



LOTTE CHEMICAL
PAKISTAN LTD

**REPORT FOR THE
SIX MONTHS PERIOD ENDED**
30 JUNE 2025



Contents

Company Information	03
Directors' Review	04
Independent Auditors' Review Report	06
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11
Notes to the Condensed Interim Financial Statements	12

Company Information

As at 21 August 2025

Board of Directors

Jo Hyun Kwoun	Chairman
Young Dae Kim	Chief Executive
Seong Jun Park	Non-Executive
Jae Sun Park	Non-Executive
Cheolsoo Kim	Non-Executive
Shabbir Diwan	Non-Executive
Rashid Ibrahim	Independent
Khurram Rashid	Independent

Audit Committee

Rashid Ibrahim	Chairman
Seong Jun Park	Member
Khurram Rashid	Member
Faisal Abid	Secretary

HR & Remuneration Committee

Rashid Ibrahim	Chairman
Jo Hyun Kwoun	Member
Young Dae Kim	Member
Waheed U Khan	Secretary

Shares Sub Committee

Young Dae Kim	Chairman
Cheolsoo Kim	Member
Khurram Rashid	Member

Executive Management Team

Young Dae Kim	Chief Executive
Tariq Nazir Virk	Director Manufacturing
Waheed U Khan	Director Admin, HR & IT
Ashiq Ali	Chief Financial Officer
Muhammed Talha Khan	General Manager Commercial

Chief Financial Officer

Ashiq Ali

Company Secretary

Faisal Abid

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Citibank NA
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Ltd
Industrial and Commercial Bank of China
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

A.F. Ferguson & Co.,
Chartered Accountants

Legal Advisor

Naz Toosy
148, 18th East Street, Phase 1, DHA, Karachi

Registered Office

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

Shares Registrar

FAMCO Share Registration Services (Pvt) LTD.
8-F, Near Hotel Faran, Nursery,
Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi

Directors' Review

For the second quarter ended 30 June 2025

The Directors are pleased to present their review report for the second quarter ended 30 June 2025 together with the unaudited condensed interim financial information of the Company as at and for the second quarter ended 30 June 2025.

BUSINESS OVERVIEW

Crude Oil (WTI) prices faced sustained pressure and continued to decline through the first half of Q2 2025, resulting from the fundamentally over supplied market dynamics. Market sentiment remained weak as OPEC+ confirmed plans to phase out production cuts while new U.S. tariffs dampened global demand outlook, pushing crude prices below the US\$ 60 per barrel mark in daily trade, levels last observed in April 2021. However, sentiment shifted in the latter part of the quarter, heightened geopolitical tensions in the Middle East and Europe, concerns over potential disruptions at the Strait of Hormuz resulted in higher risk premiums eventually pushing prices higher. As per the Energy Information Agency (EIA), keeping in view the seasonal demand, US crude inventories drew by approximately 21 million barrels over the quarter, tightening domestic balance which also supported the recovery in prices. The average price for the quarter was US\$ 63.83 per barrel, a decrease of 10.3% as compared to the previous quarter.

Paraxylene (PX) prices at the start of the quarter tracked the movements of the upstream energy markets mainly due to the uncertainty weighing on global demand as a result of tariff reciprocity by the US Administration. This resulted in significantly lower PX-Naphtha spreads which were below break-even levels. However, PX producers were able to recoup their losses on the back of planned and unplanned shutdowns as well as product being diverted to the Gasoline pool to service the summer driving season demand which resulted in tightening supply fundamentals. PX prices continued to trend upwards as the market found strength on the back of sustained seasonal demand from the downstream PTA sector which prompted premiums in the Spot PX market. The average price of PX was US\$ 805.79 per metric tonne for the quarter while the PX-Naphtha spread averaged at US\$ 229 per metric tonne for the quarter.

PTA prices commenced Q2 2025 on a weaker note, tracking the downward movement in upstream crude and PX markets. The fundamentally oversupplied market resulted in an average operating rate of 65% in China while the market was plagued by cash flow constraints and elevated inventories which kept price movement restrained. As the quarter progressed, rationalized operations and improved off-take from the downstream Textile and PET sector resulting from the peak season demand contributed to inventory drawdowns. The absence of new PTA capacity additions allowed PTA prices to strengthen eventually resulted in improved PX-PTA Margins which averaged at US\$ 84 per metric tonne as compared to US\$ 75 per metric tonne in the previous quarter. The average price of PTA witnessed a decline of 4% as compared to the previous quarter averaging at US\$ 615.66 per metric tonne.

The domestic polyester industry operated at an average utilization rate of 56% during Q2 2025, marking a notable decline from the previous quarter. The slowdown was largely attributed to uncertainty surrounding the Finance Bill 2025, released in June, which prompted a more cautious operational stance across the sector. Further compounding the situation were upcountry logistical disruptions due to civil unrest, which severely affected trade and forced several producers to scale back operations and manage inventories more conservatively. Additionally, actual end-use demand remained subdued compared to previous years, driven by a higher cost of doing business and continued ingress of lower-priced imports.

OPERATIONS

Sales volume, comprising of domestic sales only, for Q2 2025 at 89,517 tonnes was 30% lower than the corresponding quarter last year due to lower downstream demand as well as increased consumption of cheaper imports.

Directors' Review

For the second quarter ended 30 June 2025

Production volume during the quarter at 90,626 tonnes was 28% lower than the corresponding period last year to match Sales.

The Company suspended its Plant operations from 28 March 2025 to 17 April 2025 in order to efficiently manage inventories.

FINANCIAL PERFORMANCE

Revenue for the quarter was 42% lower than the corresponding period last year mainly due to lower volume sold. This, together with higher cost of sales mainly on account of increase in energy cost resulted in a lower gross profit of Rs 445 million for the quarter as compared to gross profit of Rs 2,300 million during the same period last year.

Distribution and selling expenses were 14% higher while Administrative and general expenses were 15% higher than the corresponding period last year due to overall impact of high inflation. The taxation charge for the quarter is based on statutory income tax rate and super tax as adjusted by the movement in the deferred tax account.

Earnings per share (EPS) for the quarter stood at Rs 0.05 per share as compared to Rs 0.84 per share for Q2 2024.

FUTURE OUTLOOK

Crude Oil (WTI) prices are expected to remain volatile in the near term, driven by heightened geopolitical tensions in the Middle East that may disrupt key shipping routes, as well as the ongoing conflict in Eastern Europe, which poses upside risks due to potential supply disruptions. On the other hand, increased global supply from the rollback of OPEC+ production cuts, combined with persistent economic uncertainty—reflected in weak manufacturing data from major economies and concerns over Chinese growth—could weigh on demand and limit any potential price rally.

Paraxylene (PX) prices are expected to track upstream energy markets, although near-term support from regional supply tightness due to ongoing turnarounds may support PX prices. However, the end of the summer gasoline season is likely to reduce blending demand for PX. Additionally, higher U.S. tariffs and macroeconomic uncertainty may weigh on sentiment and limit price upside. In the downstream PTA sector, demand is expected to decline with the end of the summer season, while operating rates may continue to be rationalized to accommodate the expected new capacity of 8.7 million tonnes in H2 2025.

The Domestic Polyester Industry operations are expected to remain slow as seasonal demand from both the textile and PET segments is expected to subside. While producers remain cautious amid elevated energy costs, the introduction of regulatory requirements imposed under Finance Bill 2025 may further discourage manufacturing activity. Nevertheless, the government is actively pursuing regulatory reforms and strengthening enforcement mechanisms aimed at stimulating domestic industrial output.



Jo Hyun Kwoun
Chairman



Young Dae Kim
Chief Executive

Date: 21 August 2025
Karachi



A.F.FERGUSON & Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF LOTTE CHEMICAL PAKISTAN LIMITED

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Lotte Chemical Pakistan Limited as at June 30, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six months, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended June 30, 2025 and June 30, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.

Date: 28 August 2025
Karachi
UDIN: RR202510059QtOSyk3Ai

A.F. Ferguson & Co.
Chartered Accountants

Condensed Interim Statement of Financial Position

As at 30 June 2025

Amounts in Rs '000			
		30 June 2025 (Un-audited)	31 December 2024 (Audited)
Note			
Assets			
Non-current assets			
Property, plant and equipment	4	5,792,567	6,320,304
Intangible assets		6,231	13,542
Right-of-use assets		133,089	211,733
Long-term loans		190,833	169,738
Long-term deposits and prepayments		32,689	32,432
Deferred taxation - net		2,558,548	2,347,857
		8,713,957	9,095,606
Current assets			
Stores and spare parts		2,454,528	2,302,911
Stock-in-trade		8,399,844	6,746,190
Trade debts	5	3,681,078	3,602,907
Loans and advances		93,983	68,112
Trade deposits and short-term prepayments		222,319	115,552
Accrued interest		57,585	99,089
Other receivables		6,356	23,319
Short-term investments - at amortised cost	6	2,914,499	414,499
Sales tax refunds due from government	7	4,907,521	3,913,275
Taxation - net		7,476,883	6,826,435
Cash and bank balances	8	3,111,702	8,833,047
		33,326,298	32,945,336
Total assets		42,040,255	42,040,942
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid-up capital			
1,514,207,208 (31 December 2024: 1,514,207,208)			
ordinary shares of Rs 10 each		15,142,072	15,142,072
Capital reserve		2,345	2,345
Revenue reserve - Unappropriated profit		8,010,977	7,269,198
Total equity		23,155,394	22,413,615
Liabilities			
Non-current liabilities			
Retirement benefit obligations		218,542	208,591
Lease liability		-	314,039
		218,542	522,630
Current liabilities			
Trade and other payables	9	17,553,210	18,062,263
Lease liability		609,733	542,777
Accrued interest	10	431,984	424,189
Unclaimed dividend		71,392	75,468
		18,666,319	19,104,697
Total liabilities		18,884,861	19,627,327
Contingencies and commitments	11		
Total equity and liabilities		42,040,255	42,040,942

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Profit or Loss (Un-audited)
For the six months period ended 30 June 2025

Amounts in Rs '000

	Note	Six months period ended 30 June (Un-audited)		Quarter ended 30 June (Un-audited)	
		2025	2024	2025	2024
Revenue from Contracts with Customers - net	12	40,175,940	64,378,882	18,670,744	32,101,958
Cost of sales	13	(38,398,424)	(60,394,558)	(18,225,462)	(29,801,615)
Gross profit		1,777,516	3,984,324	445,282	2,300,343
Distribution and selling expenses		(104,218)	(97,676)	(56,046)	(48,983)
Administrative and general expenses		(407,294)	(360,964)	(205,824)	(178,615)
Other operating expenses	14	(103,126)	(268,741)	(21,917)	(156,794)
Operating profit		1,162,878	3,256,943	161,495	1,915,951
Other income	15	374,476	716,302	165,709	365,210
Finance costs	16	(304,770)	(429,091)	(180,520)	(206,316)
Profit before taxation and levies		1,232,584	3,544,154	146,684	2,074,845
Levies	17	(189)	(60)	(8)	(26)
Profit before taxation		1,232,395	3,544,094	146,676	2,074,819
Taxation	18	(490,616)	(1,377,439)	(66,798)	(805,290)
Profit after taxation		741,779	2,166,655	79,878	1,269,529
----- Amount in Rupees -----					
Earnings per share - basic and diluted		0.49	1.43	0.05	0.84

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2025

Amounts in Rs '000

	Six months period ended 30 June (Un-audited)		Quarter ended 30 June (Un-audited)	
	2025	2024	2025	2024
Profit after taxation	741,779	2,166,655	79,878	1,269,529
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	741,779	2,166,655	79,878	1,269,529

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

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

For the six months period ended 30 June 2025

Amounts in Rs '000

	Share capital	Reserves			Total equity
	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Sub-total	
Balance as at 1 January 2024	15,142,072	2,345	6,867,542	6,869,887	22,011,959
Total comprehensive income for the six months period ended 30 June 2024					
- Profit for the six months period ended 30 June 2024	-	-	2,166,655	2,166,655	2,166,655
- Other comprehensive income for the six months period ended 30 June 2024	-	-	-	-	-
	-	-	2,166,655	2,166,655	2,166,655
Final dividend for the year ended 31 December 2023 @ Rs 1.00 per share	-	-	(1,514,207)	(1,514,207)	(1,514,207)
Interim dividend for the year ending 31 December 2024 @ Rs 0.50 per share	-	-	(757,104)	(757,104)	(757,104)
Balance as at 30 June 2024	15,142,072	2,345	6,762,886	6,765,231	21,907,303
Balance as at 1 January 2025	15,142,072	2,345	7,269,198	7,271,543	22,413,615
Total comprehensive income for the six months period ended 30 June 2025					
- Profit for the six months period ended 30 June 2025	-	-	741,779	741,779	741,779
- Other comprehensive income for the six months period ended 30 June 2025	-	-	-	-	-
	-	-	741,779	741,779	741,779
Balance as at 30 June 2025	15,142,072	2,345	8,010,977	8,013,322	23,155,394

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the six months period ended 30 June 2025

Amounts in Rs '000

		Six months period ended 30 June (Un-audited)	
	Note	2025	2024
Cash flows from operating activities			
Cash (used in) / generated from operations	19	(1,711,997)	8,806,937
Finance costs paid - conventional		(35,047)	(66,667)
Payments to retirement benefit obligations		(2,087)	(1,643)
Long-term loans and advances - net		(21,095)	(19,678)
Long-term deposits and prepayments - net		(257)	686
Taxes and levies paid		(1,351,944)	(2,892,468)
Finance income received - conventional		391,358	544,289
Finance income received - islamic		19,789	125,384
Net cash (used in) / generated from operating activities		(2,711,280)	6,496,840
Cash flows from investing activities			
Payments for capital expenditure		(173,392)	(285,686)
Proceeds from disposal of property, plant and equipment		2,352	-
Net cash used in investing activities		(171,040)	(285,686)
Cash flows from financing activities			
Dividend paid		(4,076)	(6,810,350)
Repayment of short-term financing		-	(1,000,000)
Payment of lease liability		(334,949)	(332,851)
Net cash used in financing activities		(339,025)	(8,143,201)
Net decrease in cash and cash equivalents		(3,221,345)	(1,932,047)
Cash and cash equivalents at 1 January		9,247,546	5,766,422
Cash and cash equivalents at 30 June	8.2	6,026,201	3,834,375

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

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

For the six months period ended 30 June 2025

1. STATUS AND NATURE OF BUSINESS

1.1 Lotte Chemical Pakistan Limited ("the Company") was incorporated in Pakistan on 30 May 1998 under Companies Ordinance, 1984 (Repealed with enactment of the Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to manufacture and sale of Purified Terephthalic Acid (PTA).

1.2 The geographical location and addresses of business units are as under:

Location	Address
Registered Office	EZ/II/P-4, Eastern Industrial Zone, Port Qasim, Karachi.
City Office	Al-Tijarah Centre, 14th Floor, 32/1-A, Main Shahrah-e-Faisal, Block 6, P.E.C.H.S., Karachi.

1.3 The Company is a subsidiary of Lotte Chemical Corporation, South Korea and its ultimate parent company is South Korean Conglomerate Lotte.

1.4 The Company suspended its plant operations from March 28, 2025 to April 17, 2025 for effective inventory management.

1.5 Lotte Chemical Corporation, South Korea ("LCC Korea"), the majority shareholder of the Company has entered into Share Purchase Agreement dated 19 February 2025 with AsiaPak Investments Limited and Montage Oil DMCC for the sale of all of the Company's shares held by LCC Korea.

On 17 February 2025, a Public Announcement of Intention (PAI) by AsiaPak Investments Limited and Montage Oil DMCC (the Acquirer) to acquire 1,135,860,105 ordinary shares (approximately 75.01%) of the Company was published in newspapers.

On 07 July 2025, an addendum to PAI was posted on the PSX to reflect a change in the capital ownership structure of the Acquirer, where PTA Global Holding Limited replaced AsiaPak Investments Limited and Montage Oil DMCC as 'Acquirer' with Liberty Daharki Power Limited and Daewoo Pakistan Express Bus Service Limited acting in concert.

In addition, pursuant to the Listed Companies (Substantial Acquisition of Voting Share and Takeovers) Regulations, 2017, PTA Global Holding has also made a public offer on 12 July 2025 to acquire 189,173,552 ordinary shares (12.49% of the total issued and outstanding shares) of your Company on certain terms and conditions.

The completion of the transaction is subject to regulatory approvals, completion of legal requirements and satisfaction of other closing formalities.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the six months period ended 30 June 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.1 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 financial statements of the Company for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

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

For the six months period ended 30 June 2025

Amounts in Rs '000

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention (except for retirement benefit obligations and lease liability, which have been measured at present value).

2.3 Functional and presentation currency

The condensed interim financial statements are presented in Pak Rupee which is also the functional currency of the Company and rounded off to the nearest thousand, unless otherwise stated.

2.4 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

2.4.1 Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

2.4.2 Standards and amendments to approved accounting and reporting standards that are not yet effective

There are standards and certain other amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2026. However, these are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these condensed interim financial statements.

3. ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2024.

The preparation of these condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended 31 December 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended 31 December 2024.

4. PROPERTY, PLANT AND EQUIPMENT	Note	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Operating property, plant and equipment	4.1	5,373,561	5,762,835
Capital work-in-progress	4.2	419,006	557,469
		<u>5,792,567</u>	<u>6,320,304</u>

4.1 The following property, plant and equipment have been added / disposed off during the six months period ended 30 June:

	2025		2024	
	Additions cost	Disposals net book value	Additions cost	Disposals net book value
Property, plant and equipment				
Operating assets - owned				
Buildings on leasehold land	5,503	-	5,330	-
Plant and machinery	291,634	-	131,374	-
Furniture and equipment	6,536	-	24,399	-
Motor vehicles	8,182	-	-	-

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

For the six months period ended 30 June 2025

Amounts in Rs '000

	30 June 2025 (Un-audited)	31 December 2024 (Audited)
4.2 Capital work-in-progress - movement		
Balance as at opening	557,469	257,359
Capital expenditure	159,664	1,504,640
Transferred to operating property, plant and equipment	(298,127)	(1,204,530)
Transferred to intangible assets	-	-
Balance as at closing	419,006	557,469

5. TRADE DEBTS

- 5.1** All of the Company's trade debts are secured by letters of credit of 30 to 60 days issued by various banks. These balances are neither past due nor impaired and are considered good.
- 5.2** This includes receivable from Gatron Industries Limited and Novatex Limited - related parties amounting to Rs 255.07 million (31 December 2024: Rs 658.14 million) and Rs 100.22 million (31 December 2024: Rs 251.33 million) respectively.
- 5.3** The maximum aggregate amount due from the related party at the end of any month during the period was Rs 2,214.54 million (31 December 2024: Rs 6,535.50 million).

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
6. SHORT-TERM INVESTMENTS - at amortised cost	Note		
Conventional			
- Term deposit receipts	6.1	414,499	414,499
Islamic			
- Term deposit receipts	6.1	2,500,000	-
		2,914,499	414,499

- 6.1** These carry interest rate on term deposit receipt ranged from 7.0% to 11.25% (31 December 2024: 9.50%) per annum and had original maturities of less than three months.

		30 June 2025 (Un-audited)	31 December 2024 (Audited)
7. SALES TAX REFUNDS DUE FROM GOVERNMENT	Note		
Sales tax refundable		5,080,859	4,086,613
Provision for impairment		(173,338)	(173,338)
		4,907,521	3,913,275

8. CASH AND BANK BALANCES

Conventional			
- Current accounts		9,683	9,224
- Savings account	8.1	3,038,668	8,756,487
		3,048,351	8,765,711
Islamic			
- Current accounts		63,301	67,336
- Savings account	8.1	50	-
		63,351	67,336
		3,111,702	8,833,047

- 8.1** These carry interest rate from 4.0% to 11.25% per annum (31 December 2024: 13.50% per annum).

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

For the six months period ended 30 June 2025

Amounts in Rs '000

	30 June 2025 (Un-audited)	30 June 2024 (Un-audited)
8.2 CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,111,702	219,876
TDRs with banks having maturity less than three months	2,914,499	3,614,499
	<u>6,026,201</u>	<u>3,834,375</u>
	30 June 2025 (Un-audited)	31 December 2024 (Audited)
9. TRADE AND OTHER PAYABLES		
Trade creditors including bills payable	5,945,560	7,064,563
Sindh Development and maintenance of Infrastructure Cess	6,814,468	6,205,754
Provision for Gas Infrastructure Development Cess (GIDC)	3,113,744	3,113,744
Provision for Captive Gas Tariff rate differential	201,802	201,802
Accrued expenses	1,048,540	1,195,680
Workers' Profit Participation Fund (WPPF)	66,785	-
Workers' Welfare Fund (WWF)	151,192	114,852
Contract liabilities - advances from customers	33,447	387
Retention money	8,128	276
Withholding tax payable	7,371	4,706
Others	162,173	160,499
	<u>17,553,210</u>	<u>18,062,263</u>
10. ACCRUED INTEREST		
This mainly represents interest payable to Mortar Investments International Limited amounting to USD 1.52 million (31 December 2024: USD 1.52 million) on long-term loans previously repaid by ICI Pakistan Limited. The amount is still unpaid due to certain legal and procedural complexities with respect to foreign remittance.		
11. CONTINGENCIES AND COMMITMENTS		
11.1 Contingencies		
There is no significant change in the status of contingencies as reported in the annual financial statement for the year ended 31 December 2024.		
11.2 Commitments and Guarantees		
11.2.1 Commitments for capital expenditure as at 30 June 2025 amounted to Rs 260.40 million (31 December 2024: Rs 88.39 million).		
11.2.2 Commitments for rentals under Ijarah contracts for vehicles are as follows:		
	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Not later than 1 year	41,162	79,731
Later than 1 year and not later than 5 years	216,063	183,275
	<u>257,225</u>	<u>263,006</u>
11.2.3 Commitments for rentals under agreement in respect of services are priced in foreign currency and converted at the exchange rate are as follows:		
	30 June 2025 (Un-audited)	31 December 2024 (Audited)
Not later than 1 year	449,742	1,015,740
Later than 1 year and not later than 5 years	463,234	584,050
	<u>912,976</u>	<u>1,599,790</u>

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

For the six months period ended 30 June 2025

Amounts in Rs '000

11.2.4 The facilities for guarantees from banks as at 30 June 2025 amounted to Rs 12,200 million (31 December 2024: Rs 12,200 million). Outstanding guarantees of the Company as at 30 June 2025 were Rs 9,158.44 million (31 December 2024: Rs 8,158.44 million).

11.2.5 The facilities for opening letters of credit from banks as at 30 June 2025 amounted to Rs 50,800 million (31 December 2024: Rs 50,800 million). Letters of credit issued on behalf of the Company as at 30 June 2025 were Rs 7,578.75 million (31 December 2024: Rs 2,826.96 million).

	Note	Six months period ended 30 June (Un-audited)	
		2025	2024
12. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET			
Manufactured goods			
Local sales		47,016,951	75,433,488
Less: Sales tax		(7,172,077)	(11,264,752)
Price settlements and discounts / rebates		(901,697)	(1,120,417)
		38,943,177	63,048,319
Trading goods			
Local sales		1,468,167	1,583,064
Less: Sales tax		(223,958)	(241,484)
Price settlements and discounts		(11,446)	(11,017)
		1,232,763	1,330,563
		40,175,940	64,378,882
13. COST OF SALES			
Manufactured goods			
Opening stock of raw and packing materials		6,101,430	5,852,346
Purchases		32,470,596	45,831,035
Closing stock of raw and packing materials		(4,413,299)	(3,395,937)
Raw and packing materials consumed	13.1	34,158,727	48,287,444
Salaries, wages and benefits		539,231	479,542
Stores and spares consumed		242,625	175,864
Rentals under ijarah arrangements		14,448	15,664
Insurance		119,696	144,741
Oil, gas and electricity		4,456,583	4,252,626
Travelling		72,751	70,118
Depreciation and amortisation		774,985	567,241
Repairs and maintenance		308,897	216,121
Others		45,999	40,938
Cost of goods manufactured		40,733,942	54,250,299
Opening stock of finished goods		332,132	7,176,790
		41,066,074	61,427,089
Closing stock of finished goods		(3,689,762)	(2,096,561)
Cost of goods manufactured sold		37,376,312	59,330,528
Trading goods			
Opening stock		312,628	333,039
Purchases		1,006,267	912,534
Closing stock		(296,783)	(181,543)
Cost of trading goods sold		1,022,112	1,064,030
		38,398,424	60,394,558

13.1 This includes reversal of charge related to palladium metal recovered from a used batch.

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

For the six months period ended 30 June 2025

Amounts in Rs '000

		Six months period ended 30 June (Un-audited)	
		2025	2024
14.	OTHER OPERATING EXPENSES		
	Workers' Profit Participation Fund	66,786	190,645
	Workers' Welfare Fund	36,340	78,096
		103,126	268,741
15.	OTHER INCOME		
	Income from financial assets		
	Income on term deposit receipts - conventional	58,515	454,734
	Income on savings account - conventional	288,103	90,689
	Income on term deposit receipts - islamic	23,025	103,286
		369,643	648,709
	Income from non-financial assets		
	Scrap sales	277	39,320
	Gain on disposal of property, plant and equipment	2,352	-
	Reversal of provision against receipt of sales tax refunds	-	13,255
	Indenting commission - net	1,156	12,812
	Rental income from tower on leasehold land	1,048	1,008
	Others	-	1,198
		4,833	67,593
		374,476	716,302
16.	FINANCE COSTS		
	Interest / mark-up on:		
	- Short-term financing	-	2,569
	- Interest on lease liability	74,853	105,433
	- Markup on LC discounting	2,465	16,310
	Exchange loss - net	194,870	259,148
	Bank, LCs and other charges	32,582	45,340
	Interest on Workers' Profit Participation Fund	-	291
		304,770	429,091
17.	LEVIES		
	Final tax u/s 154A	189	60

		Six months period ended 30 June (Un-audited)	
		2025	2024
18.	TAXATION		
	Current	701,307	1,492,350
	Deferred	(210,691)	(114,911)
		490,616	1,377,439

18.1 This includes provision for super tax @10% amounting to Rs 177.99 million (30 June 2024: Rs 382.67 million).

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

For the six months period ended 30 June 2025

Amounts in Rs ‘000

		Six months period ended 30 June (Un-audited)	
		2025	2024
19.	CASH GENERATED FROM OPERATIONS		
	Profit before taxation and levies	1,232,584	3,544,154
	Adjustments for non-cash charges and other items		
	Depreciation and amortisation	787,084	591,439
	Provision against obsolete and slow moving stores and spare parts - provision	1,372	-
	Gain on disposal of property, plant and equipment	(2,352)	-
	Provision for retirement benefit obligations	12,038	11,132
	Finance cost	130,708	152,344
	Income from financial assets	(369,643)	(648,709)
		559,207	106,206
		1,791,791	3,650,360
	Effect on cashflows due to working capital changes		
	(Increase) / decrease in current assets:		
	Stores and spare parts	(152,989)	(668,123)
	Stock-in-trade	(1,653,654)	7,688,134
	Trade debts	(78,171)	(2,420,686)
	Loans and advances	(25,871)	(12,758)
	Trade deposits and short-term prepayments	(106,767)	(25,416)
	Other receivables	16,963	(7,076)
	Sales tax refunds due from government	(994,246)	(336,790)
		(2,994,735)	4,217,285
	(Decrease) / increase in trade and other payables	(509,053)	939,292
	Cash (used in) / generated from operations	(1,711,997)	8,806,937

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of parent company, related group companies, directors of the Company, companies where directors also hold directorships, key management personnel and staff retirement funds. All transactions with related parties are entered into at agreed terms. 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 transactions	Six months period ended 30 June (Un-audited)	
		2025	2024
Associates - Group Company	Purchase of goods from Lotte Kolson (Private) Limited	830	884
Associates - Common Directorship	Purchase of goods from Nova Care (Pvt.) Ltd.	170	335
	Sale of goods to Novatex Limited - gross sales	11,865,546	25,608,111
	Sale of goods to Gatron Industries Limited - gross sales	3,208,998	2,670,528
Key management personnel	Salaries and other short-term benefits	34,631	38,445
	Retirement benefits	1,207	5,208
Others	Payments to retirement benefit funds	68,344	62,809

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

For the six months period ended 30 June 2025

21. SUBSEQUENT EVENT

21.1 The Company's plant operation have been temporarily shut down due to a technical fault on 8 August 2025 and has commenced necessary maintenance activities.

22. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 21 August 2025.


Jo Hyun Kwoun
Chairman


Young Dae Kim
Chief Executive


Ashiq Ali
Chief Financial Officer

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