THE ORGANIC MEAT COMPANY LIMITED

November 16, 2024

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

Dear Sir,

Subject: **Declaration of Right Shares**

We wish to inform you that the Board of Directors of **The Organic Meat Company Limited** (the "Company"), in its meeting held on Saturday, November 16, 2024 at the Corporate Office of the Company at Plot No. 257, Sector 24, Korangi Industrial Area, Karachi, Pakistan and through video conferencing, has decided to increase the paid-up share capital of the Company by issue of a further 30,000,000 (Thirty million) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, as Right Shares, to be offered to the members of the Company in proportion of approximately 20.203 Right Shares for every 100 ordinary shares held i.e. approximately 20.203%, at a price of PKR 27/- (Pak Rupees Twenty seven) per Right Share (inclusive of a premium of PKR 17/- (Pak Rupees Seventeen) per Right Share).

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

Following details are enclosed:

1) Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds of the issue, benefits of the issue to the Company and its shareholders, risk factors and justification for issue of shares at premium, and minimum subscription amount (Annexure A).
2) Certified true copy of the Extracts of the Resolutions passed by the Board of Directors of the Company at their meeting held on Saturday, November 16, 2024 (Annexure B).
3) Draft copy of the notice of the Right Issue to the Shareholders prior to its publication in the newspapers (Annexure C).

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

THE ORGANIC MEAT COMPANY LTD.

Imran Khan
Company Secretary

The Commissioner
Corporate Supervision Department
Securities and Exchange commission of Pakistan
Islamabad

The Director
Surveillance Supervision Enforcement (SMD)
Securities and Exchange commission of Pakistan
Islamabad

Annexure A

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of the Issue, Utilization of Proceeds of the Issue, Benefits of the Issue to the Company and the shareholders, Risk Factors, Justification for Issue at Premium and Minimum Subscription Amount, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020.

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

The quantum of the Right Issue is approximately 20.203% of the existing paid-up capital of the Company i.e. approximately 20.203 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

b) **Right Issue Size**

The Company shall issue 30,000,000 (Thirty million only) ordinary shares, at a price of PKR 27/- (Pak Rupees Twenty seven) per share, aggregating to PKR 810,000,000/- (Pak Rupees Eight hundred and ten million only).

c) **Issue Price Per Share**

PKR 27/- (Pak Rupees Twenty seven) per share (i.e. inclusive of a premium of PKR 17/- (Pak Rupees Seventeen) per share).

d) **Purpose of the Right Issue**

The purpose of the Right Issue is to reduce the short-term high-cost debt of the Company, meet increased working capital requirements of the Company and its animal fattening business as well as investments in new tripes and red offals processing units. These measures will position the Company to profitably meet current and future demand of its products with provide a more balanced capital structure for future growth.

e) **Utilization of Proceeds of the Right Issue**

The proceeds from the Right Issue will be to significantly reduce the short-term high-cost debt of the Company, meet increased working capital requirements of the Company and investment in a new tripes cooking and red offals processing unit.

f) **Benefits to the Company and Shareholders**

The Right Issue is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

g) **Risk Factors associated with the Right Issue, if any**

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholders and Directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under applicable regulations. Normal risks associated with the business will remain; however, the Company is well placed in the market, which will help to mitigate such risk factors.

h) **Justification for Issue at premium**

The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice. In fact, the Right Issue price constitutes approximately 25% discount to the prevailing market price.

(i) **Minimum Subscription Amount**

Not Applicable

Imran Khan
Company Secretary
November 16, 2024

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Annexure B

Extracts of the Resolutions passed by the Board of Directors of the Company in its meeting held on Saturday, November 16, 2024 at the Corporate Office of the Company at Plot No. 257, Sector 24, Korangi Industrial Area, Karachi, Pakistan and through video conferencing.

A meeting of the Board of Directors of the Company was held on Saturday, November 16, 2024 at 11:30 a.m. at the Corporate Office of the Company at Plot No. 257, Sector 24, Korangi Industrial Area, Karachi, Pakistan and through video conferencing.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of right issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020 have been considered by the Board of Directors of the Company and shall be duly complied by the Company.

For the purposes of the right issue, the management has received confirmations from the substantial shareholders and all the Directors of the Company that they will (i) subscribe to the right shares offered to them (or shall arrange for the subscription thereof) and that they shall deposit the amount of their subscription at least 3 (three) days before the commencement of trading; and (ii) ensure that the balance of the right issue i.e. other than those subscribed to by the substantial shareholders and Directors, will be adequately underwritten in accordance with applicable laws. The substantial shareholders and Directors of the Company shall issue the requisite undertakings in such respect.

Accordingly, the following resolutions were passed by the Board of Directors:

RESOLVED THAT *the ordinary issued paid up share capital of the Company be increased from PKR 1,484,912,130 (Pak Rupees One billion four hundred eighty four million nine hundred twelve thousand one hundred and thirty only) to PKR 1,784,912,130 (Pak Rupees One billion seven hundred eighty four million nine hundred twelve thousand one hundred and thirty only) by issue of a further 30,000,000 (Thirty million) ordinary shares of the Company of PKR 10/- (Pak Rupees Ten) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) immediately prior to the close of the share transfer books of the Company, in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 27 (Pak Rupees Twenty seven) per share (i.e. inclusive of a premium of PKR 17 (Pak Rupees Seventeen) per share), in the ratio of approximately 20.203 right shares for every 100 ordinary shares of PKR 10/- (Pak Rupees Ten) each held (i.e. approximately 20.203%), against payment to the Company of the price for the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company (the "Rights Issue").*

FURTHER RESOLVED THAT *the following are the quantum, size, price and purpose of the Rights Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Rights Issue, and the justification for the issue of shares at a premium in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020:*

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

The quantum of the Right Issue is approximately 20.203% of the existing paid-up capital of the Company i.e. approximately 20.203 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

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b) ***Right Issue Size***

The Company shall issue 30,000,000 (Thirty million) ordinary shares, at a price of PKR 27/- (Pak Rupees Twenty-seven) per share, aggregating to PKR 810,000,000/- (Pak Rupees Eight hundred and ten million only).

c) ***Issue Price Per Share***

PKR 27 /- (Pak Rupees Twenty-seven) per share (i.e. inclusive of a premium of PKR 17/- (Pak Rupees Seventeen) per share).

d) ***Purpose of the Right Issue***

The purpose of the Right Issue is to reduce the short-term high-cost debt of the Company, meet increased working capital requirements of the Company and its animal fattening business as well as investments in new tripes and red offals processing units. These measures will position the Company to profitably meet current and future demand of its products with provide a more balanced capital structure for future growth.

e) ***Utilization of Proceeds of the Right Issue***

The proceeds from the Right Issue will be to significantly reduce the short-term high-cost debt of the Company, meet increased working capital requirements of the Company and investment in a new tripes cooking and red offals processing unit.

f) ***Benefits to the Company and Shareholders***

The Right Issue is expected to positively impact the profitability, thereby enhancing expected returns to the shareholders.

g) ***Risk Factors associated with the Right Issue, if any***

The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholders and Directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue shall be fully underwritten as per requirements under applicable regulations. Normal risks associated with the business will remain; however, the Company is well placed in the market, which will help to mitigate such risk factors.

h) ***Justification for Issue at premium***

The Right Issue is being carried out at a premium. Considering the current market price of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice. In fact, the Right Issue price constitutes approximately 25% discount to the prevailing market price.

i) ***Minimum Subscription Amount***

Not Applicable

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FURTHER RESOLVED THAT *the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) directors of the Company in compliance with the applicable laws.*

FURTHER RESOLVED THAT *Mr. Faisal Hussain and Mr. Ali Hussain, the Directors of the Company, be and are hereby authorized by all the directors of the Company, to sign the circular accompanying the letter of offer, once finalized in accordance with the procedure stipulated under the Regulations.*

FURTHER RESOLVED THAT *all fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust), and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited, the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements as per the applicable Regulations.*

FURTHER RESOLVED THAT *any unsubscribed shares may be offered and allotted to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors / substantial shareholders, directors or associated undertakings of the company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.*

FURTHER RESOLVED THAT *the Chief Executive and / or the Company Secretary and / or the Chief Financial Officer, be and are hereby severally authorized to prepare finalize the draft offer document / letter and share it with the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), and revise the same based on the observations and changes of the SECP and PSX as may be deemed fit by them, in the manner prescribed under the Companies (Further Issue of Shares) Regulations, 2020, along with preparing and submitting other necessary documents in this respect. While the draft offer letter shall be placed on the PSX, public comments on the same shall not be required to be solicited.*

FURTHER RESOLVED THAT *the Chief Executive Officer, and/or the Chief Financial Officer, and/or the Company Secretary, be and each of them is hereby authorized, such that any one of them may do all or any of the following for and on behalf and in the name of the Company:*

(i) *Appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Rights Issue, to finalize terms and conditions and sign underwriting agreements(s), other documents and settle / finalize fees, underwriting commission, take up commission and third-party expenses and / or any other expenses relating to the Rights Issue;*

(ii) *To prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Rights Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited ("CDC") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority/body;*

(iii) *to decide and announce the closure of the share transfer books of the Company, including the dates thereof, to determine entitlements of the shareholders of the Company with respect to the Right Issue;*

(iv) *To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;*

(v) *To credit right shares once allotted by the Board and file returns / documents as required by SECP/ PSX/ CDC along with the auditors' certificates; and*

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(vi) *To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular accompanying the offer letter as required under Section 83 (3) of the Companies Act, 2017, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.*

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of The Organic Meat Company, Karachi on November 16, 2024.

THE ORGANIC MEAT COMPANY LTD.

Imran Khan
Company Secretary
November 16, 2024

THE ORGANIC MEAT COMPANY LIMITED

Annexure C

NOTICE OF RIGHT ISSUE

Members are hereby notified that the Board of Directors of **The Organic Meat Company Limited (the "Company")** in their meeting held on Saturday, November 16, 2024 has decided to issue further capital by offering 30,000,000 (Thirty million) ordinary right shares of PKR 10/- (Pak Rupees Ten) each at a price of PKR 27/- (Pak Rupees Twenty seven only) per share (i.e. inclusive of a premium of PKR 17 (Pak Rupee Seventeen only), in the ratio of approximately 20.203 right shares for every 100 existing ordinary shares of PKR 10/- (Pak Rupees Ten only) each held (i.e. approximately 20.203%), against payment to the Company of the price of the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

The dates of closure of the Share Transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

Imran Khan
Company Secretary
November 16, 2024

THE ORGANIC MEAT COMPANY

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