



## SFL LIMITED

316, Cotton Exchange Bldg., I.I.Chundrigar Road, Karachi  
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7-A/K, Main Boulevard, Gulberg-II, Lahore – Pakistan.  
Tel: (92 042) 35750410 – II, UAN: (92 042) 111-000-100  
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January 28, 2019

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



**SUB: BUY-BACK OF SHARES FROM MINORITY SHAREHOLDERS AND DELISTING OF THE COMPANY**

Dear Sir,

We refer to your letter no. PSX/C-1140-5589 dated December 13, 2018 on the captioned subject. In this respect, we hereby submit the formal application under Regulation 5.15.1 of PSX Rule Book for voluntary delisting and buy-back of shares from minority shareholders of M/s. SFL Limited as under:

**1. Application Fee**

An application fee of Rs. 242,000/- net of tax for processing of application for de-listing vide cheque No. 00000262 dated 01/01/2019 drawn on Habib Bank Ltd is enclosed herewith, out of which Rs. 150,000/- is refundable by the Pakistan Stock Exchange (PSX) on fulfillment of requirements of the voluntary delisting of the Company.

**2. Reasons for De-Listing**

- SFL Limited is listed on Pakistan Stock Exchange (PSX) and approximately 98.13% shareholding are held by its Directors / Sponsors, Associated Companies and majority shareholders. No significant trade has been executed in shares of SFL Ltd since past many years.
- Compliance cost in shape of fees and other charges payable to Stock Exchange and SECP is high which could be saved by delisting from Stock Exchange.
- Management time consumed in assuring compliance with disclosure, reporting requirements and other regulatory requirements could be more productively utilized.
- The management is of the view that it is not heavily dependent on the funds from public at present nor will it be in future. Keeping in view the above factors the Board of Directors has decided to delist the SFL Ltd from Pakistan Stock Exchange (PSX) under its voluntary delisting regulations.



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### 3. Share Valuation:

#### (i) Current Market Price

The "Current Market Price" per share as of the date the Exchange receives Sponsors / Majority Shareholders intimation is Rs. 150/-.

#### (ii) Average Market Price

The "Average Market Price" per share calculated using daily closing price of the three years preceding the date the Exchange receives the intimation is Rs. 135.09/-.

#### (iii) Intrinsic Value Per Share

	<u>Fair Value</u>
<b><u>Non Current Assets</u></b>	
Investment Property	2,857,319,801
Long Term Investments	37,500
Long Term Deposits	
<b><u>Current Assets</u></b>	
Short Term Investments	33,619,185
Prepayments	708,704
Taxation -net	954
Cash and Bank Balances	1,314,564
	<u>2,893,000,708</u>
<b><u>Liabilities</u></b>	
Accrued & Other Liabilities	583,060
Unclaimed Dividend	486,782
Unpaid Dividend	780,838
	<u>2,891,150,028</u>
<b>Net Assets Value</b>	
	<u>20,091,450</u>
<b>Intrinsic Value per Share</b>	<u>143.90</u>

The breakup value per share of the Company based on fair value of assets duly certified by the auditor is attached herewith the application.

#### (iv) Earnings Multiplier Approach

The price per share of Company under "Earnings Multiplier Approach" as prescribed under regulation 5.13.1 is Rs. 12.64/-.



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### (v) Maximum Price at which Sponsors Had Purchased These Shares from Open Market

M/s. Neelum Textile Mills (Pvt.) Ltd, one of the sponsors / majority shareholders had purchased the shares of the Company from open market at Rs. 148/- per share.

### 4. Proposed Price for Buy-Back of Shares by Sponsors / Majority Shareholders

The sponsors / majority shareholders are willing to buy-back the 375,658 shares from minority shareholders at a price of Rs. 150/- per share, the "Current Market Price" at date of intimation being the highest of the benchmark price based on the above methods.

The intimation letter of the Company dated December 13, 2018 and "Sponsors Undertaking" submitted with PSX contained a typographical error with respect to number of shares to be purchased from minority shareholders being mentioned as "376,658", the correct number of shares to be purchased from minority shareholders are 375,658 shares as stated in attached "Board Resolution" and "List of Shareholding".

The following documents are attached herewith in support of our application:

- i. A cheque of Rs. 242,000/- net of tax drawn on Habib Bank Ltd being application fee for voluntary de-listing of Company.
- ii. Auditors' certificate verifying the intrinsic value per share.
- iii. List of Shareholding of Company as on December 31, 2018.
- iv. Certified copy of Board Resolution for authorizing Mr.Mohammad Abdullah to purchase / buy the shares on behalf of majority shareholders / sponsors and appointment / approval of M/s. AL Habib Capital Markets (Private) Limited to act as Purchase Agent of Company.
- v. Consent of M/s. AL Habib Capital Markets (Private) Limited to act as Purchase Agent.
- vi. Undertaking from M/s AL Habib Capital Markets (Private) Limited the Purchase Agent valid for 60 days.

We hope that this will meet your requirements and request you to kindly proceed with the application for buy-back of shares from public and subsequent de-listing of the Company from Pakistan Stock Exchange (PSX) at the price proposed by the sponsors.

Thanking you.

Yours truly,

SFL Limited

Secretary

Company Secretary