



"Under Basic Technology, licensed by **TELJIN**"

Pakistan Synthetics Limited.

3rd Floor, K.D.L.B Building

58, West Wharf Road,

Karachi-74000 Pakistan

Tel : 2313031-34

Fax : (92-21) 2310625

E-mail : headoffice@alkaram.com

URL : www.pslpet.com

PSL/PSX/FY2019/001

19 September 2019

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Building

Stock Exchange Road

Karachi

Dear Sir,

SUB:- FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

We have to inform you that the Board of Directors of our Company, in their meeting held on Thursday, 19 September 2019, at 4 pm, has considered and approved the audited financial statements for the year ended 30 June 2019.

(i) The Board of Directors has not recommended any Cash Dividend for the year ended 30 June 2019.

(ii) The Board of Directors has decided to issue 50 right shares for every 100 shares held i.e. 50% at a right price of PKR 18 per share (including a premium of PKR 8 per share).

The Financial Results of the Company are annexed herewith.

The Annual General Meeting of the Company will be held on Wednesday, 23 October 2019 at 3 p.m. at the registered office of the Company at 3rd Floor, K.D.L.B. Building, 58-West Wharf Road, Karachi, Pakistan.

BOOK CLOSURE

The shares transfer books of the Company will remain closed from Wednesday, 16 October 2019 to Wednesday, 23 October 2019 (both days inclusive). Transfer received at the office of the Company's share registrar M/s F.D. Registrar Services (Private) Limited, 1705, 17th Floor, Saima Trade Tower A, I.I. Chundrigar Road Karachi, at the close of business on 15 October 2019 will be treated in time to attend the Annual General Meeting of the Company.

You may inform your members accordingly.

Thanking you,

Yours faithfully,

For **PAKISTAN SYNTHETICS LIMITED**


YAKOOB HAJE KARIM
CHIEF EXECUTIVE

C.C. Director/HOD,
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building,
63 Jinnah Avenue,
Blue Area, Islamabad

Pakistan Synthetics Limited
Statement of Profit and Loss Account
For the year ended 30 June 2019

	2019	2018
	(Rupees in '000)	
Net sales	7,024,935	5,252,627
Cost of sales	(6,353,221)	(4,682,668)
Gross profit	671,714	569,959
Distribution and selling costs	(81,031)	(75,884)
Administration and general expenses	(58,911)	(50,121)
Impairment loss on trade receivables	(8,481)	(1,832)
Other operating expenses	(354,176)	(175,295)
	(502,599)	(303,132)
	169,115	266,827
Other income	9,227	21,818
Operating profit before finance costs	178,342	288,645
Finance costs	(328,778)	(205,203)
(Loss) / profit before taxation	(150,436)	83,442
Taxation	26,274	67,054
(Loss) / profit after taxation from continuing operation	(124,162)	150,496
Profit / (loss) after taxation from discontinued operation	261	(33,539)
(Loss) / profit for the year	(123,901)	116,957
	(Rupees)	
(Loss) / earnings per share - basic and diluted	(2.21)	2.09

Statement of Comprehensive Income
For the year ended 30 June 2019

	----- (Rupees in '000) -----	
Profit for the year	(123,901)	116,957
<i>Items that will never be reclassified to profit and loss account</i>		
Remeasurements of defined benefit liability	(3,113)	(4,565)
Tax thereon	903	1,370
	(2,210)	(3,195)
Total comprehensive income for the year	(126,111)	113,762

For Pakistan Synthetics Limited



YAKOOB HAJI KARIM
 CHIEF EXECUTIVE

Pakistan Synthetics Limited.

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PSL/PSX/2019/002

19 September 2019

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi

Subject: **Declaration of Right Shares**

Dear Sir,

We write to inform you that the Board of Directors in their meeting held on September 19, 2019 at 4:00 pm at the registered office of the Company have decided to issue 50 right shares for every 100 shares held i.e. 50% at a right price of PKR 18 per share (including a premium of PKR 8 per share).

The share transfer books of the Company will be closed from October 16, 2019 to October 23, 2019 (both days inclusive) to determine the entitlement of right shares. Transfer received at the office of the Company's share registrar M/s F.D Registrar Services (Private) Limited, 1705, 17th Floor, Saima Trade Tower A, I.I. Chundrigar Road Karachi at the close of the business on October 15, 2019 will be treated in time for entitlement of right shares.

Following details are attached herewith;

1. Statement with respect to the details of the right issue, including the purpose, benefits, uses of funds, risk factor associated with the issue, justification for issue of shares at premium and financial plan as approved by the Board of Directors (Annexure A)
2. Financial projections duly approved by the Board of Director (Annexure B)
3. Certified true copy of the extract of resolutions passed by the Board of Directors dated 19 September 2019 (Annexure C)
4. Draft copy of the notice of the right issue and book closure to shareholders prior to its publication in newspaper (Annexure D)

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

Yours Sincerely,

Mubbashir Amin
Company Secretary

CC: Director, Surveillance Supervision Enforcement (SMD)
Securities and Exchange Commission of Pakistan
Islamabad

Commissioner, Corporate Supervision Department
Securities and Exchange Commission of Pakistan
Islamabad



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Annexure A

Pakistan Synthetics Limited

Statement pertaining to quantum of Issue, Issue Pricing, Purpose of Benefits, Use of Funds, Risk Factors and Financial Plan under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2018.

1. Quantum and size of the issue

28,020,000 ordinary shares of Pakistan Synthetics Limited of PKR 10 each, constituting 50% i.e. 50 shares for every 100 shares held by the shareholders of the Company.

2. Issue Price Per Share

PKR 18 Per share (including premium of PKR 8 per share).

3. Purpose of Rights Issue

The purpose of right issue is to strengthen capital base of the Company, reduce leverage and improve current ratios of the Company. Further, to manage ongoing working capital requirements of the Company.

4. Benefits to the Company & Use of Funds

The funds received from the Rights Issue will contribute towards working capital requirements of the Company thereby enabling Company to reduce finance cost and increase profitability of the Company.

5. Risk Factors associated with the Right Issue; If any

Right Issue of the Company is being made at a price which is 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.

6. Justification for issue of shares at premium

The premium charged over the par value is in line with the market practice prevailing for the last two years and premium being charges is within free reserves of the Company.

7. Financial Plan

The funds raised will be used in ongoing working capital requirements thereby reducing finance cost of the Company.



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Annexure B
Financial Projections

Rs. in '000	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Gross Profit	990,377	1,212,277	1,451,276	1,733,221	2,085,287
Profit after tax	267,770	396,840	527,318	697,016	910,171
EPS - (Rs. per share)"	3.19	4.72	6.27	8.29	10.83
Share Capital	840,600	840,600	840,600	840,600	840,600

"EPS is based on post rights number of shares i.e. 84.06 million shares"

Note: These financial projections have been prepared based on assumptions which are believed to be reasonable as at the date of preparation. However, no representation, either express or implied is being made that they will hold good for the projected period. Accordingly, the Company and/or its directors take no responsibility and shall accept no liability for any investment decisions or conclusion drawn by any person on the basis of the foregoing financial projection.



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Annexure C

Certified true copy of the extract of the Resolutions passed by the Board of Directors of Pakistan Synthetics Limited (the "Company") at its meeting held on 19 September 2019 at the Registered Office of the Company.

A meeting of the Board of Directors of the Company was held at 19 September 2019 on 4 pm at the registered office of the Company.

The following Directors attended the meeting;

- I. Mr. Anwar Haji Karim – Chairman
- II. Mr. Yakoob Haji Karim – Chief Executive
- III. Mr. Noman Yakoob – Executive Director
- IV. Mr. Sajid Haroon – Non-Executive Director
- V. Mr. Muhammad Ahmed Aslam – Non-Executive Director
- VI. Mr. Ali Kamal – Independent Director
- VII. Mr. Faraz Younus Bandukda – Independent Director

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, 2018 have been considered by the Board of Directors of the Company and shall be duly complied by the Company.

The following resolutions were passed by the Board of Directors:

RESOLVED THAT as per the requirements of Section 83 of the Companies Act 2017, approval of the Board be and is hereby accorded to offer 28.02 million ordinary shares (50% of the existing paid-up capital) of the Company of PKR 10 (Pak Rupees Ten) each, to the shareholders of the Company in proportion to the number of shares held by each shareholder as right shares at a price of PKR 18 (inclusive of premium of PKR 8) per share (the "Rights Issue").

FURTHER RESOLVED THAT the quantum and size of right issue, issue price, purpose of the Right Issue, benefits to the Company, use of the proceeds of the right issue, justification of issue of shares at premium and the risk factors associated with the Right Issue as mentioned in the statement above, be and hereby approved.



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FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized singly to take all necessary actions (including execution and delivery of all necessary instruments, notices and letters) (i) to ensure compliance of the requirements of Companies Act 2017, the Companies (Further Issue of Shares) Regulations 2018 ("Regulations 2018"), the Central Depository Company of Pakistan Limited Regulations and the Pakistan Stock Exchange Regulations; (ii) for Issuance of letters of offer under Section 83 of the Companies Act, 2017; and (iii) to file the requisite returns / notices with the Securities and Exchange Commission of Pakistan ("SECP") and the Pakistan Stock Exchange ("PSX").

FURTHER RESOLVED THAT the Company shall close its share transfer books from Wednesday, 16 October 2019 to Wednesday, 23 October 2019 (both days inclusive) to determine entitlement for offering right shares to the existing shareholders of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized singly to appoint/engage consultant(s), financial advisor(s) and banker(s), on such terms and conditions as they deem fit and appropriate and to enter into formal agreements with such consultants on behalf of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized singly 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 in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, undertakings and other documents on behalf of the Company.

FURTHER RESOLVED THAT the un-subscribed portion of the Right Issue, if any, may be offered and allotted to such persons as the Board of Directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017.

FURTHER RESOLVED THAT the fractional right entitlements shall not be offered to the members of the Company and the same shall be consolidated and disposed of by the Board of Directors as they may deem fit.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized singly to take all necessary steps for and in connection with the Rights Issue as may be required under the applicable laws or to ensure compliance with applicable laws or as deemed necessary for the Rights Issue.

FURTHER RESOLVED THAT the financial projections, as presented to the Board of Directors be and is hereby approved and the Company Secretary be and are hereby authorized to submit the same to the relevant authorities.

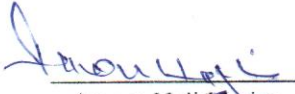


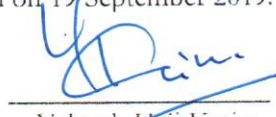
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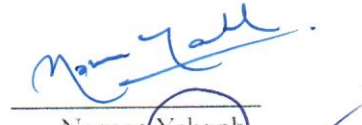
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FURTHER RESOLVED THAT any two members of the Board of Directors are jointly authorized to sign / issue Offer Letter / Letter of Rights in relation to the above resolutions.

We, the Board of Directors of Pakistan Synthetics Limited have approved the announcement relating to Right Issue including financial projections and all other details pertaining to the Right Issue during the meeting held on 19 September 2019.

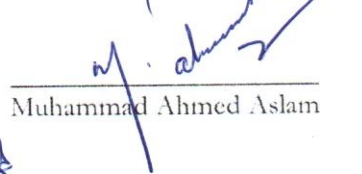

Anwar Haji Karim

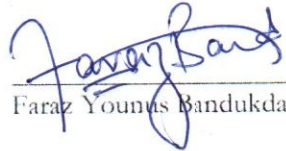

Yakoob Haji Karim


Noman Yakoob


Sajid Haroon


Ali Kamal


Muhammad Ahmed Aslam


Faraz Younus Bandukda



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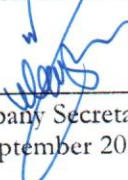
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Annexure D

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Pakistan Synthetics Limited (the "Company") in their meeting held on 19 September 2019 has decided to issue further capital by offering 28,020,000 ordinary right shares of PKR 10 each at a price of PKR 18 per share (inclusive of premium of PKR 8) in proportion of 50 ordinary right shares for every 100 ordinary shares held.

The Share Transfer Books of the Company will remain closed from Wednesday 16 October 2019 to Wednesday 23 October 2019 (both days inclusive) to determine the entitlements of the shareholders of the Company. Transfer received at the Company's share registrar M/S F.D. Registrar Services (Pvt) Limited, 1705, 17th Floor, Saima Trade Tower A, I.I.Chundrigar Road, Karachi, PABX No. 92-21-32271905-6 and email: fdregistrar@yahoo.com, at the close of business on 15 October 2019 will be treated in time for entitlement of right shares.



Company Secretary
19 September 2019