



22 April 2015

The General Manager
Karachi Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi.

Subject: Declaration of Right Shares

Dear Sir,

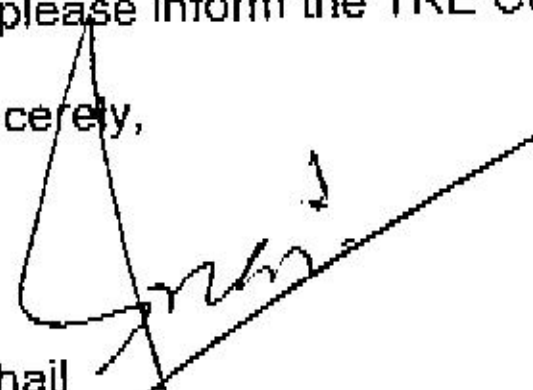
We have to inform you that the Board of Directors of Descon Oxychem Limited (the "Company") in their meeting held on Tuesday, April 21, 2015 at 2:30 pm at the registered office of the Company, situated at Descon Headquarters, 18-K.M, Ferozpur Road Lahore – 54760, Pakistan, have decided to issue 110,000,000 (One Hundred and Ten Million) Preference Shares of Rs.10/- (Rupees Ten Only), as rights issue at par value ("Right Shares") under Rule 5 of the Companies Share Capital (Variation in Rights and Privileges) Rules 2000 read with Section 90 and Section 86(1) of the Companies Ordinance 1984, and subject to the conditions specified in the SECP approval letter dated 24 February 2015 and underwriting arrangements to be entered into by the Company.

The brief details of terms and conditions of the above referred Preference Shares are as under:

- (i) The Preference Shares shall be Convertible Cumulative Redeemable Preference Shares;
- (ii) The Preference Shares shall be cumulative and shall carry entitlement of a fixed annual cumulative dividend of 12 %, to be paid out of the normal profits of the Company in each financial year. Any dividend not paid in a financial year shall cumulate toward entitlement of dividend in future years.
- (iii) The Preference Shares shall not carry any entitlement of ordinary dividend, rights shares or bonus shares, or have any right to participate in the profits of the Company, save as specified in sub-clause (ii) above;
- (iv) The Preference Shareholders shall not be entitled to receive notice, attend General Meetings or vote at such meetings of the Company, except as otherwise provided in the Companies Ordinance, 1984 whereby holders of such shares would be entitled to vote separately as a class, i.e., with respect to voting entitlement of Preference Shareholders on matters/issue affecting substantive rights or liabilities of Preference Shareholders;
- (v) In the event of winding up of the Company or repayment of the Capital, the Preference Shares will carry a preferential right over Ordinary Shares;
- (vi) The Preference Shares shall, subject to Section 85 of the Companies Ordinance, 1984, be redeemable at par value solely at the option of the Company, only through a sinking fund created out of the profits of the Company. Provided that, in case of partial redemption of outstanding Preference Shares, only whole shares shall be redeemed and such redemption shall be on pro rata basis for all Preference Shareholders;
- (vii) The Preference Shares shall be issued at par value against payment of face value of Rs. 10/- per Preference Share, which may be paid in cash and/or by adjustment of liabilities and/or through consideration other than cash;
- (viii) The Preference Shares shall rank pari passu inter se each other; and
- (ix) The Preference Shares shall be convertible into Ordinary Shares at the ratio of one (1) Preference Share to one (1) Ordinary Share at the option of either the Company or the Preference Shareholders, any time and from time to time after the expiry of 5 years from the date of allotment of the relevant Preference Shares. Provided that, in case of partial conversion of outstanding Preference Shares by the Company, only whole shares shall be converted and such conversion shall be on pro rata basis for all Preference Shareholders. Provided further that, a Preference Shareholder may, from time to time, opt for conversion of all or part of his Preference Shares and only whole shares shall be converted.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,


Abdul Sohail
Company Secretary
Descon Oxychem Limited

Descon Oxychem Limited



ECO FRIENDLY
SOLUTIONS

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