

Zahur Cotton Mills Ltd

25 September, 2022

55 C/1, Gulberg-III, Lahore. Pakistan

Hafiz Maqsood Munshi
The Manager
Companies and Securities Compliance-RAD
Pakistan stock Exchange Limited,
Stock Exchange Road, Karachi-74000

Site

Progress report under section clause 5.11.2(b) of PSX Regulations- Zahur Cotton Mills Limited
("ZHCM" or "the Company")

certification
2022

Dear Sir,

We are pleased to uprise you in respect of the Progress Report, in extension to our last report submitted dated 17 August 2022 and in response to your letter PSX/Gen-1845 dated 20 September, 2022, we hereunder submit the progress report of the Company:

Progress towards revival of business activities:

As we mentioned in earlier report, there are multiple macro-economic and socio-political factors which are causing instabilities in financing cost/mark-up and resultantly progress towards realization of funds is considerably slower than anticipation. Conversely, the higher management is optimistic about future, and activity looking for a key professional, the interviews has already been started. In addition to above the management is also considering to change the objective clause and name of the company to bring it in line with its new business objective (warehousing, logistic and supply chain etc.).

Status of Induction of Ordinary Shares to CDS

The management is of view that the induction of shares to CDS will be phased out simultaneously with the redemption of business operations Inshallah.

Status of Showcase Notice and Rectification of default under section 5.11.1 (i) of PSX.

The management is quite hopeful that the honorable SECP will issue a clean direction to the Company in our next Zoom meet up session with regulator (SECP) planned in next few days Inshallah. Additionally, the management is working closing with statutory auditors to resolve and nullify the causes of adverse/qualified opinion.

The Company is steadily moving forward with its plan, Inshallah you will observe considerable progress in our upcoming progress reports. We expect your usual support and corporation to bring the Company back to normal trading counter and shall inshallah regularly apprise the Exchange for further development in the monthly progress report going forward.

Yours truly,

For Zahur Cotton Mills Limited

Javed Zahur
Chief Executive Officer

