



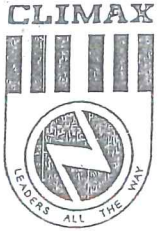
PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-3966

NOTICE

July 02, 2018

Reproduced hereunder letter received from **THE CLIMAX ENGINEERING COMPANY LIMITED**, regarding **Application for Voluntary De-listing and Buy Back of 12.32% Shares held by Minority Shareholders of The Climax Engineering company Limited**, for information of all concerned.
(Copy of the same is also available on our Website www.psx.com.pk).



THE CLIMAX ENGINEERING CO. LTD.

ISO 9001:2000 Certified ISO/3/1

POSTAL ADDRESS

CLIMAXABAD , G.T.ROAD,
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ISSUE #

(Estd. In 1940)

*The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.*

June, 30th 2018

SUBJECT:- APPLICATION FOR VOLUNTARY DE-LISTING AND BUY BACK OF 12.32 % SHARES HELD BY MINORITY SHAREHOLDERS OF THE CLIMAX ENGINEERING COMPANY LIMITED.

Dear Sir,

In reference to the Board Resolution passed by the Board of Directors of The Climax Engineering Company Limited, we hereby submit the formal application under relevant Regulations of Stock Exchange for Voluntary delisting and buy-back of shares from minority shareholders of The Climax Engineering Company Limited as under.

1. Applicable Fee

Application fee of Rs. 250,000/- for processing of application for de-listing vide cheque No 113346527 dated 29-06-2018 Drawn on Habib Metro Bank Ltd is enclosed herewith. Out of which Rs. 150,000/- is refundable by the Exchange on fulfillment of requirements of the voluntary delisting of the Company.

2. Reasons for Voluntary De-Listing from PSX

- *Size of the company at the time of IPO as compared to current market standard fall under small size of company which don't need big set up as required under corporate governance regulations, Therefore private limited set up is most suitable for our company.*
- *The very uncertain political and economic conditions prevailing in the country are badly effecting the over all business conditions. Therefore less business is available for transformers, motors and fans which is directly related with the development of the company.*
- *Moreover, smuggling and under invoicing of different items related to industry are also effecting the manufacturing sector and are making the local items uncompetitive.*
- *The present compliance of statutory requirements and administrative cost is too high for the company to remain listed on stock exchange to get benefits as listed company.*
- *Due to ineffective administrative setup, the risk of breach of regulations is always at high level.*
- *The statutory requirement of particularly the code of corporate governance of SECP & PSX are increasing day by day, The company is finding it very difficult to meet the requirements.*
- *Heavy expenditure by way of fees and other charges payable to Stock Exchange and CDC are unbearable due to small setup.*



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ISO/3/10

ISSUE # 1

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- Heavy expenditure on printing of Annual Accounts, half yearly Accounts & Quarterly Accounts for Stock Exchanges and shareholders is also out of reach.
- The majority of the shares of the company are held by Directors and family members and also there is very nominal trading of the company's shares in the Pakistan Stock Exchange Limited.
- Due to the reason explained above the Company has been running in loss for the last many years and therefore has not been able to pay any Dividend to the Shareholders.

Keeping in view the above reasons, the management of company has now decided for voluntary delisting of the company from PSX and to buy back the shares from minority shareholders of the company.

3. Price For Buy-Back Of Shares From Minority Shareholders

The Board of Directors of the company in their meeting held on, June 28, 2018 approved to buy back the shares of the company from minority shareholders/general public at the price of Rs.40 Per share subject to the approval by PSX.

We are enclosing following documents along with this application as required.

- Under Taking on Stamp Paper from Sponsors/Majority shareholders.
- Under Taking Sponsor / Majority Shareholders regarding purchase of shares in the last one year
- Auditor Certificate for intrinsic value per share.
- Valuation Report by harvester Services Pvt. Ltd.
- Detail of shareholding. (List Attached)
- Relaxation letter for Bank Guarantee.
- Consent letter of purchases agent i.e. Arif Latif Securities (Pvt) Ltd.
- Under taking by Arif Latif Pvt. Limited on stamp Paper.
- Bank Cheque of Rs. 250,000, out of which Rs. 150,000 are refund able at the assignment.

You are requested to process our application at your earliest and feel free to contact us for any further documents.

YOURS SINCERELY,
For THE CLIMAX ENGINEERING COMPANY LIMITED


COMPANY SECRETARY

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