



# Loads Limited

Manufacturers of Automotive Radiators, Exhaust Systems & Sheet Metal Components  
Plot No. 23, Sector 19, Korangi Industrial Area, Karachi-74900, Pakistan.  
Tel : (92-21) 35065001 to 5, (92) 302-8674683 to 9  
Fax : (92-21) 35057453 to 4  
E-mail : loads@cyber.net.pk  
Website: www.loads-group.com



December 24, 2020

**The General Manager**  
Pakistan 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 Loads Limited (the "Company"), in their meeting held on December 24, 2020 at 11:30 a.m. at the Company's head office, have decided to increase the paid-up share capital of the Company by issue of a further 100,000,000 (One Hundred Million) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members in proportion of 1 Right Share for every 1.5125 ordinary shares held i.e. 66.11%, at a price of PKR 10/- (Pak Rupees Ten) per Right Share (i.e. at par).

The Share Transfer Books of the Company will be closed from January 14, 2021 to January 20, 2021 (both days inclusive) to determine the entitlement of Right Shares.

Transfer received at **Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi**, at the close of business on January 13, 2021 will be treated in time for the purpose of entitlement of Right Shares to the transferees.

Following details are attached:

- Statement with respect to the details of the Right Issue, Including the quantum of the issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the Company and its shareholders, and risk factors for issue of shares at par as approved by the Board of Directors (**Annexure A**).
- Certified True copy of the Extracts of the Resolutions passed by the Board of Directors of the Company dated December 24, 2020 (**Annexure B**).



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Exhaust Systems manufactured under Licence from  
**FUTABA INDUSTRIAL CO. LTD, Japan**





- Draft copy of the notice of the Right Issue and book closure to the shareholders prior to its publication in the newspapers (**Annexure C**).

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

For and on behalf of **Loads Limited**

Yours Sincerely,



**Babar Saleem**  
Company Secretary

Enclosed: As above

**Copy to:**

**The Commissioner**  
Corporate Supervision Department  
Securities and Exchange Commission of Pakistan  
Islamabad

**Director / HOD**  
Surveillance, Supervision and Enforcement Department (SMD)  
Securities and Exchange Commission of Pakistan  
Islamabad



## ANNEXURE A

### LOADS LIMITED

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the shareholders, and Risk Factors, under Regulation 3 of the Companies (Further Issue of Share) Regulations, 2020.

**1. Quantum of Right Issue (i.e. as a percentage of existing paid-up capital)**

The quantum of the Right Issue is approximately 66.11% of the existing paid up capital of the Company i.e. 1 right share for every 1.5125 ordinary shares held by the shareholders of the Company as at the close of business of January 13, 2021.

**2. Issue Size**

The Company shall issue 100,000,000 (One Hundred Million), at a price of PKR 10/- (Pak Rupees Ten) per share, aggregating to PKR 1,000,000,000/- (Pak Rupees One Billion).

**3. Issue Price Per Share**

PKR 10/- (Pak Rupees Ten) per share (i.e. at par).

**4. Purpose of Right Issue**

The purpose of Right Issue is to raise funds to, *inter alia*, enable the Company to meet its working capital requirements and to invest in its associated company, Hi-Tech Alloy Wheels Limited, including by providing a loan to the said company in the manner approved by the shareholders of the Company.

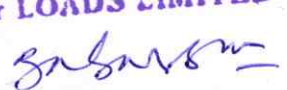
**5. Utilization of Proceeds of the Right Issue**

The proceeds from the Right Issue will primarily be utilized for investing in Hi-Tech Alloy Wheels Limited, being an associated company of the Company, and for meeting the working capital requirements of the Company.

**6. Benefits to the Company and Shareholders**

The subscription amount from the Right Issue, and the proposed utilization of the proceeds thereof, are expected to enable the Company to improve the overall profitability of the Company (including by reducing financing costs



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For LOADS LIMITED  
  
COMPANY SECRETARY



incurred by the Company); with the aim to, *inter alia*, generate greater returns to the shareholders.

**7. Risk Factors associated with the Right Issue**

The Right Issue has been announced at a price below current market price; hence there is minimal investment risk associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under the applicable regulations. Normal risks associated with the business remain; however, the Company is well equipped and positioned in the market, which will help to mitigate such risk factors.



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## ANNEXURE B

**Extract of the Resolutions passed by the Board of Directors of Loads Limited (the "Company") at its meeting held on December 24, 2020 at the registered office of the Company.**

A meeting of the Board of Directors of the Company was held at December 24, 2020 at 11:30 am at the registered office of the Company.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of right issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 and the Company (Further issue of Shares) Regulations, 2020 have been considered by the Board of Directors of the Company and shall be duly complied with, by the Company.

[For the purposes of the right issue, the management has received confirmations from the substantial shareholders and all the directors of the Company that they will (i) subscribe to the right shares offered to them (or shall arrange for the subscription thereof) and that they shall deposit the amount of their subscription at least 3 (three) days before the commencement of trading; and (ii) ensure that the balance of the right issue, not being subscribed by the substantial shareholders and directors will be adequately underwritten in accordance with the applicable laws. The substantial shareholders and directors of the Company shall issue the requisite undertakings in such respect.]

Accordingly, the following resolutions were passed by the Board of Directors:

**RESOLVED THAT** the ordinary paid up share capital of the Company be increased from PKR 1,512,500,000/- (Pak Rupees One Billion Five Hundred Twelve Million Five Hundred Thousand) to PKR 2,512,500,000/- (Pak Rupees Two Billion Five Hundred Twelve Million Five Hundred Thousand) by issue of further 100,000,000 (One Hundred Million) ordinary shares of the Company of PKR 10/- (Pak Rupees Ten) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) as at the close of business on January 13, 2021, in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 10/- (Pak Rupees Ten) per share (i.e. at par), in the ratio of 1 right share of every 1.5125 existing ordinary shares of PKR 10/- (Pak Rupees Ten) each held as at the aforesaid date (i.e. approximately 66.11%), against payment to the Company of the price of the shares subscribed, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company (the "**Right Issue**").



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*Sabir Ahmad*

**COMPANY SECRETARY**



**FURTHER RESOLVED THAT** the following shall be the quantum, size, price, and purpose of the Right Issue, along with utilization of proceeds, benefits of the same to the Company and its shareholders and the risk factors associated with the Right Issue, in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020:

**Quantum of the Right Issue (i.e. as a percentage of existing paid up capital)**

The quantum of the Right Issue is approximately 66.11% of the existing paid up capital of the Company i.e. 1 right share for every 1.5125 ordinary shares held by the shareholders of the Company as at the close of business of January 13, 2021.

**Issue Size**

The Company shall issue 100,000,000 (One Hundred Million), at a price of PKR 10/- (Pak Rupees Ten) per share, aggregating to PKR 1,000,000,000/- (Pak Rupees One Billion).

**Right Issue Price**

PKR 10/- (Pak Rupees Ten) per share (i.e. at par).

**Purpose of the Right Issue**

The purpose of Right Issue is to raise funds to, *inter alia*, enable the Company to meet its working capital requirements and to invest in its associated company, Hi-Tech Alloy Wheels Limited, including by providing a loan to the said company in the manner approved by the shareholders of the Company.

**Utilization of Proceeds of the Right Issue**

The proceeds from the Right Issue will primarily be utilized for investing in Hi-Tech Alloy Wheels Limited, being an associated company of the Company, and for meeting the working capital requirements of the Company.

**Benefits to the Company and Shareholders**

The subscription amount from the Right Issue, and the proposed utilization of the proceeds thereof, are expected to enable the Company to improve the overall profitability of the Company (including by reducing financing costs incurred by the Company); with the aim to, *inter alia*, generate greater returns to the shareholders.



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**COMPANY SECRETARY**



### **Risk Factors associated with the Right Issue**

The Right Issue has been announced at a price below current market price; hence there is minimal investment risk associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under the applicable regulations. Normal risks associated with the business remain; however, the Company is well equipped and positioned in the market, which will help to mitigate such risk factors.

**FURTHER RESOLVED THAT** the letter of offer for right shares, as prescribed under section 83(2) of the Companies Act, 2017, shall be jointly issued / signed by Ms. Rozina Muzammil and Mr. Munir K. Bana, being the directors of the Company, in compliance with the applicable laws.

**FURTHER RESOLVED THAT** all fractional entitlements, if any, will be consolidated in the name of the Company Secretary, as an agent (under trust), and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in accordance with their respective entitlements, as per the applicable regulations.

**FURTHER RESOLVED THAT** that any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit it accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors / substantial shareholders, directors or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.

**FURTHER RESOLVED THAT** the Company be and is hereby authorized to close its share transfer books from January 14, 2021 to January 20, 2021 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue and the Company Secretary is hereby authorized to announce the book closure dates along with publication of notices in the newspapers.

**FURTHER RESOLVED THAT** the Chief Executive Officer and / or the Company Secretary and / or the Chief Financial Officer be and are hereby severally authorized to do the following on behalf, and in the name, of the Company:

- (i) Appoint /negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreement(s), other documents and settle / finalize fees, underwriting commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue;



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*Rozina Muzammil*  
**COMPANY SECRETARY**



- (ii) To prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in this respect, required by Securities and Exchange Commission of Pakistan (“SECP”) / Pakistan Stock Exchange Limited (“PSX”) / Central Depository Company of Pakistan Limited (“CDC”) (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority;
- (iii) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of shares;
- (iv) To credit right shares, once allotted by the Board, and file returns / documents as required by SECP / PSX / CDC along with the auditors’ certificates; and
- (v) To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

**Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Loads Limited held at the registered office of the Company on December 24, 2020.**

**Babar Saleem**  
Company Secretary  
December 24, 2020



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For LOADS LIMITED**

**COMPANY SECRETARY**



**ANNEXURE C**

**NOTICE OF RIGHT ISSUE AND BOOK CLOSURE**

Members are hereby notified that the Board of Directors of Loads Limited (the “**Company**”) in their meeting held on December 24, 2020 has decided to issue further capital by offering 100,000,000 ordinary right shares of PKR 10/- (Pak Rupees Ten) each, at a price of PKR 10/- (Pak Rupees Ten) per share (i.e. at par), in the ratio of 1 right share for every 1.5125 existing ordinary shares of PKR 10/- (Pak Rupees Ten) (i.e. approximately 66.11%), against payment to the Company of the price of the shares subscribed by the shareholders, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company.

The Share Transfer Book of the company will remain closed from January 14, 2020 to January 20, 2020 (both days inclusive) to determine the entitlements of the shareholders of the Company. Physical transfers / CDS Transaction IDs received at Company’s share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shakra-e-Faisal, Karachi, by the close of business (5:00 p.m.) on January 13, 2020, will be considered in time for entitlement of right shares.

**Babar Saleem**  
Company Secretary



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*Babar Saleem*  
**COMPANY SECRETARY**