

# 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

September 18, 2020

**The General Manager**

Pakistan Stock Exchange Limited

Karachi.

Dear Sir,

Subject: **DECLARATION OF RIGHT SHARES**

The Board of Directors of Synthetic Products Enterprises Limited (the 'Company') in its meeting held on **September 17, 2020 at 04:00 PM** at the Registered Office of the Company has decided to increase the paid up share capital of the Company by issue of a further 3,981,978 (Three Million, Nine Hundred Eighty One Thousand, Nine Hundred & Seventy Eight Only) ordinary shares at an issue price of Rs. 32 (Rupees Thirty Two) per share (inclusive of a premium of Rs. 22 per share) by issue of Right Shares to be offered to the members in proportion to approximately 4.5 Right Shares for every 100 shares held i.e. approximately 4.5%.

The Shares Transfer Books of the Company will be closed from **17/10/2020 to 31/10/2020** (both days inclusive) to determine the entitlement of Right Shares.

Transfers received at **THK Associates (Pvt.) Ltd First Floor 40-C Block-6 P.E.C.H.S. Karachi**, at the close of business on **16/10/2020** will be treated in time for the purpose of entitlement of Right Shares to the transferees.

**Following details are attached:**

- Statement with respect to the details of the right issue, including the quantum, size, price, purpose, benefits, utilization of proceeds and risk factor associated with the same. **(Annexure A)**
- Certified true copy of the extract of the resolutions passed by the Board of Directors dated **September 17, 2020 (Annexure B)**
- Draft copy of the notice of the right issue and book closure to the shareholders prior to its publication in the newspaper **(Annexure C)**

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

Yours sincerely,

**Muhammad Kamran Farooq**  
Company Secretary

**Khalil Ahmad Hashmi**  
Chief Financial Officer

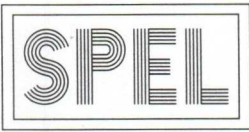
**Copy to:** The Commissioner (Company Law Division), SECP, Islamabad;  
The Commissioner (Securities Market Division), SECP, Islamabad; and  
The Chief Executive Officer, Central Depository Company of Pakistan, Karachi.



**ISO 9001:2015 & 14001:2015**  
Certified Company



**FSSC 22000 & HALAL**  
Certified Company



# 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

## Annexure A

**Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company & to the shareholders and Risk Factors under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020.**

**Quantum of Right Issue (i.e. as a percentage of existing paid up capital)**

The quantum of Right Issue is 4.5% of the existing paid up capital of the Company i.e. approximately 4.5 right shares for every 100 ordinary shares held by the shareholders of the Company.

### Right Issue Size

The Company shall issue 3,981,978 (Three Million, Nine Hundred Eighty One Thousand, Nine Hundred & Seventy Eight Only) ordinary shares, at an issue price of Rs. 32 (Rupees Thirty Two) per share (inclusive of a premium of Rs. 22 per share), aggregating to PKR 127,423,296/- (Pak Rupees One Hundred Twenty Seven Million, Four Hundred Twenty Three Thousand, Two Hundred & Ninety Six Only).

### Right Issue Price

Rs. 32 (Rupees Thirty Two) per share (inclusive of a premium of Rs. 22 per share)

### Purpose of the Right Issue

The purpose of Right Issue is to establish a new manufacturing facility in Karachi in order to, *inter alia*, enhance the profitability of the Company and to improve returns to the shareholders.

### Utilization of Proceeds of the Right Issue

The proceeds from the Right Issue will primarily be utilized for the meeting the CAPEX requirement of the Company.

### Benefits to the Company and its Shareholders

This is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

### Risks associated with the Right Issue

The Right Issue has been announced at below current market price, hence, there is minimal investment risk associated with the Right Issue. Furthermore, the Right Issue is to be underwritten as per requirement of the applicable regulations.

### Justification of Right Issue at premium

The current market price of share is much higher than the offered price and the price being offered to the shareholder for this right issue is at a significant discount.

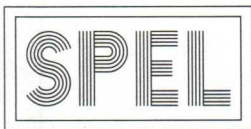
*Q. Anwar Jaleel*  
*Waqar*



ISO 9001:2015 & 14001:2015  
Certified Company



FSSC 22000 & HALAL  
Certified Company



# 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

## Annexure B

**Extract of the Resolutions passed by the Board of Directors of Synthetic Products Enterprises Limited (the "Company") in its meeting held on September 17, 2020 at SPEL Head Office 127-S Q.I.E. Township Kot Lakhpat Lahore.**

**"RESOLVED THAT** the ordinary paid up share capital of the company be increased from PKR 884,884,000/- (Pak Rupees Eight Hundred Eighty Four Million, Eight Hundred & Eighty Four Thousand Only ) to PKR 924,703,780/- (Pak Rupees Nine Hundred Twenty Four Million, Seven Hundred Three Thousand, Seven Hundred & Eighty Only) by issue of further 3,981,978 (Three Million, Nine Hundred Eighty One Thousand, Nine Hundred & Seventy Eight Only) ordinary shares of the company."

**"FURTHER RESOLVED THAT** the new shares be offered to the shareholders of the company in proportion to the number of shares already held by each shareholders in accordance with provisions of section 83 of the Companies Act, 2017 and of all applicable laws, at an issue price of Rs. 32 (Rupees Thirty Two) per share (inclusive of a premium of Rs. 22 per share), in ratio of approximately 4.5 right shares for every 100 existing ordinary shares (i.e. approximately 4.5%), against cash consideration, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the company (the "Right Issue").

**"FURTHER RESOLVED THAT** the Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company & the shareholders and Risk Factors under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020 attached as "Annexure A" be and is hereby approved."

**"FURTHER RESOLVED THAT** the letter of offer, circular under the Companies Act and all related documents shall be signed jointly by any two of the following, in compliance with the requirements of applicable laws:

- Mr. Zia Hyder Naqi, Chief Executive Officer;
- Mr. Abid Saleem Khan, Director;
- Mr. Khalil Ahmad Hashmi, Chief Financial Officer; and
- Mr. Kamran Farooq, Company Secretary."

**"FURTHER RESOLVED THAT** that all fractional entitlements will be consolidated and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed/paid to the entitled shareholders in accordance with their respective entitlements as per applicable law."

**"FURTHER RESOLVED THAT** that any unsubscribed shares may be offered and allotted to such persons and in such manner as the directors may deem fit in accordance with the requirements of section 83 of the Companies Act, 2017, including the sponsors, directors or associated undertaking of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares."

*Wahid*

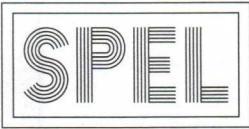
*Kamran Farooq*



ISO 9001:2015 & 14001:2015  
Certified Company



FSSC 22000 & HALAL  
Certified Company



# 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](http://www.spelgroup.com)

Email: [synthetic@spelgroup.com](mailto:synthetic@spelgroup.com)

**"FURTHER RESOLVED THAT** that the Company be and is hereby authorised to close its share transfer books from 17 October 2020 to 31 October 2020 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue."

**"FURTHER RESOLVED THAT** that the Chief Executive Officer, Chief Financial Officer and Company Secretary (jointly any two) be and are hereby authorised to do the following on behalf of the Company:

- (i) Appoint/ negotiate with consultants / advisors /auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreement(s), other documents and settle / finalize fees, underwriting commission, take up commission and third party expenses and / or any other expenses relating to the Right Issue;
- (ii) To prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the Securities and Exchange Commission of Pakistan ("SECP") / Pakistan Stock Exchange Limited ("PSX") / Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority;
- (iii) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of shares;
- (iv) To allot / credit right shares and file returns as required by SECP / PSX / CDC along with the auditors' certificates; and
- (v) To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

**Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of SPEL held at 127-S Q.I.E. Township Kot Lakhpat Lahore on September 17, 2020.**



Company Secretary

Dated: 18 September 2020

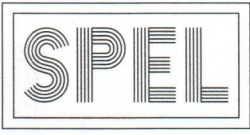




ISO 9001:2015 & 14001:2015  
Certified Company



FSSC 22000 & HALAL  
Certified Company



# 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](http://www.spelgroup.com)

Email: [synthetic@spelgroup.com](mailto:synthetic@spelgroup.com)

Annexure C

## NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Synthetic Products Enterprises Limited (the "Company") in their meeting held on September 17, 2020 has decided to issue further capital by offering 3,981,978 ordinary shares at an issue price of Rs. 32 (Rupees Thirty Two) per share (inclusive of a premium of Rs. 22 per share) aggregating to Rs. 127,423,296/- (Pak Rupees One Hundred Twenty Seven Million, Four Hundred Twenty Three Thousand, Two Hundred & Ninety Six Only) in the ratio of approximately 4.5 right shares for every 100 existing ordinary share (i.e. approximately 4.5 %), against payment to the Company of the price of the shares subscribed by the shareholders, which shares shall rank pari passu in all respect with the existing ordinary shares of the Company.

The Share Transfer Books of the Company will remain closed from October 17, 2020 to October 31, 2020 (both days inclusive) to determine the entitlements of the shareholders of the Company. Physical transfers / CDS Transaction IDs received at the Company's share registrar **THK Associates (Pvt.) Ltd First Floor 40-C Block-6 P.E.C.H.S. Karachi**, by the close of business (5:00 pm) on **October 16, 2020**, will be considered in time for entitlement of right shares.

Company Secretary

September 18, 2020



ISO 9001:2015 & 14001:2015  
Certified Company



FSSC 22000 & HALAL  
Certified Company