

24th September 2018

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

**Subject: EXTRACT OF BOARD RESOLUTION AND AUDITOR'S CERTIFICATE
ON COMPUTATION OF FREE RESERVES**

Dear Sir

Further to our letter dated September 24, 2018 on the above subject, please find attached extract of the Board Resolution and the Auditor's Certificate dated September 24, 2018, titled "Auditor's certificate on free reserve as required under Companies (Issue of capital) Rules, 1996", issued by M/s Reanda Haroon Zakaria & Co, Chartered Accountants, statutory auditors of the Company, in connection with the Board of Directors recommendation for the issue of 8% bonus shares.

Yours Sincerely,




Syed Muhammad
Company Secretary

Encl: as above

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

Javedan Corporation Limited

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**EXTRACT OF BOARD RESOLUTION ON ISSUE OF BONUS SHARES PASSED BY
THE BOARD OF DIRECTORS IN THEIR MEETING HELD ON 19TH SEPTEMBER
2018, AT ITS REGISTERED OFFICE SITUATED AT ARIF HABIB CENTRE, 23, M.T.
KHAN ROAD, KARACHI.**

Dated: September 24, 2018

Certified True Copy

Resolved that the Board hereby recommends issue of 8% fully paid bonus shares i.e in proportion of eight (8) ordinary share for every hundred (100) ordinary shares held by the members whose names appear in the members register at the close of business on October 19, 2018 by capitalization of a sum of Rs. 213,700,320 out of the free reserves of the company for the issue of 21,370,032 ordinary shares of Rs. 10 each, as bonus shares, subject to approval of the shareholders in the Annual General meeting.

Further resolved that the bonus shares shall rank pari passu in every respect with existing ordinary shares of the company except that proposed bonus shares shall not be entitled for final cash dividend for the year ended June 30, 2018.

Further resolved that in the event of any Member holding shares which are not an exact multiple of his/her entitlement. the Board of Directors be and are hereby authorized to consolidate all such fractions of bonus shares and sell the same on Pakistan Stock Exchange and the sale proceeds thereof shall be utilized as deemed appropriate by the Board.

Further resolved that the Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares.

For JAVEDAN CORPORATION LIMITED




Syed Muhammad Khalid
Company Secretary

Javedan Corporation Limited

24 September 2018
The Board of Directors
Javedan Corporation Limited
Karachi.

Dear Sirs,

Auditor's certificate on free reserve as required under Companies (Issue of Capital) Rules, 1996

We have been requested to provide you with a certificate as required under Companies (Issue of Capital) Rules, 1996 as amended by S.R.O 34(I)/2016 dated 19 January 2016 issued by Securities and Exchange Commission of Pakistan (SECP) on statement of free reserve as at 30 June 2018 prepared by management in accordance with requirements of Rule 6 of the Companies (Issue of Capital) Rules, 1996.

Scope of Certificate

This certificate has been issued in accordance with the requirements of Rule 6(iii) of Companies (Issue of Capital) Rules, 1996. The certificate is provided on statement prepared by management in compliance with the requirement of Rule 6 of the companies (Issue of Capital) Rule, 1996 as amended by S.R.O 34(I)/2016 dated 19 January 2016 issued by SECP for the purpose of issue of bonus shares to shareholders of the company.

Management Responsibility

It is the management's responsibility to prepare the statement in accordance with the Rule 6 of Companies (Issue of Capital) Rules, 1996.

Auditor's Responsibility

Our responsibility is to certify that the compliance of requirement of Rule 6 of Companies (Issue of Capital) Rules, 1996 in accordance with the 'Guidelines for issue of Certificate for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedure as mentioned below:

1. Obtained the statement prepared by management detailing free reserve as at 30 June 2018 after issuance of bonus shares.

2. Checked that the free reserves retained after the issuance of bonus shares are not less than fifteen per cent of the increased paid up capital of the company;
3. Verified the percentage of bonus issue from the extract of resolution from minutes of Board of Directors' meeting held on 19 September 2018; and
4. Checked that the calculation of free reserve is as per the Rule 6(iii) of Companies (Issue of Capital) Rules, 1996.

Certificate

Based on procedures mentioned above, we certify that the company's residual free reserves in terms of the meaning given to free reserves in the Companies (Issue of Capital) Rules, 1996 after the proposed issue of bonus shares would not less than fifteen percent of the increased paid up capital.

Restriction on use and distribution

This certificate is issued in relation to Companies (Issued of Capital) Rules, 1996 as amended by S.R.O 34(I) / 2016 dated 19 January 2016 issued by SECP for the purpose of issue of bonus shares by listed companies and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly,

Reanda Haroon Zakaria's Co
Reanda Haroon Zakaria & Company
Chartered Accountants