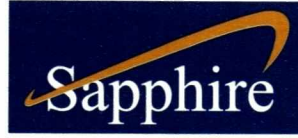


212-Cotton Exch. Building,
I.I Chundrigar Road, Karachi (Pakistan)
UAN: +92 21 111-000-100, +92 21 3241 0930

4th Floor Tricon Corporate Center
73-E Main Jail Road, Lahore (Pakistan)
UAN: +92 42 111-000-100, +92 42 3575 0410



Sapphire Textile Mills Limited

October 10, 2024

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 are pleased to convey the following information:

Further to our earlier disclosure dated November 29, 2022, and the approval of the Scheme of Arrangement under Sections 279 to 282 and 285 of the Companies Act, 2017 by the requisite majority of the shareholders of Sapphire Textile Mills Limited (the "Company") during the extraordinary general meeting held on December 27, 2022, we are pleased to announce that vide order dated October 7, 2024 (received on October 9, 2024), passed in J.C.M. No. 44 of 2022, the Honourable High Court of Sindh at Karachi has approved and sanctioned the Scheme of Arrangement, pertaining the corporate reorganization of a certain portion of the shareholdings of the sponsors of the Company, as prayed. A certified copy of the order of the Court is attached herewith.

You may please inform the TRE Certificate holders accordingly.

Yours faithfully,

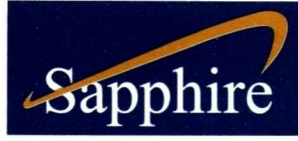
Zeeshan
Company Secretary

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

Encl: Copy of the aforementioned Order

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Sapphire Textile Mills Limited

DISCLOSURE FORM
IN TERMS OF SECTION 96 OF THE SECURITIES ACT, 2015

Name & Address of Company	Sapphire Textile Mills Limited 212- Cotton Exchange Building, I.I. Chundrigar Road, Karachi
Date of Report	October 10, 2024
Contact Information	Zeeshan Company Secretary Sapphire Textile Mills Limited 307- Cotton Exchange Building, I.I. Chundrigar Road, Karachi Tel: 021 111 000 100 Ext 3225 Email: contact@sapphiretextiles.com.pk

Public disclosure of inside information, which directly concerns the listed securities:

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

Further to our earlier disclosure dated November 29, 2022, and the approval of the Scheme of Arrangement under Sections 279 to 282 and 285 of the Companies Act, 2017 by the requisite majority of the shareholders of Sapphire Textile Mills Limited (the "Company") during the extraordinary general meeting held on December 27, 2022, we are pleased to announce that vide order dated October 7, 2024 (received on October 9, 2024), passed in J.C.M. No. 44 of 2022, the Honourable High Court of Sindh at Karachi has approved and sanctioned the Scheme of Arrangement, pertaining the corporate reorganization of a certain portion of the shareholdings of the sponsors of the Company, as prayed. A certified copy of the order of the Court is attached herewith.

Yours faithfully

For and on behalf of Sapphire Textile Mills Limited

Zeeshan
Company Secretary

October 10, 2024

1 Presented on 30/11/2022

Deputy Registrar (O.S.)

**IN THE HIGH COURT OF SINDH AT KARACHI
(COMPANIES JURISDICTION)**

J. C. M. PETITION NO. 448 OF 2022

In the matter of:
Sections 279 to 283 and 285(8) of the Companies Act, 2017

1. **SAPPHIRE TEXTILE MILLS LIMITED**, a public company limited by shares, incorporated under the provisions of the Companies Act, 1913, and existing under the provisions of the Companies Act, 2017, having its Registered Office at 212, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.
2. **CHANNEL HOLDINGS (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.
3. **RESOURCE CORPORATION (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.
4. **ATMZ COMPANY (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.



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5. **SYNERGY HOLDINGS (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

6. **GLORY (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

7. **GLITTER (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

8. **LAVENDER (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

9. **ACRYLIC (PRIVATE) LIMITED**, a private company limited by shares, incorporated and existing under the provisions of the Companies Act, 2017, having its Registered Office at 312, Cotton Exchange Building, I. I. Chundrigar Road, Karachi.

10. **SALMAN ISMAIL (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies



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Ordinance, 1984, and existing under the provisions of the Companies Act, 2017, having its Registered Office at 407, Commerce Centre, Hasrat Mohani Road, Karachi.

.....PETITIONERS

PETITION UNDER SECTION 279 READ WITH SECTIONS 280 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017



IN THE HIGH COURT OF SINDH AT KARACHI

J.C.M. No.44 of 2022

[Sapphire Textile Mills Limited and 9 others – Petitioners]

Date of hearing : 19.09.2024

Petitioners No.1 to 10 : Sapphire Textile Mills Limited and 9 others, through Mr. Mikael Rahim, Advocate.

: Mr. Syed Ibad, Counsel for the Securities and Exchange Commission of Pakistan [SECP].

ORDER

Muhammad Faisal Kamal Alam, J: Through this Petition, the Petitioners No.1 to 10 have sought the sanctioning of the Scheme of Arrangement [Annexure 'K'], under Sections 279 to 283 and 285(8) of the Companies Act, 2017 ["the Act"], between the Petitioners No.1 to 10 and their respective Members.

2. As required, Publication of the Subject was done in the different Dailies of 'Jang' and 'The News', of 12.12.2022, available in the Record.

3. The Extract of the Resolutions passed by the Board of Directors of Petitioners No.1 to 10, in their Meetings held at the Registered Offices, on 28.11.2022, are available at Pages-159 to 199 [of the Court File; Annexures "L to L-9"], resolving / approving the corporate reorganization as stated in the above Scheme, relevant portion whereof is_

"Arrangement Shares of Petitioner No. 1 [Sapphire Textile Mills Limited], which are 10,737,472 (ordinary shares) held by the Sponsors, shall stand automatically cancelled [without any reduction in the share capital of the Petitioner No.1], and in lieu of the cancellation, Petitioner No.1 shall simultaneously allot and issue the Shares [which is termed as 'Sapphire Reorganization Shares', in

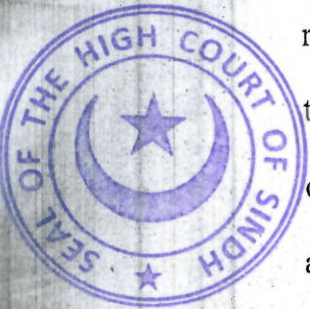


the Subject Scheme, in Sub-Article 6.3 of Article 6] credited as fully paid up, at par, in favour of the respective Sponsors' Holding Companies in the manner [and as per the break-ups] detailed in Annexure B of the Scheme."

4. The principal object of the Subject Scheme is mentioned in Article 2.1; that to cause a reorganization in the issued and paid up share capital of Sapphire Textile through cancellation of the Sapphire Arrangement Shares held by the Sponsors, on the Effective Date, without any further act or deed (except to the extent stated herein), and simultaneous allotment and issuance of the Sapphire Re-organization Shares in favour of the Sponsors' Holding Companies, in accordance with the provisions of the Scheme.

5. It is clarified under Sub-Articles of Article 7, that the afore-referred reorganization shall not, [i] constitute or be treated as any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; [ii] give rise to any forfeiture; [iii] invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); and [iv] give rise to any right of first refusal or pre-emptive right that any person may have in respect of the Sapphire Re-organization Shares or any investment made by such person in any Company.

6. By the Order dated 01.12.2022, this Court granted the Application of Petitioner, filed under Rule 55 of the Companies (Court) Rules, 1997, *inter alia*, permitting it to hold separate Meetings of the Members of the Petitioners and the Secured Creditors, which were held and the Reports are submitted through Chairmen of the Petitioners. Notice of Extraordinary General Meeting [EOGM] was also uploaded on the website of Pakistan Stock Exchange, so is confirmed by its Counsel, who has filed a separate Statement dated 19.09.2024, in this regard.



According to the Reports, Members / Shareholders present at the Meetings have unanimously voted in favour of the Subject Scheme. Similarly, different Secured Creditors / Banks have given no objection to the Subject Scheme. Similarly, different Secured Creditors / Banks have given no objection to the Subject Scheme, some of which have given conditional NOCs, that the Scheme of Arrangement should not affect / derogate financing arrangement and the encumbrances already created in favour of Secured Creditors. These NOC's are available as Annexures "B" to "B/19" [of the IInd Part of the *Lis* Record].

7. Learned counsel for the SECP states that the two Objections [stated under Paragraphs 41-45 of the Para-wise Comments of SECP] are that the Attendance Sheet of the Directors was not provided, and justification is not given for issuance of 100,000 ordinary shares to the Petitioners.

8. The learned Counsel for the Petitioners pointed out that the Attendance Sheets are filed in the intervening period and Copies whereof are today placed on record during hearing; *whereas*, the Justification for the issuance of Shares is provided in the Scheme of Arrangement itself when shareholding of the persons named in the Schedule-A will be cancelled and in lieu thereof, they will be given shareholding in Petitioner No.1. The objections of SECP are addressed.

8. Since other requirements are also complied with, thus, this Scheme of Arrangement is approved and sanctioned, as prayed. Accordingly, this JCM stands allowed.

Karachi.
Dated: 07.10.2024
Riaz P.S.

Sd/- Muleannod Faizal Karim Alam
TDR



THE HIGH COURT OF SINDH, KARACHI
CERTIFIED TO BE TRUE COPY

(Signature)
(MUHAMMAD SARFARAZ)
I/C: ASSISTANT REGISTRAR (COPYING)

COPY APPLIED FOR ON 08/01/14

FEES ESTIMATED ON do

ESTIMATED FEES DEPOSITED ON 08/01/14

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COMPARING FEES: PAGE: 02 RS: 60/-

TOTAL: RS: 60/-

COMPARING BY/
OFFICE ASSOCIATE

(Signature)
(MUHAMMAD SARFARAZ)
I/C ASSISTANT REGISTRAR (COPYING)