

Synthetic Products Enterprises Limited.

127-S,Q.I.E, Township, Kotlakhpat Lahore-Pakistan.

Tel: +92-42-35115506-07

Fax: +92-42-35118507

Web: www.spelgroup.com

Email: synthetic@spelgroup.com

FORM - 3

30-Sep-19

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.
Fax: 111-573-329

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED
30 JUNE 2019

Dear Sir,

We have to inform you that the Board of Directors of our Company in their meeting held on **27th Sep 2019** at **4:30 pm** at **127-S, Q.I.E., Kotlakhpat, Lahore, Pakistan**, recommended the following:

(i) CASH DIVIDEND

A final Cash Dividend for the year ended **30 June 2019** at **Re. 0.6** per share i.e. **6%**. This is in addition to Interim Dividend(s) already paid at **Rs. NIL** per share i.e. **NIL %**.

AND/OR

(ii) BONUS SHARES

It has been recommended by the Board of Directors to issue Bonus shares in proportion of **1.0** share(s) for every **25** share(s) held i.e. **4%**. This is in addition to the Interim Bonus Shares already issued @ **NIL %**.

AND/OR

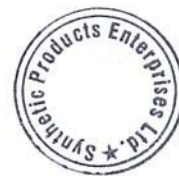
(iii) RIGHT SHARES

The Board has recommended to issue **NIL%** Right Shares at par/at a discount/premium of Rs. **NIL** per share in proportion of share(s) for every share(s). The entitlement of right shares being declared simultaneously will be/will not be applicable on Bonus Shares as declared above.

AND/OR

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

NIL



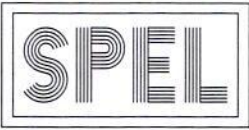
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ISO 9001:2015 & 14001:2015
Certified Company



FSSC 22000 & HALAL
Certified Company



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AND/OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The financial results of the Company along with auditor certificate on free reserves are attached.

The Annual General Meeting of the Company will be held on 28 October 2019 at 3:00 PM at Lahore.

The above entitlement will be paid to the shareholders whose names will appear in Register of Members on **21 October 2019**.

The Share Transfer Books of the Company will be closed from **22 October 2019** to **28 October 2019** (both days inclusive). Transfers received at the **THK Associates (Pvt.) Ltd. First Floor, 40-C Block-6 P.E.C.H.S. Karachi** at the close of business on **21 October 2019** will be treated in time for the purpose of above entitlement to the transferees.

The Annual Report of the Company will be transmitted through PUCARS atleast 21 days before holding of Annual General Meeting.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,

Khalil Ahmad Hashmi FCA
Chief Financial Officer



Muhammad Kamran Farooq
Company Secretary



ISO 9001:2015 & 14001:2015
Certified Company



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Synthetic Products Enterprises Limited

Statement of Profit or Loss

For the year ended 30 June 2019

	2019 Rupees	2018 Rupees
Sales-net	3,431,045,033	2,987,314,753
Cost of sales	<u>(2,857,842,613)</u>	<u>(2,373,059,164)</u>
Gross profit	573,202,420	614,255,589
Administrative expenses	(165,558,182)	(157,445,697)
Selling and distribution expenses	<u>(21,429,089)</u>	<u>(18,782,159)</u>
Operating profit	386,215,149	438,027,733
Other income	14,197,557	17,703,428
Other charges	(36,279,426)	(38,834,641)
Finance cost	<u>(76,045,398)</u>	<u>(46,249,453)</u>
Profit before taxation	288,087,882	370,647,067
Taxation	<u>(46,901,809)</u>	<u>(26,374,798)</u>
Profit after taxation	241,186,073	344,272,269
	Rupees	Rupees
Earnings per share - basic and diluted	2.83	4.05

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KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

The Company Secretary
Synthetic Products Enterprises Limited
127-S, Quaid-e-Azam Industrial Estate
Kot Lakhpat, Lahore

Our ref LA-IA-369-19
Contact M. Rehan Chughtai

27 September 2019

Dear Sir,

AUDITORS' CERTIFICATE ON FREE RESERVES AS REQUIRED UNDER COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2018.

We have been requested to provide you with a certificate under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2018 ('the Regulations'), that free reserves of Synthetic Products Enterprises limited ('the Company') are at least 15 percent of the enhanced share capital of the Company after issuance of 3,403,400 bonus shares as recommended by the Board of Directors of the Company in its meeting held on 27 September 2019.

Scope of certificate

We understand that pursuant to the requirements of Rule 3 of the Regulations, our certificate is required to be filed with the Pakistan Stock Exchange (PSX) and the Securities and Exchange Commission of Pakistan (SECP).

Management responsibility

It is the management responsibility to comply with the requirements of the Regulations.

Auditors' responsibility

Our responsibility is to certify the Company's compliance with the requirement of Rule 3 of the Regulations 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 procedures as mentioned below:

- a) Obtained working of free reserves of the Company after proposed issue of bonus shares, based on financial statements of the Company for the year ended 30 June 2019;
- b) Obtained a representation letter from the Company that free reserves of the Company are at least 15% of the enhanced paid-up share capital after issue of proposed bonus shares and that all contingent liabilities have been deducted while calculating the free reserves;



KPMG Taseer Hadi & Co.

- c) Checked the working of free reserve to ensure that same is drawn up as required by Rule 3 of the Regulations and is based on the financial statements of the Company for the year ended 30 June 2019; and
- d) Checked that all contingent liabilities as at 30 June 2019 as disclosed to us by the Company's management, the proposed final cash dividend @ 6% and proposed issue of 3,403,400 bonus shares of Rs. 10 each as recommended by the Board of Directors in its meeting held on 27 September 2019 have been deducted while calculating the free reserves.

Certificate

Based on the procedures mentioned above, we certify that the free reserve of the Company as worked out from financial statements for the year ended 30 June 2019 after deducting contingent liabilities as at 30 June 2019, proposed final cash dividend @ 6% and proposed issue of 3,403,400 bonus shares of Rs. 10 each as disclosed to us by the management of the Company, will be more than 15 percent of the enhanced paid-up share capital of the Company after the proposed issue of 3,403,400 bonus shares of Rs. 10 each.

Restriction on use and distribution

Our certificate is given in our capacity as statutory auditors of the Company and is issued solely for the purpose set forth in the scope paragraph and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours faithfully

