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GRUPA KAPITAŁOWA ZPC OTMUCHÓW S.A.

Otmuchow, March 30<sup>st</sup>, 2015

### **Current report no 5/2015**

Subject: The update of the merger plan between ZPC "Otmuchow" SA and Otmuchow Inwestycje Sp. z o. o.

With reference to the current reports no 6/2014 from 18<sup>th</sup> March 2014 on the adoption of a resolution of the Management Board about his intention of merger between ZPC Otmuchów S.A. (The "Issuer" or "the Acquiring Company") with a subsidiary Otmuchów Inwestycje Sp. z o. o. ("Acquired Company") and current report no 7/2014 from 31<sup>st</sup> March 2014 on the merger plan between mentioned entities. The Management Board of ZPC Otmuchów SA encloses the updated "Merger plan between ZPC Otmuchow S.A. based in Otmuchow and Otmuchow Inwestycje Sp. z o. o. with its registered office in Brzeg" ("Merger plan") and its annexes, referred to the Art. 499 § 2 section 1-4 of the Commercial Companies Code (CCC).

At the same time, the Issuer explains that due to the merger of the both companies the Statute of the acquiring company will not change. In accordance with the Merger Plan the merger will be based on Art. 492 §1 point 1 of the Commercial Companies Code i.e. by the transfer of all assets of the acquired company to the acquiring company (merger by acquisition).

At the same time, due to the fact that the acquiring company possess all of the shares of the acquired company, in accordance with Art. 515 § 1 CCC, the merger will be carried out without increasing the share capital of the Issuer. In addition, pursuant to Art. 516 § 5 of the CCC connection will be held in the so-called, simplified mode .

Detailed legal basis: §5.1 point 13 of the Regulation of the Ministry of Finance from 19<sup>th</sup> February 2009 on current and periodic information [ ... ].

MERGER PLAN  
Zakłady Przemysłu Cukierniczego "OTMUCHOW" SA  
based in Otmuchow  
and  
Otmuchow Inwestycje Sp. o. o. based in Otmuchow

The merging companies have mutually agreed that the combination will consist by the acquisition of the company Otmuchow Inwestycje Sp. z o. o. based in Brzeg by a company called Zakłady Przemysłu Cukierniczego "OTMUCHOW" SA with its registered office in Otmuchow.

I. The merger will take place on the basis of Art. 492 § 1 point 1 of the Commercial Companies Code through the transfer of all assets of the acquired company i.e. Otmuchow Inwestycje Sp. z o. o. based in Brzeg on the acquiring company i.e. Zakłady Przemysłu Cukierniczego "OTMUCHOW" SA with its registered office in Otmuchow (merger by acquisition).

II. The merger of Otmuchow Inwestycje Sp. z o. o. based in Brzeg as a result of its acquisition by the acquiring company ZPC "OTMUCHOW" SA with its registered office in Otmuchow will be carried out without increasing the share capital of the acquiring company, because the company ZPC "OTMUCHOW" SA based in Otmuchow as the acquiring company holds all of the shares of the acquired company Otmuchow Inwestycje Sp. z o. o. based in Brzeg.

III. In connection with point II above, the companies participating in the merger did not make arrangements which are referred to art. 499 § 1 point 2-4 of the Code of Commercial Companies.

IV. Merging companies agree that the merger will not be granted of any rights referred to art. 499 § 1 point 5 of the CCC, or any special benefits referred to art. 499 § 1 point 6 of the CCC.

V. The following documents are annexed to this plan of merger and shall be deposited in the court registry applicable to the two merging companies :

- A draft of resolution of the Extraordinary Meeting of Shareholders Otmuchow Inwestycje Sp. z o. o. based in Brzeg on the merger;
- A draft resolution of the Annual General Meeting of Shareholders of the ZPC "OTMUCHOW" SA with its registered office in Otmuchow on the merger;
- Determining the value of assets of Otmuchow Inwestycje Sp. z o. o. based in Brzeg;
- Prepared for the purposes of the merger statement containing information on the accounting situation of the acquired company Otmuchow Inwestycje Sp. z o. o. based in Brzeg.

In the name of  
Zakłady Przemysłu Cukierniczego  
„OTMUCHOW" S.A. based in Otmuchow

.....  
President of Management Board  
Mariusz Popek

.....  
Vice President of Management Board  
Jaroslaw Kapitanowicz

In the name of  
Otmuchow Inwestycje Sp. z o. o. based in Otmuchow

.....  
President of Management Board  
Mariusz Popek

[Draft of resolution of the Annual General Meeting of Shareholders of the ZPC "OTMUCHOW" SA with its registered office in Otmuchow as the acquiring company in the merger]

**Resolution No .... / 2015**

§ 1

Decides that the merger by acquisition - on the basis of Art. 492 §1 point 1 of the Code of Commercial Companies - acquired company i.e. Otmuchow Inwestycje Sp. z o. o. based in Otmuchow, the acquiring company i.e. ZPC "OTMUCHOW" SA with its registered office in Otmuchow that the transfer of all assets of Otmuchow Inwestycje Sp. z o. o. based in Otmuchow on the company ZPC "OTMUCHOW" SA based in Otmuchow .

§ 2

Decides to consent to the merger plan, agreed by the Management Boards of both companies, which was announced in the Court and Economic Monitor No .... dated ..... 2015

§ 3

Merger of Otmuchow Inwestycje Sp. z o. o. based in Otmuchow as a result of its acquisition by the acquiring company ZPC "OTMUCHOW" SA with its registered office in Otmuchow will be conducted without increase of a share capital of ZPC "OTMUCHOW" SA based in Otmuchow as the acquiring company, because the company ZPC "OTMUCHOW" SA with its registered office in Otmuchow as the sole shareholder holds all the shares of the acquired company Otmuchow Inwestycje Sp. based in Brzeg.

§ 4

Decides that, in connection with a merger of companies there will not be made any changes to the text of the Articles of Association ZPC "OTMUCHOW" SA with its registered office in Otmuchow as the acquiring company .

§ 5

The Management Board of the Company is obliged to take any steps necessary to properly implement the provisions of this resolution and the provisions of the relevant legislation, in particular the merger of the National Court Register .

§ 6

This Resolution shall enter into force on the date of its adoption.

## Appendix 2 to the Merger Plan

[Draft of the resolution of the Extraordinary General Meeting of Shareholders of the acquired company Otmuchow Inwestycje Sp. z o. o. based in Brzeg in the case of merger]

### **Resolution No .... / 2015**

#### § 1

Decides that the merger by acquisition - on the basis of Art. 492 §1 point 1 of the Code of Commercial Companies - acquired company i.e. Otmuchow Inwestycje Sp. z o. o. based in Otmuchow with the acquiring company i.e. ZPC "OTMUCHOW" SA with its registered office in Otmuchow that the transfer of all assets of Otmuchow Inwestycje Sp. z o. o. based in Brzeg will be on the company ZPC "OTMUCHOW" SA based in Otmuchow.

#### § 2

Decides to consent to the merger plan, agreed by the Management Boards of both companies, which was announced in the Court and Economic Monitor No .... dated ..... 2015

#### § 3

Merger of Otmuchow Inwestycje Sp. z o. o. based in Otmuchow as a result of its acquisition by the acquiring company ZPC "OTMUCHOW" SA with its registered office in Otmuchow will be conducted without increase of a share capital of ZPC "OTMUCHOW" SA based in Otmuchow as the acquiring company, because the company ZPC "OTMUCHOW" SA with its registered office in Otmuchow as the sole shareholder holds all shares of the acquired company Otmuchow Inwestycje Sp. z o. o. based in Brzeg.

#### § 4

Decides that, in connection with a merger of companies there will not be made any changes to the text of the Articles of Association of ZPC "OTMUCHOW" SA with its registered office in Otmuchow as the acquiring company.

#### § 5

The Management Board of the Company is obliged to take any steps necessary to properly implement the provisions of this resolution and the provisions of the relevant legislation, in particular the merger of the National Court Register.

#### § 6

This Resolution shall enter into force on the date of its adoption.

**Determining the value of assets of  
Otmuchow Inwestycje Sp. z o. o. based in Brzeg  
as the acquired company  
on 28 February 2015**

For purposes of determining the value of assets of the Otmuchow Inwestycje Sp. z o. o. based in Brzeg, in accordance to Art. 499 §2 pt. 3) of CCC adopted the accounting valuation, based on the values disclosed in the balance sheet indicated the Company prepared as of February 28, 2014 year and disclosed in the Statement containing information about the condition of the accounts of the Company, constituting another annex to the Plan of Merger.

The essence of the book valuation method is based on the assumption that the value of the Company's assets is equal to its net asset value, calculated based on the Company's balance sheet, and so is the difference between total assets and the total liabilities and provisions for liabilities of the Company.

The value of assets Otmuchow Inwestycje Sp. z o. o. based in Brzeg on 28 February 2015 therefore presents as follows:

<b>ASSETS</b>	<b>(w PLN)</b>
— Intangible assets	0,00
— Tangible fixed assets	0,00
— Long-term receivables	0,00
— Long-term Inwestycje	7 431 302,65
— Long-term accrued expenses	282 150,00
— Inventory	0,00
— Short-term receivables	131,56
— Short-term Inwestycje	563,49
— Short-term accrued expenses	0,00
<b>Total</b>	<b>7 714 147,70</b>

<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>(in PLN)</b>
— Provisions for liabilities	0,00
— Long-term liabilities	4 691 666,67
— Short-term liabilities	2 465 369,42
— Accrued expenses	0,00
<b>Total</b>	<b>7 157 036,09</b>

<b>TOTAL NET ASSETS</b>	<b>(in PLN)</b>
ASSETS	<b>7 714 147,70</b>
LESS LIABILITIES AND PROVISIONS FOR LIABILITIES	<b>7 157 036,09</b>
<b>TOTAL NET ASSETS</b>	<b>557 111,61</b>

Management of the Company determined that as of February 28th, 2015, the value of the Company's assets determined on the basis of the balance sheet as at this day is 557.111,61 PLN.

In the name of  
Otmuchow Inwestycje Sp. z o. o. based in Brzeg

.....  
President of Management Board

Mariusz Popek

**Statement on the accounting situation of  
Otmuchow Inwestycje Sp. z o. o. based in Brzeg  
as the acquired company  
on 28 February 2015**

The Management Board of Otmuchow Inwestycje Sp. z o. o. based in Brzeg declares that on 28 February 2015 Company's accounting situation is as shown in the balance sheet and profit and loss account attached to this statement.

The value of the balance sheet Otmuchow Inwestycje Sp. z o. o. based in Brzeg on 28 February 2015 therefore presents as follows:

<b>ASSETS</b>	<b>(w PLN)</b>
— Intangible assets	0,00
— Tangible fixed assets	0,00
— Long-term receivables	0,00
— Long-term Inwestycje	7 431 302,65
— Long-term accrued expenses	282 150,00
— Inventory	0,00
— Short-term receivables	131,56
— Short-term Inwestycje	563,49
— Short-term accrued expenses	0,00
<b>Total</b>	<b>7 714 147,70</b>

<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>(in PLN)</b>
— Provisions for liabilities	0,00
— Long-term liabilities	4 691 666,67
— Short-term liabilities	2 465 369,42
— Accrued expenses	0,00
<b>Total</b>	<b>7 157 036,09</b>

Profit and loss statement as at 28 February 2015 was as follows:

<b>PROFIT AND LOSS STATEMENT</b>	<b>(in PLN)</b>
— Net revenues from sales of products, goods and materials	0,00
— Cost of products, goods and materials sold	0,00
— Gross profit (loss) on sales	0,00
— Other operating revenues	



— Cost of sales	0,00
— General and administration costs	2 049,60
— Other operating expenses	131,56
— Profit (loss) on operating activities	- 2 181,16
— Financial revenues	0
— Financial expenses	30 895,00
— Gross profit (loss)	- 33 076,16
— Income tax	5 869,00
— Net profit (loss)	- 27 207,16

In the name of  
Otmuchow Inwestycje Sp. z o.o. based in Brzeg

.....

President of Management Board  
Mariusz Popek