

May 13, 2021

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

Subject: Public Announcement of Offer to acquire 13.52% shares of Karam Ceramics Limited ("Target Company") by Mrs. Suraiya Nasir, Mr. Syed Mazhar Ali Nasir, Mr. Syed Azhar Ali Nasir and Mr. Syed Azfar Ali Nasir (hereinafter referred to as the "Acquirers")

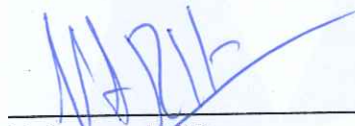
Dear Sir,

This is with reference to the Public Announcement of Intention ("PAI") made by Swat Ceramics Company (Private) Limited and/or its associated entities published on November 16, 2021 and subsequent corrigendum to the PAI for change of acquirer from Swat Ceramics Company (Private) Limited and/or its associated entities to Mrs. Suraiya Nasir, Mr. Syed Mazhar Ali Nasir, Mr. Syed Azhar Ali Nasir and Mr. Syed Azfar Ali Nasir published on March 25, 2022.

On behalf of the Acquirers, we, Arif Habib Limited, Manager to the Offer, are pleased to submit Public Announcement of Offer to acquire up to 1,967,700 ordinary shares of Karam Ceramics Limited, representing 13.52% of the total issued paid up capital of the Target Company.

The hard copy of the offer document along with all relevant documents required under Section 7(5) of the Regulations has been couriered to your kind office and shall reach by tomorrow. The enclosed Public Announcement of Offer shall be published in one English and one Urdu language daily newspaper on May 14, 2022.

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



Muhammad Ali Raza
Senior Associate, Investment Banking



Ammad Tahir
Vice President, Investment Banking

CC to:
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, Pakistan

**PUBLIC ANNOUNCEMENT OF OFFER TO PURCHASE ORDINARY SHARES OF
KARAM CERAMICS LIMITED**

THIS IS A PUBLIC OFFER BY MRS. SURAIYA NASIR, MR. SYED MAZHAR ALI NASIR, MR. SYED AZHAR ALI NASIR AND MR. SYED AZFAR ALI NASIR (HEREINAFTER REFERRED TO AS THE "ACQUIRERS") TO ACQUIRE UP TO 1,967,700 ORDINARY SHARES OF KARAM CERAMICS LIMITED ("TARGET COMPANY") COMPRISING 13.52% OF THE ISSUED ORDINARY SHARE CAPITAL OF TARGET COMPANY AT AN OFFER PRICE OF PAK RUPEES (PKR) 62.77 PER ORDINARY SHARE PURSUANT TO THE SECURITIES ACT, 2015 (THE "ACT") AND THE LISTED COMPANIES (SUBSTANTIAL ACQUISITION OF VOTING SHARES AND TAKEOVERS) REGULATIONS, 2017 (THE "REGULATIONS").

The Acquirer entered into a share purchase agreement dated March 4, 2022 (the "SPA") with the sponsors of Karam Ceramics Limited (the "Seller") for the purchase of 10,613,277 ordinary shares representing approximately 72.95% of the total issued ordinary share capital of the Target Company at a price of PKR 20.00 per ordinary share (the "Acquisition"). Therefore, the Acquisition falls within the ambit of Section 111(c) of the Securities Act, 2015 (the "Act"), and the Acquirer is offering to purchase additional voting shares of up to 1,967,700 ordinary shares representing 13.52% of the total issued share capital of the Target Company by way of a public offer. The Acquirer is offering to purchase the additional voting shares, having a par value of PKR 10/- each at an offer price of PKR 62.77/- each ("Public Offer").

DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DOCUMENT OF PUBLIC OFFER WITH THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY THE COMMISSION. THIS DOCUMENT HAS BEEN SUBMITTED TO THE COMMISSION FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE LAW/REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KARAM CERAMICS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S) OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DOCUMENT. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DOCUMENT. THE MANAGER TO THE OFFER, ARIF HABIB LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. FOR THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED: **MAY 13, 2022** TO THE COMMISSION IN ACCORDANCE WITH THE PART IX OF THE SECURITIES ACT, 2015 (THE "ACT")

PART A

Brief description of the acquisition:

Acquisition through	Number of shares	Percentage	Price per share (highest price paid in case of SPA)
SPA	10,613,277	72.95%	RS. 20.00
Public offer	1,967,700	13.52%	RS. 62.77

PART B

1. THE ACQUIRER

Name and Registered Address	1. Mrs. Suraiya Nasir, House No. 153/O-Q, Block 2, P.E.C.H.S., Karachi, Pakistan 2. Mr. Syed Mazhar Ali Nasir, House No. 54, Street 9, DHA Phase 5, Karachi, Pakistan 3. Mr. Syed Azhar Ali Nasir, House No. 8-A, Street No. A, DHA Phase 5, Karachi, Pakistan 4. Mr. Syed Azfar Ali Nasir, House No. 153/O-Q, Block 2, P.E.C.H.S., Karachi, Pakistan
Date and Jurisdiction of incorporation/ Computerized National Identity Card Number	1. Mrs. Suraiya Nasir, wife of Syed Manazir Ali Nasir, holding CNIC Number 42000- 0424966-4 2. Mr. Syed Mazhar Ali Nasir, son of Syed Manazir Ali Nasir, holding CNIC Number 42201-3911024-3 3. Mr. Syed Azhar Ali Nasir, son of Syed Manazir Ali Nasir, holding CNIC Number 42201-0524671-9 4. Mr. Syed Azfar Ali Nasir, son of Syed Manazir Ali Nasir, holding CNIC Number 42000-0492353-7
The authorized and issued share capital	Not applicable
If there is more than one Acquirer, their relationship	The Acquirers are family members, more particularly, Mrs. Suraiya Nasir is the mother of the remaining acquirers, Mr. Syed Mazhar Ali Nasir, Mr. Syed Azhar Ali Nasir and Mr. Syed Azfar Ali Nasir.
Total number of voting shares of the Target Company already held by the Acquirers, including any shares purchased through an agreement and relevant details of any such agreement including the share price agreed	The Acquirers do not hold any shares of the Target Company at present. However, the Acquirer shall, pursuant to the SPA dated March 4, 2022, acquire 10,613,277 ordinary shares of the Target Company, representing 72.95% of the present total issued shares of the Target Company at a price of PKR 20.00 per ordinary share
The number of shares issued since the end of the last financial year of the company	Not applicable
Details of any re-organization of the Acquirer during the two financial years preceding the public announcement of offer	Not applicable
Details of any bank overdrafts or loans, or other similar indebtedness, mortgages, charges or other material contingent liabilities of the Acquirer and subsidiaries if any, and if there are no such liabilities a statement to that effect	Not applicable
Manager to the Offer	Arif Habib Limited 2 nd floor, Arif Habib Centre, 23 MT Khan Road, Karachi, Pakistan Tel: (021) 111 245 111

Brief history and major areas of operations of the Acquirer	The Acquirers are sponsors of Swat Ceramics Company (Private) Limited , which was incorporated on May 14, 1975 as a private limited company in Pakistan under the Companies Ordinance 1984. It is involved in the manufacturing and distribution of ceramics wall tiles.
Names and addresses of sponsors or persons having control over the Acquirer	Not applicable
Names and addresses of board of directors of Acquirer(s)	Not applicable
Brief audited financial details of the Acquirer for a period of at least last five years including income, expenditure, profit before depreciation, interest and tax, depreciation, profit before and after tax, provision for tax, dividends, earnings per share, return on net worth and book value per share: • Not applicable	
Details of any agreement or arrangement between the Acquirer and the directors of the Target Company about any benefit which will be given to any director of the Target Company as compensation for loss of office or otherwise in connection with the acquisition	Not applicable
Details of every material contract entered into not more than two years before the date of the public announcement of offer, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the company	Not applicable

2. DETAILS OF THE PUBLIC OFFER

Names, dates and editions of newspapers where the public announcement was published	The public announcement of intention to acquire up to 95.51% of the paid-up share capital was published on November 16, 2021 in Business Recorder & Nawa-i-Waqt newspapers.
The number and percentage of shares proposed to be acquired by the Acquirer from the shareholders through agreement, if any, the offer price per share and the mode of payment of consideration for the shares to be acquired	In terms of the SPA dated March 4, 2022, the Acquirers shall acquire 10,613,277 ordinary shares (representing 72.95% of the total issued share capital) of the Target Company at PKR 20.00 per share. Mode of payment consideration for the shares to be acquired will be bank transfer to the designated bank account of the Target Company.
Reasons for acquiring shares or control of the Target Company	The Acquirers intend to increase their market share in the ceramics sector.
Details regarding the future plan for the Target Company, including whether after acquisition the Target Company would continue as a listed company or not	The Target Company will be provided immediate economic resuscitation geared inter alia towards technological up-gradation, plant efficiency, working capital requirement, human resources and so on. This will lead to improved product quality and greater competitiveness. The Target Company shall continue as a listed company after proposed acquisition and will continue its business as usual.
In case of any conditional offer, the minimum level of acceptance (number and percentage of shares)	The Public Offer is not conditional on a minimum level of acceptance.
In case there is any agreement with the present management, promoters or existing shareholders of the Target Company, an overview of the important features of the agreement(s) including acquisition price per share, number and percentage of shares to be acquired under the agreement(s), name of the seller(s), complete addresses of sellers, names of parties to the agreement(s), date of agreement(s), manner of payment of consideration, additional important information, if any	The Acquirers have entered into the SPA with the Sponsors of the Target Company on March 4, 2022 for the purchase of 10,613,277 representing approximately 72.95% of the total issued paid up capital of the Target Company at a price of PKR 20.00 per share. The mode of payment consideration for the shares to be acquired will be bank transfer to the designated bank account of the Target Company
Number of shares already held by the Acquirer along with the date(s) of acquisition. Also state whether it was purchased through open market or acquired through a negotiated deal	The Acquirers do not currently hold any shares of the Target Company
Minimum level of acceptance, if any	No minimum level is fixed

3. OFFER PRICE AND FINANCIAL ARRANGEMENTS

3.1 Justification for the offer price

Number of shares to be acquired through the Public Offer	Up to Thirteen Point Five Two percent (13.52%) ordinary shares of the Target Company.
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Form of consideration for the shares to be acquired through the Public Offer	Shares will be acquired against cash payment by means of pay order in Pak Rupees
Total amount of consideration to be paid for the shares to be tendered during the Public Offer	PKR 123,512,529
Whether the shares of the Target Company are frequently traded or infrequently traded in the light of criteria prescribed in Regulation 13 of these Regulations	The shares of the Target Company are not frequently traded on Pakistan Stock Exchange
Justification for the offer price for the shares of the Target Company, in the light of criteria contained in Regulation 13 of these Regulations	In relation to the offer price to be offered to the public under Regulation 13, since the shares of the Target Company are <u>not frequently traded</u>, the criteria for determining the price of shares to be offered to the public is the highest amongst prices stated under Regulation 13(2). These prices are: 1. The negotiated weighted average price under the SPA for acquisition of voting shares of the Target Company: <u>PKR 20.00 per share</u> 2. The highest price paid by the Acquirer or persons acting in concert with the Acquirer for acquiring voting shares of the Target Company during six months prior to the date of public announcement of offer: <u>Not applicable</u> 3. Price per share calculated on the basis of net assets valued, with the valuation carried out not earlier than six months before the date of public announcement of offer, by a valuer whose name appears on the list of panel of valuers maintained by Pakistan Bank's Association: <u>PKR 62.77 per share based on valuation report by Joseph Lobo (Pvt.) Ltd. after taking into consideration the audited financial accounts for the period ended December 31, 2021, by Crowe Hussain Chaudhury & Co.</u> Based on the above, the Public Offer is being made at <u>PKR 62.77 per share</u>, the highest among the above.

3.2 Financial arrangements

Disclosure about the security arrangement made in pursuance of Section 123 of the Act and Regulation 15 of the Regulations	The Acquirers have deposited to the Manager to the Offer, as per clause 15(1)(c) of the Regulations bank guarantees equivalent to the full amount of Public Offer
Disclosure about the adequate and firm financial resources to fulfill the obligations under the Public Offer	The Acquirers have made adequate financial arrangements for fulfillment of its obligations under the Public Offer to the satisfaction of the Manager to the Offer

A statement by the Manager to the Offer that the manager to the offer is satisfied about the ability of the Acquirer to implement the Public Offer in accordance with the requirements of the Act and these Regulations	Arif Habib Limited, appointed as the Manager to the Offer, confirms that the Acquirer is sufficiently capable of implementing the Public Offer in accordance with the requirements of the Act and the Regulations and has been issued a certificate to this effect
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4. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

Detailed procedure for acceptance of offer by shareholder of the Target Company	1. In order to accept the Public Offer, the shareholders are required to send the letter of acceptance (attached to the Offer Letter), duly completed and signed, along with the requisite documents (as set out below) to the Manager to the Offer at its registered address i.e. 2nd Floor, Arif Habib Centre, 23, M.T. Khan Road, Karachi, on or before 5:00 pm on July 07, 2022. Please ensure that with the letter of acceptance, all the required information is provided, including the number of shares to be tendered 2. In the event that the letter of acceptance and the requisite documents are delivered within the stipulated time, the Manager to the Offer will issue confirmation of the receipt of documents (Provisional Receipt) 3. Receipt by the Manager to the Offer by the closing date of the duly completed and signed letter of acceptance along with the required documents will constitute acceptance of the Public Offer 4. Completed acceptance forms once submitted cannot be revoked by shareholders selling in the Public Offer. 5. Copies of the acceptance form shall also be available at the offices of Arif Habib Limited (address provided below) or on the website https://www.arifhabibltd.com/ 6. The Public Offer will remain open for acceptance for seven days starting 0900 PST on July 01, 2022 to 1700 hours on July 07, 2022 (closing date). Acceptances received after working hours on Closing Date shall not be entertained and the Offer period shall not be extended
CDC Shares	CDC account holders shall follow the procedure set forth above, as applicable. Additionally, the CDC account holders must transfer these shares to the CDC account of the Manager to the Offer in accordance with the following details and to provide the CDC transfer activity report/slip to the Manager to the Offer, with respect to transfer of shares: CDC Account Details:

	CDC Account Title: Manager to the Offer – Karam Ceramics Limited CDC Participant ID: 06452 CDC Account No: 117813 Transaction Reason Code: UIN # 42201-3911024-3 - For Intra Account – A021 - For Inter Account – P015
Physical Shares	Shareholders with physical share certificate(s) are requested to provide the physical share certificate(s) along with duly verified transferred deed(s).
Acceptance by the Acquirer: The acceptance by the Acquirer of the shares tendered by the selling shareholders and payment of the offer price is subject to the following conditions: - The Securities and Exchange Commission of Pakistan or any other competent authority having no objections to any of the provisions of the Public Offer. - The payment for shares does not contravene any section of the Foreign Exchange Regulation Act, 1947 and the Foreign Exchange Manual of the State Bank of Pakistan. - The letter of acceptance being duly completed and signed along with the required documents and submitted to the Manager to the Offer on or before the closing date. - The tendered shares being verified by the Target Company. - The Acquirer not withdrawing the Public Offer in accordance with the provisions of the Act. Payment of the offer price: Upon receipt of duly filled acceptance form along with the requisite documents, the Manager to the Offer will send written acceptances of the tender along with pay order in favor of the shareholder as payment for such shares to the selling shareholder within 10 (ten) days of the Closing Date. No interest, mark-up, surcharge or other increment will be payable for any cause or reason on the aggregate price for the shares purchased by the Acquirers from any selling shareholder for any cause or reason.	
REQUIRED DOCUMENTS The Letter of Acceptance must be accompanied by the following documents: Letter of acceptance furnished by the shareholder(s) without the requisite documents may be rejected by the manager to the offer as being incomplete and invalid. For Individual Applicants: An attested copy of computerized National Identity Card, original shares certificates and duly executed transfer deeds along with the duly completed and signed authorization to split share(s) certificates letter for (physical shares only), Copy of CDC transferred slip submitted with CDC investor account services and CDC activity report after transfer of shares (for CDC share only). For Corporate Applicants: Memorandum and Articles of Association, a certified copy of certificate of incorporation (and for public companies, certificate of commencement of business), certified copies of Computerized National Identity Card of signatories, a certified copy of board resolution authorizing persons to sell the shares with specimen signatures of such authorized persons, original share certificates and duly executed transfer deeds along with the duly completed and signed authorization to split share certificate(s) letter (for physical shares only), Copy of CDC transfer slips submitted with CDC investor account services and CDC activity report after transfer of shares (for CDC shares only).	

5. STATEMENTS BY THE ACQUIRERS

Applicable Law	The Public Offer shall be governed by the provisions of Part IX of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeover) Regulations, 2017. Shareholders should not construe the content of this offer letter as legal, tax or financial advice and should consult with their own advisors as to the matters described in this offer.
Statement by the Acquirer for assuming responsibility for the information contained in this document.	The Acquirers assume responsibility for the information contained in this document.
A statement by the Acquirer to the effect that Acquirer including persons in concert, if any, will be severally and jointly responsible for ensuring compliance with the Act and the Regulations.	The Acquirers are not acting in concert with any other person (other than the Acquirers) and assume responsibility for ensuring compliance with the Acquirers and the Regulations.
A statement by the Acquirer that the Public Offer is being made to all shareholders who have voting shares of the Target Company and (except the persons who are party to SPA) whose names appear in the register of shareholders as on the date of book closure.	The Acquirers confirm that this Public Offer is being made to all shareholders who have voting shares of the Target Company (except the Sellers, i.e. persons who are party to SPA) and whose names appears in the register of shareholders as on the date of book closure.
Disclosure as to whether relevant provisions of the Act and the Regulations have been complied with	The Acquirers confirm that all relevant provisions of the Act and the Regulations have been complied with.
A statement that all statutory approvals for the Public Offer have been obtained	The Acquirers confirm that all statutory requirements for the Public Offer as required under the Act and the Regulations have been complied with.
A statement to the fact that no director(s) of the Acquirer is also director(s) on the board of Directors of the Target Company	The Acquirers confirm that no Acquirer / director(s) of the Acquirer is also director(s) on the board of Directors of the Target Company.
A statement by the Acquirer as to whether or not any voting shares acquired in pursuance to the Public Offer shall be transferred to another person and if that is the case the names of such person shall be disclosed	The Acquirers confirm that the voting shares acquired in pursuance to the Public Offer are not intended to be transferred to any other person except as may be transferred to the nominees of the Acquirers to be directors of Target Company.

ENQUIRIES

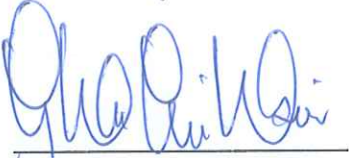
ALL QUERIES AND CORRESPONDENCE RELATING TO THE OFFER SHOULD BE ADDRESSED TO THE MANAGER TO THE OFFER AT THE ADDRESS PROVIDED ABOVE. The foregoing information and copies of the acceptance letter shall also be available at the website of Arif Habib Limited, the address of which is <https://www.arifhabibltd.com/>

The Acquirers

Signature: 

Name: MR. SYED MAZHAR ALI NASIR

Date: 13th May 2022

Signature: 

Name: MR. SYED AZHAR ALI NASIR

Date: 13th May 2022

Signature: Suraiya Nasir

Name: MRS. SURAIYA NASIR

Date: 13th May 2022

Signature: 

Name: MR. SYED AZFAR ALI NASIR

Date: 13th May 2022