

September 29th, 2021

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

SUBJECT: NOTICE OF BOOK CLOSURE OF MODARABA AL-MALI (MODAM)

Dear Sir,

We refer to earlier letter dated September 14, 2021 regarding declaration of 331% Right Issue, please find enclosed herewith **NOTICE OF RIGHT ISSUE AND BOOK CLOSURE** for circulation amongst the TEC Certificate-Holders of Exchange prior to publication.

Moreover, **Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Modaraba and the Certificate-holders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020** is being resubmitted with minor correction as per instruction of SECP.

Yours truly,

Rashid



Rashid Matin Khan
Company Secretary
Assetplex Modaraba Management Limited
(Formerly BankIslami Modaraba Investments Limited)
(On behalf of **Modaraba Al-Mali**)

Enclosures:

1. Notice of Right Issue and Book Closure
2. Annexure-A: Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Modaraba and the Certificate-holders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.
3. Approval Letter from SECP (Modaraba Wing)

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that SECP has “No Objection” vide letter no. **SC/M/RW/Mali/30/2021-94** dated **September 28, 2021** to the decision of the Board of Directors of Modaraba Al-Mali (the “Modaraba”) taken in their meeting held on September 13, 2021 to issue further capital by offering **61,000,000** modaraba certificates by way of Right at price of Rs. 10/- (Pak Rupees Ten only) per modaraba certificate, aggregating to **PKRs. 610,000,000/-** (Pak Rupees Six Hundred & Ten Million Only) in the ratio of **331** right modaraba certificates for every **100** existing modaraba certificates of Rs. 10/- each, against payment to the Modaraba of the price of the certificates subscribed by the Certificate-holders, which certificates rank *pari passu* in all respect with the existing modaraba certificates of the Modaraba.

The Share Transfer Books of the Modaraba will remain close from **October 22nd, 2021** to **October 29th, 2021** (both days inclusive) to determine the entitlements of the Certificate-holders of the Modaraba. Physical transfers/CDS Transaction IDs received at the Modaraba’s share registrar **F.D. Registrar Services (Private) Limited** 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi at the close of business on **October 21st, 2021** will be treated in time for the purpose of entitlement of Right Modaraba Certificates.

Company Secretary
Rashid Matin Khan
Place: Karachi

ANNEXURE A

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Modaraba and the Certificate-holders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.

Quantum of the Right Issue (i.e. as percentage of existing paid up capital)

The quantum of the Right Issue is approximately **331%** of the existing paid-up capital of the Modaraba i.e. approximately **331** right certificates for every **100** Modaraba certificates held by the certificate-holders of the Modaraba.

Right Issue Size

The Modaraba shall issue **61,000,000** (Sixty-One Million) modaraba certificates, at a price of PKRs. 10/- per modaraba certificate, aggregating to PKRs. **610,000,000** (Pak Rupees Six Hundred & Ten Million only).

Right Issue Price

PKRs. 10/- per modaraba certificate i.e. at par value

Purpose of the Issue

The purpose of the Issue:

- Investment in Chemical Business;
- Setting up of IPO Support Fund;
- Underwriting and Business Revival activities; and
- Working Capital requirement and meeting issue related expenses;

The difference will be made up from bank borrowings/internal generation if total funds requirements exceed **Rs. 610.00million**.

Business & Financial Plan is attached herewith as Annexure - C

Utilization of Proceeds of the Right issue and Benefits to the Company and its Certificate-holders

The funds generated from the further issue of capital will be utilized as aforementioned and Management of the Modaraba believes that such mode of financing/investment plans will contribute not only towards increased profitability but also into increased value for the Modaraba certificate-holders.

Utilization of Proceeds:

Chemical Business	PKRs. 500,000,000
IPO Support Fund	PKRs. 100,000,000
Underwriting and Business Revival activities	PKRs. 100,000,000
Working Capital/Internal Generation	(PKRs. 90,000,000)

Risk Factors associated with the Right issue

The Right Issue would be completely underwritten as per requirements of the applicable regulations. Besides, the right offer has been made at the par price which is about 150% lower than the ongoing market price of the Modaraba certificates. Due to these factors, there appears to be somewhat minimal investment risk associated with the Right Issue. Other specific business risks are covered in the draft Notice, which may further be expanded and disclosed, as and when deemed appropriate by the Board, the certificate-holders or the regulator.



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department
(Modaraba Wing)

No: SC/M/RW/Mali/30/2021-94

September 28, 2021

The Chief Executive,
AssetPlex Modaraba Management Ltd.,
Formerly BankIslami Modaraba Investments Limited,
10th Floor, Progressive Square, Opp. Nursery,
Sharah-e-Faisal,
Karachi.

Subject: Declaration of Right Issue by Modaraba Al-Mali

Dear Sir,

Please refer to your email dated September 25, 2020 on the subject noted above.

2. In this context, I am directed to inform you that Registrar Modaraba has no objection to the proposed issuance of 61,000,000 modaraba certificates by Modaraba Al-Mali (the "Modaraba") at par value (i.e. Rs. 10/- each) by way of issuance of Right Modaraba Certificates to be offered to the certificate holders in proportion of 331 Right certificates for every 100 modaraba certificates held i.e. 331% Right Issue, subject to the following conditions:

- i. The Modaraba Certificates shall rank *par -passu* with the existing Certificates in all matters including Bonus, Right and Cash Dividend as may be declared subsequent to the date of issue of the proposed new Certificates.
- ii. The Modaraba Certificates shall be offered to all the existing certificate holders strictly in proportion to the paid-up value and the number of certificates held by them.
- iii. The offer of new Modaraba Certificates shall be made by a notice specifying the number of Certificates to which the certificate holder is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined. A circular duly signed by the directors of the Modaraba Company shall accompany the notice. The circular shall contain material information about the affairs and accounts of the modaraba and setting forth the necessity for raising of further funds with business prospects. A final copy of the circular shall be filed with this office before its circulation to the certificate holders.
- iv. If any Modaraba Certificates are not taken up by existing certificate holders under the preceding clause, the same shall be underwritten by an underwriter.
- v. The proceeds of the right modaraba certificates shall largely be utilized for the businesses mentioned in the circular. Moreover, the property / land to be acquired for the proposed Chemical Project shall be in the name of Modaraba only.

3. You are further advised to carry out the following changes in Circular and disclosures under regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020 (the "Regulations"):

NIC Building, Jinnah Avenue, Blue Area, Islamabad.
PABX: 92C 091-4 Ext. 5372 - Fax. No. 9218590, E-mail: tauqeer.sipra@secp.gov.pk



Securities and Exchange Commission of Pakistan
Specialized Companies Division
Policy, Regulation and Development Department
(Modaraba Wing)

Continuation Sheet - 1 -

- (i) Delete the statement "including settlement of liabilities" under the heading 'Purpose of the issue'.
- (ii) Correct the spellings of "Murabaha and Musharakah", wherever is appearing in the draft circular (Annexure C).
- (iii) Submit copies of undertaking from the sponsors and underwriting agreements upon finalization.
- (iv) Provide copies of applicable licenses / approvals of the regulatory authorities to carry out the proposed businesses, wherever applicable.

Yours truly,

A handwritten signature in black ink, appearing to read 'Tauqeer Ahmad Sipra', is written above the printed name.

Tauqeer Ahmad Sipra
Management Executive