

2 February 2015

The Managing Director  
Karachi Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Scheme of Arrangement for the merger of  
Lotte Chemical Pakistan Limited and Lotte PowerGen (Private) Limited**

Dear Sir,

We refer to your letter No. KSE/C-594-5525 dated 27 August 2014 and to our letter dated 2 September 2014 in response thereto regarding the subject matter. Copies of the said letters are enclosed herewith for your reference.

This is to inform you that the High Court of Sindh at Karachi has been pleased to pass an Order dated 29 January 2015 sanctioning the Scheme of Arrangement for the merger of Lotte Powergen (Private) Limited into Lotte Chemical Pakistan Limited and granting certain facilitating orders under section 287(1) of the Companies Ordinance. A certified copy of the said Order dated 29 January 2015 has been filed with the Registrar of Companies, Karachi on 2 February 2015 as required by sections 284(3) and 287(3) of the Companies Ordinance, 1984. Accordingly, under and pursuant to the Scheme of Arrangement and the Order aforesaid, as of 2 February 2015 Lotte Powergen (Private) Limited has merged into Lotte Chemical Pakistan Limited, and the entire undertaking of Lotte Powergen (Private) Limited has transferred to and vested in Lotte Chemical Pakistan Limited, and Lotte Powergen (Private) Limited has been dissolved without winding up.

As directed by you in paragraphs (i), (ii) and (iii) of your letter dated 27 August 2014, please find enclosed herewith the following documents:

- (i) 200 printed copies of the Scheme of Arrangement dated 26 August 2014;
- (ii) Certified copy of the extract of the Resolution passed by the shareholders of the Company at the Extraordinary General Meeting held on 25 November 2014; and
- (iii) Certified copy of the order dated 29 January 2015 passed by the High Court of Sindh sanctioning the Scheme of Arrangement dated 26 August 2014.

Page 1 of 2

As mentioned earlier, paragraphs (iv), (v) and (vi) of your letter dated 27 August 2014 are not applicable in the present Scheme of Arrangement.

You may please inform the members of the Exchange accordingly.

Yours sincerely,



Adnan Samdani  
Chief Financial Officer &  
Company Secretary

C.C.: The Managing Director  
Lahore Stock Exchange Limited

The Managing Director  
Islamabad Stock Exchange Limited

Commissioner  
Enforcement & Monitoring Division, SECP



## KARACHI STOCK EXCHANGE LIMITED

STOCK EXCHANGE BUILDING, STOCK EXCHANGE ROAD, KARACHI-74000, PAKISTAN.

UAN : 111-001-122 FAX : 32410825

WEBSITE: www.kse.com.pk E-mail: gm@kse.com.pk

Ref. No. KSE/ C-594-5525

August 27, 2014

The Company Secretary  
**Lotte Chemical Pakistan Limited**  
Plot No. EZ/1/P-4, Eastern Industrial Zone  
Port Qasim  
Karachi

Dear Sir,

Subject: **Scheme of Arrangement for the merger of Lotte Chemical Pakistan Limited and Lotte PowerGen (Private) Limited.**

Please refer to your letter dated August 26, 2014 on the subject.

You are requested to expedite submission of the following documents / information.

1. Copy of the Resolution passed by the Board of Directors of the Company
2. Draft Scheme of Amalgamation / Merger approved by the Board of Directors of the Company
3. Complete report of Swap Ratio, which form its basis

You will further be required to submit us upon approval the following documents/ information:

- i. 200 printed copies of Scheme of Amalgamation/Merger
- ii. Certified true copy of Resolution passed by the shareholders
- iii. Certified true copy of the approval of Court Order, sanctioning the Scheme of Amalgamation
- iv. Form-3 i.e. Return of Allotment as filed with the Registrar of Companies
- v. Auditor's Certificate confirming increase in paid-up capital of the Company
- vi. Payment of additional listing fee in favour of "**Karachi Stock Exchange Limited**" @ one tenth of one percent of the increase in the paid-up capital under Listing Regulation No.5.18.1 (b) of the Rule Book.

Sincerely,

**Muhammad Ghufan**  
Deputy General Manager

Copy to  
Deputy Managing Director

TCS- 2/9/2014

2 September 2014

Mr. Muhammad Ghufan  
Deputy General Manager  
Karachi Stock Exchange Limited  
Stock Exchange Road  
Karachi

Dear Sir

**Scheme of Arrangement for the merger of Lotte Chemical Pakistan Limited and Lotte PowerGen (Private) Limited.**

We refer to your letter No. KSE/C-594-5525 dated 27 August 2014 which was received by us on 29 August 2014, a copy whereof is enclosed herewith.

Set out below are our comments in relation to the documents/information requested by you.

1. Extract of the Resolution passed by the Board of Directors of the Company.
2. Scheme of Amalgamation / Merger as approved by the Board of Directors of the Company in their meeting held on 26 August 2014.
3. As you may be aware, Lotte PowerGen (Private) Limited is a wholly owned subsidiary of the Company. Under the Scheme of Arrangement, Lotte PowerGen (Private) Limited will merge into the Company and Lotte PowerGen (Private) Limited will stand dissolved without winding up. Therefore, the Scheme of Arrangement does not contemplate a swap of shares between the merger companies.

As regards documents listed as (i), (ii) and (iii) in your said letter, those will be submitted for your records upon the Scheme of Arrangement being sanctioned by the High Court of Sindh at Karachi,

As regards documents listed as (iv), (v) and (vi) in your said letter, those will not be required as the proposed Scheme of Arrangement does not contemplate allotment of shares of one merger company to the other or an increase in the paid up capital of the Company.

Yours sincerely,



Adnan W Samdani  
Chief Financial Officer &  
Company Secretary

Encl(s): As above



# Scheme of Arrangement

**LOTTE CHEMICAL  PAKISTAN LTD**

**SCHEME OF ARRANGEMENT**  
**UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE 1984**

Between

**LOTTE POWERGEN (PRIVATE) LIMITED**  
**and its MEMBERS**

And

**LOTTE CHEMICAL PAKISTAN LIMITED**  
**and its MEMBERS**

FOR

Amalgamation of Lotte PowerGen (Private) Limited ("Lotte Powergen") into Lotte Chemical Pakistan Limited ("Lotte Chemical") by (i) transfer to and vesting in Lotte Chemical of the entire undertaking of Lotte Powergen inclusive of all properties, assets, rights, liabilities and obligations of Lotte Powergen and (ii) dissolution of Lotte Powergen, without winding up.

**PRELIMINARY**

**Definitions**

In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

- "Completion Date" means the day on which this Scheme becomes operative pursuant to the provisions of \*paragraph 13\*<sup>1</sup> of this Scheme.
- "Effective Date" means 00:00 hours on the 1st day of January 2014.
- "Lotte Chemical" means Lotte Chemical Pakistan Limited, a company limited by shares incorporated in Pakistan and registered at Karachi as a public company and being a listed company, having its registered office at EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi, Pakistan.
- "Lotte Powergen" means Lotte PowerGen (Private) Limited, a company limited by shares incorporated in Pakistan and registered at Karachi as a private company, EZ/1/P-4, Eastern Industrial Zone, Port Qasim, P.O. Box 723, Karachi, 74200, Pakistan.
- "Lotte Powergen Undertaking" means all the properties, assets, privileges, powers, bank accounts, licences, permissions, authorizations, permits, rights, liabilities and obligations of Lotte Powergen inclusive of those described in paragraph 1 hereof.

<sup>1</sup>As amended on 15 September 2014 by resolution of the boards of directors of Lotte PowerGen (Private) Limited and Lotte Chemical Pakistan Limited



"the Court" means the High Court of Sindh or any other Court for the time being having jurisdiction under Sections 284 to 288 of the Companies Ordinance 1984

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

The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

### **Lotte Powergen**

Lotte Powergen was incorporated on 29 February 2012 at Karachi. The authorised share capital of Lotte Powergen is Rs. 4,500,000,000 divided into 450,000,000 ordinary shares of Rs. 10 each, of which all 450,000,000 ordinary shares are issued and fully paid. Lotte Chemical directly holds and controls the entire issued share capital of Lotte Powergen, with 449,999,997 ordinary shares being registered in the name of Lotte Chemical and one ordinary share each being registered in the names of the 3 nominees of Lotte Chemical.

### **Lotte Chemical**

In the year 2000, the Purified Terephthalic Acid (PTA) business of ICI Pakistan Limited was, under a scheme of arrangement sanctioned by the Court by order dated \*23 July 2001\*<sup>2</sup> passed in Judicial Miscellaneous Application No. 17 of 2001, de-merged from ICI Pakistan Limited into a separate company, Pakistan PTA Limited, which separate company was incorporated for the said scheme of arrangement on 23 June 1998 and is registered at Karachi.

Subsequently, in September 2009, a South Korean conglomerate, Lotte, acquired the majority shareholdings in Pakistan PTA Limited and the name of the company was changed to Lotte Pakistan PTA Limited. As a result of the global policy of Lotte, in or about May 2013, the name of Lotte Pakistan PTA Limited was changed to Lotte Chemical Pakistan Limited.

The authorised share capital of Lotte Chemical is Rs. 20,000,000,000 divided into 2,000,000,000 ordinary shares of Rs. 10 each, of which 1,514,207,208 ordinary shares are issued and fully paid and the remainder are unissued.

The issued shares of Lotte Chemical are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

### **Object of this Scheme**

The principal object of this Scheme is to effect a merger between Lotte Powergen and Lotte Chemical through the transfer to and vesting in Lotte Chemical of the entire undertaking of Lotte Powergen, and the dissolution of Lotte Powergen.

<sup>2</sup>As amended on 15 September 2014 by resolution of the boards of directors of Lotte PowerGen (Private) Limited and Lotte Chemical Pakistan Limited

## THE SCHEME

### The Lotte Powergen Undertaking and its transfer to and vesting in Lotte Chemical

1. The Lotte Powergen Undertaking to be transferred to and vested in Lotte Chemical under the Scheme shall be inclusive of the following:
  - (a) all assets and properties of Lotte Powergen, including, without limitation, properties of all kinds and by whatever title held and whether movable or immovable or tangible or intangible, and without limiting the generality of the foregoing in particular;
    - (i) all plant, machinery, equipment, spare parts, tools, appliances, computer systems and furniture, fixtures and fittings;
    - (ii) all stocks, stock-in-trade, inventory, raw materials, engineering spares, consumable stores, work in progress;
    - (iii) all contracts, agreements, leases, hires, rentals, sub-leases, tenancies, conveyances, grants, instruments of transfer, engagements, commitments and arrangements entered into by or subsisting in favour of Lotte Powergen which remain in whole or in part to be performed, inclusive of all rights and obligations of Lotte Powergen arising thereunder;
    - (iv) all actionable claims, book, trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable to Lotte Powergen (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, loans made, investments (both short term and long term), including without limitation, investments in shares, cash in hand and at banks or other depositories;
    - (v) all historical and current documents, customer lists, product and supplier lists, catalogues, literature documents of title, and other accounting (including accounting reports) and other financial data whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche);
  - (b) but the transfer and vesting of such assets and properties shall be subject to all mortgages and charges and other encumbrances subsisting thereon;
  - (b) all connections, meters and other installations owned by, or leased or licensed to, Lotte Powergen for the supply of electricity, gas and water and the benefit of all payments and deposits made by or for the account of Lotte Powergen in connection therewith;
  - (c) all rights, powers, authorities and privileges of Lotte Powergen, including all registrations, licences, authorizations, permits, categories, entitlements, sanctions, approvals and permissions concerning the investment in or carrying on of any business by Lotte Powergen and other activities carried on by Lotte Powergen or any part thereof;
  - (d) all rights, title and interest of Lotte Powergen in technical data and know-how, industrial and technical information, trade secrets, confidential information, drawings, formulations, technical reports, operating and testing procedures, instruction manuals, raw material or production specifications, the results of research and development work, whether in hard copy or in computer held form (including, for the avoidance of doubt, such media as microfilm and microfiche) and computer software;
  - (e) the goodwill of Lotte Powergen in respect of all of its businesses and activities;
  - (f) all other rights, powers, authorities and privileges of Lotte Powergen including, without limitation:
    - (i) all registrations, licences, permits, categories, entitlements, authorisations, sanctions, permissions and approvals issued or granted by any government, governmental department or agency, or any statutory or local authority or



any municipal corporation to Lotte Powergen, including without limitation the licences, permits, authorisations granted by National Electric Power Regulatory Authority and Sui Southern Gas Company Limited; and

- (ii) all concessions, entitlements, tariff protections and duty and tax exemptions and remissions; and
- (iii) all credits and refunds on account of sales tax, customs duty, octroi and other duties, taxes, levies, fees, charges, or imposts paid on account of, or in connection with any properties, assets or materials comprised in the Lotte Powergen Undertaking and inclusive of the right to adjust the amount of sales tax paid on the purchase acquisition or import thereof (input tax) against sales tax payable by Lotte Powergen on goods sold by it (output tax); and
- (iv) all rights against third parties (including sub-contracts and any retention of title rights);
- (g) all licences, permits and authorisations for the import or export of any plant, machinery, equipment, materials, goods, articles or things and all bills of entry, airway bills, bills of lading or other documents of title relating thereto and all letters of credit and other payment orders and all rights, titles, privileges, benefits, liabilities and obligations of Lotte Powergen arising thereunder or pursuant thereto or in relation thereof;
- (h) all banking and other accounts maintained by Lotte Powergen and all the credit and debit (as the case may be) balances in such accounts;
- (i) all debts and other liabilities and obligations of Lotte Powergen whether accrued or accruing or contingent and whether incurred solely or jointly with another or others including amounts owing to banks and financial institutions and other creditors;
- (j) all loans, advances, finances, leases and banking facilities provided to, or agreed to be provided to, Lotte Powergen inclusive of interest, mark up or other return and bank

charges in respect thereof;

- (k) all amounts owing (whether or not due for payment) or payable by Lotte Powergen in respect of the supply of goods, utilities and services to Lotte Powergen and which are unpaid (including, without limitation, credit notes granted and advances received from suppliers or customers);
  - (l) the liabilities of Lotte Powergen for payment of taxes, and the entitlements of Lotte Powergen to credit or refund of payments made for or in respect of any assessment or liability for taxes including advance tax collections;
  - (m) the benefits of any policies of insurance issued to or otherwise available to Lotte Powergen;
  - (n) the capital reserves, revenue reserves, revaluation surpluses, unappropriated profits and accumulated accounting losses of Lotte Powergen; and
  - (o) the benefit of all capital allowances and tax losses.
2. Lotte Powergen and Lotte Chemical shall be amalgamated by transfer to and vesting in Lotte Chemical of the Lotte Powergen Undertaking as subsisting immediately preceding the Completion Date, and accordingly the entire Lotte Powergen Undertaking, both as subsisting immediately preceding the Completion Date, without further act or deed, matter or thing, process or procedure, shall be transferred to and vested in Lotte Chemical on the Completion Date.
  3. The amalgamation in accordance with this Scheme and the transfer to and vesting in Lotte Chemical of the Lotte Powergen Undertaking shall be treated as having taken effect from the Effective Date and as from that time and until the Completion Date the Lotte Powergen Undertaking (inclusive of the businesses, operations and other activities of Lotte Powergen) shall both be deemed to have been carried on by Lotte Powergen for and on account and for the benefit of Lotte Chemical.

All profits and losses accruing or arising or incurred by Lotte Powergen through the operation of the Lotte Powergen Undertaking (inclusive of the businesses and other activities of Lotte Powergen) from the Effective Date shall be treated as the profits or losses, as the case may be, of Lotte Chemical.

#### **Cancellation of shares issued by Lotte Powergen**

4. On the Effective Date, all share certificates representing the Ordinary Shares of Lotte Powergen shall stand cancelled.

#### **Discharge by Lotte Chemical of the liabilities and obligations of Lotte Powergen**

5. All contracts, agreements, trusts, leases, conveyances, grants and instruments of transfer entered into by or subsisting in favour of Lotte Powergen, upon being transferred to and vested in Lotte Chemical shall remain in full force and effect as if originally entered into by or granted in favour of Lotte Chemical instead of Lotte Powergen, and Lotte Chemical may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly.
6. The debts and liabilities and the obligations of Lotte Powergen upon being transferred to and vested in Lotte Chemical shall be treated as the debts and liabilities and the obligations of Lotte Chemical as if originally incurred by Lotte Chemical instead of Lotte Powergen, and Lotte Chemical shall pay and discharge all such debts and liabilities and shall perform all such obligations accordingly.

#### **Miscellaneous**

7. All suits, appeals and other legal proceedings instituted by or against Lotte Powergen and pending immediately before the Effective Date shall be treated as suits, appeals and legal proceedings by or against Lotte Chemical and may be continued, prosecuted and enforced by or against Lotte Chemical accordingly.
8. The capital reserves, revenue reserves, revaluation surpluses and unappropriated profits of Lotte

Powergen as at \*the day immediately preceding the Completion Date\*<sup>3</sup> shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in Lotte Chemical and shall be accounted for on that basis in the books of account of Lotte Chemical.

9. Lotte Powergen shall be dissolved, without winding up, on the Effective Date or on such later date as the Court by order may prescribe.
10. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose.
11. The boards of directors of Lotte Chemical and Lotte Powergen may consent jointly on behalf of all concerned to any modifications of or additions to this Scheme or to any conditions which the Court may think fit to impose.
12. All costs, charges and expenses of Lotte Powergen and Lotte Chemical in respect of the preparation of this Scheme and carrying the same into effect shall be borne and paid by Lotte Chemical.
13. This Scheme shall become operative as soon as a certified copy of an order or orders of the Court under Section 284 of the Companies Ordinance 1984 sanctioning this Scheme and making any necessary provisions under Section 287 of the said Ordinance shall have been filed with the Registrar of Companies Karachi and, unless this Scheme shall have become effective as aforesaid on or before 30 June 2015 or such later date if any as the Court may allow, the same shall not become effective.

Dated: 26 August 2014

<sup>3</sup>As amended on 15 September 2014 by resolution of the boards of directors of Lotte PowerGen (Private) Limited and Lotte Chemical Pakistan Limited

Presented on 16/9/14

Deputy Registrar

10/9/19/9/9A  
36

IN THE HIGH COURT OF SINDH AT KARACHI

Original Civil Jurisdiction

Under the Companies Ordinance 1984

Judicial Miscellaneous Application No. 29 of 2014

IN THE MATTER OF the Companies Ordinance 1984

-And-

IN THE MATTER OF (1) Lotte PowerGen (Private) Limited and (2) Lotte Chemical Pakistan Limited

16 SEP 2014  
17 SEP 2014  
18 SEP 2014  
19 SEP 2014

**LOTTE POWERGEN (PRIVATE) LIMITED**

a company incorporated in Pakistan and registered at Karachi whose registered office is at EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi, through constituted attorney, Mr. Adnan Wasey Samdani

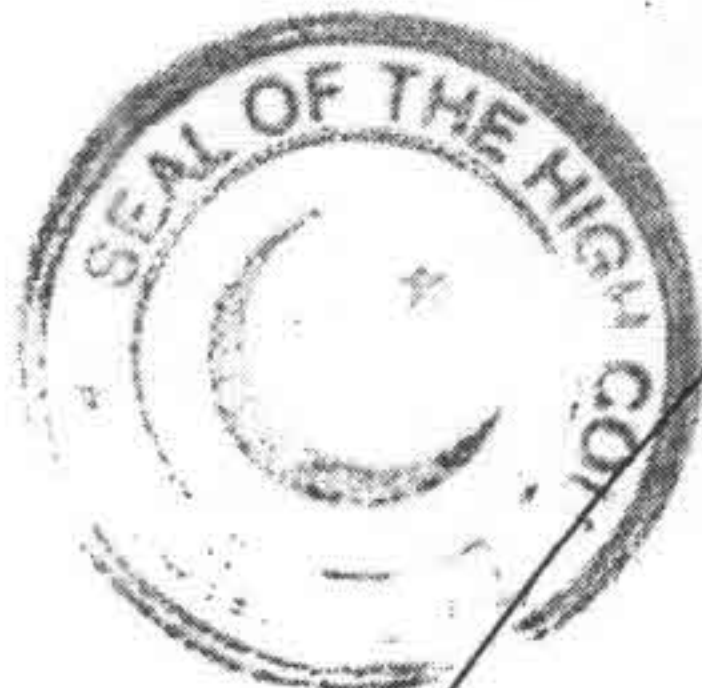
..... Petitioner No. 1

**LOTTE CHEMICAL PAKISTAN LIMITED**

a company incorporated in Pakistan and registered at Karachi whose registered office is at EZ/1/P-4, Eastern Industrial Zone, Port Qasim, Karachi, through constituted attorney, Mr. Adnan Wasey Samdani

..... Petitioner No. 2

Application under Sections 284 and 287 of the Companies Ordinance 1984



ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

J.M. No. 29 of 2014

Date \_\_\_\_\_ Order with signature of Judge \_\_\_\_\_

For hearing of main petition:

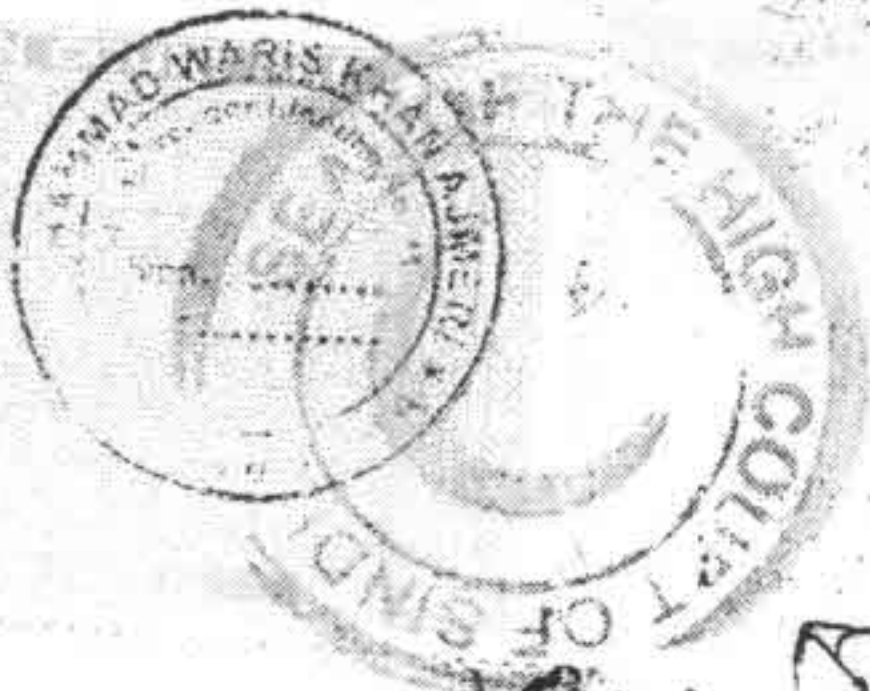
29.01.2015.

M/s. Farzeen E. Bhadha and Muhammad Mitha, Advocates for Petitioners No.1&2.

I have seen the comments of SECP as also the statement filed by learned counsel for the Petitioners in response thereto enclosing the relevant NOCs from the secured creditors. The report relating to the meeting as required to be held has also been placed on record and has been seen.

Having considered all the relevant material, in my view, there is no impediment to the scheme being approved as placed before the Court. Accordingly, this petition is allowed as prayed.

29 JAN 2015



*30/1/15 = Mu. Mitha*  
*Judge*

FILED BY \_\_\_\_\_  
ESTIMATED BY \_\_\_\_\_  
ESTIMATED FROM DEPARTMENT \_\_\_\_\_  
NOW MADE PUBLIC ON 30-1-2015  
DATE OF \_\_\_\_\_  
BY \_\_\_\_\_  
30-1-15

CERTIFIED TO BE TRUE COPY

*30/01/2015*  
ASSISTANT REGISTRAR

*30/01/15*

*30/01/2015*  
ASSISTANT REGISTRAR

**EXTRACT OF A RESOLUTION PASSED BY THE SHAREHOLDERS OF  
LOTTE CHEMICAL PAKISTAN LIMITED IN THE EXTRAORDINARY  
GENERAL MEETING HELD ON 25 NOVEMBER 2014**

**RESOLVED THAT** the Scheme of Arrangement for Amalgamation dated 26 August 2014 between Lotte PowerGen (Private) Limited and its Members, and Lotte Chemical Pakistan Limited and its Members, considered by this meeting and initialled by the Chairman of this meeting for purposes of identification, be and is hereby approved adopted and agreed.

**CERTIFIED TRUE COPY**



**ADNAN SAMDANI  
CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY**