

SAUDI PAK LEASING COMPANY LIMITED

No. SPLC/PSX /2023

Dated: October 5, 2023.

Hafiz Maqsood Munshi
Sr. Manager
Listed Companies Compliance Department –RAD
Pakistan Stock Exchange Limited (PSX)
Karachi

Subject: Quarterly Progress report for September 2023 to fulfill the requirement of PSX Regulation 5.11.2(b). (To commence/resume Commercial Production or business Operations).

Dear Sir,

Reference to your letter No. PSX/Gen-1587 dated 28.09.2023, on the captioned subject we have to submit the as under:-

We have been striving continuously to fulfill the requirement of PSX Regulation 5.11.2(b) to commence/resume business Operations as envisaged in our charter and have taken all possible measures to do away the mandatory defaults by meeting MER and restoration of the Company's license. Even in the backdrop of the existing scenario of the company in wake of cancellation of its license by the SECP and continuous threats from PSX for suspension of trading of SPLC's shares under PSX Regulations due to mandatory defaults and ultimate suspension of trading on 24.03.2022, vis-a-vis poor and deteriorating condition of the economy, we have been able to recover a substantial amount of 31.68 million from the defaulters and settled one of the major liability towards our creditor/investor in the tune of PKR 44 million by obtaining huge hair cut besides we have paid PKR 35 million to settle another creditor by availing substantial hair cut earlier this year (2023) of a total amount of PKR61 million, thereby reducing the liability portfolio on the Balance sheet of the company and improving considerably the negative equity to give MER a better shape.

We are willing to pay off individual COI / TFC holders their principal amount and have given advertisements in newspapers from time to time asking them to collect their due on completing the requirements.

The status of Divestment process by Major shareholder (SAPICP as updated by them is as under:-

- "As previously communicated, SPLC's license to operate a leasing business was cancelled by the SECP, resulting in it no longer being classified as an NBFC. Saudi Pak has submitted to the SECP our perspective on this matter.
- Following the SECP's issuance of a Show Cause Notice to SPLC on July 21, 2023, inquiring why liquidation proceedings should not be initiated, SPLC has requested an

extension of the response period. The SECP has granted an extension of up to three months, extending the deadline until the end of October.

- Saudi Pak is currently evaluating the situation post SECP order.”

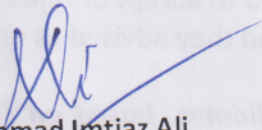
Meanwhile, it is to be noted the board has already approved changes in the Memorandum and Article of Association of the company and after approval in the AGM and subsequent approval of the SECP the radical changes so made in it keeping in view non-compliance of MER will be done away by acquiring the shape of a Consultancy firm as advised by the Consultant that there is no requirement MER for a Consultancy firm.

We highly respect the Rules and Regulations of SECP and PSX and try our best to comply with them in letter and spirit within all possible means. Please rest assured that we are trying our level best in prevailing adverse circumstances to address the issues as early as possible.

Thanking you.

Regards.

Yours truly,



Muhammad Imtiaz Ali
Company Secretary

Cc: for information to:

- The Chief Regulatory Officer-PSX, Karachi.
- The Director, LCD-SD, SECP, Islamabad.