



ARSHAD ENERGY LTD.

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W: www.arshadgroup.com

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A: 16th Floor, Tricon Corporate Center
Main Jail Road, Gulberg II, Lahore - 54660, Pakistan.

03 December 2021

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

Disclosure of Material Information – Arshad Energy Limited ("AEL" or the "Company")

Dear Sir,

Under Sections 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 ("PSX"), we hereby convey the following information:

During the meeting of the Board of Directors ("Board") of the Company held on **03 December 2021**, the Board discussed the Public Announcement of Intention to Acquire (PAI) more than 51% shareholding of the Company which had been issued on behalf of Automotive Plastics (Private) Limited (the Potential Acquirer) under the Securities Act, 2015 (the Act) and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 (the Regulations). The Board was informed that the Potential Acquirer and sponsors of the Company have commenced negotiations and that the transaction (including the offer price) shall be subject to the completion of necessary due diligence, entering into transaction documents and other fulfilment of corporate/regulatory formalities.

The management of the Company presented to the Board that due to increases in the price of furnace oil in last couple of years the Company had halted operations as cost of generation of electricity has increased and such operations were not feasible. Despite all the efforts, the current business model of electricity generation does not seem to be viable any more. Hence the management proposed that the existing assets of the Company be disposed/sold and the cash flow generated should be used in another line of business. The management presented to the Board an Alternate/Revival business plan of undertaking textile trading and indenting business and if going forward enough cash flows are generated/arranged than the Company may enter into manufacturing and sale of textile and its related products. The management also informed the Board that potential buyers including related parties have expressed their interest in purchasing the Assets of the Company.

Consequently, the Board of Directors of the Company resolved the in principle sale/disposal of the Company's Assets located at 35 kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, Punjab, comprising freehold land, construction on the same, plant and machinery, factory equipment, electric installation, office equipment, computers, electric appliances, furniture & fittings, vehicles and other assets (the Assets) and utilization of the proceeds from the sale of Assets to (a) settle liabilities (b) initiate/start Alternate/Revival Business Plan as approved and recommended by the Board of Directors of the Company, in accordance with the provisions of Section 183(a) of the Companies Act, 2017.





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For the sale / disposal of the Assets, the Board comprised a committee of any two Directors and the Chief Executive Officer to evaluate, negotiate, discuss and finalize the terms for the sale/disposal of Assets in a manner, subject to final approval of the Board, along with other necessary approvals, including the approval of the shareholders of the Company, and completion of all necessary corporate, regulatory and legal formalities where required.

You may please inform the TREC Holders of the Exchange accordingly.

Yours sincerely,
For Arshad Energy Limited


Shafiq Ijaz
Company Secretary



Cc:

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