



BAP/PSX/1182/20
October 26, 2020

Hafiz Maqsood Munshi
Manager
Companies and Securities Compliance-RAD
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Dear Sir,

Sub :- ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2020

Reference your letter No.PSX/Gen-1972 dated October 07, 2020 on the Auditors' qualified opinion. In this respect we, draw your attention to our earlier letters, in which we have informed the Exchange that the Company had received on December 16, 2019 Public Announcement of Intention from Fossil Energy (Pvt.) Limited under the Securities Act, 2015 to acquire more than 50% of the paid up share capital of the Company. On April 07, 2020 the Fossil Energy (Pvt) Limited has entered with directors/ sponsors of the Company into a Share Purchase Agreement for purchase of 51% shares. As per the share purchase agreement, the obligation of the Company included the disposal of all its assets and to clear all its liabilities.

Fossil Energy (Pvt.) Limited is engaged in the business of Storage of Petroleum Products in own storage facilities and to hospitality them to Oil Marketing Companies (OMCs) and to other companies operating in the related field. The authorized share capital of Fossil Energy (Pvt) Limited is Rs.500,000,000/- divided into 50,000,000 Ordinary shares of Rs.10/- each and the paid up share capital of the company is Rs.140,000,000 divided into 14,000,000 Ordinary shares of Rs.10/- each.

The Fossil Energy (Pvt.) Limited is the holding company of Clover Pakistan Limited which is listed on Pakistan Stock Exchange Limited. The principal business of Clover Pakistan Limited includes sale of food products, consumer durables, and also import & trade of gantry equipment's air/oil filter, other car care products and also is involved in marketing & distribution and after sales support of office automation products, fuel dispensers, vending machines and digital screens. The other companies of the group are Market 786 (Pvt.) Limited (a brokerage house) and VOS Petroleum Limited (a public unlisted company) engaged in Oil Storage Facility.



The shareholders passed a special resolution in Extraordinary General meeting held on June 02, 2020 where the Board of Directors were authorized to dispose-off land, building, plant and machinery along with auxiliary parts and to settle all the liabilities of the Company including that towards directors and their families.

According to the Special Resolution passed on June 02, 2020 an advertisement for sale of all the assets of the company was published in newspapers, in response of which company received bids from interested parties. The Board of Directors in their meeting held on July 17, 2020 approved the negotiated bid of highest bidder and executed sale agreement, the implementation of which is in process.

At present the Company is in the process of settlement with the financial institution and outstanding of Faisal Bank Limited have been settled amicably at Rs.9.1 million and Faisal Bank Limited has issued its "No Objection Certificate" for satisfaction of Charge Registered with Securities and Exchange Commission of Pakistan (Copies enclosed).

The Company is also negotiating with ORIX Leasing Pakistan Limited and other creditors for settlement of outstanding dues, which is expected to be concluded shortly.

The Management of the Company is confident that due to the settlement of liabilities (which are in process) the discrepancy that resulted in the adverse opinion in the audit report would be fully addressed once the takeover of the company by Fossil Energy (Pvt.) Limited is completed.

Further, the revival of the Company through takeover, will be beneficial to more than 750 shareholders of the company as well as for the capital market.

We look forward to your understanding and cooperation, as previously extended, in our efforts towards ensuring the revival of the Company.

Yours truly,

M. Hanif Y. Bawany
Chief Executive Officer