

03 October 2025
Ref: ASL/PSX/0315/2025

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

Subject: Disclosure of Material Information - Direct Issuance of Shares

We are pleased to communicate that the Board of Directors of Amreli Steels Limited (the Company) in their meeting held on 03 October 2025 has passed a resolution for the issuance of up to 40,000,000 (Forty Million) ordinary shares by the Company, other than by way of right issue, for cash consideration, at a price of PKR 25/- (Pak Rupees Twenty Five) per share, comprising PKR 15/- (Pak Rupees Fifteen) as premium per share, aggregating up to PKR 1,000,000,000 (Pak Rupees One Billion) (the Direct Issuance).

As a sign of commitment, the Sponsor family will be subscribing up to 40,000,000/- ordinary shares. Accordingly, the Direct Issuance is intended to be made to Mr. Shayan Akberali, one of the existing sponsors of the Company, who has agreed to inject the required equity. The proceeds from this direct issuance will be utilized to support and strengthen the Company's working capital position, thereby enhancing capacity utilization and long term growth.

The proposed Direct Issuance remains subject to obtaining necessary corporate and regulatory approvals, including the approval of the shareholders of the Company and the Securities and Exchange Commission of Pakistan, pursuant to Section 83(1)(b) of the Companies Act, 2017 read with Regulation 5 of the Companies (Further Issue of Shares) Regulations, 2020.

The aforesaid proposal of the Board is accompanied by the following particulars in terms of Regulation 5 of the Companies (Further Issue of Shares) Regulations, 2020 -

Issue Size / Quantum of the Direct Issuance:

Up to 40,000,000 ordinary shares are intended to be issued at a price of PKR 25/- (Pak Rupees Twenty Five) per share comprising PKR 15/- (Pak Rupees Fifteen) as premium per share, aggregating up to PKR 1,000,000,000/- (Pak Rupees One Billion), constituting up to 13.47% of the existing paid up capital (which is currently 297,011,427 ordinary shares) and up to approximately 11.87% of the post-issuance paid up capital of the Company.

Issue Price and Justification thereof:

PKR 25/- (Pak Rupees Twenty Five) per share, including a premium of PKR 15/- (Pak Rupees Fifteen) per share, which is higher than the three months' average market price as at 02 October 2025.

Consideration and Person(s) to whom such ordinary shares are proposed to be issued:

The New Shares shall be issued to Mr. Shayan Akberali for cash consideration in the aggregate amount of PKR 1,000,000,000/- (Pak Rupees One Billion). Mr. Shayan Akberali, being an existing sponsor of the Company with 17.09% shareholding, has offered to subscribe to 100% of the Direct Issuance.



Purpose and Justification of the Direct Issuance:

Although the Company initially intended to raise equity by way of rights issue, the Company was informed by the SECP that as per the Companies (Further Issue of Shares) Regulations, 2020, the Company is not permitted to undertake a rights issue due to the restructuring process and resultant report issued by the Credit Information Bureau of the State Bank of Pakistan. Given the limitation, Mr. Shayan Akberali, being an existing sponsor of the Company, has agreed to assume the entire obligation to inject additional equity (as required by the banks and financial institutions under the restructuring terms) to support the Company's financial commitment and accordingly, the Company intends to proceed with a direct issuance (i.e. other than by way of rights issue) to such sponsor of the Company.

Benefit of the issue to the Company and the shareholders:

The proceeds from the Direct Issuance will be applied towards meeting the working capital requirements of the Company and facilitate the credit restructuring. Strengthening the working capital position will enhance the Company's ability to generate operating cash flows, thereby supporting ongoing business operations and enabling capacity utilization. The continuity and stability of operations will ultimately safeguard the interests of all stakeholders, including the members of the Company, and will be particularly beneficial to minority shareholders.

Average Market Price of the shares:

- (i) The average market price of the share during the last three months preceding the Board's decision is PKR 23.48/- (Pak Rupees Twenty Three and Paisas Forty Eight); and
- (ii) The latest available market price of the share as at 02 October 2025 is PKR 24.88/- (Pak Rupees Twenty Four and Paisas Eighty Eight).

Breakup Value:

The breakup value per share as per the latest available audited accounts of the Company for the year ended 30 June 2025 is PKR 35.18/- (Pak Rupees Thirty Five and Paisa Eighteen).

Consent of Subscriber:

The consent of Mr. Shayan Akberali has been obtained in respect of the Direct Issuance.

Ranking of New Shares:

The New Shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

This communication is being submitted in compliance with Section 96 of the Securities Act, 2015, and Clause 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited (the Exchange), which may kindly be disseminated to the TRE Certificate Holders of the Exchange.

Yours sincerely,

FOR AMRELI STEELS LIMITED



Adnan Abdul Ghaffar
Company Secretary



cc:

The Director/HOD

Surveillance, Supervision & Enforcement Department
SECP, NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

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