

The Board of Directors
Pak Elektron Limited
17 Aziz Avenue,
Canal Bank, Gulberg V,
Lahore.

Dear Board Members

AUDITORS' CERTIFICATE ON CANCELLATION OF PREFERENCE SHARES AND CONVERSION OF OUTSTANDING PREFERENCE SHARES AND ACCUMULATED DIVIDEND THEREON INTO ORDINARY SHARES.

We have been requested to provide you with a certificate on pre and post factual position of issued ordinary and preference share capital of Pak Elektron Limited ['the Company'] as a result of cancellation of 44,957,592 preference shares of Rs. 10 each and conversion of the preference shares so cancelled along with accumulated preference dividend thereon, upto 31 December 2024, amounting to Rs. 640,645,686, into 67,637,346 ordinary shares of Rs. 10 each.

Scope of Certificate

This certificate has been issued to confirm the pre and post factual position of issued ordinary and preference share capital of the Company as a result of cancellation of 44,957,592 preference shares of Rs. 10 each and conversion of the preference shares so cancelled along with accumulated preference dividend thereon, upto 31 December 2024, amounting to Rs. 640,645,686, into 67,637,346 ordinary shares of Rs. 10 each. We understand that this certificate will be submitted to the Central Depository Company of Pakistan Limited and Pakistan Stock Exchange Limited.

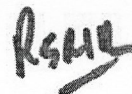
Management's Responsibility

Management of the Company is responsible for maintenance of adequate records pertaining to issuance, conversion and cancellation of ordinary and preference shares and for such internal controls as are necessary to keep these records free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to confirm the pre and post factual position of issued ordinary and preference share capital of the Company as a result of cancellation of 44,957,592 preference shares of Rs. 10 each and conversion of the preference shares so cancelled along with accumulated preference dividend thereon, upto 31 December 2024, amounting to Rs. 640,645,686, into 67,637,346 ordinary shares of Rs. 10 each in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the following procedures:

- i) Review of notices for conversion sent out to preference shareholders;
- ii) Review of articles of association of the Company to verify conditions pertaining to conversion of preference shares;
- iii) Review of Share Book Detail Report of the Central Depository Company of Pakistan Limited;
- iv) Review of latest audited financial statements and related audit working paper files;
- v) Recalculation of preference dividend accumulated upto 31 December 2024; and
- vi) Recalculation of number of ordinary shares to be issued on conversion.



Certificate

Based on procedures mentioned above, we certify that the pre and post factual position of issued ordinary and preference share capital of the Company as a result of cancellation of 44,957,592 preference shares of Rs. 10 each and conversion of the preference shares so cancelled along with accumulated preference dividend thereon, upto 31 December 2024, amounting to Rs. 640,645,686, into 67,637,346 ordinary shares of Rs. 10 each:

	<i>Amounts in PKR</i>	
	Preference share capital	Ordinary share capital
Issued capital before conversion/cancellation	449,575,920	8,560,121,550
Cancellation of preference shares	(449,575,920)	-
Issuance ordinary shares on conversion	-	676,373,460
Issued capital after conversion/cancellation	-	9,236,495,010

We further confirm that:

- cancellation of preference shares is in line with and permissible under the clause 14 of Articles of Association of the Company;
- current authorized ordinary share capital amounts to Rs. 10,000,000,000; and
- nothing has come to our attention that causes us to believe that the Company has not complied with the requirements of clause 14 of its Articles of Association pertaining to cancellation of preference shares and has not completed all required regulatory formalities with respect to cancellation and conversion of preference shares.

Restriction on use and distribution

This certificate has been issued to confirm the pre and post factual position of issued ordinary and preference share capital of the Company as a result of cancellation of 44,957,592 preference shares of Rs. 10 each and conversion of the preference shares so cancelled along with accumulated preference dividend thereon, upto 31 December 2024, amounting to Rs. 640,645,686, into 67,637,346 ordinary shares of Rs. 10 each, for onward submission to the Central Depository Company of Pakistan Limited and Pakistan Stock Exchange Limited, and is not to be used for any other purpose. This certificate is restricted to the facts stated herein.


RAHMAN SARFRAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Lahore | 20 March 2025

