

March 30, 2023

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

Subject: Decisions of the Board Meeting & Declaration of Right Shares Issuance

Dear Sir/Madam;

Please be informed that subsequent to the receipt of the approval from the Registrar Modaraba vide the SECP Modaraba Wing Letter SC/M/RS/MAM/30/2023-60 dated Mar 17, 2023 for the increase in the authorized capital of Modaraba Al Mali, the Board of Directors, of the Modaraba Company, on behalf of **Modaraba Al-Mali**, in its meeting held on **March 29th, 2023**, has decided to increase the paid-up certificate capital of the Modaraba Ali-Mali by issue of **11,392,970** further modaraba certificates at par value (i.e., at Rs. 10/- each) by way of issuance of Right Modaraba Certificates to be offered to the members in proportion of approximately **14.34** Right certificates for every **100** modaraba certificates held i.e., **14.34%** Right Issue at par value of Rs. 10/- per modaraba certificate.

Separately, the Board has also approved the draft Scheme of Compromises, Arrangement and Reconstruction, for the amalgamation/ merger of Modaraba Al-Mali along with the Modaraba Company with and into **Digital Custodian Company Limited**, alongside the approval of the draft Prospectuses of Modaraba Al-Tameer & Modaraba Al Makatib for seeking the prior approval of the Registrar Modaraba under the Modaraba Regulations.

After approval from the Registrar Modaraba, the book closure dates for the share transfer books of the Modaraba will be announced later to determine the entitlement of Right Certificates.

The following Annexes are attached herewith:

- **Annexure-A:** Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Modaraba and the Certificate-holders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.
- **Annexure-B:** Certified true copy of the Extract of the Resolutions passed by the Board of Directors in their meeting held on **March 29, 2023**.

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

Thanks and regards.

Yours truly,

For Assetplex Limited (On behalf of Modaraba Al-Mali)


Muhammad Adeel Rehman
Company Secretary



Cc:

- a. The Executive Director
Corporate Supervision Department
Securities and Exchange Commission of Pakistan,
Islamabad
- b. The Director
Surveillance Supervision Enforcement (SMD)
Securities and Exchange Commission of Pakistan,
Islamabad

- c. The Registrar Modaraba
Policy, Regulation and Development Department
(Modaraba Wing)
Securities and Exchange Commission of Pakistan,
Islamabad

Annexure A

STATEMENT PERTAINING TO THE QUANTUM OF ISSUE, ISSUE SIZE, ISSUE PRICE, PURPOSE OF ISSUE, UTILIZATION OF PROCEEDS, BENEFITS OF THE ISSUE TO THE MODARABA AND THE CERTIFICATE-HOLDERS, RISK FACTORS, UNDER REGULATION 3 OF THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATION, 2020.

1. Quantum of the Right Issue (i.e., as percentage of existing paid-up capital)

The quantum of the Right Issue is approximately **14.34%** of the existing paid-up capital of the Modaraba i.e. approximately **14.34** right certificates for every **100** Modaraba certificates held by the certificate-holders of the Modaraba.

2. Right Issue Size

The Modaraba shall issue **11,392,970** modaraba certificates, at a price of PKRs. 10/- per modaraba certificate, aggregating to PKRs. **113,929,700**.

3. Right Issue Price

PKRs. 10/- per modaraba certificate i.e. at par value

4. Purpose of the Issue

The purpose of the Issue:

- Payment of liabilities & loan against the working capital requirements having been met during the course of the business

The difference will be made up from the bank borrowings/internal generation if total funds requirements exceed **Rs. 113.930 million**.

5. Business & Financial Plan: Not Applicable

6. Utilization of Proceeds of the Right issue and Benefits to the Company and its Certificate-holders:

The proceeds shall be utilized as enumerated in Serial No 4 above. The benefits of the enhanced working capital to the Modaraba shall be the continued utilization of the funds without any financial burden. As the pre and post right breakup values of the Modaraba certificates are PKR 14.13/- and 13.61/- respectively, it means that the certificate holders would get to subscribe to the rights shares between 35-40% discount.

7. Risk Factors associated with the Right issue

The Right Issue would be completely underwritten as per requirements of the applicable regulations. Due to this factor, there appears to be no risk associated with the Right Issue. Furthermore, as the proceed shall be utilized to pay off working capital debt, therefore the Modaraba shall rather save on account of the potential financing charges. Other business risks may further be expanded and disclosed, as and when identified by the Board.

8. Justification for issue of shares at, premium or at discount to face value (if applicable)

Not Applicable – Issue is at par value i.e. PKRs. 10/- per modaraba certificate

9. Provision of ASBA facility (optional)

The Modaraba is not opting for the option

10. Minimum Subscription Amount

The Modaraba is not opting for the option of Minimum Subscription Amount as envisaged in Regulation 3(6) of the Companies (Further Issue of Shares) Regulations, 2020.

The draft offer documents shall be submitted to PSX and the Commission within due course and it shall simultaneously be placed by the Modaraba on the PSX and Modaraba's website. The Modaraba and its board exercised its discretion not to seek public comments on the offering documents.

Annexure B

EXTRACT OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY

“RESOLVED THAT, consequent to the receipt of the approval from the Registrar Modaraba vide the SECP Modaraba Wing Letter SC/M/RS/MAM/30/2023-60 dated Mar 17, 2023 for the increase in the authorized capital of Modaraba Al Mali, the paid-up certificate capital of the Modaraba be and is hereby increased from **PKRs. 794,239,450 /-** to **PKRs. 908,169,150 /-** by issue of further **11,392,970** modaraba certificates of the Modaraba of Pak Rs. 10/- (Pak Rupees Ten only) per modaraba certificate, to be offered to the Certificate-holders of the Company in proportion to the number of certificates held by each Certificate-holder (i.e., as a right entitlement) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKRs. 10/- (Pak Rupees Ten only) per modaraba certificate (i.e., at par value), in the ratio of approximately **14.34** right modaraba certificates for every **100** existing modaraba certificates of PKRs. 10/- each (i.e., **14.34%**), against payment to the Modaraba of the price of the certificates subscribed, which certificates shall rank *pari passu* in all respects with the existing modaraba certificates of the Modaraba (the “Right Issue”).

FURTHER RESOLVED THAT the approval be and is hereby accorded to approve **Annexure-A** for the quantum, size, and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Modaraba and the Certificate-holders of the Modaraba and risk factors associated with the Right issue in accordance with the Regulations 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

FURTHER RESOLVED THAT the letter of offer may be issued/signed by the Chief Executive and Company Secretary in compliance with the applicable laws.

FURTHER RESOLVED THAT the draft of the circular to accompany the letter of offer, pursuant to Section 83(3) of the Companies Act, 2017, as placed before the directors be and is hereby approved and the Chief Executive and the Company Secretary, be and are hereby authorized singly to finalize and sign the circular on behalf of all the directors.

FURTHER RESOLVED THAT all fractional entitlements will be consolidated in the name of the Company Secretary (under trust) and unpaid letter of right in respect thereof shall be sold on Pakistan Stock Exchange Limited, the net proceeds from which sales, once realized, shall be distributed/ paid to the entitled Certificate-holders in accordance with their respective entitlements as per applicable laws.

FURTHER RESOLVED THAT that any unsubscribed certificates may be offered and allotted to such persons and in manner as the directors may deem fit in accordance with the Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors, directors or associated undertaking of the Modaraba or any third party before calling upon the underwriters to subscribe to any unsubscribed modaraba certificates.

FURTHER RESOLVED THAT the Chief Executive and Company Secretary of the Company be and are hereby authorized to close its share transfer books **once approval of the right issue is received from Registrar Modaraba** to determine the entitlements of the Certificate-holders of the Company with respect to the Right Issue.

FURTHER RESOLVED THAT the Chief Executive and the Company Secretary be and are hereby singly authorized to do the following acts on behalf of the Company:

- Appoint/negotiate with consultants/advisors/ auditors and underwriters to the Right Issue, to finalize terms and conditions and sign underwriting agreements, other documents and settle/ finalize fees,

- underwriting commission, take-up commission and third-party expenses and/or any other expenses relating to the Right issue;
- To prepare the schedule for the issue of right certificates (i.e. the Schedule I under the Companies (Further Issue of Shares) Regulations, 2020 for Right Share - Offer Document) including date of payment, and to make any amendments in the said schedule, appointment of banker(s) to the issue, announce the book closure dates, and to take all necessary actions, in respect of the Right issue and ancillary matters thereto, and as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC), including but not limited to induction of the offer for right certificates in the Central Depository System of the CDC or any other authority;
 - To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of modaraba certificates;
 - To make necessary corrections, amendments and file necessary documents in case of any mistake or omission is pointed out by any regulatory authorities;
 - To allot /credit right certificates and file return as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC) along with the auditors' certificates; and
 - To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for right issue and any other documents and to make any amendments in the aforementioned documents and schedule and to take all necessary actions as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions."

Certified that the above mentioned is as true and valid extract from the meeting of the Board of Directors of Modaraba Al-Mali

Signed by:

Name of Director	Designation	Signature
Mr. Usman Hassan	Chairman	--sd--
Mr. Siddique-ur Rehman Khurram	Chief Executive Officer	--sd--
Ms. Aasiya Riaz	Director	--sd--
Mr. Hafiz Mudassir Alam	Director	--sd--
Mr. Muhammad Usman	Director	--sd--
Mr. Aoun Muhammad	Director	--sd--
Mr. Hussain Ahmed Ozgen	Director	Leave of Absence

[Handwritten Signature]
LAHORE