

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

January 25, 2023
LCI/ComSec/11/2023

Dear Sir,

FINANCIAL RESULTS FOR THE 2ND QUARTER / HALF YEAR ENDED DECEMBER 31, 2022

We wish to inform you that the Board of Directors of Lucky Core Industries Limited (Formerly ICI Pakistan Limited) (the "Company") in their meeting held on January 25, 2023 has approved the un-audited Financial Statements of the Company for the 2nd quarter / half year ended December 31, 2022 and is pleased to announce the consolidated and un-consolidated results of the same which are attached as Annexure 'A' and 'B' respectively.

DIVIDEND

The Board of Directors has approved an interim cash dividend in respect of the financial year ending June 30, 2023 at the rate of 100% i.e. PKR 10/- per share of PKR 10/- each to be payable to the shareholders.

The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on February 07, 2023 (close of business).

FINANCIAL RESULTS

Attached as "**Annexure – A**" (consolidated results) and "**Annexure – B**" (un-consolidated results).

FINANCIAL RESULTS – OVERVIEW

During the period under review, the Company entered into a Share Purchase Agreement with Morinaga Milk Industry Co. Ltd., for a partial divestment of approximately 26.5% of the issued and paid up share capital of NutriCo Morinaga (Private) Limited. Accordingly, as per IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the same has been classified as discontinued operations in the financial statements for the half year ended December 31, 2022.

On a consolidated basis (including the results of the Company's subsidiary Lucky Core PowerGen Limited (Formerly ICI Pakistan PowerGen Limited)), Net Turnover for the six months from continuing operations under review at PKR 49,582 million is higher by 6% over the same period last year (SPLY). Whereas the Operating Result from continuing operations at PKR 5,359 million is lower by 21% in comparison to the SPLY. Including the impact of discontinued operations, Net Turnover for the six months would have been 22% above the SPLY whereas Operating Result would have been lower by 3% from the SPLY.

On a consolidated basis, Profit After Tax (PAT) for the six months under review for both continuing and discontinued operations at PKR 3,274 million is 46% lower than the SPLY, whereas Earning Per Share (EPS) attributable to the owners of the holding company for both continuing and discontinued operations at PKR 32.76 is 48% lower than the SPLY. The decline is due to a one-off net positive impact of PKR 1,847 million recorded in the SPLY as a consequence of the remeasurement of the previously held equity interest of NutriCo Pakistan (Private) Limited on the acquisition of an additional 11% shareholding along with the reduced profitability of the Company on standalone basis.

On a standalone basis, PAT and EPS for the six months period under review at PKR 3,009 million and PKR 32.58 respectively are 16% lower than the SPLY.

The decline in profitability was primarily attributable to macroeconomic challenges, including demand contraction in downstream markets, cost push due to the impact of higher oil prices, exchange losses due to devaluation of the Pak Rupee against the US Dollar, business-specific import restrictions, tax regime changes and volatility in global commodity prices. Additionally, a significant increase in financial charges due to higher interest rate by 625 basis points against the SPLY, negatively impacting the profitability.

BOOK CLOSURE

The share transfer books of the Company will be closed from February 08, 2023 to February 10, 2023 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar M/s. FAMCO Associates (Private) Limited, 8-F, Nursery, Block-6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, by the close of business on February 07, 2023 will be treated in time to entitle the transferees for the purpose of above interim cash dividend.

MATERIAL INFORMATION

In accordance with Section 96 and 131 of the Securities Act 2015 and the relevant provisions of the Rule Book of Pakistan Stock Exchange Limited, we hereby convey the following information:

Further to our disclosure letters bearing reference nos. LCI/ComSec/04/2023 dated January 16, 2023, ICI/ComSec/72/2022 dated October 7, 2022 and ICI/ComSec/42/2022 dated July 26, 2022, we are pleased to communicate that the Board of Directors of Lucky Core Industries Limited has approved the acquisition of 1,135,860,105 ordinary shares of Lotte Chemical Pakistan Limited ("LCPL"), constituting approximately 75.01% of the issued and paid-up capital of LCPL (directly or through an SPV) from Lotte Chemical Corporation.

The Board has, inter alia, authorized the management to take all necessary actions to proceed with and complete the Transaction including finalizing and executing all definitive agreements in relation to the Transaction, incorporating an SPV and making (or procuring the SPV to make, as the case may be) a mandatory public offer for the acquisition of shares from minority shareholders of LCPL in terms of the Securities Act 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeover) Regulations, 2017.

The completion of the Transaction is subject to the terms of the Share Purchase Agreement including the various public offer and completion conditions stated therein, receipt of requisite approvals including clearance from the Competition Commission of Pakistan, and completion of other closing formalities.

Yours faithfully,



Laila Bhatia Bawany
Company Secretary

Encl: As above.

CC: **The Commissioner**
Company Law Division
Securities & Exchange Commission of Pakistan, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

Director / HOD

Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan, NIC Building, Jinnah Avenue, Blue Area, Islamabad.

Annexure – 'A'

Lucky Core Industries Limited (Formerly ICI Pakistan Limited)
Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For the Six Months Ended December 31, 2022

Amounts in PKR '000

	For the 3 months ended December 31, 2022	For the 6 months ended December 31, 2022	For the 3 months ended December 31, 2021	For the 6 months ended December 31, 2021
Net turnover	25,286,645	49,582,407	25,155,727	46,624,127
Cost of sales	(21,196,962)	(40,564,569)	(19,446,968)	(36,105,494)
Gross profit	4,089,683	9,017,838	5,708,759	10,518,633
Selling and distribution expenses	(1,303,261)	(2,636,129)	(1,510,668)	(2,788,213)
Administration and general expenses	(562,224)	(1,022,674)	(500,541)	(971,018)
Operating result	2,224,198	5,359,035	3,697,550	6,759,402
Finance costs	(575,255)	(1,053,664)	(269,386)	(487,456)
Exchange gain / (loss)	15,819	(205,930)	(117,628)	(246,348)
Workers' profit participation fund	(56,392)	(153,903)	(148,834)	(266,458)
Workers' welfare fund	(34,334)	(71,659)	(55,500)	(103,709)
Other charges	(14,576)	(36,081)	(29,858)	(39,059)
	(664,738)	(1,521,237)	(621,206)	(1,143,030)
Other income	102,411	211,682	100,631	177,681
Gain on remeasurement of existing interest in NutriCo Pakistan	-	-	-	1,847,321
Profit before taxation	1,661,871	4,049,480	3,176,975	7,641,374
Taxation	(549,327)	(1,282,573)	(867,251)	(1,596,356)
Profit after taxation from continuing operations	1,112,544	2,766,907	2,309,724	6,045,018
Discontinued operations				
Profit after taxation from discontinued operations	221,942	507,507	-	-
Profit after Taxation	1,334,486	3,274,414	2,309,724	6,045,018
Attributable to:				
Owners of the Holding Company	1,225,733	3,025,736	2,188,237	5,790,226
Non-controlling interests	108,753	248,678	121,487	254,792
	1,334,486	3,274,414	2,309,724	6,045,018
Basic and diluted earnings per share (PKR)				
- continuing operations	12.05	29.96	23.69	62.69
- discontinued operations	1.23	2.80	-	-
	13.27	32.76	23.69	62.69

Annexure – 'B'

Lucky Core Industries Limited (formerly ICI Pakistan Limited)
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
For the Six Months Ended December 31, 2022

Amounts in PKR '000

	For the 3 months ended December 31, 2022	For the 6 months ended December 31, 2022	For the 3 months ended December 31, 2021	For the 6 months ended December 31, 2021
Net turnover	25,181,880	49,413,710	21,752,520	39,939,237
Cost of sales	(21,112,612)	(40,458,452)	(16,805,434)	(30,982,900)
Gross profit	4,069,268	8,955,258	4,947,086	8,956,337
Selling and distribution expenses	(1,303,261)	(2,636,129)	(1,295,119)	(2,407,520)
Administration and general expenses	(562,355)	(1,022,551)	(451,240)	(867,725)
Operating result	2,203,652	5,296,578	3,200,727	5,681,092
Finance costs	(575,255)	(1,053,664)	(174,610)	(301,911)
Exchange gain/(loss)	15,463	(205,940)	(97,842)	(184,416)
Workers' Profit Participation Fund	(55,388)	(150,860)	(146,746)	(260,744)
Workers' Welfare Fund	(34,329)	(71,651)	(55,497)	(103,703)
Other charges	(13,881)	(35,387)	(29,616)	(38,465)
	(663,390)	(1,517,502)	(504,311)	(889,239)
Dividend income	-	300,000	-	-
Other income	102,631	212,586	91,753	162,287
Profit before taxation	1,642,893	4,291,662	2,788,169	4,954,140
Taxation	(549,248)	(1,282,454)	(766,024)	(1,384,919)
Profit after taxation	1,093,645	3,009,208	2,022,145	3,569,221
Basic and diluted earnings per share (PKR)	11.84	32.58	21.89	38.65