



TRUSTEES General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

April 19, 2018

SUBJECT: MATERIAL INFORMATION – DECLARATION OF RIGHT SHARES

Dear Sir,

In accordance with the requirements of applicable provisions of the Securities Act 2015 and the PSX Rule Book, Pakistan Cables Limited (the “**Company**”) is pleased to inform you that the Board of Directors, in their meeting held on April 19, 2018 at 9:30 a.m. at the head office at 1st Floor, Arif Habib Limited, 23 M.T. Khan, Karachi, for the purposes of expansion of its manufacturing facilities, including purchase of new machines, have recommended the issuance of 25% Right Shares by offering 7,115,594 Right Shares to the existing ordinary shareholders of the Company at a price of Rs. 160/- per share (including a premium of Rs. 150/- per share) in proportion of 25 Right Shares for every 100 ordinary shares held. The Right Shares shall rank pari passu with the existing shares in all respect.

We also enclose herewith the following information/documentation:

- i. Certified true copy of the Board Resolution dated April 19, 2018 (**Annexure A**);
- ii. Financial plan including purpose, benefits, use of funds for Right Shares issuance, risk factors associated with the issue, and financial projections of the company (**Annexure B**);
- iii. Draft copy of the Notice of Right Shares issuance to the shareholders prior to publishing in newspapers (**Annexure C**). This will also suffice for the requirements of Section 96 and 131 of the Securities Act, 2015.

The dates of closure of the Share Transfer Books of the Company will be communicated to you in due course of time.

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

Factory: P.O. Box No. 5050, B-21,
Pakistan Cables Road, SITE,
Karachi-75700, Pakistan.

Head Office: 1st Floor, 23 MT Khan Road,
Karachi-Pakistan.

PAKISTAN CABLES (222-587)
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We trust that the information provided here would be sufficient for the Exchange's requirements, however please let us know if you require any further information in this regard.

Best regards,
Per Pro Pakistan Cables Limited

Nazifa Khan
Manager Legal Affairs and Company Secretary

CC:
The Director/HOD
Surveillance, Supervision and Enforcement Department
The Securities and Exchange Commission of Pakistan
NIC Building 63- Jinnah Avenue, Blue Area
Islamabad



BOARD RESOLUTION DATED APRIL 19, 2018

ISSUANCE OF RIGHT SHARES

“RESOLVED THAT pursuant to the requirement of provision of section 83 of Companies Act, 2017 (the “Act”), the Company be and is hereby authorized to increase its paid-up capital by issue of further 7,115,594 ordinary shares of Rs. 10 each as Right shares to be offered to the existing shareholders of the Company at Rs. 160 per share, including premium of Rs. 150 per share in the proportion of 25 shares for every 100 shares held (@25%), which shall rank pari passu in all respect with the existing ordinary shares of the Company (the “Rights Issue”);

FURTHER RESOLVED that the size of Rights Issue, issue price, purpose of the Rights Issue, benefits to the Company, use of the proceeds of the Rights Issue, the risks factor associated with the Rights Issue and financial projections as mentioned in the statement therein, be and hereby are approved;

FURTHER RESOLVED that the Chief Executive Officer and/or the Company Secretary be and is hereby authorized to prepare Rights issue plan, make any amendments therein, and get formal approval of the same from the Pakistan Stock Exchange Limited (“PSX”);

FURTHER RESOLVED that the Chief Executive Officer and/or the Company Secretary be and are hereby authorized singly to take any and all necessary steps for issuance of letters of offer under section 83 of the Companies Act, 2017 (the “Act”) and related Circulars along with terms and conditions stipulated therein, obtain signatures under the Act and file the requisite returns/notices in the Company Registration Office, the Securities and Exchange Commission of Pakistan (“SECP”) and the PSX as the case may be;

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, be and are hereby singly authorized to appoint any consultants and potential underwriters, finalize terms and conditions and sign underwriting agreements and settle/finalize fees, underwriting commission, take up commission and third party expenses and /or any other expenses relating to the Right Issue;

FURTHER RESOLVED that the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, be and are hereby singly authorized to approach MCB Bank Limited / Habib Bank Limited and/or Meezan Bank Limited for appointment as bankers to the Right issue in order to collect the Right subscription money against Right shares and to open an account in the name of “PAKISTAN CABLES LIMITED-RIGHTS SHARES SUBSCRIPTION ACCOUNT” with





any of the above bank(s) so appointed and that the Chief Executive, Chief Financial Officer and/or Company Secretary, be and are hereby singly authorized to maintain and operate the bank account(s) and give instructions for transfer of proceeds from right subscription to the Company's other bank account(s);

FURTHER RESOLVED that the Chief Executive Officer and / or the Company Secretary be and are hereby authorized singly / jointly to take all necessary actions as required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for Right shares and Right shares in Central Depository System of the CDC and in this connection to sign all requisite application forms, documents, undertakings and other papers on behalf of the company;

FURTHER RESOLVED that the Chief Executive Officer and / or the Company Secretary be and are hereby authorized singly to allot / credit right shares and file returns as required by SECP / PSX / CDC along with the Auditors' Certificate or any other authority.

FURTHER RESOLVED that the Company Secretary be and is hereby authorized to consolidate and dispose of fractional shares on the PSX and the proceeds of such sale be distributed in due course by the Company in the manner prescribed under the applicable laws.



Nazifa Khan

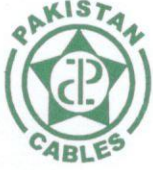
Nazifa Khan
Company Secretary
Pakistan Cables Limited

CERTIFIED TRUE COPY



**ISSUE OF RIGHT SHARES
STATEMENT OF PURPOSE, BENEFITS, USE OF FUNDS
AND FINANCIAL PROJECTIONS**

| | | | | |
|--|--|-------------|-------------|-------------|
| Quantum of Issue | The issue size is 25% of existing share capital (28,462,376 ordinary shares) i.e. 25 shares for every 100 shares held. | | | |
| Issue Price | The Right shares will be offered at an issue price of Rs. 160/- per share, including premium of Rs. 150 per share | | | |
| Purpose of Right Issue | The purpose of Right Issue is for the expansion of its Manufacturing facilities, including purchase of new machines. | | | |
| Benefits to the Company | The funds received from the Right Issue will contribute towards the completion of expansion project whereas the overall revenue will increase with resultant increase in profitability of the Company. | | | |
| Financial Plan | The total project cost is estimated at Rs. 1.5 billion which will be financed through issue of right shares amounting to Rs. 1.1 billion, bank borrowing and internal cash generation. | | | |
| Risk factors associated with the Right Issue; if any | Right issue of the Company is being made at a price which is far less than current share price in the market and hence there is no major investment risk associated with the right issue. Normal risks associated with the business will remain, however, the Company is well placed in the market with proven track record which will help to mitigate such risk factors. | | | |
| Financial Projections | Rs. In Million | | | |
| | 2018 | 2019 | 2020 | 2021 |
| Sales | 9,200 | 11,543 | 11,985 | 15,207 |
| Profit after tax | 310 | 391 | 407 | 479 |
| EPS - Pre Right Issue (Rs.) | 10.89 | NA | NA | NA |
| EPS - Post Right Issue (Rs.) | 8.71 | 10.98 | 11.45 | 13.47 |
| Share Capital | 284.624 * | 355.780 | 355.780 | 355.780 |
| | * Proceeds of the rights issue are expected to be realized in July 2018 | | | |
| | Note: The information given above reflects bonafide current business perceptions of the Directors as to the future performance of the Company's business. Neither the Company nor the Directors accept any responsibility for conclusion drawn or investment decisions made by any person based on the above information. | | | |



Pakistan Cables Limited
B-21, S.I.T.E., KARACHI

NOTICE OF ISSUANCE OF RIGHT SHARES

The Members are hereby notified that the Board of Directors of Pakistan Cables Limited (the “**Company**”) in their meeting held on April 19, 2018 has decided to issue further capital by offering 25% ordinary right shares of Rs. 10/- each at a price of Rs. 160/- per share (including a premium of Rs. 150/- per share) in proportion of 25 Right Shares for every 100 ordinary shares held.

The dates of closure of the Share Transfer Books of the Company will be communicated in due course of time.

Nazifa Khan
Manager Legal Affairs and Company Secretary

KARACHI: April 19, 2018