



STML/PSX/2026
October 01, 2026

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

Subject: **Notice of Annual General Meeting**

This is to announce that the Company intends to hold its Annual General Meeting to be held on Friday, October 23, 2026 at 10:00 A.M., at the registered office of the Company, Tricon Corporate Centre, 8th Floor, 73-E, Main Jail Road, Gulberg 2, Lahore. The Notice of the meeting is attached for your Information.

The Share Transfer Book of the Company will remain closed from October 16, 2026 to October 23, 2026 (both days inclusive). Please note that the transfer received at the Share Registrar, Corptec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on October 15, 2026 will be treated in time for the purpose of entitlement to attend, speak, and vote at the Annual General Meeting.

Very truly yours,

For Shams Textile Mills Ltd

Muhammad Haroon Arif
Company Secretary



Lahore Head Office

Tricon Corporate Center, Office
No.801, 8th Floor 73-E, Main Jail Road,
Gulberg 2, Lahore, Pakistan (54660)

Faisalabad Office

1st Floor, 949 – Regency Arcade,
Mall Road, Faisalabad, Pakistan

Site Address

Kotla kahloon, chak 44, R.B
Shahkot dist. Sheikhpura

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 59th Annual General Meeting (“**AGM**”) of the shareholders of Shams Textile Mills Limited (the “**Company**”) will be held on Friday, October 23, 2026 at 10:00 A.M. at the Registered Office of the Company, i.e., Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors’ and Auditor’s Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(7) of the Companies Act, 2017, and in terms of S.R.O. No. 389 (I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the Company’s website, which can be downloaded from the following Weblink and QR-enabled code.

<https://shams.com.pk/wp-content/uploads/2026/09/4th-proof-COLOR-Annual-Report-2026-Shams.pdf>



2. To appoint Auditors and fix their remuneration for the next Annual General Meeting. The members are hereby given notice that the Audit Committee and Board of Directors have recommended the name of the retiring auditors, M/s. Riaz Ahmad & Company, Chartered Accountants, for reappointment as auditors of the Company.
3. To transact any other ordinary business of the Company with the permission of the Chairman.

SPECIAL BUSINESS:

1. To consider and, if deemed fit, to pass the following resolutions as a special resolution under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s):

Resolved that approval of the members of Shams Textile Mills Limited (the “Company”) be and is hereby accorded, and the Company be and is hereby authorized, in terms of Section 199 and other applicable provisions of the Companies

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Act, 2017, to make further equity investment of up to Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share.

Resolved further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, and take any or all necessary actions to complete all legal formalities as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

By Order of the Board

Lahore

October 02, 2026

NOTES:

Muhammad Haroon Arif

Company Secretary

Closure of Member Register and Share Transfer Books:

The Share Transfer Books of the Company will remain closed from October 16, 2026 to October 23, 2026 (both days inclusive). Transfers received in order at the company's Share Registrar Office, M/s Corptec Associates Private Limited, 503-E, Johar Town, Lahore, by the close of business hours on or before October 15, 2026, will be considered in time for entitlement to the final cash dividend and to attend and vote at the AGM.

For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in a group account and whose registration details are uploaded as per the Regulations shall authenticate their identity by showing the original CNIC or original passport at the time of attending the meeting. In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

For Appointing Proxies

A member entitled to attend and vote at this General Meeting may appoint another member as his/her proxy to attend, speak, and vote on his/her behalf. The duly completed Proxy Form, accompanied by a copy of the CNIC of the proxy, must be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting. The Proxy Form shall be witnessed by two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form. In the case of a corporate entity, a Board of Directors' resolution/power

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of attorney, along with the specimen signature of the nominee and a copy of the nominee's CNIC, must be submitted at least 48 hours before the time of the meeting. The Proxy Form in English and Urdu is annexed with the Notice of Meeting and is also available on the Company's website.

Participation in the AGM proceedings via the Video Conference Facility

The members may also participate in the Annual General Meeting (AGM) through the video link facility. To attend the AGM via video link, members and their proxies are requested to register by sending an email to info@corptec.com.pk with the following particulars:

Folio/CDC Account No.	No. of Shares held	Name	CNIC No.	Cell No.	Email address

The video link and login credentials will be shared with those shareholders whose emails, containing all the required particulars, are received at the given email address at least 48 hours before the close of business before the AGM. Shareholders may also include their comments and questions relating to the agenda items of the AGM in their email at the time of registration.

E-Voting/Postal Ballot Facility

Members of the Company have the right to vote through the electronic voting facility and voting by post for all businesses classified as special business under the Companies Act, 2017 (the "Act") in the manner and subject to conditions contained in the Companies (Postal Ballot) Regulations, 2018 (the "Regulations").

Procedure for E-Voting:

- Details of the e-voting facility 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 by the close of business on October 14, 2026.
- The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of Corptec Associates Private Limited (being the e-voting service provider).
- Identity of the Members intending to cast their vote through e-voting shall be authenticated through electronic signature or authentication for login.

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- IV. Members shall cast their vote online at any time from October 20, 2026, 9:00 a.m. to October 22, 2026, 5:00 p.m. Voting shall close on October 22, 2026, at 5:00 p.m. Once the vote on the 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 the duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC), reaches the Chairman through post at the Company's registered address, Tricon Corporate Center, 8th Floor, 73-E, Main Jail Road, Gulberg II, Lahore, Pakistan, or by email at chairman@shams.com.pk on or before October 22, 2026, up to 5:00 p.m., during working hours. The signature on the Ballot Paper shall match the signature on the CNIC.

This postal Ballot Paper is also available for download from the website of the Company at www.shams.com.pk or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting, including the casting of more than one vote, the Chairman shall be the deciding authority.

Scrutinizer:

In accordance with Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s Riaz Ahmad & Company, Chartered Accountants, a QCR-rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

E-voting Service Provider:

M/s. Corptec Associates Private Limited.

Updating of particulars:

The Shareholders are requested to notify the Company's Share Registrar without delay in case of any change of address. In the case of corporate entities, any modification in the particulars of the authorized representative, if applicable, should also be promptly reported.

Submission of copies of valid CNIC not provided earlier:

Individual shareholders are reminded to provide a copy of their valid CNIC to the Company's Share Registrar, if not already submitted. In the absence of a valid CNIC on record, the Company will be constrained to withhold the dividend in accordance with Section 243 of the Companies Act, 2017.

Payment of Cash Dividend Electronically (E-mandate)

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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 hereinabove with an electronic dividend mandate on the 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, all future dividend payments may be withheld.

Replacement of Physical Shares with Book-entry Form

As per Section 72 of The Companies Act, 2017 every existing company shall 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 shareholders holding shares in physical form are requested to please convert their shares to the book-entry form. For this purpose, the shareholders may open a CDC Sub-account with any of the brokers or an investor 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 Pakistan Stock Exchange Limited.

Electronic transmission of Annual Report 2026

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2026, along with Auditors' and Directors' Reports thereon, and Chairman's Review on the website of the Company: www.shams.com.pk

Any other Information

For any queries or further information, please contact the Share Registrar, M/s Corptec Associates (Pvt.) Limited, 503 - E, Johar Town, Lahore, at Phone: 042-35170336-7, Email: info@corptec.com.pk

and/or the Company at Phone: 042 35760381, Email: haroon.arif@shams.com.pk.

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

This statement sets out the material facts pertaining to the special business to be transacted in the Annual General Meeting of the Company to be held on October 23, 2026

Approval & Authorization for Investment in the Right Shares of associated company, i.e., Premier Insurance Limited.

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Premier Insurance Limited (PIL), an associated company of Shams Textile Mills Limited (the Company), has decided, in its meeting of the Board of Directors held on September 24, 2026, to issue further share capital by offering 20,226,042 Ordinary Right Shares of Rs. 10/- each, in the proportion of 40 right shares for every 100 Ordinary Shares held, at a price of Rs. 10/- per right share.

As Shams Textile Mills Limited legally and beneficially owns 739,069 ordinary shares of Premier Insurance Limited, PIL has offered 295,627 Ordinary Right Shares to Shams Textile Mills Limited at a price of Rs. 10/- per share. The offered right shares are to be subscribed before the tentative last date of October 23, 2026.

The total subscription amount for the offered Right Shares would be Rs. 2,956,270/- (Rupees Two Million Nine Hundred Fifty-Six Thousand Two Hundred Seventy Only). Hence, approval of the members of the Company is being sought in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make further equity investment of up to Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share.

Due Diligence:

The Directors have carried out necessary due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking have been kept at the registered office of the Company for inspection and shall also be available for inspection of members in the annual general meeting along with the latest audited and interim financial statements of the associated company.

The names of Common Directors are:

1. Mr. Khalid Bashir (10.99% shares in the Company and 0.58% shares in PIL)

Information Under Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Investment in the Right Shares of Premier Insurance Limited

Sr. No.	Description	Information Required
(a) Disclosure for all types of investments		
(A) Disclosure regarding Associated Company		
(i)	Name of Associated Company or Associated Undertaking	Premier Insurance Limited

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(ii)	Basis of Relationship	Common Directorship	
(iii)	Earnings per share for the last three years	Year	EPS in PKR
		2023	0.16
		2024	1.37
		2025	2.43
(iv)	Break-up value per share, based on the latest Audited Financial Statements	PKR 25.57	
(v)	Financial Position, including main items of the statement of financial position and profit and loss account based on its latest Financial Statements	As per the Un-Audited Financial Statements for the Half Year Ended 30 June 2026	
		Financial Position Details	PKR in 000
		Authorized Capital	1,500,000
		Issued, Subscribed and Paid-up Share Capital	505,650
		Total Equity	1,353,434
		Total Liabilities	1,972,086
		Total Assets	3,325,520
		Profit & Loss Account Details	PKR in Million
		Revenue	131,062
		Underwriting Results	-16,130
		Profit After Tax	57,431
(B) General Disclosures			
(i)	Maximum amount of investment to be made	Rs. 2,956,270 by way of subscription to Ordinary Right Shares of Rs. 10/- each, to be issued by Premier Insurance Limited, an associated company of the Company, at an issue price of Rs. 10/- per share	
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To earn Dividends and for capital appreciation	
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from own sources of the Company.	

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	(I)	Justification for investment through borrowings	NA
	(II)	Details of Collateral, guarantees provided, and assets pledged for obtaining such funds	NA
	(III)	Cost-benefit analysis	NA
(iv)		Salient features of the agreement(s), if any, with associated company or associated undertaking with regard to the proposed investment	NA
(v)		Director or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Investing Company i.e. the Company is an associated company of PIL due to common directorship and two Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(vi)		in case any investment in an associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write-offs;	The Company already holds 739,069 fully paid ordinary shares of Rupees 10 each of PIL. Cost of these 739,069 shares is Rs. 6,196 thousand and fair value of these shares as of 30 June 2026 was Rs. 7,236 thousand.
(vii)		any other important details necessary for the members to understand the transaction;	N/A
(b) Additional Disclosure regarding Equity Investment			
(i)		maximum price at which securities will be acquired;	Rs. 10/- per Right Share.
(ii)		in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Issue price is Rs. 10 per share. In last 1 year (24 Sep 2025 - 24 Sep 2026), highest quoted price on PSX was 15.39 per share and lowest quoted price on PSX was Rs. 5.81 per share. The Company intends to hold the investment for long term.

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(iii)	Maximum number of Securities to be acquired	295,627 offered Right Shares		
(iv)	Number of securities and percentage thereof held before and after the proposed investment;		No. of Shares	Percentage
		Before	739,069	1.46%
		After	1,034,696	1.46%
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Current volume weighted price as of 24 September 2026 is Rs. 11.19 per share and volume weighted price for preceding twelve weeks is Rs. 11.89 per share.		
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	N/A		

Information Under Regulation 4 of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

If the associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company, the information about the interest of the associated company or associated undertaking and its sponsors and directors in the investing company.	The individual mentioned below is common directors in the investing and investee company. Name and his holding in the investing company are provided hereunder:		
	Name of Director	Holding in Investing Company	
	1. Mr. Khalid Bashir	294,467	Shares

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