

FINANCE DIVISION
Plot No. 111/7, Landhi,
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Pakistan

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April 27, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
KARACHI.

Dear Sir:

SUBJECT: DISCLOSURE OF MATERIAL INFORMATION

In accordance with Sections 96 and 131 of the Securities Act, 2015 and the relevant provisions of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following:

At a meeting of the Board of Directors of Gul Ahmed Textile Mills Limited (hereinafter referred to as the "Company") held at 3:00 p.m. on April 27, 2021 at Unit No. 8, Plot No. H-7, Landhi Industrial Area, Karachi, the Board of Directors, in continuation of their in-principle approval granted on February 24, 2021, approved the draft Scheme of Arrangement under Sections 279 to 282 and 285 of the Companies Act, 2017, to be entered into between the Company, Grand Industries (Private) Limited ("Grand"), Ideas (Private) Limited ("Ideas"), Worldwide Developers (Private) Limited ("WWDL") and Ghafooria Industries (Private) Limited ("Ghafooria"), laid before the Board of Directors of the Company (the "Scheme"), pertaining to the corporate reorganization of the Company and associated entities, subject to finalization of the Scheme, obtaining all necessary shareholders', creditors' and regulatory approvals, and the sanction of the Scheme by the High Court of Sindh at Karachi along with fulfilment of related legal formalities.

In terms of the Scheme it is intended, *inter alia*, that (i) the retail business / undertaking of the Company shall be demerged from the Company and be merged with and into Ideas, as its wholly owned subsidiary; (ii) other appropriate assets / undertakings from the Company and Grand shall be merged with and into Ideas, which are relevant for its retail operations and future growth.; and (iii) WWDL, along with certain other appropriate assets / undertakings of Grand and Ghafooria shall be merged with and into the Company relevant to its operations and future growth.

The Scheme will be circulated to the PSX and the shareholders in due course subject to directions / order of the High Court of Sindh at Karachi, and in accordance with the applicable laws.

You may please inform the TREC holders accordingly.

Yours faithfully,



SALIM GHAFAR
Company Secretary

Cc:

The Director / HOD
Surveillance, Supervision & Enforcement Department
Securities & Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area,
ISLAMABAD.