

Date: May 07, 2018

Mr. Zafar Abdullah

Commissioner & Acting Chairman
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad, Pakistan.



Mr. Muhammad Ghufraan

DGM – Company Affairs
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi, Pakistan.

Ms. Amina Aziz

Director & Head of Department
Market Supervision & Compliance Department
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad, Pakistan.

Company Secretary

Khurshid Spinning Mills Limited (Registered Address)
Universal House, West Canal Road, Farooqabad
Faisalabad, Pakistan.

Subject: Public Announcement of Intention to Acquire 67.2546% shares (8,860,650) or control of Khurshid Spinning Mills Limited by Beacon Impex (Private) Limited under the Securities Act, 2015

Dear Sirs,

We, BMA Capital Management Limited (“BMA”), have been appointed as Manager to the Offer by Beacon Impex (Private) Limited (“Beacon Impex”) for the subject matter.

On behalf of Beacon Impex, we are submitting herewith a copy of the Public Announcement of Intention by Beacon Impex to acquire up to 8,860,650 shares of Khurshid Spinning Mills Limited (the “Target Company”) constituting up to 67.2546% of the total issued shares of the Target Company.

The Public Announcement of Intention is intended to be published on May 8, 2018 in one English and one Urdu newspaper in accordance with the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

Regards,

For and on behalf of **BMA Capital Management Limited (Manager to the Offer):**



Muhammad Abdullah
Analyst – Investment Banking



Salman Virani
Senior Vice President – Investment Banking

Encl: Copy of Public Announcement of Intention

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STOCK EXCHANGE BRANCH:
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Beacon Impex (Private) Limited

Universal House,
West Canal Road,
Faisalabad

Tel: +92 (41) 8503776
+92 (41) 8503876

Public Announcement of Intention to Acquire up to 67.2546% shares (8,860,650 ordinary shares) or control of Khurshid Spinning Mills Limited by Beacon Impex (Private) Limited (the "Target Company" or the "Company") under the Securities Act, 2015

Part A

Brief Description of the intended acquisition:

| Intended Acquisition through | Number of shares | Percentage |
|------------------------------|------------------|------------|
| Agreement(s) | 4,546,500 | 34.5091% |
| Public Offer | 4,314,150 | 32.7455% |

Part B

1) Information about the Acquirer

a) Name(s) and address(es) of acquirer along with persons acting in concert, if any.

Name

Beacon Impex (Private) Limited

Address

Universal House, West Canal Road, Farooqabad, Faisalabad

b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder.

Ultimate controlling shareholders of the Acquirer are (1) Mr. Mudassar Zafar, (2) Mr. Muhammad Shakeel Faridi, (3) Mr. Tanveer Hussain, and (4) Mr. Binyamin

c) Name(s) and address(s) of manager to the offer of the acquirer.

Name

BMA Capital Management Limited

Address

BMA Capital Management Limited, Uni Tower, Level 8, I.I.Chundrigar Road, Karachi, Pakistan.

d) Principal areas of business of the acquirer and relevant experience:

Beacon Impex (Private) Limited (the "Acquirer") is involved in Information Technology services and pick & pack services. It also operates a spinning unit acquired on an operating lease arrangement.

e) In case the acquirer is a fund/ company(s):

(i) Names of the chief executive and directors of the company(s):

Directors: (1) Mr. Mudassar Zafar (2) Mr. Muhammad Shakeel Faridi
Chief Executive Officer: Mr. Mudassar Zafar

(ii) Names of substantial shareholders of the company.

(1) Mr. Mudassar Zafar (2) Mr. Muhammad Shakeel Faridi

(iii) Date of incorporation:

2nd December, 2005

(iv) Jurisdiction of incorporation:

Pakistan





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(v) Authorized and paid up capital :
Authorized: PKR 10,000,000
Paid up: PKR 10,000,000

f) Detail of companies, where the intended acquirer(s) hold more than thirty percent voting shares:
N/A

g) Information about ultimate beneficial owner of the intended acquirer(s):-

In case of individuals:

i. Name, CNIC, nationality and address of each person

| Name | CNIC | Nationality | Address |
|-----------------------------|-----------------|-------------|---|
| Mr. Mudassar Zafar | 33100-0923532-2 | Pakistani | P-773, St. No. 9, Raja Zulfiqar Colony, Faisalabad |
| Mr. Muhammad Shakeel Faridi | 33102-1775994-5 | Pakistani | House No. 227-A, Gulberg Colony, Faisalabad |
| Mr. Tanveer Hussain | 33100-0632110-9 | Pakistani | P-204, Sharif Pura, Main Bazar No. 1, Faisalabad |
| Mr. Binyamin | 33100-7516731-9 | Pakistani | Waseem Manzil, St. No. 3, Mohallah Hyderabad, Sheikhpura Road, Faisalabad |

In case of Fund/Company etc.
N/A

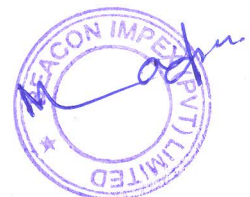
h) Details of any existing holding of voting rights in the target company

i. Which the acquirer owns or over which it has control or direction;
None

ii. Which is owned or controlled or directed by any person acting in concert with the of acquirer;
None

iii. In respect of which the acquirer or any person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities.
None

i) All conditions (including normal conditions relating to acceptance, listing and increase or capital) to which the public offer or the posting of it is subject.
N/A





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Part C

2) Information about the Target Company

- a) Name of the target company, its directors and major shareholders along with number of shares and percentage of paid up capital.

Name of the Target Company

Khurshid Spinning Mills Limited

Name of Directors (as per half-yearly accounts for the period ended 31st December, 2017)

- Mr. Muhammad Ashraf (Chairman of the Board of Directors)
- Mr. Muhammad Iqbal (Chief Executive Officer)
- Mr. Zeeshan Saeed
- Mr. Muhammad Shahbaz Ali
- Mr. Faseeh Uzaman
- Khawaja Amer Khurshid
- Khawaja Asem Khurshid

Major Shareholders

| Categories of Shareholders | No. of Shares Held | %age Shareholding |
|--|--------------------|-------------------|
| Directors, Chief Executive Officers and their spouses and minor children | 4,634,000 | 35.17% |
| NIT and ICP | 1,091,900 | 8.29% |
| Banks, DFIs, and Non-banking Financial Institutions | 2,150,400 | 16.32% |

Note: Shareholding pattern has been taken from annual audited accounts for the year ended 30th June, 2017. Detailed breakdown of shareholder category is not available in the financial statements.

- b) **Total number of issued shares of the company.**

Based on the half-yearly accounts for the period ended 31st Dec, 2017 the total number of shares issued are 13,174,800 ordinary shares of PKR 10/- each

- c) **Date of listing and offer price at the time of initial public offering**

Date of listing: 30th October, 1989

Offer price: PKR 10.00 per share

- d) **Opening price at securities exchange at time of listing**

PKR 10.00 per share

- e) **Share price quoted on the securities exchange one day before the public announcement of intention**

Trading in shares of the Target Company had been suspended since 1st August, 2012, due to non-compliance with Clause 5.11.1(e) of PSX Regulations i.e. non-payment of dues of the Exchange and Clause 5.11.1(l) i.e. has been issued a show cause notice for winding up by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter bearing reference number CSD/ARN/212/2015 dated 27th March, 2017.

As per the data available on the PSX website, the last trading day of the Company was 30th May, 2012, with the closing price being PKR 1.00 per share.





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- f) The weighted average share price as quoted on the securities exchange during four weeks preceding the date of public announcement of intention.

Trading in shares of the Target Company had been suspended since 1st August, 2012, due to non-compliance with Clause 5.11.1(e) of PSX Regulations i.e. non-payment of dues of the Exchange and Clause 5.11.1(l) i.e. has been issued a show cause notice for winding up by the Securities and Exchange Commission of Pakistan ("SECP") vide its letter bearing reference number CSD/ARN/212/2015 dated 27th March, 2017.

- g) Financial position/performance of the company for the last five years, including profit/loss after tax, earning per share, payouts.

| Figures in PKR '000 (for the year ended June 30 th) | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| Total Assets | 508,928 | 473,185 | 457,283 | 437,392 | 413,361 |
| Total Liabilities | 635,860 | 601,513 | 599,154 | 593,544 | 567,295 |
| Total Equity (excluding surplus on revaluation of Property, Plant & Equipment) | (329,727) | (320,516) | (322,616) | (330,377) | (318,323) |
| Surplus on revaluation of Property, Plant & Equipment | 202,795 | 192,188 | 180,745 | 174,225 | 164,389 |
| Sales | - | - | - | - | - |
| Profit / (Loss) before taxation | 23,944 | (19,406) | (36,144) | (23,999) | (2,286) |
| Profit / (Loss) after taxation | 36,937 | (9,962) | (29,517) | (20,621) | (84) |
| EPS (basic) | 2.80 | (0.76) | (2.24) | (1.57) | (0.01) |
| EPS (diluted) | 2.80 | (0.76) | (2.24) | (1.57) | (0.01) |
| Dividends | - | - | - | - | - |

Source: Annual audited accounts for years ended 30th June, 2013-17.

Any questions in regard to the announcement can be directed to:

Manager to the offer

Mr. Muhammad Abdullah

Analyst

Investment Banking

BMA Capital Management Limited

Email: muhammad.abdullah@bmacapital.com

Contact No: +92 21 3246 1068

Mr. Salman Virani

Senior Vice President

Investment Banking

BMA Capital Management Limited

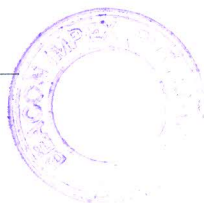
Email: salman.virani@bmacapital.com

Contact No: +92 21 3246 4356

For and on behalf of **Beacon Impex (Private) Limited**:

Authorized Signatories:

Mr. Mudassar Zafar
Chief Executive



Mr. Binyamin
General Manager (Finance)