

June 5, 2024

SIL/BOD/05/2024/03

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

Dear Sir

DECLARATION OF RIGHT SHARE

This is in continuation of our letter of April 30th 2024 on the same subject.

In accordance with the requirements of applicable provisions of the Securities Act, 2015 and the PSX Rule Book, Stylers International Limited is pleased to inform you that the Board of Directors of the Company has approved and decided to issue 53,540,353 ordinary shares by way of rights issue in proportion of 12.30 ordinary shares for every 100 shares held at price of PKR 43.50 per share including premium of PKR 33.50 per share to all existing shareholders. As required under section 58 of the Companies Act, 2017 and Regulation 6 of the Companies (Further Issue of Shares) Regulation, 2020.

We enclose revised Statement pertaining to quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the Company and the shareholders, risk factors and justification for issue of shares at premium (Annexure A). Please note the revision is only in para **Utilization of Proceed of Right Issue**.

Yours truly,
For Stylers International Limited

Tariq Majeed
Company Secretary



STYLERS INTERNATIONAL LTD.

Lahore Office:
20 KM Ferozpur Road Glaxo Town, Lahore, Pakistan
Phone: + 92 42-35274471-3 UAN: 111 00 50 50

Karachi Office:
Office# 601, 6th Floor, Charlie Trade Tower.
Plot# 123, Block-A SMCH Society, Karachi, Pakistan

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

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

The quantum of the Right Issue is approximately 12.30% of the existing paid-up capital (Ordinary Shares) of the Company i.e. approximately 12.30 right shares for every 100 ordinary shares held by the shareholders of the Company.

Right Issue Size

The Company shall issue 53,540,353 (Fifty-Three Million Five Hundred and Forty Thousand Three Hundred and Fifty-Three) ordinary shares, at a price of Rs. 43.50/- (Rupees Forty-Three Point Five Zero) per share, aggregating to Rs. 2,329,005,356 (Rupees Two Billion Three Hundred and Twenty-Nine Million Five Thousand Three Hundred and Fifty-Six).

Issue Price per share

Rs. 43.50/- (Rupees Forty-Three point Five Zero) per share (i.e. inclusive of a premium of Rs. 33.50/- (Rupees Thirty-Three point Five Zero) per share).

Purpose of the Right Issue

The purpose of the Right Issue is to secure funds for an expansion initiative integral to Company's long-term business Sustainability and Growth strategy. This project is designed to meet the escalating demands of its customers more efficiently and aims to attain the esteemed Leeds Platinum certification. This expansion, Company will effectively execute its Growth Strategy, thereby enhancing its profitability and delivering greater returns to the shareholders.

Utilization of Proceeds of the Right Issue

The purpose of the Right Issue is to secure funds for an expansion initiative. Out of proceed of Right Issue of PKR 2.329 billion, PKR 1.567 billion will be utilized for repayment of funding obtained / to be obtained from Associated Company / Directors and balance of

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PKR 0.762 billion will be utilized for further expenditure required for the successful completion of the expansion initiative keeping intact the total amount of PKR 2.329 billion. The expansion plan also includes installation of solar power generation project of approximately 1000 KW. Post completion the expansion project will result in a significant increase in the company's existing production capacity by 35,000 garment units per day. This initiative will enhance production capabilities with sustainability which will elevate the company's appeal to investors, driven by an augmented turnover and the ability to capture a larger market share.

Benefits of the Right Issue to the Company and its Shareholders

The subscription amount raised through the Right Issue will be directed towards enhancing the company's production capacity, with a steadfast commitment to sustainability. This strategic initiative is poised to generate significant value for shareholders. By augmenting production capacity, the company stands to realize a myriad of benefits, including revenue growth, improved cost efficiency, expansion of market share, competitive advantage, heightened potential for dividends, and the creation of long-term shareholder value.

Risks Factors associated with the Right Issue

There are no significant risk factors 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 will be underwritten in accordance with the applicable laws. The Right Issue of The Company is being made at Rs. 43.50/- per share, which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. Normal risks associated with the business will remain. The Company is well placed in the market with proven track record, which will help to mitigate such risk factors.

Justification for Issue of Right Shares at Premium

Considering the current market price of shares of the Company, the premium charged over the par value is justified and is also in line with the prevailing market practice.

Minimum Subscription Amount

None

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