



Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

STM/PSX/2026

February 3, 2026

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

Dear Sir,

Subject: Material Information - Declaration of Right Shares

In accordance with Section 96 and 131 of the Securities Act, 2015, clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited and Regulation 3(1)(i) of the Companies (Further Issue of Shares) Regulations, 2020, we hereby convey the following information:

The Board of Directors of the Shadab Textile Mills Limited (the "Company"), in its meeting held on Tuesday, February 3, 2026 at the Registered Office of the Company at A-601/A, City Tower, 6-K, Main Boulevard, Gulberg-II, Lahore, Pakistan and through video conferencing, has decided to increase the paid-up share capital of the Company by issue of a further 6,250,000 (Six Million Two Hundred Fifty Thousand) 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 37.65 Right Shares for every 100 ordinary shares held i.e. approximately 37.65%, at a price of PKR 40/- (Pak Rupees Forty) per Right Share (inclusive of a premium of PKR 30/- (Pak Rupees Thirty) per Right Share).

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 Tuesday, February 3, 2026 (Annexure B).





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

:- 2 :-

The Share Transfer Books of the Company will be closed from February 23, 2026 to March 2, 2026 (both days inclusive). Physical transfers received at the office of Share Registrar of the Company at the close of business on February 22, 2026 will be treated in time for the entitlement of Right Shares.

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

Yours Sincerely,
For SHADAB TEXTILE MILLS LIMITED

Aamir Saeed
Chief Executive



Encl: As above.

Copy to:

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

Head of Operations,
Central Depository Company of Pakistan, Karachi.
CDC House, 99-B, Block 'B', S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi.



Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

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) and Right Issue Size

The quantum of the Right Issue is approximately 37.65% of the existing paid-up capital of the Company i.e. approximately 37.65 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.

The Company shall issue 6,250,000 (Six Million Two Hundred Fifty Thousand) ordinary shares, at a price of PKR 40/- (Pak Rupees Forty) per share, aggregating to PKR 250,000,000/- (Pak Rupees Two Hundred Fifty Million Only).

b) Issue Price Per Share

PKR 40/- (Pak Rupees Forty) per share (i.e. inclusive of a premium of PKR 30/- (Pak Rupees Thirty) per share).

c) Purpose/Utilization of the Right Issue

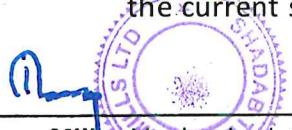
The purpose of the Right Issue is to finance the addition of plant capacity and to meet the Company's working capital requirements. These measures are expected to enable the Company to efficiently meet current and future demand for its products, while providing a more balanced and sustainable capital structure to support long-term growth.

d) Benefits to the Company and Shareholders

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

e) 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





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

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 in the market, which will help to mitigate such risk factors.

f) **Justification for issue at premium**

The right issue is being carried out at a premium, considering the break-up value of share and 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.

g) **Minimum Subscription Amount**

Not Applicable





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

Annexure B

EXTRACTS OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON TUESDAY, FEBRUARY 3, 2026 AT THE REGISTERED OFFICE OF THE COMPANY AT A-601/A, CITY TOWER, MAIN BOULEVARD GULBERG-II, LAHORE 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 by the substantial shareholders and Directors, will be adequately underwritten in accordance with applicable laws. The substantial shareholders and Director 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 166,000,000/- (Pak Rupees One Hundred Sixty Six Million Only) to PKR 228,500,000 (Pak Rupees Two Hundred Twenty Eight Million Five Hundred Thousand Only) by issue of a further 6,250,000 (Six Million Two Hundred Fifty Thousand) 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 40 (Pak Rupees Forty) per share (i.e. inclusive of a premium of PKR 30 (Pak Rupees Thirty) per share), in the ratio of approximately 37.65 right shares for every 100 ordinary shares of PKR 10/- (Pak Rupees Ten) each held (i.e. approximately 37.65%), 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").





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

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) and Right Issue Size**

The quantum of the Right Issue is approximately 37.65% of the existing paid-up capital of the Company i.e. approximately 37.65 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.

The Company shall issue 6,250,000 (Six Million Two Hundred Fifty Thousand) ordinary shares, at a price of PKR 40/- (Pak Rupees Forty) per share, aggregating to PKR 250,000,000/- (Pak Rupees Two Hundred Fifty Million Only).

b) **Issue Price Per Share**

PKR 40/- (Pak Rupees Forty) per share (i.e. inclusive of a premium of PKR 30/- (Pak Rupees Thirty) per share).

c) **Purpose/Utilization of the Right Issue**

The purpose of the Right Issue is to finance the addition of plant capacity and to meet the Company's working capital requirements. These measures are expected to enable the Company to efficiently meet current and future demand for its products, while providing a more balanced and sustainable capital structure to support long-term growth.

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

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

e) **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 underwritten as per requirements under applicable regulations. Normal risks associated with the business will remain; however, the Company is well in the market, which will help to mitigate such risk factors.





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

f) **Justification for issue at premium**

The right issue is being carried out at a premium, considering the break-up value of share and 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

g) **Minimum Subscription Amount**

Not Applicable

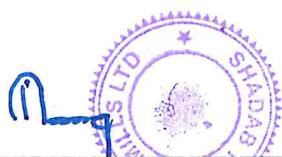
FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, 2017 shall be issued / signed jointly by any two (2) directors of the Company in compliance with the applicable Laws.

FURTHER RESOLVED THAT Mr. Saad Naseem and Mr. Yasir Naseem, 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 person s 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.





Shadab Textile Mills Limited

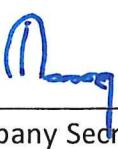
Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

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 auditor's certificates; and
- (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.

For Shadab Textile Mills Limited


Company Secretary





Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

Annexure C

NOTICE OF RIGHT ISSUE

Members are hereby notified that the Board of Directors of Shadab Textile Mills Limited (the "Company") in their meeting held on Tuesday, February 3, 2026 has decided to issue further capital by offering 6,250,000 (Six Million Two Hundred Fifty Thousand) ordinary right shares of PKR 10/- (Pak Rupees Ten) each at a price of PKR 40/- (Pak Rupees Forty only) per share (i.e. inclusive of a premium of PKR 30 (Pak Rupee Thirty only), in the ratio of approximately 37.65 right shares for every 100 existing ordinary shares of PKR 10/- (Pak Rupees Ten only) each held (i.e. approximately 37.65%), 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 Share Transfer Books of the Company will be closed from February 23, 2026 to March 2, 2026 (both days inclusive). Physical Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on February 22, 2026 will be treated in time for the entitlement of Right Shares.

Company Secretary



Date: February 03, 2026