

February 17, 2025

Executive Director

Public Offering & Regulated Persons Department
Securities Market Division
Securities and Exchange Commission of Pakistan
NIC Building, Jinnah Avenue
Islamabad

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Karachi

The Chief Executive

Lotte Chemical Pakistan Limited
EZ/1/P 4, Eastern Industrial Zone, Port Qasim,
Karachi.

Subject: Publication of Public Announcement of Intention to acquire 75.01% of the ordinary shares of Lotte Chemical Pakistan Limited


Dear Sir(s),

This is with reference to the Public Announcement of Intention to acquire 75.01% of the ordinary shares of Lotte Chemical Pakistan Limited (the "**Target Company**") by AsiaPak Investments Limited and Montage Oil DMCC (the "**Acquirer(s)**"), issued on February 13, 2025. In this regard, we would like to inform you that the Public Announcement of Intention has been published in today's edition (i.e. February 17, 2025) of Business Recorder and Nawa-i-Waqt in accordance with Regulation 6(5) of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulation, 2017.

Copy of the newspaper publications where Public Announcement of Intention has been published is enclosed herewith.

You may contact the undersigned for any additional information or clarification.

Yours faithfully



M. Faizan Qureshi
Analyst, Investment Banking



Hamza Rehan
Associate, Investment Banking

NATIONAL NEWS

Weekly Cotton Review

Spot rate down as prices continue to fall

NASEEM USMAN
KARACHI: A continuous drop in cotton prices over the past week has plunged the local cotton market into uncertainty. Analysts warn that the surge in imported cotton, yarn, and fabric is severely impacting domestic cotton cultivation and the textile industry.

Mixed trends were observed at the New York Cotton Exchange, while Pakistan witnessed a record increase in imports of cotton, yarn, and fabric during the current fiscal year. This influx has driven local cotton and lint prices to historic lows. Chairman Cotton Ginners Forum Ahsan ul Haq predicts that if this trend persists, cotton cultivation could decline by 30-40% in 2025-26, posing significant challenges to the national economy.

The local textile industry faces severe issues due to a flood of imported goods and soaring energy prices. Industrialists argue that reducing production costs is impossible without slashing electricity and gas tariffs.

Head Transfer of Technology Central Cotton Research Institute Multan Sajid Mahmood said that there is an urgent need for a centralised Cotton Body to address systemic issues. "Heavy investment in modern research and technology, coupled with a comprehensive national policy spanning cotton cultivation to textile exports, is critical for sustainable solutions," he stated.

The All Pakistan Textile Mills Association (APTMA) has reiterated its demand for a level playing field. Lamenting what it called lack of concrete action from authorities, its spokesperson warned, "If uniform policies for imported and local goods are not implemented, thousands of factories will shut down."

Farmers and industrialists stress that without immediate price stabilisation, reduced energy costs, and import controls, Pakistan's textile exports will face mounting pressure, further straining foreign exchange reserves.

During the past week, the local cotton market experienced an overall decline in cotton prices. Business activity remained limited as textile spinners showed greater interest in imported cotton, which offers better quality at lower prices along with the benefits of the EFS facility. Additionally, significant quantities of cotton yarn and fabric are being imported, whereas local cotton is subject to an 18% sales tax. To address this disparity, the Agriculture Tax Task Force of FPCCI and the SIFC have recommended measures to establish a level playing field. These include withdrawing the EFS facility on imported cotton, imposing import duties, or eliminating the sales tax on local cotton to ensure fair competition.

Last week, two cotton conferences were held in Karachi and Multan to promote the revival of cotton cultivation. The conferences, organised by PCCC and Better Cotton in Karachi, and PCCC and Cotton Connect in Multan, featured proposals and recommendations for early sowing of cotton, among other topics.

In addition, the Punjab Ministry of Agriculture is holding meetings and seminars to raise awareness among cotton farmers in the province. Reports indicate that early cotton cultivation has begun in some areas.

In Punjab, 10 lac acres of land have been allocated for early sowing of cotton. The government's efforts to promote cotton cultivation are

expected to boost production and support farmers in the province.

In Sindh, the price of quality cotton per maund and as per payment terms is in between Rs 16,700 to Rs 17,800. In Punjab, the cotton price remains in between Rs 17,500 to Rs 17,800 per maund. The Phutti is almost ended. In Balochistan, the cotton stock is also near ending.

The Karachi Cotton Association's Spot Rate Committee reduced the spot rate by Rs 300 per maund, settling at Rs 17,500.

Naseem Usman, Chairman of the Karachi Cotton Brokers Forum, stated that international cotton prices are mixed, with New York cotton futures trading between 66.50 to 68.00 American cents per pound. According to the USDA's weekly export and sales report, two lac forty four thousand and seven hundred bales were sold for the 2024-25 season. Bangladesh topped the list by purchasing fifty four thousand and one hundred bales, followed by Vietnam with fifty one thousand and six hundred bales. Turkey is on number third with thirty six thousand and seven hundred bales and Pakistan is on number fourth with twenty nine thousand and seven hundred bales.

For the 2025-26 Season, nine teen thousand and one hundred bales were sold. Honduras led with ten thousand bales, Mexico remained second with five thousand bales, and Pakistan secured third place with twenty three hundred bales.

APTMA is placing advertisements in newspapers and making appeals to the government through various means, but it says there is no one to listen. APTMA is such a large stakeholder, an organised and influential apex body for exports and import, yet its position is so weak that it cannot get its legitimate demands resolved. Units worth billions and trillions of rupees are being shut down. The country's textile sector is facing severe difficulties mainly due to the EFS facility (Export Finance Scheme) for imported goods.

The Chairman of APTMA said that currently 40% of mills have already shut down, and more are being closed daily. This indicates that in the coming days, additional mills, particularly spinning mills, will be forced to close due to losses.

Meanwhile, considering the cotton situation, expectations for an increase in cotton production are diminishing. Imported cotton, yarn, and fabric are being imported in large quantities under the Export Facilitation Scheme (EFS) facility. Given these circumstances, it appears the spinning sector in the country is in decline. If the government does not address this issue seriously, it will be too late.

Pakistan's textile industry is demanding that the government provide affordable electricity, energy, and other facilities, similar to countries like India, Bangladesh, and Vietnam, to enable competition. Unfortunately, our textile industry is not providing financial or technical support to cotton research institutions, particularly the PCCC, nor investing in cotton revival or offering any financial assistance to farmers. In contrast, other countries are providing substantial financial and technical support to their research institutions and farmers.

The APTMA has urgently demanded the government create a level playing field for local raw materials and intermediate inputs for export-oriented manufacturing.

The lack of implementation of the Export Facilitation Scheme (EFS) has pushed the country's spinning industry to the brink of collapse.

The entire textile value chain is on the verge of being wiped out; it is only a matter of time. Over 100 spinning mills representing nearly 40% of total production capacity—have already closed, while the remaining mills are barely operational, running at less than 50% capacity.

Sajid Mahmood, Head of the Technology Transfer Centre at the Central Cotton Research Institute Multan said that given the severe challenges currently facing cotton, it must be acknowledged that achieving immediate successful outcomes through any conference or meeting related to cotton revival is not easy. Cotton revival is a long-term process requiring patience, persistence, and a comprehensive strategy. Government institutions are fully active in this regard, maintaining continuous consultations with various stakeholders and taking multiple steps to address the situation.

He emphasized that restricting competitive crops in the cotton belt under crop zoning, incentivizing farmers through practical measures to shift back to cotton, eliminating the role of middlemen to make cotton profitable, controlling seed and pesticide mafias, reducing the prices of agricultural inputs, and lowering production costs are all complex challenges that cannot be resolved overnight. These require a cohesive and sustained policy framework. To achieve this, all stakeholders must prioritize collective interests and formulate a unified cotton policy.

He further added that establishing a robust central cotton body, heavy investment in advanced research, and a comprehensive national policy to address persistent issues in the cotton industry are critical needs of the hour. Every stakeholder must play their part to implement concrete measures for cotton revival.

Organising conferences, workshops, and meetings is an essential step for cotton revival and should not be underestimated. These activities lay the foundation for lasting and sustainable reforms, bringing farmers, policymakers, and other relevant parties to a common platform to chart a path toward resolving challenges.

Regarding short-term government policies, promoting early cotton cultivation can yield immediate positive results, with evidence of success already available. Government institutions are fully engaged in this effort. Early cultivation of triple-gene cotton varieties can increase yield per acre, reduce production costs, and protect against pests like whitefly and pink bollworm. Early cultivation can help achieve a yield of 40 to 45 maund per acre, which would prove more profitable for farmers.

Furthermore, due to record imports of cotton and cotton yarn this year by textile mills instead of domestic procurement, there is a significant decline in cotton and lint prices in Pakistan, raising concerns about an unprecedented reduction in cotton cultivation this year. By 2025-26, Pakistan may have to spend billions of dollars on importing cotton and cotton yarn, along with several billion dollars on edible oil. Federal and provincial governments must eliminate the sales tax exemption on cotton and cotton yarn imports before launching campaigns to increase cotton cultivation. This will encourage textile mills to purchase domestic cotton, improve lint prices, and incentivize farmers to grow more cotton.

Ahsan ul Haq, Chairman of the Cotton General Forum, stated that the federal budget 2024-25 surprisingly exempted imported cotton and cotton yarn from sales tax while imposing an 18% sales tax on domestic purchases. Initially, international cotton prices were much higher than Pakistan's, so imports remained low, and domestic cotton and lint prices were unaffected. However, after global cotton prices dropped due to various factors, export-oriented textile mills halted domestic purchases and began large-scale imports.

PUBLIC ANNOUNCEMENT OF INTENTION TO ACQUIRE MORE THAN 75.01% SHARES AND CONTROL OF LOTTE CHEMICAL PAKISTAN LIMITED (THE "TARGET COMPANY")

BY ASIAPAK INVESTMENTS LIMITED AND MONTAGE OIL DMCC (THE "ACQUIRER(S)") UNDER SECURITIES ACT, 2015

Admonishment: Please note that the public announcement of intention to acquire voting shares/control of Lotte Chemical Pakistan Limited is subject to obtaining the requisite regulatory approvals including clearance of fit and proper criteria from any regulatory authority, if applicable. The public announcement of intention may be withdrawn, if the requisite approvals are not granted by the concerned regulatory authority(ies).

Part-A

Brief description of the intended acquisition –

The Acquirer intends to acquire approximately 75.01% shareholding and control in the Target Company. Public Offer shall be made for at least fifty (50) percent of the remaining voting shares in accordance with Regulation 14 of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 ("Regulations"), which, if applicable, shall be pursuant to a competitive bid under Regulation 17 of the Regulations if, at the time, there is an earlier public announcement of offer by another interested acquirer.

Intended acquisition through	Number of shares	Percentage
Share Purchase Agreement	1,135,860,105	Approx 75.01% of the paid-up capital of the Target Company
Public offer	189,173,552	12.49%

Part-B

1) Information about the acquirer

(a) Name(s) and address(es) of acquirer along with persons acting in concert, if any.

Company	Name	Address
AsiaPak Investments Limited	AsiaPak Investments Limited	a Company registered in the British Virgin Islands, BVI Company #1385936, and having registered office at Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Montage Oil DMCC	Montage Oil DMCC	Office No. 1302, Saba 1, Jumeirah Lake Towers Cluster E, Dubai, United Arab Emirates

(b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder.

Company	S.No	Name
AsiaPak Investments Limited	1.	Mr. Shaheryar Arshad Chishty
Montage Oil DMCC	1.	Mr. Muhammad Ali Cheema
	2.	Mr. Faraz Ahmed

(c) Name(s) and address(s) of manager to the offer of the acquirer.

Name: Arif Habib Ltd.

Address: Arif Habib Centre, 23, M.T. Khan Road Karachi 74000

(d) Principal areas of business of the acquirer(s) and relevant experience

AsiaPak Investments Limited is an investment holding company. Through its various subsidiaries it owns, through acquisitions, controlling shareholding in Daewoo Pakistan Express Bus Service Limited and Liberty Power Limited. The acquirer was also the original developer and remains a minority shareholder in the Thar Coal Block 1 coal mine which is a CPEC "early harvest" project.

Montage Oil DMCC, is a UAE based company which manages complex supply chains for both petrochemical manufacturers and consumers by simplifying market access to a variety of products and services. It combines a global network with outstanding local execution. They operate liquid storage facilities in Sharjah, Karachi, Lahore, Ho Chi Minh City, and Qingdao. They also operate 2 dry bulk storages in Vietnam and UAE.

(e) In case the acquirer is a fund/company(s):

(i) Names of the chief executive and directors of the company(s):

Company	Name	Designation
AsiaPak Investments Limited	Mr. Shaheryar Arshad Chishty	Chief Executive & Director
Montage Oil DMCC*	Mr. Muhammad Ali Cheema	Director
	Mr. Faraz Ahmed	Director

* Mr. Muhammad Ali Cheema and Mr. Faraz Ahmed are both directors of the company, and there is no Chief Executive.

(ii) Names of substantial shareholders of the company.

Company	Name	Shareholding Percentage
AsiaPak Investments Limited	Mr. Shaheryar Arshad Chishty	93.32%
Montage Oil DMCC	Mr. Muhammad Ali Cheema	50%
	Mr. Faraz Ahmed	50%

(iii) Date of incorporation:

Company	Date of Incorporation
AsiaPak Investments Limited	09th February, 2007
Montage Oil DMCC	16th January, 2017

(iv) Jurisdiction of incorporation:

Company	Jurisdiction of Incorporation
AsiaPak Investments Limited	British Virgin Islands
Montage Oil DMCC	United Arab Emirates

(v) Authorized and paid-up capital:

Company	Authorized Capital	Paid-up Capital
AsiaPak Investments Limited	US\$ 50,000	US\$ 12,000/-
Montage Oil DMCC	US\$ 27,248	US\$ 27,248

(f) Detail of companies, where the intended acquirer(s) hold more than thirty percent voting shares:

Company*	Name of the Company	Registration number	Nature (Listed/Unlisted/Private)	Nature of Business	Jurisdiction of Incorporation	Description held control/more than 30% shares or both
AsiaPak Investments Limited	Greentown Holdings BVI Inc.	1655849	Private	Investment Holding Company	British Virgin Islands	53%
	TNB Power Daharki Limited	16985/2796	Private	Investment Holding Company	Mauritius	100%
	SAGE Venture Group Limited	2091087	Private	Investment Holding Company	British Virgin Islands	100%
	Retallo Technologies Holding Limited	000004616	Private	Investment Holding Company	UAE	100%
	Skopecourt Inc.	145022	Private	Investment Holding Company	British Virgin Islands	100%

* Montage Oil DMCC does not hold control/more than thirty percent voting shares in any other company.

(g) Information about ultimate beneficial owner of the intended acquirer(s): -

(i) Name(s) of the natural person(s), CNIC/Passport Number, nationality and address of each person.

Company	Name	CNIC/Passport Number	Nationality	Address
AsiaPak Investments Limited	Mr. Shaheryar Arshad Chishty	42301-14711141-9	Pakistani	House # B-40, Naval Housing Scheme, Zamzama, Clifton Karachi
Montage Oil DMCC	Mr. Muhammad Ali Cheema	35202-8418200-3	Pakistani	2702, Kempinski Boulevard, Dubai, UAE
	Mr. Faraz Ahmed	35202-7394738-3	Pakistani	2401, Address Skyviews T2, Dubai, UAE

(ii) Detail of companies located in and outside Pakistan, where the ultimate acquirer or the ultimate controlling shareholder held control and or more than thirty percent voting shares: -

Company/Ultimate acquirer	Name of company	Registration Number	Nature (listed/unlisted/ Private)	Nature of Business	Jurisdiction of incorporation	Description held control/more than thirty % shares or both
Mr. Shaheryar Arshad Chishty	AsiaPak Investments Limited	1385936	Private	Investment Holding Company	British Virgin Islands	93.32%
	Greentown Holdings BVI Inc.	1655849	Private	Investment Holding Company	British Virgin Islands	49.46%
	TNB Power Daharki Limited	16985/2796	Private	Investment Holding Company	Mauritius	93.32%
	SAGE Venture Group Limited	2091087	Private	Investment Holding Company	British Virgin Islands	93.32%
	Retallo Technologies Holding Limited	000004616	Private	Investment Holding Company	UAE	93.32%
	Skopecourt Inc.	145022	Private	Investment Holding Company	British Virgin Islands	93.32%
	Liberty Daharki Power Limited	0035342	Public Unlisted	Power Producer	Pakistan	93.32%
	Daewoo Pakistan Express Bus Service Limited	0038653	Public Unlisted	Transport and Logistics	Pakistan	89.08%
Mr. Muhammad Ali Cheema	West Trade International FZE	4795	Private	Trading and Distribution of Petrochemicals & Holding Company	UAE	100%
	PACHEM Global (Pvt) Limited*	0124536	Private	Petrochemical Manufacturing Facility	Pakistan	77%

* Mr. Muhammad Ali Cheema holds 100% shareholding in West Trade International FZE, which, in turn, holds 77% shareholding of PACHEM Global (Pvt) Limited

(h) details of any existing holding of voting rights in the target company;

(i) which the acquirer owns or over which it has control or direction;

Nil

(ii) which is owned or controlled or directed by any person acting in concert with the of acquirer;

Nil

(iii) in respect of which the acquirer or any person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities.

None

(i) all conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the public offer or the posting of it is subject.

None

Part-C

2) Information about the target company

(a) Name of the target company, its directors and major shareholders along with number of shares and percentage of paid-up capital.

S No.	Name of Directors	Position
1	Sung Soo Bae	Chairman
2	Young Dae Kim	Chief Executive
3	IL Kyu Kim	Non-Executive
4	Jae Sun Park	Non-Executive
5	Kyung Hoi Yoo	Non-Executive
6	Shabbir Diwan	Non-Executive
7	Rashid Ibrahim	Independent
8	Khurram Rashid	Independent

S No.	Shareholder Name	Shares	Shareholding Percentage
1	Lotte Chemical Corporation	1,135,860,105	75.01%

(b) Total number of issued shares of the company.

Total number of issued shares of the Target Company: 1,514,207,208 ordinary shares of PKR 10 each.

(c) Date of listing and offer price at the time of initial public offering

Date of listing: September 2001

Offer price: Lotte Chemical Pakistan Limited Pakistan was listed on the Pakistan Stock Exchange as a result of the demerger between ICI Pakistan Limited and Pakistan PTA Limited (earlier name of Lotte Chemical Pakistan Limited)

(d) Opening price at securities exchange at time of listing

The opening price was PKR 0.05 per share (Price of Pakistan PTA Limited)

(e) share price quoted on the securities exchange one day before the public announcement of intention: PKR 21.56 per share *

(f) the weighted average share price as quoted on the securities exchange during twenty-eight days (28) days preceding the date of public announcement of intention: PKR 22.37 per share **

* Share price at the close of market hours on February 12, 2025

** Volume Weighted Average Share Price of Lotte Chemical Pakistan Limited for the period from January 16, 2025 to February 12, 2025

(g) financial position/performance of the company for the last five years, including profit/loss after tax, earning per share, payouts.

Amounts in PKR Mn	30 September 2024	December 30, 2023	December 30, 2022	December 30, 2021	December 30, 2020	December 30, 2019
Total Assets	36,694	43,576	43,333	36,473	31,496	27,526
Total Liabilities	14,292	21,564	20,319	17,497	13,747	11,734
Shareholders' Equity	22,402	22,012	23,014	18,977	17,749	15,792
	9 Months period ended 30th September	CY23	CY22	CY21	CY20	CY19
Net Sales	88,977	81,619	100,266	67,165	38,965	60,450
Profit after tax	2,662	5,078	10,118	4,643	2,125	5,542
EPS (PKR)	1.76	3.35	6.68	3.07	1.40	3.54
Dividend per share (PKR)		3.00	6.00	1.50	0.75	1.50

Source: Financial statements of Lotte Chemical Pakistan Limited.

Announcement The Pakistan Credit Rating Agency Limited For further details visit www.pacra.com or scan the QR Code						
Entity/ Investment Advisor Rating	Rating Type	Action	LTR	STR	Outlook	
Ibrahim Fibres Limited	Entity	Maintain	AA	A1+	Stable	
Shujaabad Agro Industries (Pvt) Limited	Entity	Maintain	A-	A2	Stable	
Punjab Oil Mills Limited	Entity	Maintain	BBB+	A2	Stable	
Jadeed Oil Extraction (Private) Limited	Entity	Maintain	BBB-	A3	Positive	
Mehmooda Maqbool Mills Limited	Entity	Maintain	BBB+	A2	Stable	
Eastern Garments (Pvt) Limited	Entity	Withdraw	-	-	-	
Ahmed Fine Textile Mills Limited	Entity	Maintain	A	A1	Stable	
Sinha Abadgars Sugar Mills Limited	Entity	Maintain	BBB	A2	Positive	
BMA Investment Advisors Limited (Formerly BMA Asset Management Company Limited)	Investment Advisor Rating	Maintain	AA2-(ia)	-	Stable	
Instrument Rating						
Rating Type	Action	LTR	STR	Outlook		
Lucky Electric Power Company Limited - PPST5-21 - PKR 60n - TBI	Debt Instrument	Preliminary	AA	A1+	Stable	
Isma Industries Limited / PPST5 / PKR 60n / June 24	Debt Instrument	Redeem	-	-	-	
Isma Industries Limited - PPST5-4 - PKR 80n - TBI	Debt Instrument	Preliminary	AA	A1	Stable	