



## MACTER INTERNATIONAL LIMITED

### PUBLIC ANNOUNCEMENT OF OFFER FOR PURCHASE OF SHARES OF ASSOCIATED SERVICES LIMITED

This is an offer by Macter International Limited ("Company" / "acquirer") to acquire 448,176 shares of Associated Services Limited ("ASL" / "Target Company") comprising 12.5984% of the total issued share capital of Associated Services Limited at an offer price of Rs. 22.21 per share pursuant to the Part-IX of the Securities Act, 2015 (The "Act") and Listed Companies (Substantial Acquisition of voting shares and Take-Overs Regulations, 2008 (the "Regulations"))

#### DISCLAIMER

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DOCUMENT OF PUBLIC OFFER WITH THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY THE COMMISSION. THIS DOCUMENT HAS BEEN SUBMITTED TO THE COMMISSION FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE LAW/REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ASSOCIATED SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DOCUMENT. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DOCUMENT. THE MANAGER TO THE OFFER INTERMARKET SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. FOR THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 25, 2015 TO THE COMMISSION IN ACCORDANCE WITH THE PART-IX OF THE SECURITIES ACT, 2015 (THE "ACT") AND LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF VOTING SHARES AND TAKE-OVERS REGULATIONS, 2008 (THE "REGULATIONS")).

#### 1. THE ACQUIRER

##### 1.1 Name and registered address of the acquirer

Macter International Limited, F-216, S.I.T.E., Karachi

##### 1.2 Date and jurisdiction of incorporation

Macter International Limited was incorporated at Karachi under the Companies Ordinance, 1984 on June 23, 1992 as a private limited company and subsequently on February 24, 2011 it was converted into public limited company.

##### 1.3 The authorized and issued share capital.

The authorized capital of Macter International Limited is Rs. 600,000,000/- divided into 60,000,000 ordinary shares of Rs. 10/- each and paid up capital is Rs. 389,205,170/- divided into 38,920,517 ordinary shares of Rs. 10/- each.

##### 1.4 If there is more than one acquirer, their relationship

Macter International Limited is sole acquirer.



**1.5 Voting shares already held by the acquirer including any shares purchased through an agreement.**

Macter International Limited does not hold previously any shares. However, an agreement dated June 01, 2015 for purchase of 2,661,049 ordinary shares of Rs. 10/- each at Rs. 20.93 per share has been executed between Macter International Limited and sponsors of ASL (refer 2.6 for details).

**1.6 The number of shares issued since the end of the last financial year of the company.**

Nil

**1.7 Details of any re-organization of the acquirer during the two financial years preceding the public announcement of offer.**

Nil

**1.8 Details of any bank overdrafts or loans**

As at June 30, 2014 Rs. 692.2 million. Financial year end of Macter International Limited is June 30.

**1.9 Financial advisor of the acquirer**

Intermarket Securities Limited, 309, Business & Finance Center, I.I. Chundrigar Road, Karachi.

**1.10 Brief history and major areas of operation of the acquirer**

Macter International Limited was incorporated at Karachi under the Companies Ordinance, 1984 on June 23, 1992 as a private limited company and subsequently on February 24, 2011 it was converted into public limited company. The principal activity of the Company is to manufacture and market pharmaceutical products. The registered office of the Company is situated at F-216, S.I.T.E., Karachi.

**1.11 Names and addresses of sponsors or persons having control over the acquirer**

- (i) Mr. Asif Misbah, (ii) Mr. Swaleh Misbah Khan & (iii) Mr. Misbahuddin Khan, House No. 37, Khayaban-e-Shaheen, Phase-V, D.H.A., Karachi.
- (iv) Pharmalux Holdings Limited, c/o. Apex Fund Services Mauritius – 4<sup>th</sup> Floor, Raffles Tower, 19 Cyber City Ebene, Mauritius.

**1.12 Names and addresses of board of directors of acquirer**

- (i) Mr. Asif Misbah & (ii) Mr. Swaleh Misbah Khan, House No. 37, Khayaban-e-Shaheen, Phase-V, D.H.A., Karachi.
- (iii) Sheikh Muhammed Waseem, B-20, 1<sup>st</sup> East Street, Phase-I, D.H.A., Karachi
- (iv) Mr. Muhammad Sajid, House No.1-B-1, 4<sup>th</sup> South Street, Phase-II, D.H.A., Karachi
- (v) Mr. Sarfaraz Anis, House No. 150/2, Street # 11, Khayaban-e-Muslim, DHA-VI, Karachi
- (vi) Mr. Zubeid Qureshi, House No. 50/2, 6<sup>th</sup> Commercial Street, Phase-IV, D.H.A., Karachi
- (vii) Mr. Mohammed Aslam, 51/1, Khayaban-e-Saher, Phase-VI, D.H.A., Karachi
- (viii) Syed Salman Ahmed Zaidi, 44-Q, Block-2, P.E.C.H.S., Karachi
- (ix) Mr. Muhammad Asif, L-81, Anwar-e-Ibrahim, Malir, Karachi





### 1.13 Brief audited financial details of the acquirer

Rupees in 'million'

	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Non-current assets	857.4	836.9	781.7	750.3	689.4
Current assets	1,232.2	927.8	871.6	960.6	548.0
<b>Total</b>	<b>2,089.6</b>	<b>1,764.7</b>	<b>1,653.3</b>	<b>1,710.9</b>	<b>1,237.4</b>
Share capital and reserves	917.2	839.9	694.7	623.4	344.0
Non-current liabilities	278.7	249.3	338.4	416.6	498.5
Current liabilities	893.8	675.5	620.2	670.8	394.9
<b>Total</b>	<b>2,089.6</b>	<b>1,764.7</b>	<b>1,653.3</b>	<b>1,710.9</b>	<b>1,237.4</b>
Sales	2,564.8	2,246.1	2,254.2	1,663.0	1,621.3
Cost of sales	1,601.0	1,281.6	1,365.9	924.2	925.8
Profit before tax	128.6	192.2	105.1	30.4	108.5
Provision for taxation	29.1	17.5	30.2	2.0	28.8
Profit after tax	99.6	174.7	74.9	28.4	79.7
Depreciation	50.6	48.0	49.7	54.7	55.9
Profit before interest, tax and depreciation	204.3	270.7	183.4	119.3	183.5
Cash Dividend paid	37.0	25.3	-	48.0	-
Stock Dividend	-	-	-	304.9	-
Earnings per Share (Rs.)	2.56	4.49	1.92	0.91	2.70
Book Value per Share (Rs.)	23.57	21.58	17.94	16.02	171.99
Return on Equity (%)	11	21	11	5	23

### 1.14 Details of any agreement or arrangement between the acquirer and the directors of the target company about any benefit which will be given to any director of the target company as compensation for loss of office or otherwise in connection with the acquisition

None

### 1.15 Details of every material contact entered into not more than two years before the date of the public announcement of offer, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the company

None

## 2. DETAILS OF PUBLIC OFFER

### 2.1 The names, dates and editions of the Newspapers where the public announcement of intention was published.

The public announcement of intention was published on May 24, 2015 in Karachi edition of Business Recorder and Roznama Dunya.

### 2.2 The number and percentage of shares proposed to be acquired by the acquirer(s) from the shareholders through agreement, if any, the offer price per share and the mode of payment of consideration for the shares to be acquired.

448,176 shares representing 12.5984% of the total issued share capital of the Target Company at an offer price of Rs.22.21 per share. Mode of payment will be crossed cheques.

### 2.3 Reasons for acquiring shares or control of the target company.

The acquisition of Associated Services Limited (The Target Company) is being made for the purpose of its revival and then for merger with and into the acquirer.



**2.4 Details regarding the future plans for the target company, including whether after acquisition the target company would continue as a listed company or not.**

The target company will be revived by merger with and into the acquirer and the merged entity will be listed on KSE in place of the Target Company.

The land and building of the Target Company having market value of Rs. 98 million, located at Hub Chowki, District Lasbella, Balochistan will be disposed of soon after its takeover by the acquirer for revival for pharma business.

**2.5 In case of conditional offer, specify the minimum level of acceptance i.e. number and percentage of shares**

The public offer is not conditional on a minimum level of acceptance.

**2.6 Agreement with the present management, promoters and existing shareholders**

Macter International Limited (the acquirer) has entered into share purchase agreement on June 01, 2015 with following Directors / Majority Shareholders of Associated Services Limited for purchase of 2,661,049 ordinary shares of Rs. 10/- each i.e. 74.80% at Rs. 20.93 per share

S. No.	Name and Address	No. of shares
1	Mr. Tariq Md. Yahya, Apartment No.5, Marine Heights-2, Clifton, Karachi	230,693
2	M/s. Ebrahimyan Co. (Pvt) Ltd., 6 Nadir House, 3rd Floor, I.I. Chundrigar Road, Karachi	348,195
3	M/s. AR-Rehman Foundation, 6 Nadir House, 3rd Floor, I.I. Chundrigar Road, Karachi	272,584
4	M/s. AAL Bawany Foundation, Room No.6, 3rd Floor, Nadir House, I.I. Chundrigar Road, Karachi	459,079
5	Mr. Mohammad Danish Amin, 8-B, Nadir House, First Floor, I.I. Chundrigar Road, Karachi.	102,540
6	Mr. Abdul Lateef Bawany, E-34/II, 4th Gizri Street, Phase-IV, Defence Housing Society, Karachi	40,000
7	Mr. Sheryar Bawany, 18/3, G.F. Mehran Vip Complex, Dr. Daudpota Road, Near Cantt. Station, Karachi	354,665
8	Mst. Mariam A. Karim, 57, Block-3, Faran Co-op. Housing Society, Shaheed-e-Millat Road, Karachi	42,869
9	R.A. Management, 7 <sup>th</sup> Floor, Bank House No. 1, Habib Square, M.A. Jinnah Road, Karachi	355,200
10	Ahmed Aman, House No. 26, 17 <sup>th</sup> Street, Khayaban-e-Tauheed, Phase-V, D.H.A., Karachi.	232,224
11	Sumayya Aman, House No. 26, 17 <sup>th</sup> Street, Khayaban-e-Tauheed, Phase-V, D.H.A., Karachi.	223,000
	<b>Total</b>	<b>2,661,049</b>

The mode of payment will be through crossed cheques.

**2.7 Number of shares already held by the acquirer along with the date of acquisition. Also state whether it was purchased through open market or acquired through a negotiated deal.**

The acquirer does not hold any shares of the target company.

**2.8 Minimum level of acceptance, if any**

No minimum level is fixed





### 3. OFFER PRICE AND FINANCIAL ARRANGEMENTS

#### 3.1 Justification for the offer price

- (i) **Disclosure about the form of consideration for the shares to be acquired through the public offer.**

Shares will be acquired against payment through crossed Cheques.

- (ii) **Disclosure of the total amount of consideration to be paid for the shares to be tendered during the public offer (assuming full acceptances).**

The total amount of consideration is Rs.9,953,989/-.

- (iii) **Whether the shares of the target company are frequently traded or infrequently traded in the light of criteria prescribed in Regulation 13 of the Regulations.**

The shares of the target company are infrequently traded on the Stock Exchange.

- (iv) **Justification for the offer price for the shares of the target company, in the light of criteria contained in Regulation 13 of the Regulations.**

As the shares of the Target Company are infrequently traded, accordingly, the price offered to the public is highest of following, based on the criteria stated under Regulation 13(2):

- The negotiated weighted average price paid under SPA for the acquisition of voting shares of the Target Company is Rs. 20.93 per share.
- The highest price paid by the Acquirer for acquiring the voting shares of the Target Company during 6 months prior to the date of public announcement of offer is not applicable as no such shares have been acquired.
- The price based on net assets value is Rs. 22.21 per share, based on valuation report dated June 03, 2015 carried on by M/s. Surval, PBA approved surveyors.

Based on above, the price offered to the public is Rs. 22.21 per share being highest among the above.

#### 3.2 Financial arrangements

- (i) **Disclosure about the security arrangement made in pursuance of Section 19 of the Ordinance.**

The acquirer has provided to the Manager to the Offer an irrevocable bank guarantee of Rs.9,953,989/- from Burj Bank Limited as per clause 19(2)(b) of the Regulations.

- (ii) **Disclosure about the adequate and firm financial resources to fulfill the obligations under the public offer.**

The acquirer has made adequate financial arrangements for fulfillment of its obligations under the public offer to the satisfaction of the Manager to the Offer.

- (iii) **A statement by the Manager to the Offer that the Manager to the Offer is satisfied about the ability of the acquirer to implement the public offer in accordance with the requirements of the Ordinance and the Regulations.**

Intermarket Securities Limited, Manager to the Offer is satisfied that Macter International Limited is financially capable of implementing the public offer in accordance with the requirements of the Ordinance and the Regulations.



#### 4. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

##### 4.1 Detailed procedure for acceptance of offer by shareholders of the target company.

- (i) In order to accept the public offer, the shareholders are required to send a letter of acceptance (attached to the Offer Letter), duly completed and signed, along with the requisite documents (as set out below) to the Manager to the Offer at its address given above so as to reach by or before 5:00 pm on the closing date. Please ensure that while filing the letter of acceptance, all information required is provided including the number of shares to be tendered. Acceptances received after 5:00 pm on closing date shall not be entertained
- (ii) In the event that the letter of acceptance and the requisite documents are delivered within the stipulated time, the Manager to the Offer will issue confirmation of the receipt of documents (Provisional Receipt).
- (iii) Receipt by the Manager to the Offer by the closing date of the duly completed and signed letter of acceptance along with the required documents will constitute acceptance of the public offer.
- (iv) Completed acceptance forms once submitted cannot be revoked by shareholders selling in the public offer.
- (v) Copies of the acceptance form shall also be available at the offices of Macter International Limited (address provided below) or on the website of Macter International Limited, the address of which is: [www.macter.com](http://www.macter.com)

##### 4.2 Details of the CDC account in which shares are required to be tendered by eligible shareholders on acceptance during the acceptance period.

###### CDC Shares

CDC account holders shall follow the procedure set forth above, as applicable. Additionally, the CDC account holders must transfer these shares to the CDC account of the Manager to the Offer in accordance with the following details and to provide the CDC transfer slip to the Manager to the Offer, with respect to transfer of shares.

###### CDC Account Details

CDC Account Title	:	The Manager to the Offer – Associated Services Limited
CDC Participant ID	:	01339
CDC Account No.	:	17723

###### Transaction Reason Code:

- For Intra Account:	A021
- For Inter Account:	P015

###### Physical Shares

Shareholders with physical share certificate(s) are required to provide the physical share certificate(s) along with duly verified transfer deed(s).

###### Acceptance by the Acquirer

The acceptance by the Acquirer of the shares tendered by the selling shareholders and payment of the price is subject to the following conditions:

- (a) The Securities and Exchange Commission of Pakistan or any other competent authority having no objections to any of the provisions of the public offer.
- (b) The payment of shares does not contravene any section of the Foreign Exchange Regulation Act, 1947.





- (c) The letter of acceptance being duly completed along with the required documents are submitted to the Manager to the offer on or before the Closing Date. Acceptances received after 5:00 pm on closing date shall not be entertained.
- (d) Provision of CDC account number to the Manager to the offer for returning any excess shares as mentioned above; and
- (e) The tendered shares being verified by the Board of Directors of Target Company as per sub-section (5) of Section 14 of the Ordinance.
- (f) The Acquirer not withdrawing the public offer in accordance with the provisions of the Ordinance.

#### **Payment of the offer price**

Upon receipt of duly filled in acceptance form along with the requisite documents the Company will send written acceptance of the tender along with crossed cheque in favor of the shareholder as payment for such shares to the selling shareholder within 30 (thirty) days of the closing date. No interest, mark-up, surcharge or other increment will be payable for any cause or reason on the aggregate price for the shares purchased by the Acquirer from any selling shareholder.

#### **REQUIRED DOCUMENTS**

The letter of acceptance must be accompanied by the documents mentioned below. Acceptance submitted without the requisite documents may be rejected by the Manager to the Offer as being incomplete and invalid.

##### **(i) Individual applicants**

An attested legible copy of Computerized National Identity Card, original share certificates and duly executed / verified transfer deeds along with the duly completed and signed authorization to split share certificate(s) letter (for physical shares only), copy of CDC transfer slips submitted with CDC investor account services (for CDC shares only).

##### **(ii) Corporate applicants**

Certified copies of Memorandum and Articles of Association, Certificate of Incorporation Certificate of Commencement of Business, Computerized National Identity Card of the Signatories, Resolution Authorizing Persons to sell the shares with specimen signatures of such authorized persons, original share certificates, and duly executed / verified transfer deeds along with the duly completed and signed authorization to split shares certificate(s) letter (for physical shares only). Copy of CDC transfer slips submitted with CDC investor account services (for CDC shares only).

#### **5. STATEMENTS BY THE ACQUIRERS**

##### **(i) Statement by the acquirer for assuming responsibility for the information contained in the document.**

The directors of the Acquirer, Macter International Limited, assume responsibility for the information contained in this document.

##### **(ii) A statement by the acquirer for ensuring compliance with the Ordinance and the Regulations.**

The acquirer confirms that it will be responsible for ensuring compliance with the Ordinance and the Regulations.

##### **(iii) A statement by the acquirer that the public offer is being made to all the shareholders whose names appear in the register of shareholders as on the date of book closure.**



The acquirer confirms that the public offer is being made to all the shareholders (except parties to the SPA) whose names appear in the register of shareholders as on the date of book closure.

- (iv) **A statement by the acquirer that all statutory approvals for the public offer have been obtained.**

The acquirer confirms that statutory requirements for this public offer as required under the Ordinance and the Regulations have been complied with.

- (v) **Disclosure as to whether relevant provisions of the Ordinance and the Regulations have been complied with.**

The acquirer confirms that all the relevant provisions of the Ordinance and the Regulations have been complied with.

- (vi) **A statement to the fact if any director(s) of the acquirer is also a director on the board of directors of Target Company.**

None of the directors of the acquirer is also director on the Board of the Target Company.

- (vii) **A statement by the acquirer as to whether or not any voting shares acquired in pursuance to the public offer shall be transferred to another person and if that is the case the names of such persons shall be disclosed.**

The acquirer confirms that the acquired shares are not intended to be transferred to any other person (except for the nominees of the acquirer to be directors of the Target Company).

Karachi:  
Dated : June 26, 2015

ASIF MISBAH  
Chief Executive  
Macter International Limited

