

Zahur Cotton Mills Ltd.

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

26 February 2024

The General Manager

Pakistan Stock Exchange Limited

Stock Exchange Building

Stock Exchange Road

Karachi

Disclosure of Material Information- Zahur Cotton Mill Limited (the "Company" or "ZHCM")

Dear Sirs,

Under Section 96 and 131 of the Securities Act, 2015 (the "**Act**") and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited ("**PSX**"), it is informed that the Board of Directors held a meeting on 26 February 2024 and following was discussed and approved:

The Directors approved the draft Scheme of Arrangement under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017 by and between the Company and Itanz Technology (Private) Limited ("**Itanz**"), laid before the Board of Directors of the Company ("**Scheme**"). This approval is subject to finalization of the Scheme, obtaining all necessary shareholders', secured creditors', regulatory approvals and the sanction of the Scheme by the Honourable Lahore High Court, Lahore along with fulfilment of related legal formalities), in terms of which inter alia.

- i. As per elaborated in the Scheme, ZHCM is to acquire whole undertaking of Itanz by way of share issuance. In consideration, ZHCM shall issue and allot 97,961,500 (Ninety-Seven Million Nine Hundred Sixty-One Thousand Five Hundred) new shares to the shareholders of Itanz, upon the implementation of the scheme.

Note: The issuance of new shares of ZHCM will take place after the increase of Authorized Capital by 100,000,000 (One Hundred Million) shares. After the implementation of Scheme, the total Paid-up Capital of ZHCM will become 107,821,500 (One Hundred Seven Million Eight Hundred Twenty-One Thousand Five Hundred) shares.

- ii. The principle line of business of the ZHCM is to be changed / altered to include Information Technology related services as more depicted the in Scheme of Arrangement.
- iii. The name of ZHCM will be changed from Zahur Cotton Mills Limited to Itanz Technologies Limited, subject to finalization and approval of the Scheme.
- iv. The Company's registered address will be changed from 623-B, PCSIR-II, Lahore, Punjab to "503-504 5th Floor, Faiyaz Centre 3-A, S.M.C.H.S, Karachi, Sindh.

The Board of Directors approved the Scheme subject to finalization of the Scheme and any changes and modifications as may be required by the shareholders of the merger parties and / or the Honourable Lahore High Court, Lahore and such amendments as may be considered necessary without affecting the substance thereof.

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The Scheme will be circulated to the PSX and the shareholders in due course subject to directions / order of the Honorable Lahore High Court, Lahore, and in accordance with applicable laws.

You may please inform the TREC holders accordingly.

Yours faithfully,



Syed Jawed Ali
Chief Executive Officer

Cc:

Director / HOD
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area, Islamabad.