ANNEXUR - I

Sazgar Engineering Works Limited

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

Ref: Sgl/16/715
Dated : 26-09-2016

Subject: **MATERIAL INFORMATION**

Dear Sir,

In accordance with Section 15D of the Securities & Exchange Ordinance, 1969 and Clause 5.19.13(c) of Code of Corporate Governance contained in the Rule Book of the Exchange, we hereby convey the following information:

"Significant Plans and Decisions"

Setting up of Additional production facilities for Auto Rickshaw:

In order to cope with the rising market demand of Auto Rickshaws and considering the future potential growth in automobile sector, the Board of Directors of the Company has approved to set up additional production facilities for the manufacturing of Auto Rickshaws at Company's owned land located near Raiwind, Lahore.

After completion of this project the annual production capacity of Auto Rickshaws will increase from 20,000 units to 30,000 units. It is expected that this project will be completed by 30th June, 2018.

The estimated cost of this project will be around PKR 330 million which will be financed through 20% Debt and 80% Equity. The equity shall be arranged through internal cash generation of the Company.

It is hoped that this expansion will have positive effect on future earnings of the Company.

Thanking you,

Yours truly,
For Sazgar Engineering Works Limited

Arshad Mahmood
Company Secretary

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