

Ref: AM/PSX/2022
11 March 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road
Karachi - 74000

SUBJECT: DISCLOSURE OF MATERIAL INFORMATION

Dear Sir,

In accordance with Section 96 and 131 of the Securities Act 2015 and the Rule Book of Pakistan Stock Exchange Limited ("PSX"), we hereby convey the following:

At a meeting of the Board of Directors of Awwal Modaraba Management Limited held at 10:30 a.m. on March 11, 2022 at the registered office of the Company and via video conferencing arrangement, the Board of Directors approved the draft Scheme of Arrangement under Sections 279 to 283 and Section 285 (if applicable) read with Section 505 of the Companies Act and SRO 840(I) of August 17, 2017 laid before the Board of Directors of the Company ("Scheme"), subject to obtaining all necessary certificate holders', creditors' and regulatory approvals, and the sanction of the Scheme by the High Court of Sindh along with fulfilment of related legal formalities.

In terms of the Scheme, inter alia;

Awwal Modaraba ("AM") shall be merged with and into the Awwal Corporate Restructuring Company Limited ("ACRCL"), against which 114,097,324 (One hundred Fourteen Million Ninety Seven Thousand Three Hundred Twenty Four) shares of ACRCL shall be issued to the certificate holders of AM based on a swap ratio of 1 share of ACRCL for every 0.876 certificate of AM;

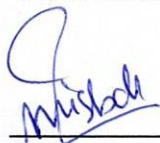
The Board of Directors approved the draft of the Scheme, subject to any changes and modifications as may be required by the certificate holders of AM or the shareholders of ACRCL or the Honorable High Court of Sindh and such amendments as may be considered necessary without affecting the substance thereof. Furthermore, the Board approved the Draft Valuation Report, issued by M/s. Crowe Hussain Chaudhry & Co. Chartered Accountants, which, inter alia, contains the valuations / calculations of the swap ratios.



The Scheme will be circulated to the Stock Exchange and the certificate holders of the Modaraba in due course subject to directions / order of the High Court of Sindh.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,



Misbah Asjad
Company Secretary

Copy To:

1. **The Executive Director/HOD, Offsite-II Department, Supervision Division,**
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah
Avenue, Islamabad
2. **The Director, Securities Market Division,**
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah
Avenue, Islamabad
3. **The Registrar Modaraba Companies & Modaraba,**
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah
Avenue, Islamabad

Extract of the Resolutions passed by the Board of Directors (the "Board") of Awwal Modaraba Management Limited at their meeting held on March 11, 2022 at Karachi and via video conferencing arrangement

During the meeting, the Board discussed, considered and approved the proposed arrangement involving Awwal Modaraba ("AM") and Awwal Corporate Restructuring Company Limited ("ACRCL"), along with all relevant matters thereto. Resultantly, the following resolutions were passed by the Board:

"RESOLVED THAT AM be amalgamated with and into ACRCL, under the Laws of Pakistan (the Amalgamation) and continue as ACRCL, upon the terms and subject to the conditions of the Proposal of Amalgamation and Scheme of Arrangement (the Amalgamation Agreement) and in accordance with the Companies Act, 2017, Corporate Restructuring Companies Act, 2016 and the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Modaraba Regulations, 2021 as well as any other regulations or rules applicable thereto;

The amalgamation will involve the transfer to and vesting in ACRCL of the whole businesses of AM, together with all the properties, assets, rights, liabilities and obligations of every description against allotment of 01 share of ACRCL of the nominal value of Rs.10/- each credited as fully paid up for every 0.876 modaraba certificate held by the certificate holders of AM. On the completion of amalgamation and after the issuance of shares of ACRCL, AM will be dissolved without any formal proceedings or order of winding up. The ACRCL will have the sole rights to manage the post amalgamated entity;

The major sponsor i.e. Pak Brunei Investment Company Limited, being majority certificates holder of AM has expressly undertaken to buy the certificates from dissenting certificate holders (if any) at the rate higher of: (i) 12 months average daily price reported by PSX preceding the date of Board meeting for approval of Swap Ratio and Merger Scheme; and, (ii) Book Value per Certificate as per the audited accounts as at December 31, 2021.

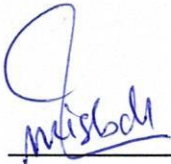
"FURTHER RESOLVED THAT the Proposal of Amalgamation be and is hereby accepted and draft Scheme of Arrangement be and is hereby approved by the Board of Directors and the effective date of the Scheme or any other date as may be stipulated by the Honorable High Court of Sindh. The proportion based on a swap ratio in which the Shares of ACRCL are to be allotted under the Scheme in lieu of Certificates of AM held by the certificate holders of Modaraba as recommended by M/s. Crowe Hussain Chaudhary & Co., Chartered Accountants, on the basis of financial studies carried out by them and their recommendations be and are hereby accepted by the directors as being fair and reasonable."



“FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary be and are jointly and/or severally authorized to process for and complete the merger including but not limited to all the formalities and requisites thereto. The CEO and Company Secretary be and are further jointly authorized to delegate all or any of the powers conferred herein, to any person, party or company as they may, under the circumstances desires and deems appropriate, by way of Letter of Authorization.”

“FURTHER RESOLVED THAT M/s. S&B Durrani Law Associates be and are hereby appointed as to assist, proceed with, conduct and render all the administrative as well as legal services including but not limited to filing Judicial Misc. Application / Merger Petition etc. before the Company Judge of Honourable Sindh High Court.”

Certified that the abovementioned is a true and valid extract from the meeting of the Board of Directors of Awwal Modaraba Management Limited held on March 11, 2022.



Misbah Asjad
Company Secretary