,975)	505,420	(1,232,825)	(71,144)
Taxation	14	33,459	30,350	158,064	183,994
(Loss) / profit after taxation		(414,516)	535,770	(1,074,761)	112,850
Amount in Rupees					
Earnings per share - basic and diluted		(0.27)	0.35	(0.71)	0.07

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter and nine months ended 30 September 2014

Amounts in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
(Loss) / profit after taxation	(414,516)	535,770	(1,074,761)	112,850
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	<u>(414,516)</u>	<u>535,770</u>	<u>(1,074,761)</u>	<u>112,850</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

	Note	Nine months ended 30 September	
		2014	2013
Cash flows from operating activities			
Cash (used in) / generated from operations	15	(1,540,775)	1,018,122
Long-term loans and advances - net		(2,350)	806
Long-term deposits and prepayments - net		(1,787)	5,655
Finance costs paid		(116,293)	(151,042)
Payments to staff retirement benefit scheme - unfunded		(886)	(235)
Mark-up received from bank deposits		48,173	40,199
Taxes paid		(724,405)	(550,061)
Net cash (used in) / generated from operating activities		(2,338,323)	363,444
Cash flows from investing activities			
Payments for capital expenditure		(30,871)	(134,663)
Proceeds from sale of fixed assets		1,776	-
Net cash used in investing activities		(29,095)	(134,663)
Cash flows from financing activities			
Long-term loan from subsidiary		500,000	400,000
Dividend paid		(39)	(172)
Net cash generated from financing activities		499,961	399,828
Net (decrease) / increase in cash and cash equivalents		(1,867,457)	628,609
Cash and cash equivalents at 1 January		2,426,739	225,134
Cash and cash equivalents at 30 September		559,282	853,743

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

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

For the nine months ended 30 September 2014



Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Accumulated loss	Total
Balance as at 1 January 2014	15,142,072	2,345	(3,567,158)	11,577,259
Total comprehensive loss for the nine months ended 30 September 2014				
- Loss for the nine months ended 30 September 2014	-	-	(1,074,761)	(1,074,761)
- Other comprehensive loss for the nine months ended 30 September 2014	-	-	-	-
	-	-	(1,074,761)	(1,074,761)
Balance as at 30 September 2014	<u>15,142,072</u>	<u>2,345</u>	<u>(4,641,919)</u>	<u>10,502,498</u>
Balance as at 1 January 2013	15,142,072	2,345	(3,023,864)	12,120,553
Total comprehensive income for the nine months ended 30 September 2013				
- Profit for the nine months ended 30 September 2013	-	-	112,850	112,850
- Other comprehensive income for the nine months ended 30 September 2013	-	-	-	-
	-	-	112,850	112,850
Balance as at 30 September 2013 - re-stated	<u>15,142,072</u>	<u>2,345</u>	<u>(2,911,014)</u>	<u>12,233,403</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

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

For the nine months ended 30 September 2014

1. General information

Lotte Chemical Pakistan Limited ("the Company") is incorporated in Pakistan 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.

The Company is a subsidiary of Lotte Chemical Corporation - South Korea and its ultimate parent company is South Korean conglomerate Lotte.

The Company owns a wholly owned Subsidiary, Lotte Powergen (Private) Limited, engaged in the generation and sale of electricity and steam to the Company.

2. This condensed interim financial information of the Company for the nine months ended 30 September 2014 has 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.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2013.

3. Significant accounting policies

The accounting policies and methods of computation used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 31 December 2013.

4. Accounting estimates, judgments and financial risk management

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended 31 December 2013.

- 4.2 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2013.

5. Fixed assets

The following fixed assets have been added / disposed of during the nine months ended 30 September :

	Amounts in Rs '000			
	2014		2013	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
Operating assets / property, plant and equipment				
Buildings on leasehold land	463	-	627	-
Plant and machinery	11,019	766	46,993	-
Furniture and equipment	7,812	200	4,150	106
Motor vehicles	-	-	432	-
Capital work-in-progress	11,552	-	82,461	-
Intangible assets	25	-	-	-

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

For the nine months ended 30 September 2014



Amounts in Rs '000

6. Tax refunds due from government - sales tax

This includes Rs 301.3 million (31 December 2013: 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 approached Federal Tax Ombudsman for resolution of the matter which in its order dated 2 May 2013 directed FBR, with certain recommendations, to resolve the issue. Subsequently, FBR via SRO 212 / 2014 dated 26 March 2014 notified that provincial sales tax on services is available for adjustment as input tax under the Sales Tax Act 1990, effective from 01 July 2013. However, the outstanding receivable pertains to the period from 01 July 2011 till 28 February 2013 which remains unresolved. The Company is maintaining close focus with the relevant authorities for early resolution of the matter.

	30 September 2014	31 December 2013
7. Cash and bank balances		
Short-term fixed deposits	535,670	2,401,350
Current accounts	16,080	17,271
Cash in hand	7,532	8,118
	<u>559,282</u>	<u>2,426,739</u>

8. Long-term loan from subsidiary

Lender	Installments payable	Interest rate	Repayment month	30 September 2014	31 December 2013
Loan from subsidiary company					
Loan agreement entered on:					
24 January 2013	full payment on maturity	3% p.a above 6 months KIBOR	January 2018	400,000	400,000
02 May 2014	full payment on maturity	3% p.a above 6 months KIBOR	May 2019	500,000	-
				<u>900,000</u>	<u>400,000</u>

9. Contingencies and commitments

9.1 Outstanding guarantees and letters of credit issued on behalf of the Company as at 30 September 2014 were Rs 1.34 billion (31 December 2013: Rs 1.21 billion) and Rs 70.0 million (31 December 2013: Rs 1.28 billion), respectively.

9.2 Commitments in respect of capital expenditure as at 30 September 2014 amount to Rs 44.52 million (31 December 2013: Rs 16.87 million).

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

Year	30 September 2014	31 December 2013
2014	5,827	20,570
2015	22,211	19,189
2016	18,420	14,215
2017	12,303	6,369
2018	3,093	-
	<u>61,854</u>	<u>60,343</u>

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

For the nine months ended 30 September 2014

Amounts in Rs '000

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

Year	30 September 2014	31 December 2013
2014	117,311	587,174
2015	570,334	598,917
2016	581,740	610,896
2017	543,927	571,188
	<u>1,813,312</u>	<u>2,368,175</u>

9.5 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) 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 Commissioner Inland Revenue (Appeals-I) [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 information for the potential liability of Rs 326.12 million.

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
10. Revenue				
Manufactured goods				
Local sales	13,388,162	16,294,635	37,308,812	42,322,794
Export sales	599,680	1,242,934	3,205,675	1,900,190
	<u>13,987,842</u>	<u>17,537,569</u>	<u>40,514,487</u>	<u>44,222,984</u>
Less: Sales tax	(644,733)	(773,360)	(1,990,018)	(1,272,685)
Price settlements and discounts	(629,250)	(602,699)	(1,362,531)	(1,494,986)
	<u>12,713,859</u>	<u>16,161,510</u>	<u>37,161,938</u>	<u>41,455,313</u>
Trading goods				
Local sales	173,943	186,779	566,863	825,955
Less: Sales tax	(8,841)	(14,916)	(34,199)	(22,353)
Price settlements and discounts	(4,483)	(5,584)	(15,777)	(38,215)
	<u>160,619</u>	<u>166,279</u>	<u>516,887</u>	<u>765,387</u>
	<u>12,874,478</u>	<u>16,327,789</u>	<u>37,678,825</u>	<u>42,220,700</u>

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

For the nine months ended 30 September 2014

Amounts in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
11. Cost of sales				
Manufactured goods				
Opening stock of raw and packing materials	3,232,470	4,050,304	2,166,141	2,802,171
Purchases	11,227,193	11,913,786	34,948,285	36,557,788
Closing stock of raw and packing materials	(3,304,302)	(2,874,200)	(3,304,302)	(2,874,200)
Raw and packing materials consumed	11,155,361	13,089,890	33,810,124	36,485,759
Manufacturing costs	1,490,349	1,370,111	4,407,735	4,154,832
Cost of goods manufactured	12,645,710	14,460,001	38,217,859	40,640,591
Opening stock of finished goods	870,397	1,839,716	735,540	1,538,654
	13,516,107	16,299,717	38,953,399	42,179,245
Closing stock of finished goods	(472,693)	(422,410)	(472,693)	(422,410)
	13,043,414	15,877,307	38,480,706	41,756,835

Trading goods

Opening stock	102,922	56,218	71,589	139,691
Purchases	78,142	100,289	420,419	597,708
Closing stock	(40,762)	(4,957)	(40,762)	(4,957)
	140,302	151,550	451,246	732,442
	13,183,716	16,028,857	38,931,952	42,489,277

12. Other expenses

Workers' welfare fund	966	1,901	3,336	2,916
Donations	250	1,654	3,793	2,457
Loss on retirement of operating assets / property, plant and equipment	-	-	-	106
Others	48	112	897	2,253
	1,264	3,667	8,026	7,732

13. Other income

Scrap sales	192	544	4,735	6,674
Dividend received from subsidiary	-	387,000	450,000	607,500
Finance lease liability no longer payable	-	-	-	42,659
Service income	4,200	4,200	12,600	12,600
Gain on disposal of fixed assets	576	-	810	-
Mark-up on bank deposits	10,244	11,353	43,683	41,198
Exchange gain - net	27,510	-	100,106	-
Others	702	169	702	871
	43,424	403,266	612,636	711,502

14. Taxation

The tax charge for the nine months ended 30 September 2014 consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover as adjusted by movement in deferred tax.

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

For the nine months ended 30 September 2014

Amounts in Rs '000

	Nine months ended 30 September	
	2014	2013
15. Cash (used in) / generated from operations		
Loss before taxation	(1,232,825)	(71,144)
Adjustments for non cash charges and other items:		
Depreciation and amortisation	836,208	946,796
(Gain) / loss on retirement / disposal of fixed assets	(810)	106
Provision for staff retirement benefit scheme - unfunded	2,245	4,907
Finance costs	127,800	176,552
Mark-up on bank deposits	(43,683)	(41,198)
Provision for infrastructure cess	146,912	148,226
	<u>1,068,672</u>	<u>1,235,389</u>
Effect on cashflows due to working capital changes	(164,153)	1,164,245
(Increase) / decrease in current assets:		
Stores and spares	(43,689)	(37,006)
Stock-in-trade	(844,487)	1,178,949
Trade debts	(9,744)	(835,347)
Loans and advances	(5,043)	3,025
Deposits and short-term prepayments	(45,990)	1,771
Other receivables and refunds from government	(185,098)	121,103
	<u>(1,134,051)</u>	<u>432,495</u>
Decrease in trade and other payables	(242,571)	(578,618)
Cash (used in) / generated from operations	<u>(1,540,775)</u>	<u>1,018,122</u>

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 this condensed interim financial information are as follows:

Relationship	Nature of transaction	Quarter ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
Subsidiary company	Interest on loan	<u>29,889</u>	<u>12,209</u>	<u>66,786</u>	<u>33,559</u>
	Purchase of goods	<u>762,770</u>	<u>740,160</u>	<u>2,370,617</u>	<u>2,019,627</u>
	Sale of spares	<u>37,775</u>	<u>1,796</u>	<u>106,317</u>	<u>37,145</u>
	Fee for providing services to subsidiary company	<u>4,200</u>	<u>4,200</u>	<u>12,600</u>	<u>12,600</u>
	Dividend received	<u>-</u>	<u>387,000</u>	<u>450,000</u>	<u>607,500</u>
Key management personnel	Salaries and other short-term benefits	<u>11,940</u>	<u>19,122</u>	<u>46,041</u>	<u>57,293</u>
	Ex gratia to Ex Chief Executive	<u>-</u>	<u>-</u>	<u>59,645</u>	<u>-</u>
	Post employment benefits	<u>1,328</u>	<u>3,067</u>	<u>6,668</u>	<u>9,027</u>
Staff retirement benefit funds	Payments to staff retirement benefit funds	<u>13,182</u>	<u>13,297</u>	<u>40,456</u>	<u>39,470</u>

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

For the nine months ended 30 September 2014



Amounts 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 wherever necessary for purposes of better presentation as follows:

Reclassification from component	Reclassification to component	Quarter ended	Nine months ended
Finance income - Mark-up on bank deposits	Other income - Mark-up on bank deposits	11,353	41,198

19. Date of authorisation

This condensed interim financial information was authorised for issue in the Board of Directors meeting held on 28 October 2014.


Changgyou Kim
Chairman


Jung Neon Kim
Chief Executive

**Condensed Interim Consolidated
Financial Information**

LOTTE CHEMICAL  PAKISTAN LTD

and its Subsidiary Company

Condensed Interim Consolidated Balance Sheet

As at 30 September 2014



Amounts in Rs '000

	Note	30 September 2014 (Un-audited)	31 December 2013 (Audited)
Assets			
Non-current assets			
Fixed assets	5	7,699,627	8,713,584
Long-term loans and advances		43,647	41,297
Long-term deposits and prepayments		65,798	64,011
Deferred tax asset - net		161,393	-
		<u>7,970,465</u>	<u>8,818,892</u>
Current assets			
Stores and spares		920,466	840,720
Stock-in-trade		3,815,912	2,961,089
Trade debts		2,790,073	2,780,329
Loans and advances		29,687	24,644
Trade deposits and short-term prepayments		141,604	94,333
Mark-up accrued on bank deposits		2,722	7,020
Other receivables		129,999	33,846
Tax refunds due from government - sales tax	6	449,492	398,784
Taxation - payments less provision		1,203,713	868,491
Cash and bank balances	7	1,318,693	3,068,673
		<u>10,802,361</u>	<u>11,077,929</u>
Total assets		<u><u>18,772,826</u></u>	<u><u>19,896,821</u></u>
Equity			
Share capital and reserves			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2013: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserves		2,345	2,345
Accumulated losses		(4,187,705)	(3,334,528)
		<u>10,956,712</u>	<u>11,809,889</u>
Liabilities			
Non-current liabilities			
Deferred tax liability - net		-	389,877
Retirement benefit obligation		46,361	45,002
		<u>46,361</u>	<u>434,879</u>
Current liabilities			
Trade and other payables		7,613,661	7,490,992
Interest accrued		156,092	161,061
		<u>7,769,753</u>	<u>7,652,053</u>
Total liabilities		<u>7,816,114</u>	<u>8,086,932</u>
Contingencies and commitments	8		
Total equity and liabilities		<u><u>18,772,826</u></u>	<u><u>19,896,821</u></u>

The annexed notes 1 to 18 form an integral part of this condensed interim consolidated financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the quarter and nine months ended 30 September 2014

Amounts in Rs '000

	Note	Quarter ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
Revenue	9	12,874,478	16,327,789	37,678,825	42,220,700
Cost of sales	10	(13,020,243)	(15,794,731)	(38,299,103)	(41,843,443)
Gross (loss) / profit		(145,765)	533,058	(620,278)	377,257
Distribution and selling expenses		(36,771)	(44,128)	(145,260)	(98,330)
Administrative expenses		(90,405)	(80,479)	(317,269)	(232,009)
Other expenses	11	(14,931)	(19,012)	(57,869)	(52,540)
Other income	12	51,630	23,908	190,453	118,657
Finance costs		(27,353)	(56,944)	(61,018)	(145,625)
(Loss) / profit before taxation		(263,595)	356,403	(1,011,241)	(32,590)
Taxation	13	33,459	22,172	158,064	163,317
(Loss) / profit after taxation		(230,136)	378,575	(853,177)	130,727
Amount in Rupees					
Earnings per share - basic and diluted		(0.15)	0.25	(0.56)	0.09

The annexed notes 1 to 18 form an integral part of this condensed interim consolidated financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the quarter and nine months ended 30 September 2014



Amounts in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
(Loss) / profit after taxation	(230,136)	378,575	(853,177)	130,727
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income	<u>(230,136)</u>	<u>378,575</u>	<u>(853,177)</u>	<u>130,727</u>

The annexed notes 1 to 18 form an integral part of this condensed interim consolidated financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

	Note	Nine months ended 30 September	
		2014	2013
Cash flows from operating activities			
Cash (used in) / generated from operations	14	(1,009,806)	1,285,263
Long-term loans and advances - net		(2,350)	806
Long-term deposits and prepayments - net		(1,787)	5,655
Finance costs paid		(65,987)	(132,117)
Payments to staff retirement benefit scheme - unfunded		(886)	(235)
Mark-up received from bank deposits		88,398	65,664
Taxes paid		(728,428)	(556,607)
Net cash (used in) / generated from operating activities		(1,720,846)	668,429
Cash flows from investing activities			
Payments for capital expenditure		(30,871)	(134,663)
Proceeds from sale of fixed assets		1,776	-
Net cash used in investing activities		(29,095)	(134,663)
Cash flows from financing activities			
Dividend paid		(39)	(172)
Net cash used in financing activities		(39)	(172)
Net (decrease) / increase in cash and cash equivalents		(1,749,980)	533,594
Cash and cash equivalents at 1 January		3,068,673	879,990
Cash and cash equivalents at 30 September		1,318,693	1,413,584

The annexed notes 1 to 18 form an integral part of this condensed interim consolidated financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

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

For the nine months ended 30 September 2014



Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Accumulated loss	Total
Balance as at 1 January 2014	15,142,072	2,345	(3,334,528)	11,809,889
Total comprehensive loss for the nine months ended 30 September 2014				
- Loss for the nine months ended 30 September 2014	-	-	(853,177)	(853,177)
- Other comprehensive loss for the nine months ended 30 September 2014	-	-	-	-
	-	-	(853,177)	(853,177)
Balance as at 30 September 2014	<u>15,142,072</u>	<u>2,345</u>	<u>(4,187,705)</u>	<u>10,956,712</u>
Balance as at 1 January 2013	15,142,072	2,345	(2,839,352)	12,305,065
Total comprehensive income for the nine months ended 30 September 2013				
- Profit for the nine months ended 30 September 2013	-	-	130,727	130,727
- Other comprehensive income for the nine months ended 30 September 2013	-	-	-	-
	-	-	130,727	130,727
Balance as at 30 September 2013 - re-stated	<u>15,142,072</u>	<u>2,345</u>	<u>(2,708,625)</u>	<u>12,435,792</u>

The annexed notes 1 to 18 form an integral part of this condensed interim consolidated financial information.

Kimchanggyou
Changgyou Kim
Chairman

Jung Neon Kim
Jung Neon Kim
Chief Executive

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

1. General information

The Group consists of:

- i) Lotte Chemical Pakistan Limited (the Company)
- ii) Lotte Powergen (Private) Limited (the Subsidiary)

The Subsidiary is a wholly owned subsidiary of the Company. The Parent company of the Group is Lotte Chemical Corporation - South Korea and its ultimate parent company of the Group is South Korean conglomerate Lotte.

The Company is a limited liability company incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges, and is engaged in the manufacture and sale of Pure Terephthalic Acid (PTA).

The Subsidiary is engaged in generation and sale of electricity and steam to the Company. The Subsidiary was incorporated in Pakistan on 29 February 2012. National Electric Power Regulatory Authority had issued generation license to the Subsidiary on 26 November 2013.

2. Basis of consolidation

The consolidated financial statements include the financial statements of Lotte Chemical Pakistan Limited and Lotte Powergen (Private) Limited. The financial statements of the Subsidiary have been consolidated on a line by line basis.

All inter-company transactions have been eliminated.

This condensed interim consolidated financial information of the Group for the nine months ended 30 September 2014 has 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.

This condensed interim consolidated financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements of the Parent company as at and for the year ended 31 December 2013.

3. Significant accounting policies

The accounting policies and methods of computation used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended 31 December 2013.

4. Accounting estimates, judgments and financial risk management

- 4.1 The preparation of this condensed interim consolidated financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim consolidated financial information are the same as those that were applied to the financial statements of the Parent company as at and for the year ended 31 December 2013.

- 4.2 The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2013.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014



Amounts in Rs '000

5. Fixed assets

The following fixed assets have been added / disposed of during the nine months ended 30 September:

	2014		2013	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
Operating assets / property, plant and equipment				
Buildings on leasehold land	463	-	627	-
Plant and machinery	11,019	766	46,993	-
Furniture and equipment	7,812	200	4,150	106
Motor vehicles	-	-	432	-
Capital work-in-progress	11,552	-	82,461	-
Intangible assets	25	-	-	-

6. Tax refunds due from government - sales tax

This includes Rs 301.3 million (31 December 2013: Rs 301.3 million) on account of input tax arising from sales tax charged to the Group 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 Group approached Federal Tax Ombudsman for resolution of the matter which in its order dated 2 May 2013 directed FBR, with certain recommendations, to resolve the issue. Subsequently, FBR via SRO 212 / 2014 dated 26 March 2014 notified that provincial sales tax on services is available for adjustment as input tax under the Sales Tax Act 1990, effective from 01 July 2013. However, the outstanding receivable pertains to the period from 01 July 2011 till 28 February 2013 which remains unresolved. The Group is maintaining close focus with the relevant authorities for early resolution of the matter.

7. Cash and bank balances

	30 September 2014	31 December 2013
Short-term fixed deposits	1,295,070	3,043,250
Current accounts	16,091	17,305
Cash in hand	7,532	8,118
	<u>1,318,693</u>	<u>3,068,673</u>

8. Contingencies and commitments

8.1 Outstanding guarantees and letters of credit issued on behalf of the Group as at 30 September 2014 were Rs 1.79 billion (31 December 2013: Rs 1.66 billion) and Rs 70.0 million (31 December 2013: Rs 1.28 billion), respectively.

8.2 Commitments in respect of capital expenditure as at 30 September 2014 amount to Rs 44.52 million (31 December 2013: Rs 16.87 million).

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

- 8.3** Commitments for rentals under operating lease agreements / Ijarah contracts in respect of vehicles are as follows:

Year	30 September 2014	31 December 2013
2014	5,827	20,570
2015	22,211	19,189
2016	18,420	14,215
2017	12,303	6,369
2018	3,093	-
	<u>61,854</u>	<u>60,343</u>

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

Year	30 September 2014	31 December 2013
2014	117,311	587,174
2015	570,334	598,917
2016	581,740	610,896
2017	543,927	571,188
	<u>1,813,312</u>	<u>2,368,175</u>

- 8.5** 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 Group had filed an appeal. The Commissioner Inland Revenue (Appeals) vide order numbers 153 and 391 dated 31 January 2011 (received by the Group 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 Group in July 2012) has maintained the above basis of allocation to export sales. The Group filed an appeal against the said order in August 2012. The Commissioner Inland Revenue (Appeals-I) [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 Group's management is of the view that ultimate decision in the said appeal will likely be in the Group's favour and, therefore no provision has been made in these condensed interim financial information for the potential liability of Rs 326.12 million.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
9. Revenue				
Manufactured goods				
Local sales	13,388,162	16,294,635	37,308,812	42,322,794
Export sales	599,680	1,242,934	3,205,675	1,900,190
	<u>13,987,842</u>	<u>17,537,569</u>	<u>40,514,487</u>	<u>44,222,984</u>
Less: Sales tax	(644,733)	(773,360)	(1,990,018)	(1,272,685)
Price settlements and discounts	(629,250)	(602,699)	(1,362,531)	(1,494,986)
	<u>12,713,859</u>	<u>16,161,510</u>	<u>37,161,938</u>	<u>41,455,313</u>
Trading goods				
Local sales	173,943	186,779	566,863	825,955
Less: Sales tax	(8,841)	(14,916)	(34,199)	(22,353)
Price settlements and discounts	(4,483)	(5,584)	(15,777)	(38,215)
	<u>160,619</u>	<u>166,279</u>	<u>516,887</u>	<u>765,387</u>
	<u>12,874,478</u>	<u>16,327,789</u>	<u>37,678,825</u>	<u>42,220,700</u>
10. Cost of sales				
Manufactured goods				
Opening stock of raw and packing materials	3,232,470	4,050,304	2,166,141	2,802,171
Purchases	11,227,193	11,913,786	34,948,285	36,557,788
Closing stock of raw and packing materials	(3,304,302)	(2,874,200)	(3,304,302)	(2,874,200)
Raw and packing materials consumed	<u>11,155,361</u>	<u>13,089,890</u>	<u>33,810,124</u>	<u>36,485,759</u>
Manufacturing costs	1,330,607	1,166,105	3,785,222	3,544,784
Cost of goods manufactured	<u>12,485,968</u>	<u>14,255,995</u>	<u>37,595,346</u>	<u>40,030,543</u>
Opening stock of finished goods	864,821	1,805,743	723,359	1,499,015
	<u>13,350,789</u>	<u>16,061,738</u>	<u>38,318,705</u>	<u>41,529,558</u>
Closing stock of finished goods	(470,848)	(418,557)	(470,848)	(418,557)
	<u>12,879,941</u>	<u>15,643,181</u>	<u>37,847,857</u>	<u>41,111,001</u>
Trading goods				
Opening stock	102,922	56,218	71,589	139,691
Purchases	78,142	100,289	420,419	597,708
Closing stock	(40,762)	(4,957)	(40,762)	(4,957)
	<u>140,302</u>	<u>151,550</u>	<u>451,246</u>	<u>732,442</u>
	<u>13,020,243</u>	<u>15,794,731</u>	<u>38,299,103</u>	<u>41,843,443</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

	Quarter ended 30 September		Nine months ended 30 September	
	2014	2013	2014	2013
11. Other expenses				
Workers' profit participation fund	9,716	11,161	35,555	32,766
Workers' welfare fund	4,917	6,085	17,624	15,198
Donations	250	1,654	3,793	2,457
Loss on retirement of operating assets / property, plant and equipment	-	-	-	106
Others	48	112	897	2,013
	<u>14,931</u>	<u>19,012</u>	<u>57,869</u>	<u>52,540</u>
12. Other income				
Scrap sales	192	544	4,735	6,674
Finance lease liability no longer payable	-	-	-	42,659
Gain on disposal of fixed assets	576	-	810	-
Mark-up on bank deposits	22,650	23,195	84,100	68,453
Exchange gain - net	27,510	-	100,106	-
Others	702	169	702	871
	<u>51,630</u>	<u>23,908</u>	<u>190,453</u>	<u>118,657</u>
13. Taxation				

The tax charge for the nine months ended 30 September 2014 consists of tax charged under Final Tax Regime (FTR) and minimum tax calculated on turnover as adjusted by movement in deferred tax.

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

	Nine months ended 30 September	
	2014	2013
14. Cash (used in) / generated from operations		
Loss before taxation	(1,011,241)	(32,590)
Adjustments for non cash charges and other items:		
Depreciation and amortisation	1,043,862	1,154,450
(Gain) / loss on retirement / disposal of fixed assets	(810)	106
Provision for staff retirement benefit scheme - unfunded	2,245	4,907
Finance costs	61,018	145,625
Mark-up on bank deposits	(84,100)	(68,453)
Provision for infrastructure cess	146,912	148,226
	<u>1,169,127</u>	<u>1,384,861</u>
	157,886	1,352,271
Effect on cashflows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(79,746)	(50,368)
Stock-in-trade	(854,823)	1,143,163
Trade debts	(9,744)	(835,347)
Loans and advances	(5,043)	3,025
Deposits and short-term prepayments	(47,271)	1,213
Other receivables and refunds from government	(146,861)	116,604
	<u>(1,143,488)</u>	<u>378,290</u>
Decrease in trade and other payables	(24,204)	(445,298)
Cash (used in) / generated from operations	<u>(1,009,806)</u>	<u>1,285,263</u>

15. Transactions with Related Parties

The group has related party relationships with group companies, directors of the companies, 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 this condensed interim consolidated financial information are as follows:

Relationship	Nature of transaction	Quarter ended 30 September		Nine months ended 30 September	
		2014	2013	2014	2013
Key management personnel	Salaries and other short-term benefits	<u>11,940</u>	<u>19,122</u>	<u>46,041</u>	<u>57,293</u>
	Ex gratia to Ex Chief Executive	<u>-</u>	<u>-</u>	<u>59,645</u>	<u>-</u>
	Post employment benefits	<u>1,328</u>	<u>3,067</u>	<u>6,668</u>	<u>9,027</u>
Staff retirement benefit funds	Payments to staff retirement benefit funds	<u>13,182</u>	<u>13,297</u>	<u>40,456</u>	<u>39,470</u>

Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the nine months ended 30 September 2014

Amounts in Rs '000

16. General

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

17. Corresponding figures

Corresponding figures have been re-arranged wherever necessary for purposes of better presentation as follows:

Reclassification from component	Reclassification to component	Quarter ended	Nine months ended
Finance income - Mark-up on bank deposits	Other income - Mark-up on bank deposits	23,195	68,453

18. Date of authorisation

This condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on 28 October 2014.


Changgyou Kim
Chairman


Jung Neon Kim
Chief Executive

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