

August 9, 2019

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 Material Information notice dated June 19, 2019 submitted at Pakistan Stock Exchange (“PSX”) and submission of the sponsors/majority shareholders undertaking dated June 26, 2019 whereby we have conveyed 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 (“PGCL” or the “Company”) and the decision of the Board of Directors of the Company to delist the Company from PSX under regulation 5.13 of the PSX Rule Book – Voluntary Delisting Regulations (the “Regulation”).

With reference to the above, we are pleased to submit herewith a formal application under regulation 5.15.1 of the PSX Rule Book with the request to delist the Company and approve the purchase of shares from the minority shareholders of the Company under the Regulations.

We hereby submit as follows:

1. The Company is a public company limited by shares and is listed on PSX. The registered office is 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 only) divided into 10,000,000 (ten million) ordinary shares of PKR 10 each out 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 only) 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 Pakistan.
3. The following are the reasons for delisting of the Company from PSX:
 - a. Company’s shares have remained highly illiquid with daily average of only 2,123 shares traded since 2016 which on average have traded on 114 days against 220 trading days in a year;
 - b. Company has also been suffering losses since financial year ended December 31, 2015 except a marginal profit of PKR 18.70 million in 2018;

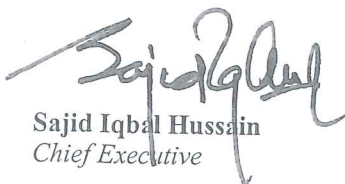
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- c. Furthermore, Company's profitability is not expected to improve significantly in the near term due to prevailing adverse market conditions. In this regards, the sponsors believe it would be in the best interest of the minority shareholders who hold only 10.40% of the paid up share capital of the Company, to be provided a fair opportunity to exit, so that they can invest the fund in other profitable avenues
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 minimum purchase price of PKR 266.03 per share. The proposed minimum purchase price has been determined in accordance with the requirements of the regulation 5.13.1 of PSX Rule Book.
5. Arif Habib Limited has been appointed as the Purchase Agent
6. Further and as required by the Regulation, annexed hereto are the following documents
 - a. A certified copy of the resolution of Board of Directors passed on June 19, 2019 as per regulation 5.16.1 of PSX Rule Book
 - b. Sponsors'/majority shareholders' undertaking as per regulation 5.16.2 of PSX Rule Book
 - c. Consent of Purchase Agent as per regulation 5.15.6 of PSX Rule Book
 - d. Purchase Agent's undertaking as per regulation 5.15.4 of PSX Rule Book
7. Attached hereto is a cheque of PKR 250,000/- drawn on 6 August 2019 on account of application fee under regulation 5.15.1 of PSX Rule Book
8. The intrinsic value per share of the Company is determined on the basis of revaluation of fixed assets carried out by Sipra & Company (Pvt.) Limited who are approved valuers by Pakistan Banking Association and one of the valuers under PSX's approved valuers list. The intrinsic value per share working, duly certified by the auditors of the Company is attached hereto.
9. Attached hereto is a summary of the shares held by majority and minority shareholders along with percentage of total issued shares
10. Attached hereto is a list majority shareholders
11. Attached hereto is a list minority shareholders

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

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

Yours sincerely,


Sajid Iqbal Hussain
Chief Executive

**EXTRACT FROM THE
MINUTES OF THE BOARD OF DIRECTORS MEETING
HELD ON WEDNESDAY 19 JUNE 2019 AT 10:00 AM
IN THE COMPANY'S BOARD ROOM**

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WHEREAS, the Company's shares have remained highly illiquid with daily average of only 2,123 shares traded since 2016 which on average have traded on 114 days against 220 trading days in a year.

AND WHEREAS, the Company has been suffering losses since financial year ended 31 December 2015 except a marginal profit of Rs.18.70 million in 2018.

AND WHEREAS, the Company's profitability is not expected to improve significantly in the near term due to prevailing adverse market conditions, the Sponsors believe it would be in the best interest of the minority shareholders who hold only 10.40% of the paid up share capital of the Company, to be provided a fair opportunity to exit, so that they can invest the fund in other profitable avenues.

In view of the above, it is hereby

RESOLVED THAT Pakistan Gum and Chemicals Limited be delisted from Pakistan Stock Exchange ("PSX") under rule 5.13 of Voluntary Delisting rules of the PSX Rule Book (the "Rule Book")

- a) The Company shall make a formal application to the PSX for the delisting of the shares of the Company from PSX
- b) Upon acceptance of the application for delisting its shares from PSX, in accordance the Rule book, a general meeting of the shareholders of the Company be convened and held to seek approval through a special resolution for the delisting of the shares of the Company from PSX, which general meeting of the shareholders shall be held on such date as may be determined by Mr. Sajid Iqbal Hussain, Chief Executive of the Company, or at any time after the approval of the application for the delisting of the shares of the Company by PSX.

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- c) For the purposes of the general meeting of the shareholders as aforesaid, the Register of the Members and Share Transfer Books, of the Company be closed for a period of 7 days prior to the said general meeting of the shareholders, the dates of such closure being determined by Mr. Sajid Iqbal Hussain, Chief Executive of the Company;

RESOLVED FURTHER THAT the delisting and subsequent buy-back of ordinary shares held by the minority shareholders of the Company shall take place to an extent and at a price to be determined in accordance with the Rule Book or as may be determined by the PSX or the Securities Exchange Commission of Pakistan for the purposes of voluntary Delisting of the Company from the PSX.

RESOLVED FURTHER THAT Mr. Muhammad Moonis, Chairman, Mr. Sajid Iqbal Hussain, Chief Executive and Mr. Zafar Iqbal, Company Secretary, (the **"Authorized Officers"**) be and are hereby authorized to sign singly, execute and deliver any document, and to do any other act, deed or thing for and on behalf of the Company as may from time to time be required by the Central Depository Company ("CDC"), PSX and/or Securities & Exchange Commission of Pakistan ("SECP") and to fulfill all requisite legal and procedural formalities for accomplishing the delisting of the Company from the PSX, to appoint Advisor & Purchase Agent for the delisting of the Company and make application, to appoint Share Registrar, sign and submit requisite documents as may be necessary, negotiate the price with the PSX and so 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 Authorized Officers in respect of the above are hereby ratified and confirmed by the Company.


Zafar Iqbal
Company Secretary