

Zahur Cotton Mills Ltd

Reg: Off: 94-Km Multan Road, Pul Jaurian
Akhtarabad, Distt: Okara, Pakistan.

Correspondence Address:-
55 C/1, Gulberg-III, Lahore. Pakistan
"Without Prejudice"

February 07 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, Karachi

Disclosure of Material Information

Dear Sir,

Pursuant to Section 96 and 131 of the Securities Act, 2015 (the "Act") and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited, it is informed that the Board of Directors ("the Board") of Zahur Cotton Mills Limited ("ZHCM" or "the Company") had a Board Meeting on February 07 2021. Accordingly, we hereby inform you of the following material information:

- (i) The management presented to the Board a business revival plan for approval. The Board reviewed and approved the revival plan. The business revives operations will include but not be limited to warehousing, logistics and supply chain management etc.
- (ii) The Board has also authorized the management to make appropriate alterations in the principle line of business, including amendment in Memorandum & Articles of Association of the Company if required, subject to necessary approval of members and other corporate formalities as the case may be.

Furthermore, the Company's BOD has decided to withdraw the earlier application sent to PSX/SECP for the Company's voluntary delisting.

- (iii) On approval of the new revival plan, The Board also analyzed an option of disposal of the Company's assets located at 94 Km Multan Road, Pul Jaurian, Akhtarabad, Okara, comprising of freehold land, building on freehold land and Plant and Machinery ("Assets"). option of disposing the Company factory land, Building and Machinery (Factory Land). The Board unanimously approved the disposal of Assets under the powers conferred to the Board by the relevant provisions of section 183 of the Companies Act, 2017 "Act". The consideration of the disposal of assets will be used to redeem / settle the long term outstanding liabilities of the Company. Resultantly, it will clean up un-used / unnecessary / long outstanding dues and make the Company's financials more promising and lucrative for new potential investor (s).

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The Board also recommended holding an Extra Ordinary General Meeting (EOGM) of the Company to seek approval of members for the (i) approval of the revival plan, (ii) disposal of Assets, (iii) amendment in Memorandum and Articles of Association as the case may be, in addition to the powers already conferred to the Board under section 183 of the Act.

The Board of Directors authorized singly Mr. Javed Zahur CEO / Director of the Company to appoint "Attorney" to sign, submit, and deliver the required documents related to the disposal of Assets to fulfil the legal formalities with the concerned authorities to execute the transaction.

- (iv) The management also presented to the Board a proposal received for a potential merger with an ITANZ Technology (Private) Limited (Information Technology Company), the option if availed will speed up the Company business revival. The Board authorized the management to conduct necessary evaluation / analysis of the proposal with the help of independent experts, legal advisors and consultants as may be required.

We shall continue to keep you informed of the progress in respect of the above matters.

A disclosure for as required under SRO 143(I)/2012 dated December 05, 2012, read with Section 131 of the Securities Act, 2015, is enclosed as **Annexure "A"** to this letter.

Yours sincerely,

For and on behalf of
Zahur Cotton Mills Limited

Javed Zahur
Chief Executive Officer
ZHCM

Cc:
*The Director/HOD,
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area
Islamabad.*

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Annexure: A Disclosure Form under the Securities Act, 2015

Name of the Company	Zahur Cotton Mills Limited
Date of Report (date of earliest event reported if applicable)	February 7, 2022
The exact name of the Company as specified in its Memorandum	Zahur Cotton Mills Limited
The registered address of the Company	94-KM, Multan Road, Pul Jaurian, Akhtarabad, Distt: Okara, Pakistan
Contact Information	Chief Executive Officer Zahur Cotton Mills Limited Phone: 0300-8446064
Disclosure of inside information by the Company in terms of the Securities Act, 2015	<p>Pursuant to Section 96 and 131 of the Securities Act, 2015 (the "Act") and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited, it is informed that the Board of Directors ("the Board") of Zahur Cotton Mills Limited ("ZHCM" or "the Company") had a Board Meeting on February 07 2021. Accordingly, we hereby inform you of the following material information:</p> <p>(i) The management presented to the Board a business revival plan for approval. The Board reviewed and approved the revival plan. The business revives operations will include but not be limited to warehousing, logistics and supply chain management etc.</p> <p>(ii) The Board has also authorized the management to make appropriate alterations in the principle line of business, including amendment in Memorandum & Articles of Association of the Company if required, subject to necessary approval of members and other corporate formalities as the case may be.</p>

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Javed Zahur
Chief Executive Officer
Zahur Cotton Mills Limited