



AEL/PSX/2023

June 27, 2023

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

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING OF AEL TEXTILES LIMITED ("AEL" OR THE "COMPANY")

Dear Sir,

This is to inform you that pursuant to the Order of the Honorable Lahore High Court, Lahore dated June 14, 2023, passed in Petition bearing C.O. No. 40373 of 2023, a meeting of the shareholders of AEL Textiles Limited (the "**Company**") shall be held at 11:00 a.m. on July 18, 2023 at the registered office of the Company at 19-A Commercial Area, Izmir Town, Canal Bank Road, Lahore, to transact the following business:

A. Ordinary Business

To confirm the minutes of the previous extra ordinary general meeting of the Company held on February 24, 2023 and to transact any other business that may be placed before the meeting with the permission of the Chair.

B. Special Business

To consider and if thought fit, to agree, approve and adopt the Scheme of Arrangement (the '**Scheme**') between AEL Textiles Limited and its Members and Stylers International Limited ("**SIL**") and its members by passing or otherwise, the following resolution, with or without modification(s), addition(s) or deletion(s):

That pursuant to the Order of the Honorable Lahore High Court, Lahore dated June 14, 2023, passed in Petition bearing C.O. No. 40373 of 2023, to consider and, if thought fit, to pass, with or without modification, the following resolution for approving the Scheme of Arrangement dated June 7, 2023 (the "**Scheme**"), as previously approved by the Board of Directors of the Company on June 7, 2023, in terms of which: (i) AEL (*together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations*) will be merged with and into Stylers International Limited ("**SIL**") (the "**Proposed Merger**"); (ii) shares of SIL will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange ("**PSX**") as a result of the Proposed Merger by filing of requisite documents/information with the PSX; and (iii) as a consequence of the Proposed Merger



and upon listing of the shares of SIL on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up, as more particularly described in the Scheme, and each in accordance with the Scheme.

The resolutions to be passed by the requisite majority under Sections 279 and 282 of the Companies Act, 2017 are as under:

***“RESOLVED THAT** the Scheme of Arrangement dated June 7, 2023 (the **“Scheme”**), placed before the meeting for consideration and approval, in terms of which, inter alia:*

- (i) AEL (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into SIL (the **“Proposed Merger”**);*
- (ii) Shares of SIL will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange (**“PSX”**) as a result of the Proposed Merger by filing of requisite documents/information with the PSX;*
- (iii) As a consequence of the Proposed Merger and upon listing of the shares of SIL on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up,*

as more particularly described in the Scheme, and each in accordance with the Scheme, is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the Honorable Lahore High Court, subject to sanction by the Honorable Lahore High Court at Lahore, in terms of the provisions of the Companies Act, 2017.”

***RESOLVED FURTHER THAT,** Mr. Awais Tariq, Chief Executive Officer and Mr. Tariq Majeed, Company Secretary of the Company be and are hereby authorized jointly on behalf of AEL Textiles Limited to take or cause to be taken any or all acts, deeds and things as may be considered necessary or appropriate for implementation of the Scheme and all actions necessary for implementation and completion of the Scheme.”*

The Scheme of Arrangement will be subject to the subsequent approval of the Honorable Lahore High Court.

C. Other Business

To transact any other business that may be placed before the meeting with the permission of the Chair.



The Statement of Material Facts under Section 134(3) concerning the Special Business, Statement under Section 281 of the Companies Act, 2017, the Scheme, Swap Letter dated June 3, 2023, issued by Riaz Ahmad & Company, Chartered Accountants, and the Audited Special Purpose Financial Statements of the Company for the period ended March 31, 2023, are being circulated to the shareholders along with this notice of the Extraordinary General Meeting

By the Order of the Board

Tariq Majeed
Company Secretary
AEL TEXTILES LIMITED

Lahore

Date: June 27, 2023

Notes:

The Members Register and Share Transfer Books will be closed from July 12, 2023 to July 18, 2023 (both days inclusive) for the purpose of the Extraordinary General Meeting. Transfers received at F.D. Registrar Services (Pvt.) Limited Suit 1705-A, 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi, the Registrar and Shares Transfer Office of the Company, by the close of business on July 17, 2023 will be treated in time for the purpose of General Meeting

1. The share transfer books of the Company shall remain closed from July 12, 2023 to July 18, 2023 (both days inclusive). Transfers received in order at Company Registrar Office, F.D. Registrar Services (Pvt.) Limited Suit 1705-A, 17th Floor, Saima Trade Tower, I.I. Chundrigar, Road, Karachi, by the close of business on July 17, 2023 will be treated in time for the purpose of entitlement of attending the meeting.
2. All members are entitled to attend (in person or by video link facility) and vote at the meeting.
3. Any member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend, speak and vote for him / her. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarized certified copy thereof, must be received at the registered office of the Company, not less than 48 (forty-eight) hours before the time of holding the meeting.



4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution / power of attorney with specimen signatures.
5. 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.
6. Members are requested to immediately notify any change in their addresses to the Company.
7. Pursuant to the provisions of the Companies Act 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein below at least 07 days prior to the date of the meeting by filling the following specimen. The Company will intimate respective members regarding venue of the video-link facility before five days of the Meeting along with complete information necessary to enable them to access the facility.

I/we _____ of _____ being members of AEL Textiles Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at _____ in respect of Extraordinary General Meeting of the Company.

8. To attend the General Meeting through video link, members and proxies are requested to register their particulars such as Name, CNIC Number, Folio/CDC Account Number, Cell Number and e-mail Address by sending an e-mail to tariq.majeed@aeltexiles.com, but not later than 48 hours before the time of Extraordinary General Meeting.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their email address. On the date of the Extraordinary General Meeting, shareholders will be able to login and participate in the meeting through their smart phones / computer devices. The facility login shall be opened thirty (30) minutes before the meeting time to enable the particulars to join the meeting after identification process and verification process. In view of the above, the shareholders can also provide their comments/suggestions for the proposed agenda items of the Extraordinary General Meeting by using the aforesaid means.



9. Members can exercise their right to vote through e-voting or postal ballot (*as applicable*) subject to meeting the requirements of sections 143-145 of the Companies Act, 2017, the Companies (Postal Ballot) Regulations, 2018 and other applicable laws of Pakistan.
10. For any query / problem/information Members may contact the Company at email tariq.majeed@aeltexiles.com and/or the Share Registrar of the Company at F.D. Registrar Services (Pvt.) Limited, Suit 1705-A, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi.
11. Copies of the Memorandum and Articles of Association, Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special businesses, Statement under Section 281 of the Companies Act, the 2017, Scheme of Arrangement dated June 7, 2023, Audited Special Purpose Financial Statements for the period ended March 31, 2023, Swap Letter dated June 3, 2023 issued by Riaz Ahmad & Company, Chartered Accountants and any other information relevant to the special businesses in respect of the Company shall be available upon request and for inspection by any person entitled to attend the meeting from the registered office of the Company free of cost during normal office hours. Such information shall also be placed for inspection of members of the Company during the Extraordinary General Meeting and also placed on the Company's website.



Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business

1. Scheme of Arrangement

Subject to the sanction of the Honourable Lahore High Court Lahore (the “**Court**”), under the Scheme of Arrangement dated June 7, 2023 (the “**Scheme**”), as previously approved by the Board of Directors of the Company on June 7, 2023, in terms of which: (i) AEL Textiles Limited (“**AEL**”) (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into Stylers International Limited (“**SIL**”) (the “**Proposed Merger**”); (ii) shares of SIL will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange (“**PSX**”) as a result of the Proposed Merger and by filing of requisite documents/information with the PSX; and (iii) as a consequence of the Proposed Merger and upon listing of the shares of SIL on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up, as more particularly described in the Scheme, and each in accordance with the Scheme. Upon sanction by the Court, the Scheme shall be treated as having effect from immediately after the end of business on March 31, 2023, or such other date as may be stated by the Court.

The Proposed Merger / amalgamation detailed above, along with all ancillary and related matters thereto shall be effective by way of the Scheme, in accordance with the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017. The Scheme has been filed with the Court, vide Petition bearing C.O. No. 40373 of 2023; furthermore, in accordance with the directions of the Court, a notice of the said petition has been provided to the Registrar, Securities and Exchange Commission of Pakistan.

The Scheme is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 19A Commercial Area, Izmir Town, Canal Bank Road, Lahore, Pakistan, free of cost during normal office hours; copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme has been circulated along with the notice of the meeting circulated to the members of the Company.

The details pertaining to the consideration for the Proposed Merger, including the shares to be issued by SIL to the members of AEL are stipulated in the Scheme. The same are based on the relative valuations / calculations carried out by Riaz Ahmad & Company, Chartered Accountants in terms of their letter dated June 3, 2023, which was adopted, *inter alia*, by the Board of Directors of the Company and SIL.



The objects, benefits and terms of the arrangements are also provided in detail in the Scheme.

In compliance with the provisions of Section 282(2) (e) of the Companies Act, 2017, the Audited Special Purpose Financial Statement of the Company for the period ended March 31,2023, have also been circulated along with the notice of the meeting circulated to the members. The same are available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, free of cost during normal office hours; copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours.

The directors of the Company are interested in the Scheme to the extent of their common directorships and respective shareholdings in the Company and SIL (to the extent applicable), which are detailed in the Scheme. The effect of the Scheme on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme and that the directors of the Company and SIL and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of the Company and SIL, therefore, they may be regarded as interested to that extent in the Scheme concerning the said Companies.

The directors of the Company shall cease to hold office as directors without any rights to any compensation for loss of office.

In view of the above, the Board of Directors of the Company have approved and recommended the Scheme, along with the arrangements stipulated thereunder.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company, located at 19-A Commercial Area, Izmir Town, Canal Bank Road, Lahore, Pakistan, free of cost during normal office hours.

The aforesaid statement has been circulated along with the notice of the Extraordinary General Meeting.



STATEMENT UNDER SECTION 281(1) (A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICE TO THE SHAREHOLDERS OF AEL TEXTILES LIMITED

Pursuant to the Order dated June 14, 2023, passed by the Honourable Lahore High Court (the "Court"), in Petition bearing C.O. No. 40373 of 2023, under sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that a meeting of the members of AEL Textiles Limited (the "Company") be convened for the sanction of the Scheme of Arrangement as approved by the Board of Directors of the Company on June 7, 2023 (the "Scheme"), in terms of which: (i) AEL Textiles Limited ("AEL") (*together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations*) will be merged with and into Stylers International Limited ("SIL") (the "Proposed Merger"); (ii) shares of SIL will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange ("PSX") as a result of the Proposed Merger and by filing of requisite documents/information with the PSX; and (iii) as a consequence of the Proposed Merger and upon listing of the shares of SIL on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up, as more particularly described in the Scheme, and each in accordance with the Scheme.

A copy of the Scheme (along with its annexures) may be obtained from the registered office of the Company, situated at 19-A Commercial Area, Izmir Town, Canal Bank Road, Lahore, Pakistan, free of cost during normal business hours. Furthermore, a copy of the Scheme has been circulated along with the notice of the meeting circulated to the members of the Company.

The notice issued and published to the shareholders of the Company is for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme and the arrangements / amalgamations contemplated thereunder:

"RESOLVED THAT the Scheme of Arrangement dated June 7, 2023 (the "Scheme"), placed before the meeting for consideration and approval, in terms of which, inter alia:

- (i) *AEL (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into SIL (the "Proposed Merger");*
- (ii) *Shares of SIL will be issued and allotted to the members of AEL as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange ("PSX") as a result of the Proposed Merger and by filing of requisite documents/information with the PSX; and*



(iii) *As a consequence of the Proposed Merger and upon listing of the shares of SIL on PSX, AEL will be de-listed from the PSX and will be dissolved without winding up,*

as more particularly described in the Scheme, and each in accordance with the Scheme, is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the Honorable Lahore High Court, subject to sanction by the Honorable Lahore High Court at Lahore, in terms of the provisions of the Companies Act, 2017.”

RESOLVED FURTHER THAT, *Mr. Awais Tariq, Chief Executive Officer and Mr. Tariq Majeed, Company Secretary of the Company be and are hereby authorized jointly on behalf of AEL Textiles Limited to take or cause to be taken any or all acts, deeds and things as may be considered necessary or appropriate for implementation of the Scheme and all actions necessary for implementation and completion of the Scheme.”*

As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the shareholders convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the shareholders of the Company, present in person or by proxy, and voting at the Extraordinary General Meeting. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is approved as aforesaid.

The principal object of the Scheme pertains to, *inter alia*, to effect the merger, by way of amalgamation, of the Company with and into SIL. The said merger shall be with effect from March 31, 2023 or such other date as may be directed by the Court (the “**Effective Date**”), by transfer to and vesting in SIL the whole business and undertaking of the Company, together with all assets, properties, rights, liabilities and obligations of every description, subsisting immediately preceding the Effective Date, without any further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme. As consideration for the merger, shares of SIL will be issued and allotted to the members of AEL and on the date of allotment of the shares of SIL, SIL will stand listed on the Pakistan Stock Exchange (“**PSX**”) by filing of requisite documents/information with the PSX, the Company will be de-listed from the PSX, and the Company shall be dissolved without going into winding up;

All information / particulars with respect to the merger / amalgamations and the arrangements in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme, including the objects and benefits of the entire arrangement. Approval of the Scheme by the shareholders of the Company shall also constitute an approval by way of special resolution from the shareholders of the Company with respect to all matters prescribed under the Scheme.



The Scheme has been filed with the Lahore High Court, Lahore vide Petition bearing Co. No. 40373 of 2023; furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the Registrar, Securities and Exchange Commission of Pakistan.

In compliance with the provisions of Section 282(2) (e) of the Companies Act, 2017, the audited special purpose financial statement of the Company for the period ended March 31, 2023, have been enclosed with the notice of the meetings circulated to the members of the Company. The same is available for inspection to any person entitled to attend the respective meetings, at the registered office of the Company, free of cost during normal office hours; copies of the same may also be obtained upon request by such persons from the registered office of the Company, free of cost during normal office hours.

The directors of the Company are interested in the Scheme to the extent of their common directorships and respective shareholdings in the Company and SIL (to the extent applicable), which are detailed in the Scheme. The effect of the Scheme on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme.

Inspection of Documents

The Memorandum and Articles of Association, Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special businesses, Statement under Section 281 of the Companies Act, the 2017, Scheme, audited special purpose financial statements for the period ended March 31, 2023, Swap Letter dated June 3, 2023, issued by Riaz Ahmad & Company, Chartered Accountants, the Companies Act, 2017, financial projections, shareholding of directors, previous audited and unaudited accounts of the companies as the case may be and any other information relevant to the special businesses in respect of the Company shall be available upon request and for inspection by any person entitled to attend the meeting from the registered office of the Company free of cost during normal office hours. Such information shall also be placed for inspection of members of the Company during the Extraordinary General Meeting and also placed on the Company's website.



Interest of Directors/Chief Executive

The Company has only one class of members. The effect of the Scheme on the interests of Directors/CEO of the Company does not differ from the effect on the like interest of other members except as stated herein or under the Scheme and that the directors of the Company and SIL and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of the Company and SIL, therefore, they may be regarded as interested to that extent in the Scheme concerning the said Companies.



Tariq Majeed
Company Secretary
AEL TEXTILES LIMITED

Lahore

Date: June 27, 2023

AEL Textile Limited

Registered Office: 19-A, Commercial Area, Izmir Town, Canal Bank Road, Lahore

Phone No. 92-42 35961974, 0333-4225449

web address: www.aeltextiles.com