



**PAKISTAN STOCK EXCHANGE LIMITED
NOTICE**

PSX/N-5724

September 29, 2017

Reproduced hereunder letter dated September 26, 2017 received from **MORAFCO INDUSTRIES LIMITED**, regarding **Buy-Back of Shares from Minority Shareholders and Consequent De-Listing of Shares of Company From PSX** for information of all Concerned.

(Copy of the same is also available on our Website www.Psx.com.pk)



**MORAFCO
INDUSTRIES LIMITED**



The General Manager
Pakistan Stock Exchange Ltd.
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dated: 26-09-2017

Subject: Buy-Back of Shares from Minority Shareholders and Consequent De-Listing of Shares of Morafco Industries Limited from Pakistan Stock Exchange

Dear Sir / Madam,

The management of Morafco Industries Limited wishes to intimate the Pakistan Stock Exchange and Securities and Exchange Commission of Pakistan (SECP) under Regulation 5.16.1 set out in Pakistan Stock Exchange Rule Book that the majority shareholders / sponsors who are also the Directors of the Company intend to purchase all the securities without exception from all the shareholders other than majority shareholders / sponsors in order to de-list the shares of the Company from Pakistan Stock Exchange and seek revocation of CDS eligibility of Company's shares. The sponsors have a combine holding of 244,957 shares among themselves which constitute a percentage holding of 43.10% of total 568,312 issued shares.

5. Reasons for De-Listing

Being a listed company, it has become difficult for the company to meet its burdensome compliance costs to comply with different rules and regulations as required by a listed company. Compliance cost constitutes the major element of administrative expenses, especially when the operations of the company have closed down since 1997 and for past several years it has been making losses, it is not in a position to come up with such compliance costs in future.

So, it is was unanimously decided in BOD meeting that, it is possibly the best course of

The company has received NOC of de-listing of the company from Privatization Commission vide letter No. F.No. 14(15) PC/94 dated 27-04-2016. It has also received the clearance from Ministry of Industries & Production vide its letter dated 22-08-2016 for de-listing of the company.

(i) Favorable Exit Option

The sponsors believe that since it is not viable for the company to remain listed on Pakistan Stock Exchange and they do not see it being operational in near future, therefore, it is fair to give opportunity to the outside shareholders to make investment in other avenues. To do this, buy back of shares is a best option. It will provide opportunity to them to invest funds in other better options for higher returns. Thus it is more favourable and is in the interest of minority shareholders to delist the Company.

6. Share Valuation:

(vi) Current Market Price

The current market price per share as of the date the Exchange receives Sponsors / Majority Shareholders intimation was Rs. NIA

(vii) Average Market Price

The average market price for the past three years figured out to be Rs. NIA

(viii) Intrinsic Value Per Share

	Rupees
Assets:	
Fixed Assets- at market value	8,500,000
Current Assets	<u>631,000</u>
	9,131,000
Liabilities:	
Current Liabilities	<u>851,285,000</u>
	<u>(842,154,000)</u>
Net Assets	
	<u>1000,000</u>
Authorized Share Capital-Number of shares	
	<u>568,312</u>
Issued, Subscribed and Paid Up Share Capital-Number of Shares	
	<u>(1481.85)</u>
Intrinsic Value Per Share-Rupees	

7. Proposed Price for Buy-Back of Shares

In this connection, the sponsors are willing to purchase shares at a price of Rs.4/- per share (this price is greater than all the benchmark prices calculated as per relevant regulations of the rule book of Pakistan Stock Exchange) from all minority shareholders of Morafco Industries Limited and to de-list the Company from the Stock Exchange.

The Morafco Industries Limited will appoint a purchase agent to oversee and manage the buy-back process in due course of time, if transaction is approved and processed by the Regulatory Authorities.

This letter is intended for general information to stock Exchange and SECP regarding material information about the affairs of the Company as required under Regulations set out in Pakistan Stock Exchange Rule Book and the formal procedure for de-listing shall be followed with the approval of Pakistan Stock Exchange.

Yours sincerely,

M. Nadeem Athar
Muhammad Nadeem Athar
Company Secretary



MORAFCO INDUSTRIES LIMITED
BOARD OF DIRECTORS RESOLUTION

The Board of Directors of Morafco Industries Ltd in its meeting held on September 25 2017 discussed the delisting of shares of the company from Pakistan Stock Exchange.

Due to high cost of compliance being a listed company, especially when the company has closed down its operation since 1997, it has become difficult for the company to absorb such cost.

It was resolved unanimously that the majority share holders / sponsors of the company will purchase all the securities without exception from minority shareholders in order to de-list the shares of the company from Pakistan Stock Exchange. The Board of Directors has unanimously decided to buy back 323,355 shares from the minority shareholders at a price of Rs. 4 per share (subject to approval of the exchange) and then de-list the company.

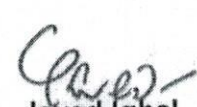
Further resolved: that **M/s Abbasi Securities (Private) Limited** is hereby approved and appointed as a "Purchase Agent" under voluntarily de listing regulations.


Further resolved: that "**Pakistan Industrial Development Corporation (Pvt) Ltd** being holding company of M/s Morafco Industries Limited be and is hereby appointed, who will buy the shares on behalf of majority shareholders. Its account should be opened with M/s Abbasi Securities (Private) Limited for execution of purchase of shares for delisting purposes.

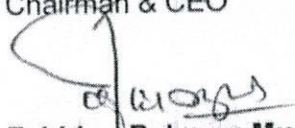
Further resolved: that the copy of resolution be provided to M/s Abbasi Securities (Private) Limited for doing the needful.

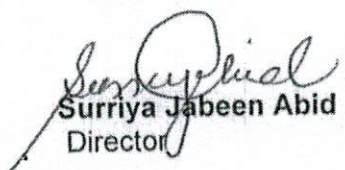
There being no other business.

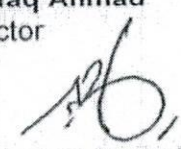

Muhammad Iqbal Tabish
Chairman & CEO

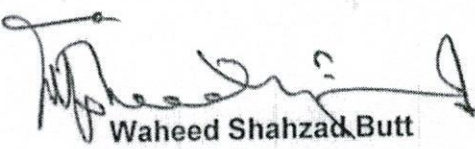

Javed Iqbal
Director

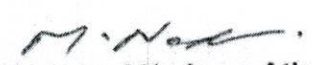

Ashfaq Ahmad
Director


Zahid ur Rehman Mughal
Director


Surriya Jabeen Abid
Director


Muhammad Azam Zaman
Director


Waheed Shahzad Butt
Director


Muhammad Nadeem Athar
Company Secretary

Dated: September 25, 2017