

**ANNOUNCEMENT**

June 25, 2016

The Managing Director  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road,  
Karachi -74000.

Tel: 021 111 001 122

**Subject: Issuance of Ordinary Right Shares at par value i.e. Rs. 5 per share**

Dear Sir,

This is to inform you that the Board of Directors of Nimir Resins Limited (formerly Descon Chemicals Limited) (the "Company") in their meeting held on Saturday, June 25, 2016 at 11:00 a.m. at our Lahore office, 12-B, New Muslim Town, Lahore, have discussed and approved the issuance of 77,000,000 Ordinary shares to be offered as Right Shares at the subscription price of Rs. 5/- per share, i.e. at par value. These Ordinary Right shares are to be offered to all the Company's existing ordinary shareholders whose names would appear on the member register before the book closures.

The date of book closure, to determine the entitlements to the right issue will be intimated to Pakistan Stock Exchange Limited later on

Extract of the resolution of Board of directors authorising issuance of the aforementioned rights issue, financial plan and projection duly signed by the directors who were present at the meeting are enclosed as Annexure – A & Annexure - B.

You may inform the TRE Certificate Holders accordingly.

Yours faithfully,

For Nimir Resins Limited  
(Formerly Descon Chemicals Ltd.)



Muhammad Inam ur Rahim  
Company Secretary



**Extract of the Minutes to the Board of Directors Meeting of Nimir Resins Limited  
(Formerly Descon Chemicals Limited) held on Saturday, June 25, 2016  
at 12-B, New Muslim Town, Lahore.**

1. **Resolved unanimously** that the Ordinary paid-up capital of the Nimir Resins Limited (the "Company") be and is hereby increased from existing Rs. 997,789,280/- to Rs. 1,382,789,280/- by issue of further 77,000,000 Ordinary shares to be offered as Right Shares at the subscription price of Rs. 5/- per share at par value. These Ordinary Right shares are to be offered to all the Company's existing ordinary shareholders in the proportion to their existing shares held by each shareholder as provided under section 86 of the Companies Ordinance, 1984 against the payment of value of shares to the Company in cash and/or by adjustment of loans.
2. **Resolved further** that, Chief Executive Officer be and is hereby authorized to appoint / negotiate with the underwriter(s) for the allotment of unsubscribed portion of Right Shares to any / or all of the underwriter(s).
3. **Resolved further** that, Chief Executive Officer and / or the Company Secretary be and are hereby singly authorized to appoint consultant / adviser for Right Issue, announce book closure dates or any change therein and to prepare the schedule for issue of Right Shares and to make any amendment in the said schedule and to take all necessary approvals required if any, by Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and Central Depository Company of Pakistan or any other authority, and to take all necessary actions as may be required in this regard on behalf of the Company.
4. **Resolved further** that, Chief Executive Officer and / or the Company Secretary be and are hereby singly authorized to appoint the bankers to the right issue, to collect the amount of subscription towards right shares, to open and operate the right issue subscription account of the Company and to execute all documents on behalf of the Company.
5. **Resolved further** that, Chief Executive Officer and / or the Company Secretary be and are hereby singly authorized to handle the fractional shares that arise out of the rights. Any proceeds of the sale of fractional shares not claimed within a period of One year will be paid to any registered charitable organization.
6. **Resolved further** that, Chief Executive Officer and / or the Company Secretary be and are hereby singly authorized to issue the notices and circular under Section 86(3) of the Companies Ordinance, 1984 to all the existing shareholders of the Company offering the right shares and are further authorized to do all acts, deeds and things and take all necessary steps to complete all legal formalities, to file all necessary documents and to appear before all relevant authorities, including the Court, the Securities and Exchange Commission of Pakistan and / or any other competent body and / or authorities to give effect to the foregoing resolutions.



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## Plans and Projections

### Purpose and benefit of Right Issue

Ordinary paid-up capital of the Nimir Resins Limited (the "Company") be and is hereby increased from existing Rs. 997,789,280/- to Rs. 1,382,789,280/- by issue of further 77,000,000 Ordinary shares to be offered as Right Shares at the subscription price of Rs. 5/- per share at par value. These Ordinary Right shares are to be offered to all the Company's existing ordinary shareholders in the proportion to their existing shares held by each shareholder as provided under section 86 of the Companies Ordinance, 1984 against the payment of value of shares to the Company.

Approximately 73.5% of the right issue (Rs.283 million) will be utilized for balance sheet profiling by repayment and/or adjustment of existing sponsors loans. Initially sponsor loans were injected for retiring the expensive long-term debts of the Company. This helped the Company in reducing its financial cost and improving its bottom line. However, the sponsors' loans are still reflected as debt in the Company's balance sheet. After the issuance of the rights shares and repayment and/or adjustment of sponsor loan, the debt to equity ratio of the company shall improve significantly and the book value of the company will increase to Rs. 2.28 per share from Rs. 1.21 per share (based on the results of 31st March 2016).

Remaining amount of Rs.102 million (26.5% of the right issue) will be spent on various projects of BMR (balancing, modernization and replacement) in various areas of its businesses. These include installation of control system and uplifting of existing plant facilities. This will help in reducing costs, improving yields and reducing operating cost. These will augment the efforts of the company in increasing sale turnover and profitability.

### Financial Plan and Projection

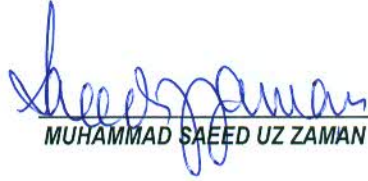
Particulars	2017	2018	2019
	----- Rupees Million -----		
Revenue	2,125	2,284	2,513
Cost of Goods Sold	(1,871)	(2,013)	(2,212)
Gross Profit	253	271	301
Operating Expenses	(86)	(93)	(101)
Other (Expenses)/			
Income	(7)	(8)	(10)
Earnings before			
Interest and Tax	161	171	190
Financial Charges	(67)	(64)	(62)
Taxation	(21)	(23)	(25)
Profit After Tax	73	84	103
Revised Paid up Capital	1,383	1,383	1,383



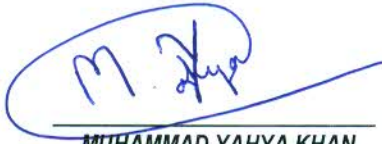





ZAFAR MAHMOOD



MUHAMMAD SAEED UZ ZAMAN



MUHAMMAD YAHYA KHAN



QSMAN HAMEED



KHALID MUNTAIZ QAZI  
(Alternate Director of SH. AMAR HAMEED)