

PAKISTAN PVC LIMITED

Plot # 1-4, & 31-A, Sector I-9, Industrial Area, Islamabad.
Phone: 4430317, 4444578 Fax: (92-51) 4448116
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July 2, 2019

PVC/19-07/05

Mr. Hafiz Maqsood Munshi
Manager – Companies & Securities Compliance – RAD,
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject:- Placement of Company in the Defaulters' Segment under Clause 5.11.1(i) of PSX Regulations

Dear Sir,

With reference to your letter no. PSX/Gen - 2760 dated June 26, 2019 regarding Placement of Company in the Defaulters' Segment under Clause 5.11.1(i) of PSX Regulations.

As informed earlier in February 1992 under the Privatization Policy of the Government of Pakistan, late Mr. Reyaz Shaffi exercising his right as the ex-owner bought the majority shareholding in Pakistan PVC Limited.

The auditors have qualified their opinion, since the company has prepared the accounts on the going concern basis. The reason given in their qualification is the continued losses sustained by the company.

In recent years the management has taken considerable steps to improve the financial health of the Company by adding a new line of state of the art PVC Pipe production at Islamabad and have also ventured into new product lines such as Purified Water.

The present Management is hopeful that all the outstanding issues with the Privatization Commission will be resolved in the near future to enable the Company to approach financial institutions for financing. The Company is also exploring the possibility of obtaining soft loans and supplier's credit from Chinese companies. The management has neither intention nor the

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necessity of liquidation or ceasing manufacturing operation in foreseeable future. So, with the successful efforts of the Management, the Company will continue as a going concern.

Thanking you.

Yours faithfully
For Pakistan PVC Limited

A handwritten signature in blue ink, appearing to read 'Adeel Shaffi', is written over a horizontal line.

Adeel Shaffi – Company Secretary