



November 29, 2022

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

Subject: Disclosure of Material Information

Dear Sir

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following information:

The Board of Directors of Reliance Cotton Spinning Mills Limited (the "**Company**") through circular resolutions dated November 28, 2022, approved the draft Scheme of Arrangement under Sections 279 to 282 and 285 of the Companies Act, 2017, to be entered into between the Company, Channel Holdings (Private) Limited, Resource Corporation (Private) Limited, ATMZ Company (Private) Limited, Synergy Holdings (Private) Limited, Glory (Private) Limited, Glitter (Private) Limited, Lavender (Private) Limited and Acrylic (Private) Limited, laid before the Board of Directors of the Company (the "**Scheme**"), pertaining to the corporate reorganization of a certain portion of the direct and indirect shareholdings of the sponsors of the Company, subject to finalization of the Scheme, obtaining all necessary shareholders', creditors' and regulatory approvals, and the sanction of the Scheme by the High Court of Sindh at Karachi along with fulfilment of related legal formalities.

In terms of the Scheme, it is intended *inter alia* that an aggregate of 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, held directly and indirectly by the sponsors shall stand cancelled, in lieu of which an equivalent number of ordinary shares (i.e. 3,202,873 (Three Million Two Hundred Two Thousand Eight Hundred Seventy Three) ordinary shares) of the Company shall be issued in favour of the sponsors' group companies in the manner detailed in the Scheme, as a consequence of which there shall be no change in the issued and paid up share capital of the Company.

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

You may please inform the TREC holders accordingly.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Rameez Ghausi", written over a horizontal line.

Rameez Ghausi
Company Secretary

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