

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