

September 01, 2023

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

Dear Sir,

**Subject: Declaration of Right Shares**

We wish to inform you that the Board of Directors of Pakistan Oxygen Limited (the "Company"), in its meeting held on Friday, September 01, 2023 at the Registered Office of the Company at West Wharf, Dockyard Road, Karachi, Pakistan and through video conferencing, has decided to increase the paid-up share capital of the Company by issue of a further 13,885,973 (Thirteen million eight hundred eighty-five thousand nine hundred and seventy-three) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 18.96 Right Shares for every 100 ordinary shares held i.e. approximately 18.96%, at a price of PKR 54/- (Pak Rupees Fifty-four) per Right Share (inclusive of a premium of PKR 44/- (Pak Rupees Forty-four) per Right Share).

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

Following details are enclosed:

- 1) Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds of the issue, benefits of the issue to the Company and its shareholders, risk factors and justification for issue of shares at premium, and minimum subscription amount (Annexure A).
- 2) Certified true copy of the Extracts of the Resolutions passed by the Board of Directors of the Company at their meeting held on Friday, September 01, 2023 (Annexure B).
- 3) Draft copy of the notice of the Right Issue to the Shareholders prior to its publication in the newspapers (Annexure C).

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

Yours Sincerely,



Mazhar Iqbal  
Company Secretary



Enclosed: As above

The Commissioner  
Corporate Supervision Department  
Securities and Exchange commission of Pakistan  
Islamabad

The Director  
Surveillance Supervision Enforcement (SMD)  
Securities and Exchange commission of Pakistan  
Islamabad

**Annexure A****Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of the Issue, Utilization of Proceeds of the Issue, Benefits of the Issue to the Company and the shareholders, Risk Factors, Justification for Issue at Premium and Minimum Subscription Amount, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020.****a) Quantum of the Right Issue** (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is approximately 18.96% of the existing paid-up capital of the Company i.e. approximately 18.96 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

**b) Right Issue Size**

The Company shall issue 13,885,973 (Thirteen million eight hundred eighty-five thousand nine hundred and seventy-three only) ordinary shares, at a price of PKR 54/- (Pak Rupees Fifty-four) per share, aggregating to PKR 749,842,542/- (Pak Rupees Seven hundred forty-nine million eight hundred forty-two thousand five hundred and forty-two only).

**c) Issue Price Per Share**

PKR 54/- (Pak Rupees Fifty-four) per share (i.e. inclusive of a premium of PKR 44/- (Pak Rupees Forty-four) per share).

**d) Purpose of the Right Issue**

The purpose of the Right Issue is to meet increased working capital requirements of the Company and maintenance of plant and machinery in order to enhance the profitability of the Company and, consequently, returns to the shareholders.

**e) Utilization of Proceeds of the Right Issue**

The proceeds from the Right Issue will be primarily utilized for meeting working capital requirements and maintenance of plant and machinery of the Company.

**f) Benefits to the Company and Shareholders**

The Right Issue is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

**g) Risk Factors associated with the Right Issue, if any**

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major 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 applicable regulations. Normal risks associated with the business will remain; however, the Company is well placed in the market, which will help to mitigate such risk factors.



**h) Justification for Issue at premium**

The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice. In fact, the Right Issue price constitutes approximately 25% discount to the prevailing market price.

**(i) Minimum Subscription Amount**

Not Applicable

A handwritten signature in blue ink is written over a blue circular stamp. The stamp contains the text "PAKISTAN OXYGEN LIMITED" around the perimeter and "KARACHI" in the center, with a small star at the bottom. Below the signature, the text "Mazhar Iqbal" and "Company Secretary" is printed.

Mazhar Iqbal  
Company Secretary

## Annexure B

**Extracts of the Resolutions passed by the Board of Directors of the Company in its meeting held on Friday, September 01, 2023 at the Registered Office of the Company at West Wharf, Dockyard Road, Karachi, Pakistan and through video conferencing.**

A meeting of the Board of Directors of the Company was held on Friday, September 01, 2023 at 4:00 p.m. at the Registered Office of the Company at West Wharf, Dockyard Road, Karachi, Pakistan and through video conferencing.

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 Companies (Further Issue of Shares) Regulations, 2020 have been considered by the Board of Directors of the Company and shall be duly complied 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 i.e. other than those subscribed to by the substantial shareholder and directors, will be adequately underwritten in accordance with 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 issued paid up share capital of the Company be increased from PKR 732,382,550 (Pak Rupees Seven hundred thirty two million three hundred eighty two thousand five hundred and fifty only) to PKR 871,242,280 (Pak Rupees Eight hundred seventy-one million two hundred forty-two thousand two hundred and eighty only) by issue of a further 13,885,973 (Thirteen million eight hundred eighty-five thousand nine hundred and seventy-three) 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) immediately prior to the close of the share transfer books of the Company, in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 54 (Pak Rupees Fifty-four) per share (i.e. inclusive of a premium of PKR 44 (Pak Rupees Forty-four) per share), in the ratio of approximately 18.96 right shares for every 100 ordinary shares of PKR 10/- (Pak Rupees Ten) each held (i.e. approximately 18.96%), against payment to the Company of the price for the shares subscribed, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company (the "**Rights Issue**").

**FURTHER RESOLVED THAT** the following are the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a premium in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020:

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

The quantum of the Right Issue is approximately 18.96% of the existing paid-up capital of the Company i.e. approximately 18.96 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

**b) Right Issue Size**

The Company shall issue 13,885,973 (Thirteen million eight hundred eighty-five thousand nine hundred and seventy-three) ordinary shares, at a price of PKR 54/- (Pak Rupees Fifty-four) per share, aggregating to PKR 749,842,542/- (Pak Rupees Seven hundred forty-nine million eight hundred forty-two thousand five hundred and forty-two only).

**Pakistan Oxygen Limited**

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**Company Secretary**  
**Pakistan Oxygen Limited**

P.O.Box 4845 Dockyard Road, West Wharf, Karachi - 74000

Phone: +9221 3231 3361-9 | Fax: +9221 3231 1809 | Email: info.pk@pakoxygen.com | Web: www.pakoxygen.com

**c) Issue Price Per Share**

PKR 54 /- (Pak Rupees Fifty-four) per share (i.e. inclusive of a premium of PKR 44/- (Pak Rupees Forty-four) per share).

**d) Purpose of the Right Issue**

The purpose of the Right Issue is to meet increased working capital requirements and maintenance of plant and machinery of the Company in order to enhance the profitability of the Company and, consequently, returns to the shareholders.

**e) Utilization of Proceeds of the Right Issue**

The proceeds from the Right Issue will be primarily utilized for meeting working capital requirements and maintenance of Plant and machinery of the Company.

**f) Benefits to the Company and Shareholders**

The Right Issue is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

**g) Risk Factors associated with the Right Issue, if any**

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major 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 applicable regulations. Normal risks associated with the business will remain; however, the Company is well placed in the market, which will help to mitigate such risk factors.

**h) Justification for Issue at premium**

The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the per value is justified and is also in line with the prevailing market practice. In fact, the Right Issue price constitutes approximately 25% discount to the prevailing market price.

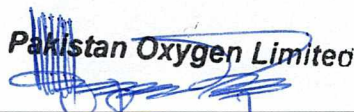
**i) Minimum Subscription Amount**

Not Applicable

**FURTHER RESOLVED THAT** the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) directors of the Company in compliance with the applicable laws.

**FURTHER RESOLVED THAT** that, Mr. Waqar Ahmed Malik and Mr. Javed Kureishi, the Directors of the Company, be and are hereby authorized by all the directors of the Company, to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Regulations.

**FURTHER RESOLVED THAT** all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (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 proportion to their respective entitlements as per the applicable Regulations.

**Pakistan Oxygen Limited**  
  
Company Secretary

**FURTHER RESOLVED THAT** any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in 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 Chief Executive and / or the Company Secretary and / or the Chief Financial Officer, be and are hereby severally authorized to prepare finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), and revise the same based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Companies (Further Issue of Shares) Regulations, 2020, along with preparing and submitting other necessary documents in this respect. While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited.

**FURTHER RESOLVED THAT** the Chief Executive Officer, and/or the Chief Financial Officer, and/or the Company Secretary, be and each of them is hereby authorized, such that any one of them may do all or any of the following for and on behalf and in the name of the Company:

- (i) Appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Rights Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Rights Issue;
- (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 respect of the Rights Issue and ancillary matters thereto, as required by the SECP, 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/body;
- (iii) to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;
- (iv) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;
- (v) 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
- (vi) To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular accompanying the offer letter as required under Section 83 (3) of the Companies Act, 2017, 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 Pakistan Oxygen Limited held at Karachi on Friday, September 01, 2023.**

  
Mazhar Iqbal  
Company Secretary  
September 01, 2023



## Annexure C

### NOTICE OF RIGHT ISSUE

Members are hereby notified that the Board of Directors of Pakistan Oxygen Limited (the "Company") in their meeting held on Friday, September 01, 2023 has decided to issue further capital by offering PKR 13,885,973 (Thirteen million eight hundred eighty-five thousand nine hundred and seventy-three) ordinary right shares of PKR 10/- (Pak Rupees Ten) each at a price of PKR 54/- (Pak Rupees Fifty-four only) per share (i.e. inclusive of a premium of PKR 44 (Pak Rupee Forty-four only), in the ratio of approximately 18.96 right shares for every 100 existing ordinary shares of PKR 10/- (Pak Rupees Ten only) each held (i.e. approximately 18.96%), 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 dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "LIMITED \* PAKISTAN OXYGEN KARACHI" around the perimeter.