

IMPERIAL LIMITED

Ref. #: IL-PSX/26/00217

Date: July 30, 2026

Atif Islam Siddiqui

AGM/Unit Head Listed Companies Compliance

Pakistan Stock Exchange

Stock Exchange Building, Stock Exchange Road

Karachi

**SUBJECT: UNUSUAL MOVEMENT IN THE VOLUME OF SHARES OF
IMPERIAL LIMITED**

Dear Sir,

We write with reference to your letter bearing reference No. PSX/Gen-851 dated July 24, 2026, received by Imperial Limited (the "Company") on July 29, 2026, concerning the observed unusual movement in the trading volume of the shares of the Company.

In compliance with Section 97 of the Securities Act, 2015, and Clause 5.6.3 of the PSX Regulations, we respond formally as follows:

1. Absence of Undisclosed Material Information

The Company categorically confirms that it is not aware of any undisclosed material, corporate development, or price-sensitive information that would trigger public dissemination requirements under the applicable statutory and regulatory frameworks.

2. Direct Causation of Market Volatility via Unwarranted Regulatory Action

We believe that the unusual fluctuations in the trading volume and the ensuing market panic are the direct and proximate result of the precipitate and premature action initiated by the Pakistan Stock Exchange (PSX) in forwarding the Company's case to the Securities and Exchange Commission of Pakistan (SECP) for winding-up proceedings.

As established by the superior judiciary in landmark jurisprudence—such as *Justice Qazi Faez Isa v. The President of Pakistan* (PLD 2021 SC 1)—administrative or regulatory actions taken in disregard of statutory context, or actions that ignore active compliance measures already in progress, fall squarely within the ambit of **malafide in law**.

Please be apprised that the Company has consistently kept the PSX informed regarding its ongoing bona fide litigation with the Central Depository Company (CDC) concerning the dispute over undue fee demands. As the Company was actively engaged in communications with both the CDC and the PSX to resolve this matter, strict adherence to the compliance timeline demanded by the Exchange was rendered practically impossible. In this context, the foundational legal maxim "**Lex non cogit ad impossibilia**" (the law does not compel the impossible) squarely applies. The Company's primary objective was to regularize its corporate framework as soon as the core dispute regarding the outstanding fees was resolved. Consequently, initiating extreme, precipitous punitive steps—such as recommending winding-up proceedings—while the Company was diligently pursuing compliance and resolution is disproportionate, arbitrary, and legally unsustainable.

3. Absolute Liability for Market Damages and Public Loss

Regulators and frontline institutions are vested with statutory powers to foster fair and orderly markets, not to induce artificial market panics through heavy-handed measures. Under the established principles of tortious liability and public law remedies, where a regulatory body exercises authority arbitrarily or unreasonably, it exposes itself to consequential accountability.

The Company maintains that **any financial losses, damages, or capital erosion suffered by the general public, retail investors, or shareholders as a direct consequence of this unwarranted and premature PSX action shall be the sole responsibility of the Exchange.** As held by the apex courts of Pakistan, public functionaries and statutory bodies must act with absolute objectivity, fairness, and adherence to due process; any deviation that destabilizes market equilibrium creates actionable legal exposure for the institution.

4. Ongoing Remedial Measures and Current Status

Without prejudice to the foregoing legal objections, the Company reiterates the following factual position:

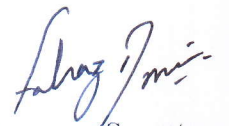
- The outstanding Central Depository Company (CDC) fees have been duly settled and paid.
- All remaining compliance formalities are being actively and expeditiously fulfilled.
- Management is utilizing its utmost efforts to completely regularize the corporate and compliance standing of the Company at the earliest.

5. Market Perception and Reservation of Rights

We fear that until these proceedings are brought to their logical conclusion, share price valuations and volume movements may continue to reflect artificial volatility driven entirely by the panic resulting from the said regulatory measures.

The Company expressly reserves all its legal, statutory, and constitutional rights to protect its corporate reputation, legal standing, and the financial interests of its shareholders against premature, coercive, and unwarranted actions.

Yours sincerely,


Company Secretary

