

Zahur Cotton Mills Ltd.

Off:- 623-B, PCSIR-II, Lahore
Pakistan

January 03, 2025

To:

Pakistan Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road, Karachi

Attention: Mr. Hafiz Maqsood Munshi,
Manager, Companies and Securities Compliance Department – RAD,

Subject: Submission of Quarterly Progress Report to the Exchange for Dissemination to Market Participants - Zahur Cotton Mills Limited (“ZHCM” or “The Company”). PSX Notice Ref. Gen 016 dated 01 January 2025.

Dear Sir,

In reference to our previous communications regarding the progress report as stipulated under clause 5.11.3.(b) of the PSX regulations, we would like to provide the following updates:

- a) The company is actively taking steps to initiate or resume commercial production and business operations.
- b) A quarterly progress report has been submitted to the Exchange for dissemination to market participants.

We are pleased to inform you that Zahur Cotton Mills Limited (ZHCM) is making significant progress towards reactivating its commercial operations and preparing for the listing of its shares on the Central Depository Company (CDC). As previously communicated, ZHCM is engaged in a strategic merger with an IT company to revitalize its operations. Below is an update on the recent developments regarding the merger proceedings:

- 1) The Merger Scheme, approved by the Board of Directors, has been filed with the Honorable Lahore High Court, in compliance with relevant regulations.
- 2) The Lahore High Court has completed the initial hearings and appointed Court Lawyers to oversee the Extraordinary General Meeting (EOGM) of shareholders to seek approval for the Merger Scheme.

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- 3) On 27th March 2024, the EOGM was conducted, and the shareholders approved the Merger Scheme. The Court Lawyers have submitted their report to the Court.
- 4) A third hearing was held on 4th September, during which SECP was advised to review the company's response to their comments on the Scheme of Arrangement.
- 5) Meanwhile, the Competition Commission of Pakistan has granted approval for the business merger.
- 6) The fourth hearing was held on 8th October 2024, during which SECP submitted their 2nd round of comments which we obtained and replied to SECP and an original copy was filed at the Honorable High Court.
- 7) Our next hearing is scheduled for the first week of February 2025. We are optimistic that it will be the final hearing, as we have effectively addressed all the queries raised by the SECP regarding the Scheme of Arrangement. Consequently, we anticipate that the Court will approve the scheme, Inshallah.

We remain steadfast in our commitment to achieving a favorable outcome for our stakeholders and are focused on ensuring the timely commencement and resumption of our business operations. Any further progress in this matter will be promptly communicated to the PSX.

Yours truly,

For Zahur Cotton Mills Limited,



Syed Jawed Ali
Chief Executive Officer