

Ref: ZAL/PSX/301013/26

October 30, 2026

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

Subject: Declaration of Right Issue of Zarea Limited

Dear Sir,

In accordance with Sections 96 and 131 of the Securities Act, 2015, clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited and Regulation 3(1)(i) of the Companies (Further Issue of Shares) Regulations, 2020, we hereby convey the following information:

The Board of Directors of Zarea Limited (the “**Company**”), at its meeting held on October 30, 2026, at the registered office of the Company, has resolved to increase the paid-up capital of the Company by issue of a further **120,000,000** (One Hundred Twenty Million) ordinary shares, having face value of PKR 1/- (Pak Rupee One) each, as right shares, to be offered to the members of the Company in the proportion of **16 right shares for every 35 ordinary shares** held by eligible shareholders (i.e. approximately **45.71%** of the existing issued and paid-up capital of the Company), at an issue price of **PKR 25/-** (Pak Rupees Twenty Five) per right share (including a premium of PKR 24/- (Pak Rupees Twenty Four) per right share), aggregating to an amount of **PKR 3,000,000,000/-** (Pak Rupees Three Billion) (the “**Right Issue**”).

The entitlement date, book closure, rights trading, subscription and allotment dates will be announced in due course through the prescribed process, including after finalization of the offer letter / documents. The following documents are enclosed:

- **Annexure A:** Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds of the issue, benefits of the issue to the Company and its shareholders, risk factors, and justification for the issue of shares at a premium
- **Annexure B:** Certified true copy of the extract of the resolutions passed by the Board of Directors with respect to the Right Issue.



- **Annexure C:** Draft copy of the notice of the Right Issue and book closure to the members prior to its publication in the newspapers.

You may please inform the TREC Holders of the Exchange accordingly.

Yours sincerely,
For Zarea Limited



Syed Muhammad Akram
Company Secretary



Enclosures: As above

CC:

The Executive Director/HOD, Offsite-II Department, Corporate Supervision Division, Securities and Exchange Commission of Pakistan, NIC Building, Blue Area, Islamabad.

The Executive Director/HOD, Surveillance, Supervision and Enforcement Department (SMD), Securities and Exchange Commission of Pakistan, NIC Building, Blue Area, Islamabad.

ZAREA LIMITED

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

Zarea Limited hereby announces a further issue of ordinary shares by way of Right Issue on the following terms, as approved by its Board of Directors.

(a) QUANTUM OF THE ISSUE (I.E. AS A PERCENTAGE OF EXISTING PAID UP CAPITAL)

The quantum of the Right Issue is **120,000,000** (One Hundred Twenty Million) ordinary shares, representing approximately **45.71%** of the existing paid up share capital of the Company (being **262,500,000** (Two Hundred Sixty Two Million Five Hundred Thousand) ordinary shares). The approximate entitlement is **16** right shares for every **35** ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company. Fractional entitlements will be dealt with in accordance with applicable laws.

(b) ISSUE SIZE

The Company shall issue **120,000,000** (One Hundred Twenty Million) ordinary shares, for an aggregate amount of **PKR 3,000,000,000/-** (Pak Rupees Three Billion). Following full allotment, the issued and paid up share capital will increase to **382,500,000** (Three Hundred Eighty Two Million Five Hundred Thousand) ordinary shares of PKR 1/- (Pak Rupee One) each.

(c) ISSUE PRICE

PKR 25/- (Pak Rupees Twenty Five) per share, inclusive of a premium of **PKR 24/-** (Pak Rupees Twenty Four) per share.

(d) PURPOSE OF THE ISSUE

The primary purpose of the Right Issue is to repay the outstanding PKR 2,000,000,000/- (Pak Rupees Two Billion) Privately Placed Short-Term Sukuks of the Company issued on 6 October 2026, and fund additional working capital for commodity procurement and trading. The Sukuk Issue has a six-month tenor and carries profit @ six-month KIBOR plus 2.50% per annum. Estimated profit of approximately PKR 148,000,000/- (Pak Rupees One Hundred Forty Eight Million) on the outstanding Sukuks will be paid separately from internal sources. Right Issue proceeds are allocated towards the principal amounts (being the face value of the Sukuks) only.

The funding requirement of the Company, for such additional working capital and Sukuk principal / face value repayment, is estimated to be **PKR 3,370,941,275/-** (Pak Rupees Three Billion Three Hundred Seventy Million Nine Hundred Forty One Thousand Two Hundred Seventy Five). The below stipulates the



break-up, including use of Right Issue proceeds (net of estimated issue expenses of PKR 48,500,000/- (Pak Rupees Forty Eight Million Five Hundred Thousand)).

Particulars	PKR
Funding Requirement	
Increase in Working Capital	1,370,941,275
Repayment of Sukuk	2,000,000,000
Incremental Change	3,370,941,275
Financing Through:	
Through Right Issue (net of right issue expenses)	2,951,500,000
Internal Funds Generation	419,441,275
Total	3,370,941,275

(e) UTILIZATION OF THE PROCEEDS OF THE ISSUE

The funds generated from the Right Issue will primarily be utilized by the Company as follows:

Sr.	Description	PKR	%age
1	Repayment of outstanding Sukuk principal	2,000,000,000	66.66%
2	Expansion of the current business through better utilization of working capital	951,500,000	31.72%
3	Estimated total issue expenses	48,500,000	1.62%
	Total proceeds of the Right Issue	3,000,000,000	100.00%

Internal funds generation of PKR 419,441,275/- (Pak Rupees Four Hundred Nineteen Million Four Hundred Forty One Thousand Two Hundred Seventy Five) will supplement the PKR 951,500,000/- (Pak Rupees Nine Hundred Fifty One Million Five Hundred Thousand) allocated from the Right Issue to meet the total additional working capital requirement of PKR 1,370,941,275/- (Pak Rupees One Billion Three Hundred Seventy Million Nine Hundred Forty One Thousand Two Hundred Seventy Five) for procurement, supplier advances, inventory and receivables. Net Right Issue proceeds after estimated issue expenses are PKR 2,951,500,000/- (Pak Rupees Two Billion Nine Hundred Fifty One Million Five Hundred Thousand).




(f) BENEFITS OF THE ISSUE TO THE COMPANY AND ITS SHAREHOLDERS

The Right Issue is expected to reduce short-term financing obligations and related finance costs by replacing the outstanding Sukuk principal (i.e. the face value of the Sukuks) with permanent equity. The remaining net proceeds will support expansion of the current business through better utilization of working capital for commodity procurement and supply chain operations, subject to effective deployment and business conditions. Consequently, these measures are anticipated to contribute positively towards the Company's profitability and to bolster shareholder confidence. For shareholders, the Right Issue presents an opportunity to participate in the future growth of the Company at a preferential price, while safeguarding the value of their existing investment through improved financial stability and potentially enabling the Company to deliver sustainable and enhanced returns over the long term.

(g) RISK FACTORS, IF ANY, ASSOCIATED WITH THE RIGHT ISSUE TO WHICH THE COMPANY AND/OR ITS MEMBERS ARE EXPOSED

The Right Issue has been announced at a price which is significantly below the current share trading price in the market; hence, there is minimal investment risk associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to a significant portion of their respective right entitlements, furthermore the balance portion of the Right Issue will be underwritten as per the requirements under the applicable laws. General risks associated with the business will remain; however, the Company believes that it is well equipped and positioned in the market with a proven track record, which will help to mitigate (while not eliminate) such risk factors. The above measures may reduce but do not eliminate these risks. Timely completion of the Right Issue and effective utilization of its proceeds remain necessary for the anticipated benefits to be realized.

(h) JUSTIFICATION FOR ISSUE OF SHARES AT A PREMIUM

The issue price of PKR 25/- (Pak Rupees Twenty Five) per right share, comprising a nominal value of PKR 1/- (Pak Rupee One) and a premium of PKR 24/- (Pak Rupees Twenty Four), is supported by the Company's historical market trading performance. The Company's share price first exceeded PKR 25/- (Pak Rupees Twenty Five) back in July 2025 and has consistently closed above this level since 18 August 2025. The offer price represents a discount of approximately 29.30% to the reference market price of PKR 35.36/- on 23 October 2026, providing an incentive for existing shareholders to participate while enabling the Company to raise the required funds within its existing authorized capital.

(i) MINIMUM SUBSCRIPTION AMOUNT

The Company is not opting for a separate minimum subscription amount under Regulation 3(6) of the Companies (Further Issue of Shares) Regulations, 2020.



Extract of the resolutions passed by the Board of Directors of Zarea Limited (the “Company”) at its meeting held on October 30, 2026 at 1130hrs at the registered office of the Company.

A meeting of the Board of Directors of the Company was held on October 30, 2026 at the registered office of the Company.

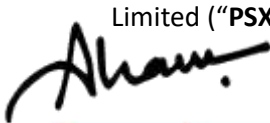
During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of right issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 (the “**Companies Act**”) and the Companies (Further Issue of Shares) Regulations, 2020 (the “**Regulations**”) have been considered by the Board of Directors of the Company and shall be duly complied with by the Company.

Accordingly, the following resolutions were passed by the Board of Directors:

“RESOLVED THAT the ordinary paid up share capital of the Company be increased from PKR 262,500,000/- (Pak Rupees Two Hundred Sixty Two Million Five Hundred Thousand) to PKR 382,500,000/- (Pak Rupees Three Hundred Eighty Two Million Five Hundred Thousand) by issue of further 120,000,000 (One Hundred Twenty Million) ordinary shares of the Company, having face value of PKR 1/- (Pak Rupee One) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 25/- (Pak Rupees Twenty Five) per share (i.e. inclusive of a premium of PKR 24/- (Pak Rupees Twenty Four) per share), in the ratio of approximately **16 right shares for every 35 ordinary shares** held immediately prior to the book closure date (i.e. approximately 45.71%), against payment to the Company of the price of the shares subscribed, which shares shall rank *pari passu* in all respects with the existing ordinary shares of the Company (the “**Right Issue**”).

FURTHER RESOLVED THAT the details pertaining to the Right Issue, including the quantum, size, price and purpose of the Right Issue, along with utilization of proceeds of the Right Issue, benefits of the same to the Company and its shareholders, the risk factors associated with the Right Issue, the justification for the issue of shares at a premium, and the minimum subscription amount, in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020, is as attached in **Annexure A**, which is hereby approved and adopted as an integral part of these resolutions without reproducing its contents herein.

FURTHER RESOLVED THAT the draft offer document / letter of offer presented to the Board of Directors be and is hereby approved, subject to the revision / finalization thereof by the authorized representative(s) of the Company, including taking into account any comments / observations received from the Securities and Exchange Commission of Pakistan (“**SECP**”) and / or the Pakistan Stock Exchange Limited (“**PSX**”) as may be deemed fit by the authorized representative(s), which final document shall be



deemed to be approved. While the draft offer letter / document shall be placed on the PSX's and Company's respective websites, public comments on the same shall not be required to be solicited.

FURTHER RESOLVED THAT the letter of offer for right shares, as prescribed under Section 83(2) of the Companies Act, 2017, shall be jointly issued / signed by any 2 (two) directors of the Company, in compliance with the applicable laws.

FURTHER RESOLVED THAT Mr. Ali Alam Qamar, Chief Executive Officer and / or Mr. Muhammad Usman Ameer, Chief Financial Officer and / or Syed Muhammad Akram, Company Secretary, be and are hereby severally authorized by all the directors of the Company to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the applicable laws.

FURTHER RESOLVED THAT all fractional entitlements, if any, will be consolidated in the name of the Company Secretary, as an agent (under trust), and unpaid letters of right in respect thereof shall be sold on the PSX, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in accordance with their respective entitlements, as per the applicable regulations.

FURTHER RESOLVED THAT the Board be and is hereby authorized to offer and allot any unsubscribed right shares to such persons, including sponsors, directors, associated undertakings of the Company or any other third party (including underwriters), as it may deem fit, subject to applicable statutory requirements and timelines.

FURTHER RESOLVED THAT the Chief Executive Officer and / or the Company Secretary and / or Chief Financial Officer be and are hereby, jointly and severally, authorized, such that any one of them may do all or any of the following on behalf, and in the name, of the Company:

- i. Appoint, negotiate and finalize arrangements with consultants, advisors, auditors, underwriters, bankers to the issue and other service providers, including to negotiate their terms of engagement, execute agreements and related documents, and finalize and settle fees, commissions and other issue-related expenses;
- ii. Prepare, finalize, submit and execute (unless stated otherwise) and, where necessary, amend the Right Share Offer Document under Schedule I to the Companies (Further Issue of Shares) Regulations, 2020, the letter of offer, circular, notices, issue timetable and all related documentation; determine and announce the entitlement, book-closure, rights trading, subscription, payment and allotment dates; and complete all applicable SECP, PSX and CDC requirements, including induction of the Right Issue into the Central Depository System;
- iii. Open, maintain, operate and close bank accounts for receipt of subscription monies and maintain proper records of the proceeds, issue expenses and utilization of funds;



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- iv. Implement the allotment and credit of right shares in accordance with the Board's approvals and applicable requirements, and submit the prescribed returns, filings, auditors' certificates and other documents to the relevant authorities;
- v. Incorporate non-material amendments and corrections, including those required by regulatory authorities, and submit revised documentation where necessary, provided that any material change to the approved terms shall remain subject to the applicable approval and disclosure requirements;
- vi. to credit right shares, once allotted by the Board of Directors, and file returns / documents as required by SECP / PSX / CDC along with the auditor's certificates; and
- vii. Execute all other necessary documents and agreements and perform all acts, deeds and things incidental or ancillary to implementing the Right Issue and giving effect to the foregoing resolutions."

CERTIFICATION

Certified that the foregoing is a true extract of the resolutions duly passed by the Board of Directors of Zarea Limited at its meeting held on October 30, 2026, as recorded in the minutes.



Syed Muhammad Akram
Company Secretary
Date: October 30, 2026
Company stamp

ZAREA LIMITED**NOTICE OF RIGHT ISSUE AND BOOK CLOSURE**

Members are hereby informed that the Board of Directors of Zarea Limited (the “**Company**”), at its meeting held on October 30, 2026, has resolved to issue further shares by offering 120,000,000 ordinary shares of PKR 1/- each, at a price of PKR 25/- per share (including a premium of PKR 24/- per share), aggregating to PKR 3,000,000,000/-. Entitlement is approximately **16 right shares for every 35 ordinary shares** held, being approximately 45.71% of existing issued capital, against payment to the Company of the price of the shares subscribed by the shareholders. The shares will rank pari passu with existing ordinary shares of the Company.

The dates of closure of the shares transfer books of the Company, to determine the entitlement of the right shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.



By order of the Board
Syed Muhammad Akram
Company Secretary
Lahore | October 30, 2026