



Date: 27<sup>th</sup> December 2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Subject: Application for Voluntary Delisting of ADOS Pakistan Limited from Pakistan Stock Exchange Limited**

Dear Sir,

We refer to the Material Information Notice dated December 20<sup>th</sup>, 2021 submitted to Pakistan Stock Exchange ("PSX") and submission of the Sponsors/majority shareholders undertaking dated 20<sup>th</sup> December 21, whereby we have conveyed you the intension of the sponsors to buy back 1,701,700 ordinary shares comprising of 25.85% of the total paid up capital of ADOS Pakistan Limited ("ADOS" or the "Company") and the decision of the Board of Directors of the Company to delist the Company from PSX under regulation 5.14 of the PSX Rule Book – Voluntary Delisting Regulations (the "Regulation").

We submit herewith the formal application under regulation 5.16.1 of the PSX Rule Book with the request to delist the company and approve the purchase of shares from the minority shareholders under the Regulations.

We hereby submit as under:

1. The Company is a Public Company Limited by shares and is listed on PSX. The registered office is situated at 2nd Floor, FJ Plaza, Block 2 College Road, Markaz F-7, Islamabad.
2. The Company has an authorized share Capital of PKR 70,000,000 (Pak Rupees seventy million only) divided into 7,000,000 (seven million ordinary shares of PKR 10 each, out of which 6,582,600 (Six million five hundred eighty two thousand and six hundred) ordinary shares of the aggregate nominal value of PKR 65,826,000 (Pak Rupees sixty five million eight hundred twenty six thousand) are issued and fully paid up. The shares of the Company are eligible for the purpose 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. The Company's profitability is not expected to improve 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 25.85% 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.
  - b. The Company has been suffering losses since financial year ended 2017
  - c. The Company's value proposition is not sustainable due to the severe reduction in Oil & Gas drilling activity in Pakistan, as mentioned in the directors report
  - d. The company's products are being sold at dumping rates by foreign firms trying to capture market share. Change in government policies has acted against the interest of local manufacturers.
  - e. The nature of the product and market has changed so significantly, that the company will not reasonably be able to generate revenue to cover minimum operational requirements, even if the local Oil & Gas sector recovers.
  - f. The majority shareholder and CEO of the company has invested substantial funds of approximately PKR 126,440,877 in the past few years by means of interest free directors loans to the company, due to his desire to support its survival.
  - g. The manufacturing facility is becoming obsolete, resulting in high input costs and low profit margins
  - h. The sponsors have a serious concern on the ability to operate profitably in the future. The sponsors now lack the funds required to ensure survival of the company.
4. The Sponsors propose to purchase 1,701,700 ordinary shares (25.85% of the paid up share capital of the Company) held by the minority shareholders of the Company at a minimum purchase price of PKR 10 per share.
  5. JS Global Capital Limited has been appointed as the Purchase Agent.
  6. Further and as required under the regulation, annexed hereto are the following documents
    - a. A certified copy of the resolution of Board of Directors passed on December 20, 2021
    - b. Sponsors'/ majority shareholders' undertaking as per regulation 5.14 of PSX Rule Book
    - c. Consent of Purchase Agent as per regulation 5.16.2 of PSX Rule Book
    - d. Purchase Agent's undertaking as per regulation 5.16.3 of PSX Rule Book
  7. A cheque of PKR 485,000/- dated 27-12-2021 on account of application fee under regulation 5.16.1 of PSX Rule Book after deduction of tax of Rs. 15,000/- as withholding tax.
  8. The intrinsic Value per share of the Company is determined on the basis of revaluation of fixed assets carried out by Iqbal A. Nanjee & Co. (Pvt) Ltd. who are approved valuers by Pakistan Banking Association and one of the Valuers under PSX's approved valuers list. Due to the short timeline allowed by PSX Rules for this activity, the final valuation report & Auditor certificate is in progress and shall be shared with the PSX in due course.
  9. Attached hereto is a summary of the shares held by majority and minority shareholders along with the percentage of total issued shares
  10. Attached hereto is a list of majority shareholders



11. Attached hereto is a list of 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,

Yours truly,  
For ADOS PAKISTAN LIMITED

SHEHRYAR AKBAR ANSARI  
DIRECTOR