

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 47th Annual General Meeting (“AGM”) of the Shareholders of SHAHZAD TEXTILE MILLS LIMITED (the “Company”) will be held at Company's Registered Office, Tricon Corporate Center, Office No. 701, 7th Floor, 73-E, Main Jail Road, Gulberg-II, Lahore on Tuesday, October 28, 2025 at 2:30 p.m. and via video link to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors' and Auditors' Report thereon and Chairman's Review Report.

The above financial statements, together with other documents, have been uploaded on the website of the Company, which can be downloaded from the following link and/or QR-enabled code:

Weblink: <https://www.shahzadtex.com>



- 2.. To appoint auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors of the Company have recommended the reappointment of M/s Crowe Hussain Chaudhry & Co., Chartered Accountants, as auditors of the Company.

SPECIAL BUSINESS

- 3.. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2025, under the authority of the special resolution passed in the last annual general meeting held on October 28, 2024, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2026, and till the date of next Annual General Meeting and to pass the resolutions as proposed in the statement of material facts as special resolutions..
- 4.. To consider and, if deemed fit, approve the disposal of the Company's Assets held for Sale to a related or unrelated party and to pass the special resolution, with or without modification, addition or deletion, as proposed in the statement of material facts annexed to this notice circulated to the shareholders.

Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Businesses, as required under Section 134(3) of the Companies Act 2017.

By order of the Board

(MUHAMMAD AMJAD TAYYAB)

Company Secretary

Place: Lahore

Dated: October 06, 2025

NOTES:**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 21, 2025, to October 28, 2025 (both days inclusive). Transfers received in order at the Company's Independent Share Registrar's Office, Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 20, 2025, will be treated in time for the purpose of attending, speaking, and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have the same rights, as respects attending, speaking, and voting at the AGM, as are available to the members.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed, or a notarial attested copy of the power of attorney, must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport at the time of attending the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- b. Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy form.
- c. Attested copies of the CNIC or the passport of beneficial owners, and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of a corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the Company.

5. Change of Address

The shareholders are requested to promptly notify any change in their address, if any, to the Company's Share Registrar

6. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, an electronic dividend mandate on E-

Dividend Form provided in the annual report and also available on the website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission of CNIC / IBAN, all future dividend payments may be withheld.

7. Zakat Declarations:

The members of the Company are required to submit a Declaration for Zakat exemption in terms of the Zakat and Ushr Ordinance, 1980.

8. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for the transmission of the annual report containing financial statements and other documents.

9. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S.No.	Nature of Shareholders	Rate of deduction
1	Filers	15.0 %
2	Non-Filers	30.0 %

Tax deduction will be made on the basis of the Active Taxpayers List provided on the website of the Federal Board of Revenue.

Members seeking exemption from the deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately, and in such a particular situation, each account holder is to be treated as either a Filer or a Non-Filer, and tax will be deducted according to their shareholding. If the share is not ascertainable, then each account holder will be assumed to hold an equal proportion of shares, and the deduction will be made accordingly. Therefore, to avoid the deduction of tax at a higher rate, the joint holders are requested to provide the details below of their shareholding to the Share Registrar of the Company, latest by the AGM date.

Folio /CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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10. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2025, along with Auditors, Directors, and Chairman's Reports thereon on its website: www.shahzadtex.com

11. Unclaimed Dividend and Bonus Shares

Shareholders, who for any reason could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar, M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to enquire about their unclaimed dividend or pending shares, if any.

12. Online Participation in the Annual General Meeting:

As per the instructions of the Securities and Exchange Commission of Pakistan, the Company has arranged

a video link facility for online participation of members in the AGM. To attend the meeting through video link, the members are requested to register themselves by providing the following information, along with a valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders, with the subject “Registration for Shahzad Textile Mills Limited AGM” through email corporate@shaheencotton.com on or before 26th October 2025.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they used to email the Company. The login facility will remain open from the start of the meeting till its proceedings are concluded.

13. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017, i.e., May 31, 2017.

The shareholder having physical shareholding may open a CDC sub-account with any of the brokers or an investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per the existing regulations of the Stock Exchange.

14. Voting through Postal Ballot (electronic voting and by ballot paper)

The members of the Company shall be provided the right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

Procedure for E-Voting

- i. Details of the e-voting facility (including web address, login details, and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company, not later than the close of business on October 20, 2025.
- ii. The security codes will be communicated to members through SMS from the web portal of Hameed Majeed Associates (Pvt) Limited, Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast a vote through e-voting shall be authenticated through an electronic signature or authentication for login.
- iv. E-voting lines will start from October 25, 2025, at 09:00 a.m. and shall close on October 27, 2025, at 05:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through a ballot paper

- i. The members may alternatively opt for voting through a postal ballot. Ballot paper in the prescribed form is attached to this Notice and is also available on the Company's website, shahzadtex.com, to download.
 - ii. The members must ensure that the duly filled and signed ballot paper, along with the computerized national identity card (CNIC), should reach the Chairman of the meeting through post at the address Shahzad Textile Mills Limited, Office No. 701, 7th Floor, Tricon Corporate Centre, Main Jail Road, Gulberg-II, Lahore, or email at chairman@shahzad.com by 5:00 pm, October 27, 2025. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.
15. No gift shall be distributed at the meeting as prohibited under the Companies Act, 2017.
16. The Board of Directors has appointed M/s Abdul Rehman & Company as Scrutinizer for the AGM, who, in the opinion of the directors, have the necessary knowledge and experience to independently scrutinize the voting process. The details of the appointed scrutinizer is as under.
- a. Qualification: QCR-rated Firm
 - b. Experience: Having more than six years of experience to act as the Scrutinizer of the Company.
 - c. Purpose of appointment: For voting on the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11/11A of the Postal Ballot Regulation 2018.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2025.

Agenda Item No. 3**Ratification/approval of Related Party Transactions**

The Company carried out transactions with its Related Parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2024. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on a quarterly basis pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Terms & Conditions	Amount (Rs.)
Sargodha Jute Mills Ltd	Mr. Imran Aslam Mr. Irfan Aslam Mrs. Nazish Imran	Director & shareholder Chief Executive / Director/Shareholder Shareholder Shareholder	Purchase Twine Jute 20/3	---		793,550
Sargodha Jute Mills Ltd	Mr. Imran Aslam Mr. Irfan Aslam Mrs. Nazish Imran	Director Chief Executive/ Director Shareholder	Sales Hard Waste PC	Arm's length basis		15,386,422

The following resolution is proposed to be passed as a Special Resolution with or without any modification:

“Resolved that the following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Shahzad Textile Mills Limited, and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ended June 30, 2025, be and are hereby ratified, approved, and confirmed.

Name of Related Party	Description of transaction
Sargodha Jute Mills Ltd	Purchase: Twine Jute 20/3,
Sargodha Jute Mills Ltd	Sales: Hard Waste PC

Authorization to the Company to transact with certain related parties

The Company will continue to carry out transactions with its Related Parties in its ordinary course of business at arms' length basis during the financial year ending June 30, 2026, and till the next annual general meeting. The majority of directors are interested in the above transactions as disclosed above, therefore, such related party

transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next annual general meeting for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

“Resolved that the Shahzad Textile Mills Limited (the **“Company”**) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2026, and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Further Resolved that Chief Executive of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required.

Agenda Item No. 4

The Board of Directors has proposed to dispose of the Company's Assets held for Sale comprising Office No. 703, 7th Floor, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg-II, Lahore, with a total covered area of 5,150 Sqft, to M/s Sargodha Jute Mills Limited, a related party or any unrelated party, against a minimum consideration of Rs _170 million and based on the best available quote from interested parties. Accordingly, the matter is placed before the shareholders to approve the disposal of Office No. 703, 7th Floor, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore, of the Company to generate funds for the utilization towards capital investment in the installation of a Solar Energy System at the Company's mills site.

The information required under SRO 423(I)/2018 dated April 03, 2018, is as under:

Information as required by SRO 423(I)/2018 dated April 03, 2018

#	Description	Details
5 (I)	In case of sale, lease, or disposal of sizeable part of undertaking	
i)	Detail of assets to be sold, leased or disposed of shall include the following:	
(a)	Description/Name of asset;	Office situated at Tricon Corporate Center, Office No. 703, 7 th Floor, 73 -E, Main Jail Road, Gulberg-II, Lahore. Total covered area 5,150 Sqft
b)	Acquisition date of the asset;	The Office was acquired in the year 2012.
c)	Cost;	Rs. 50.838 Million
d)	Revalued amount and date of revaluation (if applicable);	The management engaged renowned valuers, M/s Hamid Mukhtar & Co. (Pvt) Limited, to conduct an independent valuation of the Assets held for Sale. The value of the Office was determined at Rs 169.95 million as at June 30, 2025.
e)	Book value;	Book value of the “Office” as on June 30, 2025, is Rs. 169.95 million.

f)	Approximate current market price/fair value;	The minimum consideration is approximately fair value.
g)	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	Sale price is expected to be above book value and fair value
h)	In case of lease of assets, tenure, lease rentals, increment rate , mode/basis of determination of lease rentals , and other important terms and conditions of the lease;	N/A
i)	Additional information in case of disposal of land:	
	(i) Location; (ii) Nature of land (e.g., commercial, agricultural, etc); and (iii) Area proposed to be sold.	N/A
j)	The proposed manner of disposal of the said assets.	Through quotes from interested parties including M/s Sargodha Jute Mills Limited a related party , however, disposal will be based on the basis of highest quote.
k)	In case the company has identified a buyer, who is a related party , the fact shall be disclosed in the statement of material facts.	M/s Sargodha Jute Mills Limited, a related party, is also interested besides other unrelated parties.
l)	Purpose of the sale, lease or disposal of assets, along with the following details:	
	a) Utilization of the proceeds received from the transaction;	For the installation of a Solar Energy System Two (02) MW at the Company's mills site.
	b) Effect on operational capacity of the company, if any; and	No impact on operational capacity by the disposal of office property.
	c) Quantitative and qualitative benefits expected to accrue to the members.	The funds raised will be used for the installation of a Solar Energy System at the Company's Mills site. The payback period of

The basis of valuation for disposal is the valuation by an independent valuer. It is in the best interest of the Company and its shareholders to dispose of the office property and install a Solar Energy System at the Company's Mills site.

The following resolutions are proposed to be passed as special resolutions

RESOLVED THAT approval of the members of M/s Shahzad Textile Mills Limited (the '**Company**') be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 for disposal of the Company's Assets held for Sale comprising Office No. 703 7th Floor, Tricon Corporate Center, 73-E, Main Jail Road, Gulberg-II, Lahore, total covered area 5,150 Sqft (hereinafter the '**Assets**') to a related party, Sargodha Jute Mills Limited, or any other unrelated party for a minimum consideration of Rs. 170 million.

RESOLVED FURTHER THAT the approval of the members be and is hereby accorded for the utilization of the proceeds arising from the sale of the Asset towards capital investment in the installation of a Solar Energy System at the Company's Mill site.

FURTHER RESOLVED THAT as part and parcel of the foregoing consent, the Board of Directors be and are hereby authorized and empowered to sell the Asset to the related or unrelated party and delegate any or all of its powers in this regard to the Chief Executive Officer or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Asset sale and utilization of the proceeds thereof and, for that purpose, entering into an agreement(s) with the buyer(s), receiving the sale consideration and to generally performing and executing in respect of the Assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale of Assets.

FURTHER RESOLVED that the Company be and is hereby agreed upon modification in this resolution if required without the need for any further approval of the shareholders.

FURTHER RESOLVED that Mr. Imran Aslam, Chief Executive, be and are hereby severally authorized to comply with the statutory requirements of the Securities and Exchange Commission of Pakistan and do all such acts, deeds, and things as may be necessary under the law in this regard.

FURTHER RESOLVED that all actions heretofore taken by the Chief Executive on behalf of the Company in respect of the above matter be and are hereby confirmed, ratified and adopted by the Company in full.”