

29 August, 2016

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

**Subject: Application for Voluntary Delisting of Pakistan Gum and Chemicals Limited from Pakistan Stock Exchange Limited**

Dear Sir,

We refer to our letter dated 23 August 2016 whereby we have conveyed to you the intention of the sponsors to buy-back 441,792 ordinary shares comprising of 10.40 % of the total paid up share capital of Pakistan Gum and Chemicals Limited (the "Company") and the decision of the Board of Directors of the Company to de-list the Company from Pakistan Stock Exchange Limited (the "PSX") under its voluntary delisting regulations.

In the above context, we are pleased to submit herewith a formal application under regulation 5.15.1 of the Rule Book of PSX with the request to de-list the Company and approve the purchase of shares from the minority shareholders of the Company under voluntary delisting regulations of the PSX.

In this connection, we hereby submit as follows:

1. The Company is a public company limited by shares and is listed on PSX. It has its registered office located at B-19/A, Irshad Qadri Road, S.I.T.E, Karachi.
2. The Company has an authorized share capital of PKR 100,000,000 (Pak Rupees one hundred million) divided into 10,000,000 (ten million) ordinary shares of Rs. 10 each of which 4,248,552 (four million two hundred forty eight thousand five hundred fifty two) ordinary shares of the aggregate nominal value of PKR 42,485,520 (Pak Rupees forty two million four hundred eighty five thousand five hundred twenty) are issued and fully paid up. The shares of the Company are eligible for the purposes of Central Depository System of the Central Depository Company of Pakistani Limited.
3. The following is the justification for delisting of the Company from PSX:
  - (a) the Company has been suffering losses since the last financial year ended 31 December 2015 and in light of the prevailing and continuing adverse market conditions, the Company's profitability will be negatively affected and consequently is expected not to declare dividends in the near future.
  - (b) the sponsors of the Company believe that it would be in the best interest of the minority shareholders to be provided a fair and just opportunity for exit; so that they could make best use of their investment in other profitable avenues. Furthermore, the minority shareholders hold only 10.40% of the paid up share capital of the Company.

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- (c) it is considered in the interest of minority shareholders to de-list the Company.
4. The sponsors propose to purchase 441,792 ordinary shares (10.40 % of the paid up share capital of the Company) held by the minority shareholders of the Company at a price of PKR 183.20 per share. This price has been determined in accordance with the requirements of regulation 5.13.1 of Rule Book of PSX. M/s JS Bank Limited has been appointed as the purchase agent for purchase of shares from minority shareholders.
5. We are enclosing the following documents herewith in support of our application:
- (a) A certified Copy of the resolution of the Board of Directors passed on 23 August 2016 (**Annexure 1**);
  - (b) An undertaking from the sponsors (**Annexure 2**);
  - (c) Consent of purchase agent (**Annexure 3**);
  - (d) An undertaking from the purchase agent (**Annexure 4**);
  - (e) Bank guarantee from the purchase agent (**Annexure 5**);
  - (f) The intrinsic value per share of the Company is determined on the basis of revaluation of fixed assets carried out by M/s Iqbal A. Nanjee and Co. (Pvt.) Ltd., who are approved valuers by Pakistan Banking Association. The intrinsic value per share working, duly certified by the auditors of the Company, is attached herewith (**Annexure 6**);
  - (g) A cheque of Rs. 250,000/- drawn on Bank Al Habib Limited, Khayaban-e-Bukhari Branch, Karachi on account of application fee (**Annexure 7**);

You are requested to kindly process the above application for delisting of the Company and purchase of shares from minority shareholders at your earliest.

We shall remain available in case you need any further information or documents in this matter.

Yours sincerely, .

  
**M. Moonis**  
Chairman

  
**Sajid Iqbal Hussain**  
Chief Executive

**EXTRACT FROM THE  
MINUTES OF THE BOARD OF DIRECTORS MEETING  
HELD ON TUESDAY 23 AUGUST, 2016 AT 10:00 AM  
IN THE COMPANY'S BOARD ROOM**

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**WHEREAS**, the Company has been suffering losses since the last financial year ended 31 December 2015 and in light of the prevailing and continuing adverse market conditions, the Company's profitability will be negatively affected and consequently is expected not to declare dividends in the near future.

**AND WHEREAS**, the sponsors of the Company believe that it would be in the best interest of the minority shareholders to be provided a fair and just opportunity for exit, so that they could make best use of their investment in other profitable avenues. Furthermore, the minority shareholders hold only 10.40% of the paid up share capital of the Company.

**AND WHEREAS**, it is considered in the interest of minority shareholders to delist the Company.

In view of the above, it is hereby

**RESOLVED THAT** Pakistan Gum and Chemicals Limited (the "Company") be delisted from the Pakistan Stock Exchange Limited (the "PSX") under Voluntary Delisting Regulations of PSX.

**RESOLVED FURTHER** that the sponsors of the Company be and are hereby authorized to buy-back 441,792 ordinary shares (10.40% of the paid up share capital of the Company) held by the minority shareholders of the Company at a price of Rs. 183.20 determined in accordance with the regulations or as may be determined by the PSX or the Securities and Exchange Commission of Pakistan for the purposes of Voluntary De-listing of the Company from the PSX.

**RESOLVED FURTHER** that Mr. Mohammad Moonis, Chairman, and Mr. Sajid Iqbal Hussain, Chief Executive, (the "Authorized Officers") be and are hereby authorized to fulfill all requisite legal and procedural formalities for accomplishing the de-listing of the Company from the Pakistan Stock Exchange, to appoint the Advisor for the delisting of the Company and make application, sign and submit requisite documents as may be necessary, negotiate the price with the PSX so as to effectuate the delisting of the Company and to take all actions and do necessary acts, deeds and things for implementation of this resolution.

**RESOLVED FURTHER** that all actions taken and/or to be taken by and on behalf of the Company by any of the Authorized Officers in respect of the above are hereby ratified and confirmed by the Company.

*Certified true copy*

FOR PAKISTAN GUM & CHEMICALS LIMITED

*Sajid Iqbal Hussain*  
Chief Executive Officer