

November 12, 2021

Executive Director
Public Offering & Regulated Persons Department
Securities Market Division
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue,
Blue Area, Islamabad

General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
I. I. Chundrigar Road Karachi

The Chief Executive
Karam Ceramics Limited
BC – 6, Block 5, Scheme 5, Kehkashan, Clifton,
Karachi

Subject: **Public Announcement of Intention by Swat Ceramics Company (Private) Limited ("Acquirer") to acquire up to 95.51% shares of Karam Ceramics Limited**

Dear Sirs,

We, Arif Habib Limited, have been appointed as the Manager to Offer by Swat Ceramics Company (Private) Limited (hereinafter referred to as the "Acquirer"), in accordance with the provision of the Securities Act 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

On behalf of the Acquirer, we are pleased to submit a Public Announcement of Intention to acquire up to 95.51% shares of Karam Ceramics Limited (the "Target Company") ("Transaction") by Swat Ceramics Company (Private) Limited and/or its associated companies

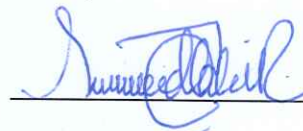
The Public Announcement of Intention shall be published in one English and one Urdu language newspaper on November 16, 2021.

Please find enclosed a copy of the Public Announcement of Intention. You may contact the undersigned for any additional information or clarification.

For and on Behalf of **Arif Habib Limited** (Manager to the Offer)



Syed Ali Ahmed
Senior Associate, Investment Banking



Ammad Tahir
AVP, Investment Banking

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TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-050 / 01

PUBLIC ANNOUNCEMENT OF INTENTION TO ACQUIRE UP TO 95.51% SHARES AND CONTROL OF KARAM CERAMICS LIMITED (THE "TARGET COMPANY")

BY

SWAT CERAMICS COMPANY (PRIVATE) LIMITED AND/OR ITS ASSOCIATED ENTITIES (THE "ACQUIRER" or the "COMPANY")

UNDER SECURITIES ACT, 2015

PART A

Brief description of the intended acquisition:

Intended acquisition through	Number of shares	Percentage
Agreement(s)	Not determinable at this stage	Up to 95.51% of the paid-up share capital of the Target Company
Public Offer	Not determinable at this stage	To be determined after finalization of Agreement(s)

PART B

1) Information about the Acquirer

a) Name(s) and address(es) of Acquirer along with persons acting in concert, if any:

Acquirer(s)

Name: Swat Ceramics Company (Private) Limited and/or its associated entities

Address: A-31, Block A, SMCHS, Karachi, Pakistan

The acquisition may be undertaken by Acquirer directly or through an associated entity, including an existing subsidiary of the Acquirer or a separate/new subsidiary / a consortium led by the subsidiary of the Acquirer. The detail of which shall be provided to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange upon finalization of the Agreement(s).

Person(s) Acting in Concert (if any)

Not applicable

b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder:

Manazir A. Nasir Family

c) Name(s) and address(es) of manager to the offer of the Acquirer:

Name	Arif Habib Limited
Address	2/F, Arif Habib Centre 23, M.T. Khan Road, Karachi

d) **Principal areas of business of the Acquirer and relevant experience:**

The Acquirer has been involved in the manufacturing of ceramics and sanitary ware for over 30 years.

e) **In case the Acquirer is a fund/company:**

i) **Names of the Chief Executive and Directors of the Company:**

Swat Ceramics Company (Private) Limited:

Name	Designation
Mrs. Suriya Nasir	Chief Executive Officer
Syed Mazhar Ali Nasir	Director
Syed Azhar Ali Nasir	Director
Syed Azfar Ali Nasir	Director

ii) **Names of substantial shareholders of the Company:**

Swat Ceramics Company (Private) Limited:

Name	Percentage
Syed Manazir Ali Nasir	79.84% (Deceased)
Mrs. Suriya Nasir	12.94%
Syed Mazhar Ali Nasir	0.41%
Syed Azhar Ali Nasir	0.41%
Syed Azfar Ali Nasir	0.41%

iii) **Date of incorporation:**

Swat Ceramics Company (Private) Limited:

14 May 1975

iv) **Jurisdiction of incorporation:**

Swat Ceramics Company (Private) Limited:

Karachi, Pakistan

v) **Authorized and paid up capital:**

Authorized share capital of the Swat Ceramics Company (Private) Limited is PKR 100,000,000/- divided into 10 million ordinary shares of PKR 10/- each;

Issued, subscribed and paid-up capital of PKR 68,580,040/- divided into 6,858,004 ordinary shares of PKR 10/- each;

- f) Details of companies, where the intended Acquirer holds more than thirty percent voting shares:

Manazir A Nasir Family:

Name of company	Registration No.	Nature (listed/unlisted/private)	Nature of business	Jurisdiction of incorporation	Description held control/more than thirty % shares or both
Star Foods (Private) Limited	0035364	Private	Concessioners of cold storage items and distribution	Pakistan	More than 30% and control
Swat Ceramics Company (Private) Limited	4781	Private	Manufacturing of ceramics	Pakistan	More than 30% and control

- g) Information about ultimate beneficial owner of the intended Acquirer:

- i) Name, CNIC, nationality and address of each person

- Name:** Ms. Suraiya Nasir
CNIC: 42000-0424966-4
Nationality: Pakistani
Address: House No. 1530-O-Q, Block 2, P.E.C.H.S., Karachi, Pakistan
- Name:** Mr. Syed Mazhar Ali Nasir
CNIC: 42201-3911024-3
Nationality: Pakistani
Address: House No. 54, Street 9, DHA Phase 5, Karachi, Pakistan
- Name:** Mr. Syed Azhar Ali Nasir
CNIC: 42201-0524671-9
Nationality: Pakistani
Address: House No. 8-A, Street No. A, DHA Phase 5, Karachi, Pakistan
- Name:** Mr. Syed Azfar Ali Nasir
CNIC: 42000-0492353-7
Nationality: Pakistani
Address: House No. 1530-O-Q, Block 2, P.E.C.H.S., Karachi, Pakistan

- h) details of any existing holding of voting rights in the Target Company:

- i) in which Acquirer owns or over which it has control or direction:

Not applicable

- ii) which is owned or controlled or directed by any person acting in concert with the acquirer:

Not applicable

iii) in respect of which the Acquirer or any other person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the Acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities:

Not applicable

i) All conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the public offer or the posting of it is subject:

Not applicable

PART C

2) Information about the Target Company

a) Name of the Target Company, its directors and major shareholders along with number of shares and percentage of paid-up capital:

Name: Karam Ceramics Limited

Directors:

Name	Designation
Mrs. Mariam Shaban Ali	Chairperson
Mr. Irshad Ali S. Kassim	Vice Chairman
Mr. Munawar Ali S. Kassim	Chief Executive
Ms. Maneeza Kassim	Director
Mr. Shahid Anwar Tata	Independent Non-Executive Director
Mr. Suleman Basaria	Independent Non-Executive Director
Ms. Roshan Ara Sayani	Independent Non-Executive Director

Major Shareholders:

Major Shareholders	Number of Shares	Percentage of Paid-up Capital
Mr. Irshad Ali S. Kassim	3,320,214	22.82%
Mr. Munawar Ali Kassim	3,583,459	24.63%

b) Total number of issued shares of the Target Company:

14,548,676 Ordinary Shares of PKR 10/- per share.

c) Date of listing and offer price at the time of initial public offering:

Date of listing: 1993

Offer Price: N/A

d) Opening price at securities exchange at time of listing:

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N/A

- e) **Share price quoted on the securities exchange one day before the public announcement of intention.**

PKR. 44.0/- per share, as of November 11, 2021

- f) **The weighted average share price as quoted on the securities exchange during four weeks preceding the date of public announcement of intention.**

Not Applicable. Shares of the Target Company have not been traded since July 14, 2021.

- g) **Financial position/performance of the Target Company for the last five years including profit/loss after tax, earning per share, pay-outs.**

Amount in PKR millions ¹	2017	2018	2019	2020	2021
Sales	861	1,210	1,439	927	1,127
Gross profit	22	136	187	(67)	36
Profit/(loss) before tax	(85)	16	51	(95)	(8)
Profit/(loss) after tax	(74)	14	29	(44)	42
EPS (PKR/share)	(5.12)	0.95	1.98	(3.01)	2.86
DPS (PKR/share)	Nil	0.80	0.50	Nil	Nil

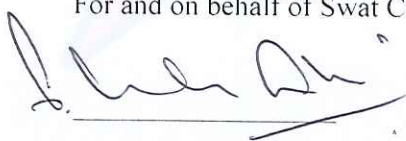
Any questions in regard to this announcement can be directed to:

Manager to the Offer:

Name	Arif Habib Limited
Address	2/F, Arif Habib Centre 23, M.T. Khan Road, Karachi

Best Regards

For and on behalf of Swat Ceramics Company (Private) Limited



Mr. Mazhar Nasir
Director

¹ Annual Reports FY17-21 of Karam Ceramics Limited