


NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 57th Annual General Meeting of Sapphire Textile Mills Limited ('The Company') will be held on Monday, 27th October, 2025, at 03.00 p.m. at Trading Hall, situated at Cotton Exchange Building, I. I Chundrigar Road, Karachi, to transact the following business:

Ordinary Business:

1. To confirm minutes of the last General Meeting.
2. To receive, consider and adopt the Audited Financial Statements together with the Chairman's, Directors', and Auditors' Reports for the year ended 30th June, 2025.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements have been uploaded on the website of the Company, which can be downloaded from the following weblink and QR-enabled code:

http://www.sapphire.com.pk/stml/annualreports.htm	QR Code 
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3. To appoint auditors for the year ending 30th June 2026 and fix their remuneration. The present auditors, M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants, retire and, being eligible, offer themselves for reappointment, and the Board of Directors has recommended their appointment

Special Business:

4. To approve by way of special resolutions, with or without modification, the following resolutions in respect of related party transactions in terms of Section 208 of the Companies Act, 2017.
 - (i) **RESOLVED THAT** the Related Parties transactions conducted during the year as disclosed in note 44 of the unconsolidated financial statements for the year ended 30th June, 2025, be and are hereby ratified, approved, and confirmed.
 - (ii) **RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on a case-to-case basis during the financial year ending 30th June, 2026.

FURTHER RESOLVED those transactions approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.

Any other Business:

5. To transact any other business with the permission of the chair.

Statements under Section 134 (3) pertaining to the special business of the Companies Act, 2017, and under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are annexed.

Karachi
Dated: 25th September, 2025

By Order of the Board

Zeeshan
Company Secretary

Sapphire Textile Mills Limited

212- Cotton Exch. Building
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4th Floor, Tricon Corporate Center
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Website: www.sapphiretextiles.com.pk

NOTES:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from 21st October, 2025, to 27th October, 2025 (both days inclusive). Transfers received in order, by the M/s. Hameed Majeed Associates (Private) Limited Company Registrar, 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi, up to 20th October, 2025, will be considered in time to entitle the transferees for payment of dividend, vote, and to attend the meeting.

2. Right to Appoint Proxy:

A member entitled to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote on his /her behalf. Proxies in order to be valid must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

3. Proxy Form Availability & CDC Guidelines:

An instrument of proxy applicable for the Meeting is being provided with the notice sent to the members. Further copies of the instrument may be obtained from the registered office of the Company during normal office hours. The proxy form can also be downloaded from the Company's website: www.sapphire.com.pk/stml

CDC shareholders will further have to follow the below mentioned guidelines as laid down in Circular 1, dated 26 January 2000, issued by Securities and Exchange Commission of Pakistan:

A. For attending the meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies;

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the above Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the proxy form.

4. Change of Address:

Any change of address of members should immediately be notified to the Company's Share Registrars, M/s. Hameed Majeed Associates (Private) Limited, 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.

5. Participation in AGM via Zoom (Electronic Means):

In order to comply with the directives of the Securities and Exchange Commission of Pakistan, including in terms of Circular No. 4 of 2021, the Company has also arranged video conference facility for those members who are interested in participating virtually in the AGM.

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Special arrangements for participating in the AGM through electronic means will be as under:

- a. AGM will be held through Zoom application – a video link facility.
- b. Members interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary's office by sending an e-mail with subject: "Registration for STML AGM" at the earliest but not later than 48 hours before AGM on E-mail: contact@sapphiretextiles.com.pk along with a valid copy of both sides of CNIC.

Members are advised to mention their Name, Folio/CDC Account Number, CNIC Number, Valid email address and cell number. Upon receipt of the above information from the interested members, the Company will send the login credentials at their e-mail address. On the date of AGM, members will be able to login and participate in the AGM proceedings through their smartphone/computer devices. The login facility shall be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification/ verification process.

6. Submission of CNIC:

The members are requested to submit a copy of their Computerized National Identity Card (CNIC), if not already provided, and immediately notify changes, if any, to the registrar of the company M/s. Hameed Majeed Associates (Private) Limited, situated at 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.

7. Voting through E-Voting and Postal Ballot:

Pursuant to Companies (Postal Ballot) Regulations 2018, read with Sections 143 to 145 of the Companies Act, 2017, members can exercise their right to vote through e-voting or postal ballot. The procedure for postal ballot and E-voting is given below.

E-voting Procedure:

- (a) Details of the e-voting facility will be shared through an email 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 by the close of business on 20 October 2025.
- (b) The web address, login details will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of M/s. Hameed Majeed Associates (Private) Limited (being the e-voting service provider).
- (c) The identity of the members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login.
- (d) E-voting lines will start on 23 October 2025, at 09:00 a.m. and shall close on 25 October 2025 at 5:00 p.m. Members can cast their votes 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 Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC, should reach the Chairman of the meeting through post at the registered office address of the Company / Share Registrar or through email at contact@sapphiretextiles.com.pk, by close of business on October 25, 2025. The signature on the ballot paper shall match with the signature on CNIC.

Note:

Under the provision of S.R.O 451(I)/2025 issued by SECP to be read in conjunction with section 134 of the Companies Act 2017, for all businesses classified as "Special Business", the voting by the members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically.

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Further, the members who did not cast their vote through the electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of a ballot paper only.

8. Conversion of Physical Shares to CDC Account:

Deposit of physical certificate(s) in CDC Account: As per section 72 of Companies Act, 2017, every company shall be required to replace its physical certificates with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Companies Act, 2017, Accordingly, a member having physical shares are encouraged to open a CDC sub-account with a broker or Investor Account directly with CDC to place their physical certificates into scrip less form.

9. Unclaimed Dividends/Shares:

An updated list of unclaimed dividends/shares of the Company is available on the Company's website www.sapphire.com.pk/stml. These are unclaimed dividends/shares which have remained unclaimed or unpaid for three years from the date these have become due and payable.

10. Mandatory Electronic Dividend Payment:

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Shares Registrar of the Company, M/s. Hameed Majeed Associates (Private) Limited, in case of physical shares.

In case shares are held in CDC, then the Electronic Credit Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or the physical folio of the shareholder.

11. Annual Financial Statements via QR Code

The Securities and Exchange Commission of Pakistan has allowed the listed companies through SRO 389(I)/ 2023 dated March 21, 2023, to circulate the annual balance sheet and profit and loss account, auditor's report, and directors' report, etc. ("annual audited financial statements") to its members through QR-enabled code and weblink. However, any shareholder may request the company secretary in writing to provide a printed copy of annual report at their registered address free of cost, within seven (07) days of receipt of such request. The shareholders who want to avail this facility may submit request form to the company share registrar. The Financial Statements of the company for the year ended 30th June, 2025 along with reports have been placed on the company's website www.sapphire.com.pk/stml.

12. Video Conference Facility for Shareholders in Other Cities:

The Company shall provide a video conference facility to its members for attending the General Meeting at places other than the town in which the general meeting is taking place, provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 07 days prior to the date of the meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company (7) days before holding of the General Meeting:

"I/We, _____ of _____ being a member of Sapphire Textile Mills Limited, holder of _____ Ordinary Shares as per registered folio # _____ hereby opt for video conference facility at _____."

Signature of Member

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13. Prohibition on companies for providing gifts or incentives

The SECP, through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to Shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties

Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Company / Date of Resolution	Amount of Investment approved	Amount of Investment made to date	Reason
Sapphire Wind Power Company Limited (SWPCL) 17 th February, 2014 & subsequently amended on 26 th October, 2015	Collateral/security as may be required by the issuing bank to issue a Standby Letter of Credit (SBLC) in PKR equivalent up to approximately USD 10 Million in order to secure certain obligations of SWPCL.	Nil	This amount was amended in AGM held on 26 th October, 2015, in order to secure the obligation of SWPCL in relation to the required balance of the Debt Service Reserve
Triconboston Consulting Corporation (Private) Limited (TBCCPL), 27 th March 2017	Security/collateral as may be required by the issuing banks in order for the same to issue debt service reserve standby letters of credit, together with any replacement standby letters of credit, in order to secure the amount up to USD 24 Million (United States Dollars Twenty-Four Million);	Nil	This amount was approved in the EOGM dated 27 th March, 2017, and is in the process of implementation as and when required.
Triconboston Consulting Corporation (Private) Limited (TBCCPL), 27 th March 2017	Security/collateral as may be required by the issuing banks in order for the same to issue excess debt standby letters of credit together with any replacement standby letters of credit in order to secure the amount up to USD 15 Million (United States Dollars Fifteen Million); and	Nil	This amount was approved in the EOGM dated 27 th March, 2017, and is in the process of implementation as and when required
Triconboston Consulting Corporation (Private) Limited (TBCCPL), 27 th March 2017	To invest by way of loans and advances in the PKR equivalent up-to USD 11.3 Million (United States Dollars Eleven Million Three Hundred Thousand) for a period of up-to five (5) years from the commercial operations date of the last of the three (approximately) 150MW wind power Project, and to arrange and deliver: (i) standby letters of credit together with any replacement standby letters of credit in order to secure the Available Contingency Commitment Amount, in favor of the agent/security trustee.	Nil	This amount of loan was approved in the EOGM dated 27 th March, 2017, and is in the process of implementation as and when required

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Material Changes in Financial Statements of Associated Companies

1. SAPPHIRE WIND POWER COMPANY LIMITED

The Company is 70% owned by Sapphire Textile Mills Limited and 30% by Bank Alfalah Limited. The Company has set up a wind farm with capacity of 52.80 MW at Jhimpir Sindh, which started Commercial operations in November 2015 – the project is operating following best industry practices and is yielding satisfactory results.

Financial Results	Financial Year Ended June 30, 2025 Rupees	Financial Year Ended June 30, 2024 Rupees	Financial Year Ended June 30, 2016 Rupees
Net Sales	4,466,431,379	6,688,207,497	1,584,896,926
Gross Profit	2,321,943,467	4,625,848,369	1,020,332,620
Profit Before Tax	2,585,315,896	5,162,095,805	678,614,077
Profit After Tax	2,545,001,930	5,141,303,981	678,235,929

2. TRICONBOSTON CONSULTING CORPORATION (PRIVATE) LIMITED

Triconboston Consulting Corporation (Private) Limited was incorporated under the laws of Pakistan and operating (3) three projects (Project A, Project B, and Project C) having capacity of 49.735 MW each in Jhimpir, Sindh. The Company has achieved Commercial Operations Date ('COD') on August 16, 2018, September 14, 2018, and September 11, 2018 by Project A, Project B, and Project C, respectively. The projects are operating following best industry practice and is yielding satisfactory results.

Financial Results	Financial Year Ended June 30, 2025 Rupees	Financial Year Ended June 30, 2024 Rupees	Financial Year Ended June 30, 2017 Rupees
Net Sales	15,489,962,130	20,936,160,649	-
Gross Profit / (Loss)	9,804,399,130	15,280,063,609	(93,798,217)
Profit / (Loss) Before Tax	7,094,569,999	11,771,025,852	(94,039,713)
Profit / (Loss) After Tax	6,809,977,348	11,455,972,112	(95,055,582)

Statement Of Material Facts Under Section 134 (3) Of the Companies Act, 2017

1. Item relating to Number 4 (i) of the notice.

Ratification and approval of the related party transactions

The Company carries out transactions with its associates and related parties in accordance with its policies, applicable laws, regulations, and with approval of board of directors of the Company. However, during the year since the Company's Directors are interested in certain transactions (by virtue of being the shareholder or common directorship); therefore due to the absence of requisite quorum for approval in Board of Directors meeting, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 44 to the unconsolidated financial statements for the year ended 30th June, 2025.

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The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business and periodically reviewed by the Board Audit Committee. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board for approval.

Transactions entered into with the related parties include, but are not limited to, sale and purchase of goods, dividends paid and received, investments made (in accordance with the approval of shareholders and board where applicable), donation paid, rental income, and sharing of common expenses, etc.

The nature of relationship with these related parties has also been indicated in the note 44 to the unconsolidated financial statements for the year ended 30th June, 2025.

2. Item relating to Number 4 (ii) of the notice.

Authorization for the Board of Directors to approve the related party transactions during the year ending 30th June, 2026.

The Company shall be conducting transactions with its related parties during the year ending 30th June, 2026 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the Board of Directors seeks authorization from the shareholders to approve transactions with the related parties from time to time on case-to-case basis for the year ending 30th June, 2026, and such transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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212, Cotton Exchange Building,
I.I.Chundrigar Road, Karachi (Pakistan)
UAN: 92 21 111 000 100 Fax: 92 21 32416705

4th Floor Tricon Corporate Centre,
73-E, Mian Jail Road, Gulberg II,
Lahore (Pakistan)
UAN: 92 21 111 000 100
Fax: 92 21 35758783, 35713753



Sapphire Textile Mills Limited



BALLOT PAPER FOR VOTING THROUGH POST

Annual General Meeting to be held on Monday, October 27, 2025 at 3:00 pm
at Trading Hall, Cotton Exchange Building, I. I Chundrigar Road, Karachi
Phone: +92 21 111 000 100 **Website:** www.sapphire.com.pk/stml

Designated email address of the Chairman at which the duly filled-in ballot paper may be sent:
contact@sapphiretextiles.com.pk

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC No./Passport No (in case of foreigner) (Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the below resolution(s) through postal ballot by conveying my/our assent or dissent the following resolution by placing tick (✓) mark in the appropriate box below:

Sr. No.	Nature and Description of Resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
01	<p>Agenda No: 04</p> <p>To approve by way of special resolutions with or without modification the following resolutions in respect of related party transactions in terms of Section 208 of the Companies Act, 2017.</p> <p>(i) RESOLVED THAT the related Parties transactions conducted during the year as disclosed in note 44 of the unconsolidated financial statements for the year ended 30th June, 2025, be and are hereby ratified, approved, and confirmed.</p> <p>(ii) RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on a case-to-case basis during the financial year ending 30th June, 2026.</p> <p>FURTHER RESOLVED those transactions approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.</p>			

Signature of shareholder

Place: _____ Date: _____

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NOTES/ PROCEDURE FOR SUBMISSION OF BALLOT PAPER:

1. The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC, should reach the Chairman of the meeting through post at the Registered address of the Company / Share Registrar or through email at contact@sapphiretextiles.com.pk, by close of business on October 25, 2025. Copy of CNIC/ Passport (in case of a foreigner) should be enclosed with the postal ballot form.
2. Postal ballot forms should reach the chairman of the meeting on or before October 25, 2025, during working hours. Any postal ballot received after this date, will not be considered for voting.
3. Signature on postal ballot should match with signature on CNIC/ Passport (In case of a foreigner).
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten ballot paper will be rejected.
5. In case of representative of body corporate and corporation, postal ballot insist he accompanied with copy of CNIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney, or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable, unless these have already been submitted along with the Proxy Form. In case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
6. Ballot paper has also been placed on the website of the Company www.sapphire.com.pk/stml. Members may download the ballot paper from the website or use an original/ photocopy published in newspapers.

Sapphire

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