

April 17, 2024

Mr. Hafiz Maqsood Munshi,
Manager, Companies and Securities Compliance Department – RAD,
Pakistan Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road, Karachi

Subject: Suspension of Trading in the Shares of Zahur Cotton Mills Limited
("ZHCM" or "The Company").

Update on Progress to Remove Causes of Suspension

Dear Sir,

This refers to the suspension of trading in the shares of Zahur Cotton Mills Limited due to non-compliance of clause 5.11.1.(b)(f) of the PSX regulations i.e.,

1. Suspended commercial production / business operations in principle line of business
2. Non induction of Ordinary Shares into CDC.

This further refers to PSX notice No. PSX/N/-226 dated 13 March 2024 regarding continuation of suspension until such time the cause(s) of suspension are rectified.

The Company is pleased to update that the Management is continuing with its efforts to sort out above stated causes so that Company can reactivate its commercial production / business operations as well as induct Ordinary Shares into CDC. In this regard, we refer to our earlier progress reports dated March 18, 2024 whereby we have explained that the company is contemplating to restart its operations by merging an IT Company in to ZHCM.

In continuation thereof, we are pleased to update the Progress in the Merger Proceedings as follows:

1. Merger Scheme was filed with the honourable Lahore High Court, Lahore after approval from the Board of Directors and in compliance with other regulations.
2. Lahore High court already completed first hearing for the Merger Scheme and appointed the Court Lawyers to conduct and supervise Extra Ordinary Meeting (EOGM) of the Shareholder to seek shareholder's approval of the Merger Scheme.
3. EOGM was held on 27th March in which Shareholders approved the Merger Scheme. Court Lawyer shall submit their report to the Court soon.
4. Next Court hearing related with sanctioning of Scheme of Arrangement is scheduled for 02 May 2024.



Zahur Cotton Mills Ltd.

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

We are positive that Merger Scheme shall soon be finalised by the Court. As soon as the Court approves the Scheme of Arrangement, IT Company operations shall be merged into Zahoor Cotton Mills and going forward the Company shall have profitable operations to the benefit of its shareholders. We will also comply with the requirement of inducting Ordinary Shares into CDC soon.

We remain dedicated to achieving a positive outcome for our stakeholders and we look towards removing the causes of suspension at our earliest. Once the causes of Suspension of Trading are cured, we will be please to reach PSX and request to reactivate trading of the Company shares at PSX.

Yours truly,

For Zahur Cotton Mills Limited,



Syed Jawed Ali
Chief Executive Officer