

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984

FOR

AMALGAMATION

OF

H.A.K.S. TRADING (PRIVATE) LIMITED

WITH AND INTO

BURSHANE LPG (PAKISTAN) LIMITED



SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

BETWEEN

BURSHANE LPG (PAKISTAN) LIMITED, a public company limited by shares and listed on the Karachi and Lahore Stock Exchanges, incorporated under the laws of Pakistan and having its registered office at Suite No. 101, 1st Floor, Horizon Vista, Plot No. Commercial-10, Block-4 Scheme No. 5, Clifton, Karachi, Pakistan (hereinafter referred to as "**Burshane**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

H.A.K.S. TRADING (PRIVATE) LIMITED, a private company limited by shares, incorporated under the laws of Pakistan and having its registered office at No. 6, Old Rally Building, Talpur Road, off I. I. Chundrigar Road, Karachi, Pakistan (hereinafter referred to as "**HTPL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is *inter alia* proposed that:-

1. The entire undertaking, comprising all its Assets, Liabilities and Obligations of HTPL, as at the Effective Date (as defined below), shall be transferred to, stand vested in, and be assumed by Burshane.
2. Upon merger and transfer of HTPL in the manner stated under this Scheme, HTPL shall be dissolved without winding up.
3. As consideration for the above, it is proposed that the existing shares of Burshane held by HTPL shall stand cancelled and fully paid ordinary shares of Burshane shall be issued to the shareholders of HTPL in accordance with this Scheme, as a consequence of which the issued and paid up share capital of Burshane shall stand reduced (to the extent of the new shares of Burshane to be issued to the shareholders of HTPL).
4. This Scheme, if approved by the respective shareholders through a special resolution and sanctioned by the Court by an order passed in this behalf, is to be binding on HTPL and Burshane and all shareholders, Creditors, employees, Customers and contracting parties of HTPL and Burshane.

BENEFITS OF THIS SCHEME

A. Objectives of Long Term Growth, Expansion and Diversity

The shareholders of HTPL, having the necessary experience, funds and expert advisors, sought to be a part of Burshane in order to expand and diversify the business of the latter by



implementing the long-term plan envisaged by the said investors. The said plan not only involves the expansion of the existing business of Burshane, but primarily pertains to the diversification of the business of Burshane by investing in the LPG auto fuel supply industry in view of the shortage of CNG in Pakistan. To achieve the same, the representatives of HTPL have caused Burshane to enter into agreements with AWT and Byco by virtue of which Burshane shall install LPG auto fuel supply stations at AWT's and Byco's petrol stations throughout Pakistan.

The envisaged plan requires Burshane to carry out substantial investments in connection with its existing business including, but not limited to, the expansion of its infrastructure such as a distribution centre, development and expansion of its logistics including storage tanks and distribution mechanisms, increase its parking space for prime movers and bobtails used in the transportation of LPG, and the construction of the head office. For the purposes of such investments and growth it is necessary to obtain land / properties which shall be utilized to achieve the said objectives.

HTPL, at the time of acquisition of a substantial shareholding in Burshane, had kept in mind such expansion plans and consequently had acquired large portions of land, i.e. the Properties which would be ideal to begin carrying out the aforementioned objectives. Such Properties once owned and available to Burshane for its own use, would allow Burshane to achieve its expansion plans and the aforementioned objectives for the benefit of Burshane and its shareholders.

B. Cost savings for Burshane

The Amalgamation pursuant to this Scheme will lead to significant cost saving for Burshane as the Properties shall vest in Burshane i.e. the shareholders of Burshane to acquire the benefit and use of the Properties without having to pay cash consideration, and the same shall be utilized for expanding and diversifying its business for the long term success of Burshane.

C. Larger Asset Base

The Amalgamation would lead to an increased asset base and the size of the entity. This would in turn assist the management to have access to more external funds at competitive rates. The larger size of asset base would provide greater comfort to potential creditors. Access to larger resources would, in turn improve growth prospects and ability to undertake large assignments.

D. Entering into new markets and greater resources

The Amalgamation would effectively allow Burshane to diversify its business and enter into new markets. The amalgamated / merged entity would also benefit as greater resources will be available to develop and expand the business, including experienced individuals who have successfully created and expand various businesses throughout Pakistan. Burshane would benefit from a greater reputation and a stronger position in the market

E. Increase in Risk Absorption Capacity

The diversification of the business of the merged / amalgamated entity, as successfully carried out utilizing the Assets of HTPL and Burshane would increase its risk absorption capacity thus enhancing the capacity to manage the potential risks arising out of the adverse



and uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in operations.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS

- 1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

"Amalgamation" means the amalgamation of HTPL with and into Burshane;

"Annexure A" is the annexure attached hereto which lists the members of the Board of Directors of Burshane;

"Annexure B" is the annexure attached hereto which lists the members of the Board of Directors of HTPL;

"Annexure C" is the annexure attached hereto containing the details of the shareholders of Burshane as of December 31, 2013;

Annexure D" is the annexure attached hereto containing the details of the shareholders of HTPL as of December 31, 2013;

Annexure E" is the annexure attached hereto containing the valuation certificate / Valuation and Share Swap Ratio Report dated May 21, 2014 issued by Ernst & Young, Ford Rhodes Sidat Haider detailing the calculation of the Swap Ratio;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, sanctions and authorizations, including all registrations, licenses, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (a) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (b) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (c) all the connections and facilities for telecommunications, electricity and other installations, owned by, leased or licensed to a company; and (d) the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims;



"Audited Accounts" means the respective audited accounts / financial statements of HTPL and Burshane as at December 31, 2013;

"AWT" means the Army Welfare Trust;

"Burshane" shall have the meaning as prescribed above;

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"CNG" means compressed natural gas;

"Completion Date" has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

"Contingent Claims" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contract" means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

"Court" means the High Court of Sindh at Karachi;

"Creditors of HTPL" means the secured creditors of HTPL as particularized in Annexure F;

"Customer" means any person having entered into a transaction, arrangement or other dealing with a company;

"Effective Date" has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

"Existing" means existing, outstanding or in force immediately prior to the Effective Date;

"HTPL" shall have the meaning as prescribed above;

"Liabilities and Obligations" includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term "Liabilities" and "Obligations" are used interchangeably and/or in conjunction with each other;

"Liquidation" means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

"LPG" means liquefied petroleum gas;

"Ordinance" means the Companies Ordinance, 1984;

"Properties" means the properties of HTPL as detailed in Annexure G attached hereto which shall vest in Burshane upon the sanction of this Scheme;



“Scheme” means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved or condition imposed by the Court;

“Security” or “Securities” means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations; and

“Swap Ratio” has the same meaning as prescribed thereto in Article 9.1 of this Scheme.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to consecutively give effect to amalgamate HTPL with and into Burshane by transferring to and vesting in Burshane the whole of HTPL, including all Assets, Liabilities and Obligations of HTPL, as of the Effective Date, against the cancellation of the existing shares of Burshane held by HTPL, the allotment of fully paid ordinary shares of Burshane to the shareholders of HTPL in lieu of the shares of HTPL held by them based on the Swap Ratio, (resulting in the reduction of the issued and paid up share capital of Burshane) and dissolving HTPL without winding-up.
- 2.2. It is hereby clarified that all of the above steps will take place on the same date, and shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind HTPL and Burshane as soon as a certified copy of an order of the Court under Section 284 of the Ordinance sanctioning this Scheme and making any necessary provisions under Section 287 of the Ordinance have been filed with the Registrar of Companies, Karachi (hereinafter referred to as the “Completion Date”). When this Scheme becomes operative on the Completion Date, the Amalgamation in accordance with the Scheme will be treated as having effect from the date of passing of the order by the Court in this respect or at such other date as may be stated by the Court or as required by law (hereinafter referred to as the “Effective Date”).
- 3.2. Accordingly, as of the Effective Date and thereafter, until the Assets and undertaking of HTPL are actually transferred to and vested in Burshane in terms of this Scheme, the business of HTPL will be deemed to have been carried for and on account and for the benefit of Burshane. The reserves including un-appropriated profits / losses of HTPL as at the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in Burshane and shall be accounted for on that basis in the books of account of Burshane.

ARTICLE 4



AUTHORIZED SHARE CAPITAL

- 4.1. The authorized share capital of Burshane is PKR 300,000,000/- (Pak Rupees Three Hundred Million only) divided into 30,000,000 (Thirty Million only) shares of PKR 10/- (Pak Rupees Ten only) each, out of which 22,640,044 (Twenty Two Million Six Hundred Forty Thousand Forty Four) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of HTPL is PKR 600,000,000/- (Pak Rupees Six Hundred Million only) divided into 60,000,000 (Sixty Million only) shares of PKR 10/- (Pak Rupees Ten only) each, out of which 53,821,384 (Fifty Three Million Eight Hundred Twenty One Thousand Three Hundred Eight Four) shares have been issued, fully subscribed to and paid up.
- 4.3. At the time of sanction of this Scheme, the authorized share capital of Burshane shall stand enhanced to PKR 900,000,000/- (Pak Rupees Nine Hundred Million only) divided into 90,000,000 (Ninety Million only) shares of PKR 10/- (Pak Rupees Ten only) each and accordingly the Memorandum and Articles of Association of Burshane shall stand amended. Approval of the shareholders of Burshane to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of Burshane, to the alteration of the Memorandum and Articles of Association of Burshane for the increase of the authorized share capital of Burshane to PKR 900,000,000/- (Pak Rupees Nine Hundred Million only), as required in terms of the Ordinance.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of Burshane are listed in Annexure A attached hereto.
- 5.2. The present directors of HTPL are listed in Annexure B attached hereto.
- 5.3. The directors of Burshane are expected to continue as the directors after the Amalgamation / Effective Date subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. The directors of HTPL shall cease to hold office as directors without any right to any compensation for loss of office.
- 5.4. All the directors of Burshane and HTPL have interest in the Amalgamation to the extent of their respective shareholdings and common directorship in Burshane and HTPL. The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of each Burshane and HTPL.

ARTICLE 6

AMALGAMATION

- 6.1. **General Description**
 - (i) As of the Effective Date, HTPL, as a going concern, shall be amalgamated with and vest in Burshane upon the terms and conditions set forth in this Scheme.



- (ii) Burshane shall be able to carry out all the business of HTPL and shall be entitled to all the rights and the benefits thereof.
- (iii) HTPL shall be dissolved, without winding up, on the date on which the shares of Burshane held by HTPL are cancelled and new shares of Burshane are allotted to the present shareholders of HTPL in consideration of the Amalgamation or on such later date as the Court by order may prescribe, as a consequence of which the issued and paid up share capital of Burshane shall stand reduced.

6.2. Transfer of the Assets

As of the Effective Date, all the Assets of HTPL including the immovable properties shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of Burshane, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by HTPL prior to the Amalgamation but transfer of Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon.

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of HTPL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of Burshane, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations.

6.4. Burshane's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities may, if required, at any time may be executed by officers of Burshane authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of HTPL is a reference to Assets or Liabilities and Obligations to which HTPL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by HTPL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset vested in HTPL which immediately before the Effective Date was held by HTPL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by Burshane in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts



Every Contract to which HTPL is a party shall have effect as of the Effective Date as if:

- (i) Burshane had been a party thereto instead of HTPL; and
- (ii) For any reference (however worded and whether express or implied) to HTPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to Burshane.

6.8. Bank Accounts

Any account(s) maintained by HTPL with any Bank or Financial Institution shall, as of the Effective Date, become account(s) between Burshane and such Bank or Financial Institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of Burshane to vary the conditions or incidents subject to which any account is kept.

6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to HTPL in writing (whether or not in relation to an account) shall have effect, as of the Effective Date, as if given to Burshane.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, HTPL, or payable at any place of business of HTPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by Burshane, or were payable at the same place of business of Burshane.

6.11. Custody of Documents

The custody of any document, record or goods held by HTPL as bailee and duly recorded in their books that pass to HTPL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of Burshane.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by HTPL or by a nominee or agent of or trustee for HTPL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for Burshane and be available to Burshane (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in Burshane in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, Burshane shall be entitled to the rights and priorities to which HTPL would have been entitled if they had continued to hold the Security.



- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to Burshane (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, HTPL or, as the case may be, Burshane were secured thereby immediately before that time.
- (iv) All Securities granted / created by HTPL in favour of its Creditors will continue to remain operative and effective as Securities granted and created by Burshane in favour of its own Creditors. To the extent that HTPL has granted any pari passu charge over the Assets or any class of Assets of HTPL in favour of the Creditors of HTPL, upon the Amalgamation, the same shall be treated as a pari passu charge over the combined Assets of HTPL and Burshane. It is clarified that any charge or security interest granted to a Creditor by HTPL over specific assets, including the Properties, will continue to remain restricted to such specific assets upon the Amalgamation.
- (v) In the event the Creditors of HTPL seek additional Securities in respect of the outstanding Liabilities of HTPL, which Liabilities shall be of Burshane as of the Effective Date, such additional Securities shall be provided by creating charges, mortgages or encumbrances on the Assets of Burshane.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of HTPL, becomes a right, Claim or Liability of Burshane as of the Effective Date, Burshane shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of Burshane, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against HTPL may be continued by or against Burshane.

6.14. Judgments

Any judgment or award obtained by or against HTPL and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against HTPL, become enforceable by or against Burshane.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against HTPL shall be admissible in evidence in respect of the same matter for or against Burshane.

6.16. Clarification

The provisions contained in Articles 6.2 to 6.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.



ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, Burshane shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.
- 7.2. As of the Effective Date, Burshane shall undertake, pay, satisfy, discharge, perform and fulfill the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of HTPL.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 8.2. The execution of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in Burshane.
- 8.3. As of the Effective Date, the terms of this Scheme shall be binding on Burshane and HTPL and also on all the respective shareholders of Burshane and HTPL, the Customers of each of Burshane and HTPL, the Creditors of HTPL and on any other person having any right or liability in relation to either of them.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION

- 9.1. As consideration for the Amalgamation, the existing shares of Burshane held by HTPL shall be cancelled and Burshane shall issue at par and allot 0.31 ordinary shares of Burshane credited as fully paid up, for every 1 (one) share, of the face value of PKR 10/- (Pak Rupees Ten only) each of HTPL (as approved by the Board of Directors of Burshane) to persons, who on the day to be fixed by the directors of Burshane after the Effective Date, are registered holders of the ordinary shares in HTPL on the basis of swap ratio of 0.31 shares of Burshane for every 1 (one) share of HTPL held (the "Swap Ratio") and all entitlement of the registered holders of the ordinary shares of HTPL shall be determined in the proportion aforesaid. Fractional shares shall not be issued. All fractions less than a share shall be consolidated into whole shares which shall be disposed by Burshane as determined by the Board of Directors of Burshane.
- 9.2. The Swap Ratio has been determined on the basis of the accounts of Burshane and HTPL as of December 31, 2013 and the recommendations of Ernst & Young Ford Rhodes Sidat Haider, Chartered Accountants in terms of their valuation certificate / Valuation and Share Swap



Ratio Report dated May 21, 2014 and attached hereto as Annexure E. Furthermore, the Swap Ratio has been approved by the Board of Directors of Burshane from the options provided in the aforementioned Share Swap Ratio Report, keeping in mind the interest of the minority shareholders of Burshane.

- 9.3. At least 7 (seven) days' notice shall be given to the shareholders of HTPL in the manner provided in the Articles of Association of HTPL, of the date fixed by the directors of Burshane by reference to which the registered holders of the ordinary shares of HTPL are to be determined for entitlement to ordinary shares of Burshane. Such notice shall also specify the date by which the shareholders of HTPL holding share certificate of Burshane shall deliver to Burshane for cancellation of all the share certificates representing ordinary shares in HTPL held by them and such share certificates shall be delivered to Burshane on or before that date.
- 9.4. The allotment of the ordinary shares of Burshane shall be made by Burshane within 30 (thirty) days from the date so notified. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the shareholders of HTPL in the manner provided in its Articles of Association. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. Burshane shall not be responsible for loss of the share certificate in such transmission. Alternatively, such shares may be allotted through the Central Depository System (as established and defined under the Central Depositories Act, 1997) of the Central Depository Company of Pakistan Limited (the "CDC") in accordance with the rules and regulations of the CDC.
- 9.5. The ordinary shares of Burshane issued and allotted to the shareholders of HTPL shall, in all respect, rank pari passu with the existing ordinary shares of HTPL and shall be entitled to all dividends declared after the Effective Date.
- 9.6. Upon the allotment of ordinary shares of Burshane to the shareholders of HTPL in the manner aforesaid, all share certificates representing the ordinary shares of HTPL shall stand cancelled.
- 9.7. Subject to an order of the Court, HTPL shall, without winding up, stand dissolved from the date on which all the ordinary shares of Burshane to be allotted by Burshane as above to the shareholders of HTPL have been so allotted.

ARTICLE 10

REDUCTION OF ISSUED AND PAID UP SHARE CAPITAL OF BURSHANE AS A CONSEQUENCE OF THE AMALGAMATION

- 10.1 As a consequence of the Amalgamation and the as per the Swap Ratio, the number of shares of Burshane to be issued in favour of the shareholders of HTPL shall be less than the number of shares held by HTPL in Burshane, and consequently the issued and paid up share capital of Burshane shall stand automatically reduced from PKR 226,400,440/- (Pak Rupees Two Hundred Twenty Six Million Four Hundred Thousand Four Hundred Forty only), comprising



22,640,044 (Twenty Two Million Six Hundred Forty Thousand Forty Four only) shares of PKR 10/- (Pak Rupees Ten only) each, to PKR 224,888,900/- (Pak Rupees Two Hundred Twenty Four Million Eight Hundred Eighty Eight Thousand Nine Hundred only, comprising 22,488,890 (Twenty Two Million Four Hundred Eighty Eight Thousand Eight Hundred Ninety only) shares of PKR 10/- (Pak Rupees Ten only) each. The said reduction will automatically be effected, upon sanction of the Scheme by the Court, by reducing the paid up capital of Burshane by PKR 1,511,540/- (Pak Rupees One Million Five Hundred Eleven Thousand Five Hundred Forty only).

- 10.2 The procedure in respect of the consequential reduction in the issued and paid up share capital of Burshane shall be carried out simultaneously with the sanction of this Scheme by the Court.

ARTICLE 11

EMPLOYEES

- 11.1. On and from the Effective Date, all whole time officers and employees (including workmen) of HTPL shall become the employees of Burshane at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.

ARTICLE 12

GENERAL

- 12.1. **Modifications by the High Court**

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of Burshane and HTPL may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and /or approval may be obtained from the Court.

- 12.2. **Headings**

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

- 12.3. **Severability**

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.



- 12.4. **Costs and expenses**



All costs, charges and expenses of Burshane and HTPL in respect of the preparation of this Scheme and carrying the same into effect shall be borne by Burshane and HTPL equally.

Karachi.

Dated: 27-05-2014.






For and on behalf of

BURSHANE LPG (PAKISTAN) LIMITED

Name: Saifee Zakiruddin

Designation: Director Finance and Company Secretary

For and on behalf of

H.A.K.S. TRADING (PRIVATE) LIMITED

Name: Sialain

Designation: Director

LIST OF ANNEXURES

- "Annexure A" – List of members of Board of Directors of Burshane.
- "Annexure B" – List of members of Board of Directors of HTPL.
- "Annexure C" – Details of shareholders of Burshane as of December 31, 2013.
- "Annexure D" – Details of shareholders of HTPL as of December 31, 2013.
- "Annexure E" – Valuation certificate / Valuation and Share Swap Ratio Report dated May 21, 2014, issued by Ernst & Young Ford Rhodes Sidat Haider presenting the calculation of the Swap Ratio.
- "Annexure F" – List of secured creditors of HTPL.
- "Annexure G" – Details / description of the Properties.



Annexure 'A'

BURSHANE LPG (PAKISTAN) LIMITED
LIST OF DIRECTORS

| S.No. | Name | Fathers Name | Designation | Nationality | CNIC # | Address |
|-------|------------------------|------------------------|-----------------------------|-------------|---------------------|--|
| 1 | Shahriar D. Sethna | Darayus T. Sethna | Chairman | Pakistani | 42301 - 0881276 - 1 | 59/A, Cyrus Minwala Colony, Mahmoodabad, Karachi |
| 2 | Asad Alam Niazi | Tassaduq Hussain Niazi | Director / CEO | Pakistani | 61101 - 3375696 - 9 | Flat # 331, Street # 68, Sector F-11/1, Islamabad. |
| 3 | Darayus T. Sethn | Tehmurasp R. Sethna | Director | Pakistani | 42301 - 0905881 - 7 | 59/A, Cyrus Minwala Colony, Mahmoodabad, Karachi |
| 4 | Hamdia Fatin Niazi | Asad Alam Niazi | Director | Pakistani | 61101 - 9476390 - 8 | 138, Main Khayaban - e - Bahria, Phase V, DHA, Karachi |
| 5 | Tassaduq Hussain Niazi | Alam Khan Niazi | Director | Pakistani | 38403 - 2031978 - 7 | 10/ 296 - Block B, Sateelite Town, Sargodha |
| 6 | Sheikh Asim Rafiq | Sheikh Qaiser Ahmed | Director | Pakistani | 42201 - 7698181 - 1 | C/O NIT, 6TH Floor, NBP Building, I.I. Chundrigarh Road, Karachi |
| 7 | Saifee Zakiuddin | Zakiuddin Qayum Ali | Director / Company Secratry | Pakistani | 42201 - 0563623 - 1 | 157, Main Khayaban - e - Hialal, Phase VI, DHA, Karachi. |

Yours truly,


Saifee Zakiuddin
Company Secretary



Annexure 'B'

H.A.K.S. TRADING (PVT.) LIMITED
LIST OF DIRECTORS

| S.No. | Name | Fathers Name | Designation | Nationality | CNIC # | Address |
|-------|--------------------|------------------------|----------------|-------------|---------------------|--|
| 1 | Shahriar D. Sethna | Darayus T. Sethna | Director | Pakistani | 42301 - 0881276 - 1 | 59/A, Cyrus Minwala Colony, Mahmoodabad, Karachi |
| 2 | Asad Alam Niazi | Tassaduq Hussain Niazi | Director / CEO | Pakistani | 61101 - 3375696 - 9 | Flat # 331, Street # 68, Sector F-11/1, Islamabad. |
| 3 | Hamdia Fatin Niazi | Asad Alam Niazi | Director | Pakistani | 61101 - 9476390 - 8 | 138, Main Khayaban - e - Bahria, Phase V, DHA, Karachi |

Yours truly,



Saifee Zakiuddin

Saifee Zakiuddin
Company Secretary



Annexure (C)

BURSHANK LOGISTICS PAKISTAN LIMITED
LIST OF SHAREHOLDERS
AS OF 31/03/2014

| FOLIO NO. | NAME | FATHER'S/HUSBAND'S NAME | ADDRESS | NO. OF SHARES | SEC. NO. |
|------------|---|-------------------------|---|---------------|----------|
| 0000000001 | MR YUSUF BHUMIA (LATE) | | ZAHE RED GARDEN STREET IV DEFENCE HOUSING SOCIETY KARACHI-4 | 140 | |
| 0000000002 | MR KHUR TIKO | | 51 RIMPA CHRISTIATION RD CH KHANUDD-ZAMAR ROAD FREEZE ROAD KARACHI | 292 | |
| 0000000003 | MR ALAUDDIN KHAN | | 11 1ST GURZI STREET PHASE 4 DEFENCE HOUSING AUTHORITY KARACHI | 103 | |
| 0000000004 | MR HADI YAKOUB | | KIKASHADA TRADING CO SOHA BAZAR DAKAYTA LAL STREET KARACHI | 2044 | |
| 0000000005 | MR IM YAKUB ELIAS | | A/11, BLOCK A-1, E-15 KARACHI-7510 | 98 | |
| 0000000006 | MR YAKUB | | IIA CAPTAIN EBRAHIM ABDOU COTTAGE, 1ST FLOOR BE 137, KAMRAN STREET, KHORADAK, KARACHI | 292 | |
| 0000000007 | MR YAKUB MAHDI KHAN | | IGBY PRINTER BUILDING KARACHI | 244 | |
| 0000000008 | MR FARUK | | A/E TREAT BE 1-50 JAFFRY CHOWK FADOO HIRMOOD LANE, KHORADAK, KARACHI | 292 | |
| 0000000009 | MR SHAHIN | | CO HUBS HOUSES LIMITED DEFENCE SOCIETY BRANCH KODAKHI | 292 | |
| 0000000010 | MR MALAZIB HANAN | | 148 COCK FERRAL B ANGA KARACHI-18 | 114 | |
| 0000000011 | MR SAJJAD AHMAD KHAN | | 198 KALATI, KARACHI | 114 | |
| 0000000012 | MR ANWAR BILAL KAF | | CO 27D HADE-10, KARACHI-4461, CLYTONSHIP LAHORE (PUNJAB) | 292 | |
| 0000000013 | MR ABUS, BEHMAN | | PAVILLON BASKA RESTAURANT, 120 BAYLARE LAHORE (PUNJAB) | 114 | |
| 0000000014 | MR ISLAM ABID BEGAM | | FLAT NO 112, 1ST FLOOR BATH ROAD APARTMENT -4TH FLOOR, BATH ROAD CLIFTON, KARACHI | 292 | |
| 0000000015 | MR JAMILA BEGAM | | KHAWAAB BROSSE S.A. 432, FAKROO NAGAR, NAGMARAD KARACHI-18 | 292 | |
| 0000000016 | MR M AHMED | | 17 ZENAB MANSION 11, CHINDRIGAR ROAD KARACHI-2 | 36 | |
| 0000000017 | MISS YASMIN | | CO ANORAKER EBRAHIM BEHTEZ ANOOU COTTAGE, KHORADAK KARACHI-2 | 292 | |
| 0000000018 | MR AHMED MEMON | | ADAM MANZIL, ROOM NO 11 WILSON STREET PREEDY QUARTER KARACHI | 292 | |
| 0000000019 | MR ABUL SHAKOOR | | UNI PLAZA 4TH FLOOR ROOM NO 412 11, CHINDRIGAR ROAD KARACHI | 292 | |
| 0000000020 | MR ABUL AZIZ | | CO 34 AMRAN CENTER 1601 GARDEN WEST 4TH FLOOR KARACHI | 55 | |
| 0000000021 | MR SIDDIQ LATIF | | 173 EBRAHIM COLONY KARACHI-5 | 36 | |
| 0000000022 | MR USMAN PALLA | | 173 EBRAHIM COLONY KARACHI-5 | 34 | |
| 0000000023 | MR INSHAD SHAH | | 173 EBRAHIM COLONY KARACHI-5 | 62 | |
| 0000000024 | MR ASHRAF AZIZ | | 173 EBRAHIM COLONY KARACHI-5 | 172 | |
| 0000000025 | MR ZAINAB BAI | | 173 EBRAHIM COLONY KARACHI-5 | 292 | |
| 0000000026 | MR GHULAM NAHID | | 173 EBRAHIM COLONY KARACHI-5 | 92 | |
| 0000000027 | MR ZAHENA | | 173 EBRAHIM COLONY KARACHI-5 | 244 | |
| 0000000028 | MR TAHSEEM GHAMR (DECEASED) | | 173 EBRAHIM COLONY KARACHI-5 | 292 | |
| 0000000029 | MR FAROQ | | 173 EBRAHIM COLONY KARACHI-5 | 689 | |
| 0000000030 | NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT | | 173 EBRAHIM COLONY KARACHI-5 | 499 | |
| 0000000031 | MR MEHMOOD AHMED LATIF KHAN | | 173 EBRAHIM COLONY KARACHI-5 | 336 | |
| 0000000032 | MR AYAZ ANWAR | | 173 EBRAHIM COLONY KARACHI-5 | 333 | |
| 0000000033 | MR MUHAMMAD ALI ANWAR | | 173 EBRAHIM COLONY KARACHI-5 | 42 | |
| 0000000034 | MR SUZAYATULLAH KHAN | | 173 EBRAHIM COLONY KARACHI-5 | 134 | |
| 0000000035 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000036 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000037 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000038 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000039 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000040 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000041 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000042 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000043 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000044 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000045 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000046 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000047 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000048 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000049 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000050 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000051 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000052 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000053 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000054 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000055 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000056 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000057 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000058 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000059 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000060 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000061 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000062 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000063 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000064 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000065 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000066 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000067 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000068 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000069 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000070 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000071 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000072 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000073 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000074 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000075 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000076 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000077 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000078 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000079 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000080 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000081 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000082 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000083 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000084 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000085 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000086 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000087 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000088 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000089 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000090 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000091 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000092 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000093 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000094 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000095 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000096 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000097 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000098 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000099 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |
| 0000000100 | MR EMAN ULLAH SIDDIKI | | 173 EBRAHIM COLONY KARACHI-5 | 324 | |



BURSHANE PLC PAKISTAN LIMITED
LIST OF SHAREHOLDERS
AS OF 31/03/2011

| FOLIO NO. | NAME | FATHER'S / HUSBAND'S NAME | ADDRESS | NO. OF SHARES | SER. NO. |
|------------|--------------------------------|---------------------------|---|---------------|----------------|
| 0142000014 | MUHAMMAD WAQAR HUSSAIN | MUHAMMAD HUSSAIN | HOUSE NO 14/14, 7TH ROAD SATELLITE TOWN BAWALPHER | 200 | 3745-3762/6-6 |
| 0142000015 | JR GLOBAL CAPITAL LIMITED - MF | | 4TH FLOOR FATMA HOUSE, BUDGEABLE FASAL, KARACHI | 100 | 4286-3865/6-6 |
| 0142000016 | KAJUMELIA | SHABEELIA MEMOR | SRIP NO 83, PIRCHY CENTRE, PLAZA SQUARE, B. A. BANDA ROAD, KARACHI | 100 | 4286-3865/6-6 |
| 0142000017 | HAFIZ A. A. IQBALI | ABDUL AALI | HOUSE NO 283, ANVARDI ROAD, KARACHI | 100 | 4286-3865/6-6 |
| 0142000018 | MUMTAZ AHMED | GHANAM AHGHEILLAH | HOUSE NO 283, ANVARDI ROAD, KARACHI | 100 | 4286-3865/6-6 |
| 0142000019 | MUHAMMAD | MAMDOOH | 48-111, LANE 24, PHASE 2, D. H. A. KARACHI | 1,200 | 4286-3865/6-6 |
| 0142000020 | SHARIF ZAMEER HUSSAIN | MUHAMMAD SELMAN (LATE) | 9-106, BLOCK NO 10, F. B. AREA, KARACHI | 37 | 4286-3865/6-6 |
| 0142000021 | SHARIF ZAMEER HUSSAIN | ZAMEER AHMED HUSSAIN | 44-11, K. LANE, PHASE IV, NEAR MAMDOOH, D.H.A. KARACHI | 200 | 4286-3865/6-6 |
| 0142000022 | PERVEZ FAYEZ VARIANA | PERVEZ DARASHAW VARIANA | HOUSE NO MCB-11/206, TALWARAN STREET, CHAKRAL | 100 | 4286-3865/6-6 |
| 0142000023 | SHAHID SATTAR | BAWA | ANTIQUE COTTAGE, A-1311, CENTRAL PARK, ROHTING, BTL, URBAN DEVELOPERS COMPLEX MASH FEROZPUR BIL LAURE | 55 | 4286-3865/6-6 |
| 0142000024 | MUHAMMAD AHMAD | SHAFIQUDIN | 12-C, ASHOK APARTMENTS, 2/A, ALFRED STREET, ALBERLA CHOK, NEAR LARILLA, GARDH KARACHI | 200 | 4286-3865/6-6 |
| 0142000025 | RAZA ALI | GHILAM ALI | HOUSE NO. B-120, SECTOR 25-A, ZAMAKI TOWN, KORANGI NO.4, NEAR BHAN PUBLIC SC KARACHI | 300 | 4286-3865/6-6 |
| 0142000026 | ALLAF HUSSAIN | KARIM BUKH | SRIP NO 2, FEROZE MARKET, MARKET ROAD, KARACHI | 100 | 4286-3865/6-6 |
| 0142000027 | ABDUL SAMI | MUHAMMAD ABIDQ | HOUSE NO. B-120, SECTOR 25-A, ZAMAKI TOWN, KORANGI NO.4, NEAR BHAN PUBLIC SC KARACHI | 300 | 4286-3865/6-6 |
| 0142000028 | ALLAF HUSSAIN | MUHAMMAD NAJEM | 2ND FLOOR, YOUSAF BUILDING, DR ZAULIHW AHMED RD, NEAR LIGHT HOUSE, KARACHI | 252 | 4286-3865/6-6 |
| 0142000029 | SHAHIDA HAFIZ | MAJAR MUHAMMAD AQIDAR | 57-11, 7TH COMMERCIAL STREET, PHASE IV, D. H. A. KARACHI | 1,000 | 4286-3865/6-6 |
| 0142000030 | SHAHIDUL ISLAM CH | CHAUHURY ABID AQID | HOUSE NO. MCB-12/196, NAZEM MANZIL, NEAR HEAT MARKET, CHAKRAL | 100 | 4286-3865/6-6 |
| 0142000031 | MUHAMMAD ATIB CHAUDHRY | | 12/18-2/01, BERG-3, LAHORE | 1,500 | 3250-2348/18-2 |
| | | | ROOM NO 109 1ST FLOOR LEE BUILDING LAHORE LAHORE | 500 | 3250-2348/18-2 |
| | | | | 1,000 | 3250-2348/18-2 |
| | | | | 3,000 | 3250-2348/18-2 |
| | | | | 22,648,844 | |



Annexure 'D'

H.A.K.S. TRADING (PVT.) LIMITED

STATEMENT OF EQUITY

| Particulars | Asad Alam Niazi | Hamdia Fatim Niazi | Shahriar Sethna | Darayus T. Sethna |
|---|--------------------|--------------------|--------------------|--------------------|
| Capital as at 300million | | | | |
| - Cash | 158,920,390 | 10,000,000 | 3,925,070 | 10,000,000 |
| - Land | - | - | 117,154,540 | 10,000,000 |
| Total | 158,920,390 | 10,000,000 | 121,079,510 | 10,000,000 |
| Additions: | | | | |
| - Cash | 124,318,382 | - | 1,050,000 | - |
| - Land | - | - | 112,845,460 | - |
| Total Additions | 124,318,382 | - | 113,895,460 | - |
| Shares | 283,238,772 | 10,000,000 | 234,975,070 | 10,000,000 |
| | 28,323,877 | 1,000,000 | 23,497,507 | 1,000,000 |
| Total | 293,238,772 | 293,238,772 | 244,975,070 | 244,975,070 |
| Total Issued & Paid up Capital | 538,213,842 | 54.4837% | 45.5163% | |

H.A.K.S. TRADING (PVT.) LTD.



H.A.K.S. TRADING (PVT.) LTD.
Director



Annexure 'E'

Project Burshane : Valuation and Share Swap Ratio Report

21 May 2014

Reliance Restricted



Zeeshan Hussain

Partner

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T +92 21 3521 9021
M +92 300 820 1115
F +92 21 3568 9165
E zeeshan.hussain@pk.ey.com

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Senior Manager

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Muhammad Sameer Azam

Manager

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M +92 345 312 3274
F +92 21 3568 1965
E sameer.azam@pk.ey.com



Building a better working world



Building a better
working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O.Box 15541
Karachi 75530, Pakistan

Reliance Restricted

Burshane LPG (Pakistan) Limited
Suite 101, 1st Floor, Horizon Vista
Plot No. Commercial -10, Block-4
Scheme No. 5, Clifton, Karachi

Attn: Mr Saifee Zakiuddin
Director Finance

Dear Sir

Valuation and Swap Ratio Report

In accordance with your instructions, we have performed a valuation and share swap ratio analysis for the purposes of the proposed merger of H.A.K.S Trading (Private) Limited (HTPL) with and into Burshane LPG (Pakistan) Limited (BLPL) as at 31 December 2013. The scope and terms of our work is set out in our engagement agreement TAS/165/13 dated 16 December 2013 and extension of scope letter TAS/070/14 dated 14 May 2014 addressed to Burshane LPG (Pakistan) Limited ("the Company", "BLPL" or "you").

Purpose of our report and restrictions on its use

The management of BLPL required assistance in determining valuations and share swap ratio for the proposed merger of HTPL with and into BLPL through a Scheme of Arrangement under sections 284 to 288 to the Companies' Ordinance 1984. We understand that this report shall be used for the said purpose only.

We highlight that our analyses and report do not constitute investment advice or a recommendation to the Company on their future course of action. The decision to merge and selection of the share swap ratio may entail consideration of several factors some of which Ernst and Young may not be aware. The evaluation of these factors or advising the Company on its business decision does not form part of the scope of our work. Our scope of work is limited to estimating valuations under the cost approach (adjusted net asset value) and market approach (quoted market price) of HTPL and BLPL and the resultant share swap ratios for the purposes of their proposed merger.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member practice of Ernst & Young Global Limited. A list of members' names is available for inspection at 1 More London Place, London, SE1 2AF, the firm's principal place of business and registered office.

21 May 2014
TAS/XX/14

Summaries of, or references to this report that are to be presented to any third parties must be reviewed by us, and that information may not be released without our prior written approval. In carrying out our work and preparing the report, we have worked solely for the Company's interest. Our report may not have considered issues relevant to any third party. Any use that any such third party may choose to make of our report is entirely at their own risk and we shall have no responsibility whatsoever in relation to any such use. Accordingly, we do not owe a duty of care to any third party reader of this report.

Refer to 'Appendix to Transmittal Letter' for further information.

Financial information

This valuation report is based solely upon information furnished to us by Management, which we understand has been reviewed and approved by you. Our report and analyses contained therein were based on historical information and financial data provided by Management, including reports prepared by other consultants, for which they are solely responsible. We did not independently investigate or otherwise verify the data provided and do not express an opinion or offer any form of assurance regarding its accuracy or completeness.

Refer to 'Appendix to Transmittal Letter' for further information.





Scope and nature of our work

The scope and nature of our work, including the basis and limitations, are detailed in our engagement agreement TAS/165/13 dated 16 December 2013 and extension of scope letter TAS/070/14 dated 14 May 2014

Refer to 'Appendix to Transmittal Letter' for further information.

Valuation methodology

Our scope of work was limited to carrying out the valuation analyses of HTPL and BLPL under the Cost and Market approaches, more specifically the adjusted net assets and quoted market price methods.

This report has been based on data made available to us as of the date of this report. We have no responsibilities to update our report with respect to any circumstances, and information that becomes available, after that date. This report is subject to the statement of limitations attached in the 'Appendix to Transmittal Letter'.

We appreciate the opportunity to be of service and would be pleased to discuss our report at a mutually convenient time.

Yours faithfully

ZH:KH



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|--|-----------|
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Abbreviations

| | |
|------|-----------------------------------|
| BLPL | Burshane LPG (Pakistan) Limited |
| EY | Ernst & Young |
| FSV | Forced Sale Value |
| FY | Financial Year |
| HTPL | H.A.K.S Trading (Private) Limited |
| NAV | Net Asset Value |
| NBV | Net Book Value |



Purpose and scope



Purpose and scope

- ▶ Burshane LPG (Pakistan) Limited (BLPL) is a limited liability company incorporated in Pakistan and is listed on the Karachi and Lahore Stock Exchanges. The principal activity of the company is storing and marketing of liquefied petroleum gas (LPG) throughout Pakistan.
- ▶ H.A.K.S Trading (Private) Limited (HTPL) was incorporated in Pakistan on 26 July 2012 as a private limited company. We understand that HTPL does not carry out any business operations. The company has acquired majority shares in BLPL, which became its subsidiary as a result of the acquisition.
- ▶ HTPL intends to merge with and into BLPL through a Scheme of Arrangement under sections 284 to 288 of the Companies Ordinance, 1984.
- ▶ For this purpose, BLPL has invited Ernst & Young to assist in carrying out the valuation of BLPL and HTPL for determination of share swap ratio for merger purposes.
- ▶ Management of BLPL has also engaged Consultancy Support & Services (CSS) to carry out the valuation of fixed assets of HTPL and BLPL.

Limitations

- ▶ We did not independently investigate or otherwise verify the data provided by management and CSS, for which they are solely responsible, and do not express an opinion or offer any form of assurance regarding its accuracy or completeness.
- ▶ Our scope of work was limited to carrying out the valuation of HTPL and BLPL under the Cost (adjusted net assets) and Market (quoted market price) valuation approaches. We have not evaluated the appropriateness of these valuation methodologies nor have we identified other valuation techniques that may be appropriate for valuing the subject companies for the purposes of this transaction.



Executive summary

1. Valuation results



The swap ratio computed using the three valuation bases is in the range of 0.30 to 0.56 shares of BLPL for each share of HTPL.

Valuation methods used

- ▶ For determining the value of HTPL and BLPL, the Cost and Market approaches to valuation were applied. More specifically, the following methods have been used:
 - 1 Reported Net Assets – where the value of the companies are assumed to be equal to their net assets as reported in their financial statements for the half year ended 31 December 2013.
 - 2 BLPL at Quoted Market Price, HTPL at Adjusted Net Asset Value- where the value of BLPL, being a listed company, has been assumed to be equal to its market capitalization as at 31 December 2013. For HTPL, the net asset value has been adjusted with its property, plant and equipment revaluation, as at 31 December 2013.
 - 3 Quoted Market Price – where the value of BLPL, being a listed company, has been assumed to be equal to its market capitalization as at 31 December 2013. For HTPL, being a non-listed company, the market value has been assumed to be equal to the fair value its net assets (including revaluation of fixed assets) and its investment in BLPL at market price.
 - 4 Adjusted Net Asset Value (NAV) – where the value of both companies has been assumed to be equal to the fair values of their assets and liabilities (including revaluation of fixed assets) as at 31 December 2013.

Valuation and Swap Ratio Summary

| Currency: PKR '000 | Reported Net Assets | | BLPL at Quoted Market Price- HTPL at Adjusted NAV | | Adjusted NAV | Quoted Market Price |
|--|---------------------|---------|--|---------|--------------|---------------------|
| | 499,234 | 372,417 | 666,914 | 372,417 | | |
| Total value – HTPL | | | | | 364,681 | 687,256 |
| Total value – BLPL | | | | | 498,985 | 372,417 |
| Value per share - HTPL | 9.28 | | 12.39 | | 6.78 | 12.77 |
| Value per share - BLPL | 16.45 | | 41.20 | | 22.04 | 41.20 |
| Share swap ratio | 0.56 | | 0.30 | | 0.31 | 0.31 |
| Total No. of issued shares - HTPL | 53,821,384 | | 53,821,384 | | 53,821,384 | 53,821,384 |
| No. of shares to be issued to HTPL shareholders | 30,139,975 | | 16,146,415 | | 16,684,629 | 16,684,629 |
| Minority shares in BLPL | 5,804,261 | | 5,804,261 | | 5,804,261 | 5,804,261 |
| Total no. of shares of BLPL post-merger | 35,944,236 | | 21,950,676 | | 22,488,890 | 22,488,890 |
| Majority shareholder's holding in BLPL post merger | 83.9% | | 73.6% | | 74.2% | 74.2% |



The swap ratio computed using the three valuation bases is in the range of 0.30 to 0.56 shares of BLPL for each share of HTPL.

Valuation result

- ▶ The table above presents the valuations of HTPL and BLPL as at 31 December 2013 under the above methods, the resultant share swap ratios and the shareholding position of the majority shareholders post-merger.

Conclusion

- ▶ Based on the valuation results, the share swap ratio for merger of HTPL with and into BLPL has been determined to be in the range of **0.30 to 0.56** shares of BLPL for each share of HTPL.



Business description



BLPL is engaged in the business of LPG storage and marketing. HTPL was incorporated in July 2012 and does not generate any revenue.

Key financial indicators - HTPL

| Currency: PKR '000 | FY13 | 6m14 |
|-------------------------------|----------|----------|
| Turnover | - | 30,302 |
| Gross profit | - | (3,052) |
| Admin and general expenses | (23,582) | (24,459) |
| Finance costs | (15,158) | 2,791 |
| Profit/(Loss) before taxation | (38,740) | 917,036 |
| Total assets at year-end | 915,591 | 499,473 |
| Net assets at year end | 499,473 | 372,417 |

Key financial indicators - BLPL

| Currency: PKR '000 | FY13 | 6m 14 |
|----------------------------|-----------|-----------|
| Net sales | 2,350,872 | 1,247,166 |
| Gross profit | 201,506 | 95,764 |
| Operating profit | 91,307 | 33,625 |
| Profit before taxation | 87,234 | 31,741 |
| Total assets at period-end | 796,886 | 848,971 |
| Net assets at period-end | 398,441 | 372,417 |

Business overview

H.A.K.S. Trading (Private) Limited (HTPL)

- ▶ HTPL was incorporated in Pakistan on 26 July 2012. As per its financial statements, the company's principal activity is to carry out business as traders and suppliers of products and commodities.
 - ▶ HTPL entered into an agreement with OPI Gas (Private) Limited on 03 September 2012 whereby HTPL acquired 15,671,268 shares representing 69.22% stake in Burshane LPG (Pakistan) Limited (BLPL). In addition, the company also acquired 1,164,514 shares from minority shareholders of BLPL through a tender offer process and as a result of which the aggregate shareholding of HTPL in BLPL increased to 16,835,783 shares (74.356%).
 - ▶ HTPL acquired management control of BLPL on 22 April 2013 by appointing six directors on the board including a Chief Executive Officer and Director Finance.
 - ▶ The table opposite summarizes the key financial indicators of HTPL.
- Burshane LPG (Pakistan) Limited (BLPL)
- ▶ BLPL was incorporated in 1966 and was listed on the Karachi and Lahore stock exchanges in 1982. The company is engaged in the business of storage and marketing of Liquefied Petroleum Gas (LPG) throughout Pakistan.
 - ▶ The table opposite summarizes the key financial indicators of BLPL.



Valuation analysis

1. Valuation methodologies
2. Cost approach - BLPL
3. Cost approach - HTPL
4. Market approach
5. Contingencies
6. Swap ratio



The swap ratio calculation is based on valuations of HTPL and BLPL using the cost and market approach to valuation.

Cost approach

- ▶ The adjusted net assets method under the cost approach relies on the principle of substitution and recognizes that a prudent investor will pay no more for a business than the cost to replace it with a new identical or similar unit of equivalent utility.
- ▶ Accordingly, for the purpose of this analysis, the fair market value of HTPL and BLPL's net assets were considered to determine the value of the business based on the adjusted net asset method.
- ▶ In doing so, valuations of property, plant and equipment carried out by third party valuers were considered along with an analysis of the carrying values of other assets and liabilities vis-à-vis their respective fair market values.

Market Approach

- ▶ The Market Approach measures value based on the current pricing statistics for business or assets which can be considered reasonably similar to that being analyzed.
- ▶ For the purpose of this analysis, the 'quoted market price' method for valuation of HTPL and BLPL was applied to determine the swap ratio for merger purposes.
- ▶ In doing so, the price of BLPL quoted on the Karachi Stock Exchange as of the valuation date was considered.



BLPL's reported net assets at 31 December 2013 stood at PKR 372.4 million. After incorporating fair value adjustments relating to property, plant and equipment, the company's net assets increased to PKR 499 million.

| Adjusted net assets - BLPL | Dec13 Reported NAV | Adjustments | Dec13 Adjusted NAV |
|--|-----------------------|-------------|-----------------------|
| Currency: PKR '000 | | | |
| Non-current assets | 206,055 | 126,568 | 332,623 |
| Property, plant and equipment | 18,045 | | 18,045 |
| Intangible assets | 2,129 | | 2,129 |
| Long-term loans | 143,650 | | 143,650 |
| Long-term deposits | 369,879 | 126,568 | 496,447 |
| Current assets | 3,329 | | 3,329 |
| Stores and spares | 148,876 | | 148,876 |
| Stock-in-trade | 16,687 | | 16,687 |
| Trade debts | 43,377 | | 43,377 |
| Loans, advances, deposits, prepayments and other receivables | | | |
| Taxation | 29,095 | | 29,095 |
| Cash and bank balances | 237,728 | | 237,728 |
| | 479,092 | | 479,092 |
| Total assets | 848,971 | 126,568 | 975,539 |
| Non-current liabilities | | | |
| Deferred taxation | 19,747 | | 19,747 |
| Cylinder and regulator deposits | 220,898 | | 220,898 |
| Current liabilities | 240,372 | | 240,372 |
| Trade and other payables | 236,182 | | 236,182 |
| | 236,182 | | 236,182 |
| Total liabilities | 476,554 | | 476,554 |
| Net assets | 372,417 | 126,568 | 498,985 |
| No. of shares | 22,640,044 | | 22,638,644 |
| Value per share | 16.45 | | 22.04 |

Adjusted net asset value - BLPL

Assets

- ▶ At 31 December 2013, reported total assets of BLPL amounted to PKR 848.9 million while net assets stood at PKR 372 million.
- ▶ Property, plant and equipment (PPE) include land, plant and machinery, tanks, pipelines and fittings, fire-fighting equipment, cylinder and regulators, vehicles, furniture, office machines and computers. These have been valued by Consultancy Support & Services, management consultants (CSS) in their report dated 14 February 2014. The adjustment represents surplus of Forced Sale Value (FSV) as estimated by CSS over carrying value of PPE. Details with respect to the adjustment are further explained in the following section of this report.
- ▶ Intangible assets include computer software amounting to PKR 1.4 million, rights under supply contract valued at PKR 8 million and trademarks recorded at PKR 8.6 million.
- ▶ Long term deposits are placed with suppliers of LPG in accordance with the terms of supply agreement.
- ▶ Stock in trade at 31 December 2013 amounting to PKR 148.9 million includes LPG and low pressure regulators. As per management, stock in trade is aged less than two months.
- ▶ Trade debts represent receivables from customers and distributors, is presented net of provision.
- ▶ Loans, advances, deposits, prepayments and other receivables mainly comprises advances to suppliers, short-term deposits and prepayments, sales tax receivable, receivable from employee benefit funds and accrued interest.
- ▶ No major fair value adjustments were identified with respect to the above other assets. Accordingly, for the purpose of this analysis, the respective carrying values of these assets as at 31 December 2013 have been assumed to be representative of their respective fair values.

Liabilities

- ▶ Cylinder and regulator deposits represent non-interest bearing deposits from distributors, which are refundable upon termination of distributorship agreements or return of cylinders.
- ▶ Trade and other payables worth PKR 236.2 million mainly consist of creditors and accrued liabilities. All balances are current and therefore, no adjustment to carrying values has been considered for the purpose of this analysis.



Reliance Restricted

Valuation of fixed assets carried out by independent valuers indicates an upside of PKR 126.5 million in BLPL over the net book value.

Valuation results - BLPL

| Currency: PKR '000 | NBV | Market Value | Forced Sale Value | | Revaluation surplus |
|--------------------|----------------|----------------|-------------------|----------------|---------------------|
| | | | A | B | |
| Land | 5,618 | 9,373 | 8,436 | 2,818 | B - A |
| Buildings | 59,344 | 37,023 | 27,767 | (31,577) | |
| Plant | 26,660 | 38,955 | 27,269 | 609 | |
| Tanks | 9,985 | 116,379 | 81,465 | 71,480 | |
| Cylinders | 82,849 | 208,887 | 156,665 | 73,816 | |
| Vehicles | 2,474 | 18,631 | 16,769 | 14,295 | |
| Others | 19,125 | 19,004 | 14,253 | (4,872) | |
| Total | 206,055 | 448,252 | 332,623 | 126,568 | |

Revaluation of property, plant and equipment

- ▶ All fixed assets of BLPL have been re-valued by independent valuation firm, Consultancy Support & Services, management consultants (CSS) as per their report dated 11 February 2014.
- ▶ According to the report the total market value of all fixed assets amounts to PKR 448.2 million and its FSV amounts to PKR 332.6 million.
- ▶ For the purpose of calculating revaluation adjustment, we have considered FSV of the fixed assets. Accordingly, the revaluation surplus for BLPL amounts to PKR 126.5 million, which includes revaluation deficits of PKR 31.5 million in case of buildings and of PKR 4.8 million in case of other fixed assets.



HTPL's reported net assets stood at PKR 499.2 million at 31 December 2013, which reduced to PKR 364.7 million after incorporating fair value adjustments in respect of PPE and long-term investment.

| Adjusted net assets - HTPL | | Adjusted net asset value - HTPL | |
|------------------------------------|-------|---------------------------------|----------------|
| Currency: PKR '000 | Notes | Dec13 Reported | Dec13 Adjusted |
| Non-current assets | | | |
| Property, plant and equipment | | 242,030 | 409,709 |
| Long term investment | | 673,292 | 371,060 |
| | | 915,322 | 780,769 |
| Current assets | | | |
| Advances, deposits and prepayments | | 1,700 | 1,700 |
| Cash and bank balances | | 13 | 13 |
| | | 1,713 | 1,713 |
| | | 917,035 | 782,482 |
| Total assets | | | |
| Non-current liabilities | | 311,111 | 311,111 |
| Long term loan | | 311,111 | 311,111 |
| Current liabilities | | | |
| Current portion of long term loan | | 88,888 | 88,888 |
| Trade and other payables | | 7,766 | 7,766 |
| Accrued markup on long term loan | | 10,036 | 10,036 |
| | | 106,690 | 106,690 |
| | | 417,801 | 417,801 |
| Total liabilities | | | |
| Net assets | | 499,234 | 364,681 |
| No. of shares | | 53,821,384 | 53,821,384 |
| Value per share | | 9.28 | 6.78 |

Assets

- ▶ At 31 December 2013, reported total assets of HTPL amounted to PKR 917 million while net assets stood at PKR 499.2 million.
- ▶ Property, plant and equipment (PPE) include three plots of land, furniture and fixtures, office equipment and computers.
- ▶ Land has been valued by Consultancy Support & Services, professional valuers. As per their report dated 14 February 2014, the surplus of FSV over carrying value amounts to PKR 167.7 million, which has been incorporated for the purposes of this analysis. Details with respect to the property valuation and adjustment are further explained in the following section of this report.

- ▶ Other fixed assets of HTPL amount to PKR 2.2 million. These mainly include furniture and office equipment. Since a separate valuation of these assets was not available and given the relatively low materiality of these assets, for the purpose of this analysis, the carrying values have been considered as representative of their respective fair market values.

- ▶ Long term investment represents HTPL's investment in BLPL at an average price of PKR 39.99 per share for a total of 16,835,783 shares representing an aggregate shareholding of 74.356%. For the purpose of this analysis, we have adjusted the carrying value of this investment to PKR 22.04 per share, being the adjusted net asset value of BLPL after incorporating the impact of PPE revaluation of BLPL (see previous section on valuation of BLPL).

Liabilities

- ▶ Long term loan represents demand finance facility under finance agreement dated 08 April 2013 from National Bank of Pakistan Limited. The loan is repayable in nine semi-annual instalments of PKR 44.4 million each by 16 April 2018 with a grace period of six months.

- ▶ This loan is secured by way of equitable mortgage on leasehold land, pledge of shares of subsidiary company, charge on its present and future current and fixed assets amounting to PKR 750 million including movables as well as personal guarantees of directors.

- ▶ The loan carries mark-up at the rate of KIBOR plus 2.5% per annum.



Valuation of fixed assets carried out by independent valuers indicates an upside of PKR 167.7 million in HTPL over the net book value.

Valuation results - HTPL

| Currency: PKR 000 | NBV | Market Value | Forced Sale Value | | Revaluation surplus |
|--|----------------|----------------|-------------------|---|---------------------|
| | | | A | B | |
| Land at Deh Okewari, Muktiankar, Gulshan-e-Iqbal, KHI (No. 74) - 4,477 Sq. Yards | 90,000 | 101,852 | 81,851 | | (8,149) |
| Land at Deh Okewari, Adj. PIA Township, KHI (No. 47) - 11,979 Sq. Yards | 75,000 | 203,643 | 162,914 | | 87,914 |
| Land at Deh Okewari, Adj. PIA Township, KHI (No. 47) - 11,979 Sq. Yards | 75,000 | 203,643 | 162,914 | | 87,914 |
| Total | 240,000 | 509,138 | 407,679 | | 167,679 |

Property revaluation

- ▶ Land parcels of HTPL have been re-valued by an independent valuation firm, Consultancy Support & Services, which is on the approved list of valuers of the State Bank of Pakistan.
- ▶ The total market value of land as per Consultancy Support & Service's report dated 14 February 2014 amounted to PKR 509.1 million with an FSV of PKR 407.7 million.
- ▶ For the purpose of calculating revaluation adjustment, the FSV of the properties have been considered.
- ▶ Accordingly, the revaluation surplus i.e. excess of FSV over carrying value, amounts to PKR 167.7 million.



Based on market approach, HTPL and BLPL have a value of PKR 687.26 million and 932.8 million respectively.

Market value - BLPL

| | Dec 13A |
|-------------------------------------|------------|
| Currency: PKR '000 | 41.20 |
| Share price as at 31 Dec 2013 (PKR) | 22,640,044 |
| No. of shares outstanding | 932,770 |
| Market value | |

Market approach

BLPL

- ▶ The price of BLPL shares as quoted on the Karachi Stock Exchange as of the valuation date i.e. 31 December 2013 was PKR 41.20 per share.
- ▶ Accordingly, the value of BLPL, as presented in the table on the left, amounts to PKR 932.8 million.

Market value - HTPL

| | Dec13A |
|---------------------------------------|------------|
| Currency: PKR '000 | 499,234 |
| Reported net assets as at 31 Dec 2013 | 167,680 |
| Market value adjustment - PPE | 20,342 |
| Market value adjustment - BLPL | 687,256 |
| Market value | 53,821,384 |
| No. of shares outstanding | 12.77 |
| Market value per share | |

HTPL

- ▶ Since HTPL is not a listed company, its market value has been assumed to be equal to the market value of its PPE and quoted market price of its investment in BLPL.
- ▶ The table adjacent presents the computation of value based on the above methodology:
 - Market value adjustment - PPE represents the excess of forced sale value, determined by Consultancy Support & Services, an independent valuer, over reported book value of the company property.
 - Market value adjustment - BLPL represents an increase in HTPL's investment in BLPL from PKR 38.80 per share (reported) to PKR 41.20 per share being BLPL's quoted share price as at 31 Dec 2013.
- ▶ Accordingly, the value of HTPL amounts to PKR 687.26 million (PKR 12.77 per share).



Based on market approach, HTPL and BLPL have a value of PKR 687.26 million and 932.8 million respectively.

Contingencies

- ▶ As reported in its annual financial statements for FY13, BLPL entered into a tripartite LPG Debranding Agreement (the Agreement) with Shell Brands International AG (Shell AG) and OPI Gas (Private) Limited (OPI) on 27 October 2010. The Agreement was entered with an objective of phasing out the use of LPG trademarks and manifestations owned by Shell, subsequent to the sale of shares of the Company by Shell Petroleum Company Limited (Shell) to OPI Gas (Private) Limited.
- ▶ As per the terms of the Agreement, BLPL was required to cease the use of aforesaid trademarks and manifestations embossed / printed on its assets, according to the timelines and conditions set out in the Agreement. In the event of delay in fulfilment of such obligations, BLPL shall be liable to pay a fee at rates specified in the aforesaid timetable, in respect of each asset which BLPL has not demonstrated to Shell's satisfaction to have been fully debranded. As per the terms of the Agreement, OPI is guarantor under this Agreement.
- ▶ As at 31 December 2013, all assets in possession of BLPL have been debranded. In respect of assets not in possession / control of the BLPL, the company is in process of discussion/ consultation with its legal advisor to initiate necessary process for limitation of its liability under the Agreement.
- ▶ Based on legal advice, BLPL is confident that no fee shall be required to be paid to Shell AG for non-compliance with the debranding obligations under the Agreement for those assets, which are not in possession / control of the Company. However, debranding/ rebranding expenses incurred by BLPL to date, amounting to PKR 3.6 million, have not been acknowledged by OPI for reimbursement to BLPL. OPI is of the view that these expenses should be borne by BLPL as the ultimate beneficiary of debranding and rebranding exercise is BLPL and that OPI was just a guarantor under this Agreement, and accordingly liability of OPI will only arise if BLPL fails to meet its original obligations according to the timelines set out in the Agreement.
- ▶ However, BLPL based on the advice of its legal advisor, is not in agreement with OPI's interpretation of the Agreement and hence has recorded the debranding / rebranding expenses incurred to date as receivable from OPI till the resolution of this matter with OPI.
- ▶ Based on the above, the Company has not recognized provision for the estimated further cost of rebranding amounting to PKR 31.1 million.
- ▶ On the basis of legal advice, management has indicated that it is confident that the above will not result in any financial implication for the company. Accordingly, no adjustment has been made for the purpose of this analysis.



Reliance Restricted

Based on market approach, HTPL and BLPL have a value of PKR 687.26 million and 932.8 million respectively.

Computation of swap ratio

- ▶ The table below presents computation of swap ratio using:
 - Reported net assets
 - BLPL at market value and HTPL at net asset value
 - Adjusted net asset values of HTPL and BLPL
 - Market values of HTPL and BLPL

- ▶ Total number of shares of BLPL after the merger has been computed assuming that 16,835,783 shares held by HTPL prior to merger will be cancelled.

Conclusion

- ▶ Based on these workings, the swap ratio ranges between **0.30** to **0.56** shares of HTPL for every one share of BLPL.

| Currency: PKR '000 | Reported Net Assets | BLPL at Quoted Market Price- | | Quoted Market Price |
|--|---------------------|------------------------------|--------------|---------------------|
| | | HTPL at Adjusted NAV | Adjusted NAV | |
| Total value - HTPL | 499,234 | 666,914 | 364,681 | 687,256 |
| Total value - BLPL | 372,417 | 372,417 | 488,985 | 372,417 |
| Value per share - HTPL | 9.28 | 12.39 | 6.78 | 12.77 |
| Value per share - BLPL | 16.45 | 41.20 | 22.04 | 41.20 |
| Share swap ratio | 0.56 | 0.30 | 0.31 | 0.31 |
| Total No. of issued shares - HTPL | 53,821,384 | 53,821,384 | 53,821,384 | 53,821,384 |
| No. of shares to be issued to HTPL shareholders | 30,139,975 | 16,146,415 | 16,684,629 | 16,684,629 |
| Minority shares in BLPL | 5,804,261 | 5,804,261 | 5,804,261 | 5,804,261 |
| Total no. of shares of BLPL post-merger | 35,944,236 | 21,950,676 | 22,488,890 | 22,488,890 |
| Majority shareholder's holding in BLPL post merger | 83.9% | 73.6% | 74.2% | 74.2% |



Appendices

1. Appendix A: Signed engagement letter
2. Appendix B: Statement of limiting conditions



Engagement letter

Private and Confidential

Burshane LPG (Pakistan) Limited
Suite 101, 1st Floor, Horizon Vista
Plot No. Commercial -10, Block-4
Scheme No. 5, Clifton, Karachi, 75600
Pakistan

TAS/XXX/14
XX XXX 2014

Attention: Mr. Saifee Zakiuddin
Director Finance

BY MAIL

Engagement Agreement Valuation Advisory Services

Dear Sirs

Thank you for choosing Ernst & Young Ford Rhodes Sidat Hyder ("EY", "we" or "us") to perform the professional services ("Services") for Burshane LPG (Pakistan) Limited ("Client" or "you"), each of us being referred to as a "Party" and collectively as "Parties".

We appreciate the opportunity to assist you and look forward to working with you.

The attached Statement of Work ("SoW") describes the scope of the Services, our fees for the Services, and any additional arrangements. The Services will be subject to the terms and conditions of this letter ("Cover Letter"), including the attached SoW and General Terms and Conditions, and any other appendices (together, this "Agreement").

Please sign this letter in the space provided on the following page to indicate your agreement with these arrangements and return it to us at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact Zeeshan Hussain - Partner Transaction Advisory Services so that we can address any issues you identify before we begin to perform the Services.



23 21 May 2014
Burshane Valuation And Share Swap Ratio Report 21-May-
2014.Docx

Reliance Restricted



EY

Engagement letter

Yours faithfully,

ZH:KH

AGREED AND ACCEPTED

For and on behalf Burshane LPG (Pakistan) Limited
of

Mr. Saifee Zakiuddin
Director Finance

23-05-2014

Date



Encl:

- Appendix A - Statement of Work
- Appendix B - General Terms and Conditions
- Appendix C - Sample Access Letter
- Appendix D - Dispute Resolution Procedure

Statement of limiting conditions

Our valuation is contingent upon the following limiting conditions and assumptions made by us:

- 1 The valuation report is intended for use only by the party to whom it has been addressed. Mere possession of this valuation report does not convey the right of reliance, nor may reliance be placed by any third party for any other purpose than that for which it was prepared.
- 2 Ernst & Young is not required to revise or update this report to reflect events or conditions, which occur subsequent to the date of this report.
- 3 Information provided to us by the Management forms the basis upon which our valuation is conducted. Omission of any material information provided to Ernst & Young would have a significant impact on the valuation.
- 4 Transaction prices may reflect specific circumstances and considerations other than fair market value. Such factors include, but are not limited to:
 - The profile of the buyer
 - The profile of the seller
 - Potential synergies and strategic opportunities arising from a business combination
 - The degree of urgency attached to the sale or acquisition
- 5 The user of this report is responsible for making his/her own decision on the fairness of any transaction
- 6 We have relied on the accuracy and completeness of information obtained from the Management and hence has not independently verified such information unless otherwise stated.
- 7 Our report assumes that the Company complies and will comply fully with local laws and regulations, unless otherwise stated, and that it will be managed in a competent and responsible manner.
- 8 This report should not be considered as investment, tax or accounting advice and does not constitute a fairness opinion.
- 9 Our work is substantially less in scope than an audit and thus we do not express an audit opinion on any of the information contained in our report.

- 10 Neither Ernst & Young nor any individuals signing or associated with this report shall be required by reason of this report to give testimony or appear in court or other legal proceedings, unless specific separate arrangements have been made.



EY | Assurance | Tax | Transactions | Advisory

About EY

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[EYG/OC/FEA no.]





H.A.K.S. TRADING (PVT.) LIMITED

Address: No.6, Old Rally Building,
Talpur Road, Off: I.I. Chundrigar Road,
Karachi, Sindh, Pakistan.

email:haks.trading.pvt.ltd@gmail.com
Phone# 021-3205-3722.

Annexure - 'F'

List of Secured Creditors

1. National Bank of Pakistan

Long Term Loan of Rs. 400 Million

Signed

Chief Executive





H.A.K.S. TRADING (PVT.) LIMITED

Head Office: D-66, Block 5, Clifton, Karachi

Phone# +9921-3205-3722. +9921-35832206-7 Email:haks.trading.pvt.ltd@gmail.com

Amease - G

DETAILS OF PROPERTIES

Property No. 1:

All that piece and parcel of Commercial Cum Residential Land from bearing Survey No.47,measuring 02-Acres & 19-Ghuntas,Deh Okewari, Shakra-e-Faisal, Karachi, bounded and butted as under:

On the North by; Survey No.47
On the South by; Survey No.71/1
On the East by; Nalla
On the West by; Survey No.74

Property No. 2:

All that piece and parcel of Commercial Cum Residential Land from bearing Survey No.47,measuring 02-Acres & 19-Ghuntas,Deh Okewari, Shakra-e-Faisal, Karachi, bounded and butted as under:

On the North by; Survey No.47
On the South by; Survey No.71/1
On the East by; Nalla
On the West by; Survey No.74

Property No. 3:

All that piece and parcel of Commercial Cum Residential Land from bearing Survey No.74,measuring 00-Acres & 37-Ghuntas,Deh Okewari, Shakra-e-Faisal, Karachi, bounded and butted as under:

On the North by; Survey No.47
On the South by; Survey No.71
On the East by; Survey No.47
On the West by; Road

Signed,

[Signature]
Company Secretary

