



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

December 26, 2023

Subject: **Meeting of Preference Shareholders**

Dear Sir,

This is with reference to communications dated October 27, 2023 and December 13, 2023 in respect of approval of settlement plan for outstanding/overdue preference shares by the Board of Directors.

Now, this is to inform that meeting of preference shareholders to obtain approval of settlement plan will be held on January 18, 2024 at 11.30 am at Registered Office of the Company.

Tenure of preference shares has already been completed in year 2010 and trading at Pakistan Stock Exchange Limited ('PSX') has also suspended, therefore, book closure is not required as such. However, in order to obtain list of preference shareholders from Central Depository Company of Pakistan Limited for determination of entitlement including to attend and vote at the Meeting, as a formality transfer books of preference shares will remain closed for the period from January 12, 2024 to January 18, 2024 (both days inclusive).

Notice of meeting of preference shareholders is attached herewith.

Thanking you.

Yours Sincerely,

MUHAMMAD AWAIS
Company Secretary

AZGARDNINELIMITED

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AZGARD NINE LIMITED

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NOTICE OF MEETING OF PREFERENCE SHAREHOLDERS

Notice is hereby given that a meeting of the preference shareholders of AZGARD NINE LIMITED ('the Company') will be held on Thursday, January 18, 2024 at 11.30 am at the Registered Office of the Company Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; to transact the following business:

1. To consider and approve settlement plan for outstanding/overdue preference shares.

By order of the Board

Lahore: December , 2023

MUHAMMAD AWAIS
Company Secretary

NOTES:

1. Tenure of preference shares has already been completed in year 2010 and trading at Pakistan Stock Exchange Limited ('PSX') has also suspended, therefore, book closure is not required as such. However, in order to obtain list of preference shareholders from Central Depository Company of Pakistan Limited for determination of entitlement including to attend and vote at the Meeting, as a formality transfer books of preference shares will remain closed for the period from January 12, 2024 to January 18, 2024 (both days inclusive).
2. A preference shareholder of the Company entitled to attend and vote at this meeting, may appoint another preference shareholder as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
3. In order to ensure maximum participation, the preference shareholders are being provided facility to attend this meeting through video link facility/electronic means after completing verification and identification requirements. Preference shareholders interested in attending this meeting through video link facility/electronic means are requested to register themselves by submitting following particulars at email address companysecretary@azgard9.com before the close of business (i.e. 05.00 pm) on January 16, 2024:

Name	*CNIC No. / Passport No. (in case of foreigner)	Folio No. / CDC Account No.	Mobile No.	No. of Preference Shares Held

* Please also attach legible scanned copy of CNIC/Passport (in case of foreigner).

Registration request must be sent through email address available/registered with the Company i.e. provided by CDC in case of preference shares held in book entry form in CDS or available with the Company in case of preference shares held in physical form.

The Company will send the link of video/electronic facility and other relevant information to respective preference shareholders in order to enable them to access the video/electronic facility and attend this meeting. Please note that requirements of Note 4 below shall be followed in case of proxy / representative of corporate body and link of video/electronic facility shall only be sent upon receipt of original documents.

4. The CDC Account Holders will further have to follow the under mentioned guidelines.

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.

- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FORAPPOINTING PROXIES:

- i. In case of individuals, the account holders and/or sub-account holders and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. Preference shareholders are being provided facility of voting through postal ballot (post) in order to ensure maximum participation and in this respect ballot paper including procedure for submission is being published.
6. Pursuant to the provisions of the Income Tax Ordinance, 2001, tax from dividend is applicable @ 15% and 30% for filer and non-filer respectively. All preference shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

All preference shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of principal shareholder and Joint-holder(s) in respect of preference shares held by them to the Company latest by January 10, 2024, otherwise each joint holder shall be assumed to have equal number of preference shares.

Folio/CDC A/c. No.:		Name of Company:		
Total Preference Shares	Principal Shareholder	Shareholding	Joint Shareholder(s)	Shareholding
	(Name & CNIC)		(Name & CNIC)	

Withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to the Company up to January 10, 2024.

- 7. For any query/problem/information, preference shareholders may contact the Company at email companysecretary@azgard9.com and/or at phone number (+92 42) 35761794-95. Preference shareholders may also visit website of the Company www.azgard9.com for notices/information.

IMPORTANT NOTICES TO PREFERENCE SHAREHOLDERS

Preference shareholders are requested to notify/submit the following information/documents; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Company, if not earlier notified/submitted:

- **Change in Address:** Change in their addresses, if any.
- **Submission of copy of CNIC/NTN:** Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity).
- **Dividend Mandate Information:** Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN), bank name, branch name, code and address towards direct transfer/credit of cash dividend in your accounts.

“Details/information concerning the business to be transacted at this meeting and resolutions to be passed therein are attached along with the Notice circulated to the preference shareholders of the Company as integral part hereof ”

DETAILS/INFORMATION CONCERNING THE BUSINESS TO BE TRANSACTED AT MEETING OF PREFERENCE SHAREHOLDERS AND RESOLUTIONS TO BE PASSED THEREIN

This document is annexed as an integral part of the notice of the meeting of the preference shareholders of Azgard Nine Limited ('the Company') to be held on Thursday, January 18, 2024 at 11.30 am at the Registered Office of the Company, Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; and sets out the details/information concerning the business to be transacted at the meeting and resolutions to be passed therein.

AGENDA NO. 1: (To consider and approve settlement plan for outstanding/overdue preference shares.)

Azgard Nine Limited ('the Company') issued non-voting partially convertible preference shares in September 2004 with maturity in September 2010 that were listed on Pakistan Stock Exchange Limited ('PSX'). Preference shareholders had an option to convert up to 25% of the value of their respective preference shares into ordinary shares between eighteen and forty two months from the issue/allotment date and this option was opted by some preference shareholders. Further, preference shares were to be redeemed in 6 years from issue date (50% at the end of 5th year (2009) and remaining 50% at 6th year's end (2010)). Dividend was required to be paid annually @ 8.95%. However, due to certain financial/liquidity issues, the Company could not redeem/settle the preference shares fully in accordance with terms & conditions of issuance and the Company continued to accrue mark-up on the outstanding preference shares @ 8.95%. As of now, 14,836,725 preference shares of Rs. 10/- each (i.e. Rs. 148.37 million) are outstanding. Further, dividend amounting Rs. 9.41 million and mark-up amounting Rs. 180.63 million (calculated till date of this meeting i.e. 18-01-2024) is also payable. Preference shares still exist in CDC accounts of such shareholders or in physical form in their names. Trading of preference shares at PSX has been suspended.

The creditors of the Company, in view of continued default by the Company, in January 2018 filed a scheme of arrangement ('the Scheme') in the honourable Lahore High Court at Lahore ('the Honourable Court') against the Company as respondent for settling and restructuring their liabilities. The Honourable Court after hearing all the parties including the Securities and Exchange Commission of Pakistan approved the Scheme through its order dated July 31, 2019. As per the Scheme, a major portion of the Company's debt has been settled and remaining debt has been restructured. The Company's debt levels have become sustainable and the Company is paying its debt obligations in a timely manner as per terms of the Scheme.

Now, the Board of Directors of the Company has approved following settlement plan for outstanding/overdue preference shares considering liquidity/cash flows of the Company and has recommended the same for consideration and approval of preference shareholders:

- Outstanding dividend amount will be paid within 10 working days of approval of settlement plan by preference shareholders.
- Outstanding principal amount will be paid within two years in bi-annually equal installments from the date of approval of settlement plan by preference shareholders.
- Mark-up amount will be paid within next three years in bi-annually equal installments after payment of principal amount.
- Mark-up calculation on the principal amount will be stopped after approval of settlement plan by preference shareholders.

Further, preference shareholders are also being provided an option that if any preference shareholder waives off his/her/its mark-up amount then his/her/its full principal payment will be made in one go on first principal installment date. Preference shareholders intending to opt this option shall be required to inform the Company in writing within 30 days of approval of settlement plan by preference shareholders or upto such extended date as may be decided by the Chief Executive Officer and/or the Company Secretary. However, it is clarified that the Company is willing to make payment of all amounts as per proposed settlement plan and this option is only provided on the suggestion of a substantial preference shareholder.

Individual statement of each preference shareholder containing outstanding preference shares, dividend & markup and payment schedule thereof is being attached herewith.

Following resolutions are proposed to be passed, with or without modification, in respect of Agenda No. 1 (To consider and approve settlement plan for outstanding/overdue preference shares.):

“RESOLVED THAT following settlement plan for outstanding/overdue preference shares of Azgard Nine Limited ('the Company') be and is hereby approved:

- ***Outstanding dividend amount will be paid within 10 working days of approval of settlement plan by preference shareholders.***
- ***Outstanding principal amount will be paid within two years in bi-annually equal installments from the date of approval of settlement plan by preference shareholders.***
- ***Mark-up amount will be paid within next three years in bi-annually equal installments after payment of principal amount.***
- ***Mark-up calculation on the principal amount will be stopped after approval of settlement plan by preference shareholders.”***

“FURTHER RESOLVED THAT preference shareholders be and are hereby provided an option to waive off their mark-up amount and receive their respective principal payment in one go on first principal installment date and preference shareholders intending to opt this option shall be required to inform the Company in writing within 30 days of approval of settlement plan by preference shareholders or upto such extended date as may be decided by the Chief Executive Officer and/or the Company Secretary.”

“FURTHER RESOLVED THAT the Chief Executive Officer and/or the Company Secretary be and is/are hereby authorized to take all such steps and do all such acts, deeds and things that may be required for the purpose of giving full effect to the above resolutions.”

“FURTHER RESOLVED THAT in case any error, omission, or mistake is pointed by any regulatory/ competent authority in the aforesaid resolutions, the Chief Executive Officer and/or the Company Secretary be and is/are hereby authorized to make necessary amendments/corrections therein as permitted under the law and such amendments/corrections shall be deemed to be part of these resolutions without the need of preference shareholders to pass fresh resolutions.”