

ZEPHYR

ZEPHYR TEXTILES LIMITED

3rd Floor, IEP Building, 97-B/D-1, Gulberg III, Lahore, Pakistan.

Tel: +92(42)35782905 | Fax: +92(42)35753202 | Email: Info@zephyr.com.pk

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Zephyr Textiles Limited will be held at company's registered office at **3rd Floor, IEP building, 97 B/D-I, Gulberg III, Lahore** on **Wednesday, 21st June 2023 at 10:30AM** to transact the following business:

SPECIAL BUSINESS:

1. To consider, and if thought fit, to pass with or without modification, the following resolution as a Special Resolution, to increase the Authorized Capital of the Company:

“Resolved that Authorized Share capital of the company be and is hereby increased, from PKR 625,000,000/- divided into 62,500,000/- ordinary shares of PKR 10/- each, up to PKR 1,800,000,000/- divided into 180,000,000/- ordinary shares of PKR 10/- each, by creation of 117,500,000/- additional ordinary shares of PKR10/- each, to rank pari passu in every respect with the existing ordinary shares of the company”.

“Further Resolved that in consequence to decide increase in the authorized capital of the company V of the Memorandum of Association of the company and Article 4 of the Article of Association of the company be and are replace accordingly, to read as follows”.

Clause V of the Memorandum of Association & Article 4 of Article of Association

The authorized share capital of the Company is Rs.1,800,000,000/- (Rupees one billion eight hundred million) divided into 180,000,000/- (one hundred eighty million) ordinary shares of Rs. 10/- each with power of increase, reduce or re-organize the capital and to divide the shares into several classes provided however, that rights as between various classes of ordinary share, if any, as to profits votes and other benefits shall be strictly proportionate to the paid-up capital value of the shares.

“Further Resolved that Mr. Mussaid Hanif the Chief Executive Officer and Mr. Arbab Muhammad Khan Director of the company and Mr. Abdul Jabbar Company Secretary be and are hereby singly authorized to do all acts, deeds, things, take any or all necessary actions to complete all legal and corporate formalities and file

“Further Resolved that pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017, Article 7 of the existing Articles of Association of the Company be and is hereby substituted to read as follows:

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7. The Directors may, with the sanction in the General Meeting, Increase the share capital by such sum to be divided in to shares of such amount, as the resolution shall prescribe.

“Further resolved that the Chief Executive and / or any Director of the Company be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.”

“Further resolved that the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval of members.”

2. Approval of shareholders of Zephyr Textiles Limited (Company) be and is hereby accorded and the Company be and is hereby authorized to circulate Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enable code and weblink.

By Order of the Board



Abdul Jabbar
Company Secretary

LAHORE
Wednesday May 31, 2023

Notes:

1. **Book Closure**

The Share Transfer Books of the company will remain closed from 15th June, 2023 to 21st June, 2023 (both days inclusive). No transfer will be accepted for registration during this period.

2. **Instrument of Proxy**

A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote. Proxies in order to be effective must be received by

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the company not less than 48 hours before the meeting. The CDC account holders are requested to bring their original CNIC and participant ID to attend the meeting. Form of proxy in English and Urdu languages is attached to the notice of meeting sent to the shareholders.

3. Attendance

The Company will provide the video-link facility for participation in the meeting. The entitled shareholders interested in attending the Extraordinary General Meeting (EOGM) are requested to get themselves registered with the Company Secretary office at least Seven working days before the holding of the time of EOGM at corporate.affairs@zephyr.com.pk by providing the following details:-

| Name of Shareholder | CNIC Number | Folio Number | Cell Number. | Email Address |
|---------------------|-------------|--------------|--------------|---------------|
| | | | | |

- Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses. On the EOGM day, the shareholders will be able to login and participate in the EOGM proceedings through their smart phone or computer devices from their any convenient location. The login facility will be opened thirty (30) minutes before the meeting time to enable the participants to join the meeting after identification process and verification process.
- Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the applicable guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.
- Members are requested to be timely notified of any change in their addresses to our independent Share Registrar.
- 7. Notice to Shareholders who have not provided CNIC:**

The shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given in Note No. 1.

Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP

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has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Zephyr Textiles Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Extraordinary General Meeting to be held on Wednesday June 21, 2023, at 10.30 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting

- E-Voting facility will be provided by Corplink (Private) Limited, the Share Registrars & Corporate Consultants, acting as E-Voting Services Provider.
- Detail of E-Voting facility will be shared through e-mail with those members of the Company who have valid cell numbers / e-mail addresses available in the Register of Members of the Company by the end of business on June 14, 2023 by Corplink (Private) Limited being the e voting service provider.
- Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote for Agenda Items No. 1 & 2 through the web portal provided by Corplink (Private) Limited from 9:00 AM {Pakistan Standard Time ("PST")} June 18 2023, till 5:00 PM (PST) June 20, 2023. Votes shall only be casted during the aforementioned schedule. A vote once casted shall not be allowed to be changed.

Voting Through Postal Ballot

- Members may alternatively opt for voting through postal ballot, which has been made available; (i) as attachment to this Addendum dispatched to each Member and (ii) on Company's website, i.e. www.zephyrtextiles.com ;
- Members casting their votes for Agenda Items No. 1 & 2 should send the postal ballot, duly filled in, signed and accompanied with a copy of valid Computerized National Identity Card ("CNIC") to the Chairman of EOGM at 3rd Floor I.E.P Building 97-B/D-1, Gulber-III, Lahore and/or through email at corporate.affairs@zephyr.com.pk. The postal ballot should reach the aforementioned office on or before 5:00 pm, June 20, 2023. Any postal ballot received after this time/date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner)

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- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

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

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on 21st June, 2023.

Agenda Items No. 1 – Increase in Authorized Share Capital of the Company and Consequent Amendment in the Memorandum of Association

The present Authorized Share Capital of the Company is Rs. 625,000,000/- divided into 62,500,000/- ordinary shares of Rs. 10/- each. In order to provide the Company with adequate leverage for funding of future growth and expansion plans and capitalization of reserves by issuing right/bonus shares in years to come, the Board of Directors has proposed to increase, the Authorized Share Capital of the Company by Rs. 1,175,000,000/- divided into 117,500,000/- Ordinary Shares of Rs. 10/- each from existing Share Capital of Rs. 625,000,000/- to Rs. 1,800,000,000/-. Future reference of the existing clause V of the Memorandum of Association and clause 4 of the Articles of Association has been proposed to be amended to refer the Companies Act, 2017, to bring it in line with the current statute.

The new Ordinary Shares when issued shall carry same voting rights and rank parri passu with the existing Ordinary Shares in all respect/matters in conformity with the provisions of the Companies Act, 2017.

For this purpose, a Special Resolution is proposed in the forthcoming Extra Ordinary General Meeting with respect to increase in Authorized Share Capital and related alterations in the Memorandum and Article of Association respectively.

None of the directors, sponsors and majority shareholders of the Company (and their relatives) have any interest, directly or indirectly, in the proposed special resolution / transaction, except as stated above.

Reasons for Increase in Authorized Capital

It is being proposed to enhance existing Authorized Capital in order to follow further issue of shares in future. Additional Authorized Capital Rs. 1,175,000,000 i.e. creation of additional 117,500,000 ordinary shares of Rs. 10/- each is being proposed.

Reasons for Alteration in Memorandum of Association:

The Authorized Share Capital is being increased to cater future requirements of issue of further share capital. The necessitates the alteration of Clause 5 of the Memorandum of Association of the Company

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Existing Clause 5 of in Memorandum of Association:

“The Authorized Capital of the Company is Rs. 625,000,000/- (Rupees six hundred twenty-five million only) divided into 62,500,000 (sixty-two million five hundred thousand) ordinary shares of Rs. 10/- each”.

Proposed Clause 5 of in Memorandum of Association:

“The Authorized Capital of the Company is Rs. 1,800,000,000/- (Rupees one billion eight hundred million only) divided into 180,00,000 (one hundred eighty million) ordinary shares of Rs. 10/- each”.

Statement by the Board of Directors:

We the Board of Directors of the Company hereby confirm that the proposed alteration in the Memorandum of Association for increase in authorized share capital of the Company are in line with the applicable provisions of the law and the regulatory framework.

Inspection:

A copy each of the existing and amended Memorandum of Association and Articles of Association identifying the changes proposed therein bearing the initial of the company secretary for identification purposes and the documents pertaining to proposed special resolution are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the Extraordinary General Meeting. The same shall also be available for inspection by the members in the Extraordinary General Meeting.

Agenda Items No. 1 — To amend the clause 4 of the Articles of Association of the Company

In order to allow the Board of Directors of the Company to approve issuance of bonus shares by way of capitalization any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, the Board of Directors of the Company in their meeting held on June 21, 2023 has recommended to substitute the Clause 4 of the Articles of Association of the Company accordingly.

Reason for Amendment in Articles of Association:

The Board is being allowed to capitalize the reserves /unappropriated profits by issuance of bonus shares for which the alteration in Article 4 has been recommended for approval of members.

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Existing Clause 4 of Articles of Association:

"The share capital of the Company is Rs. 625,000,000/- (Rupees six hundred twenty-five million only) divided into 62,500,000 (sixty-two million five hundred thousand) ordinary shares of Rs. 10/- each."

Proposed Clause 4 of Articles of Association:

"The share capital of the Company is Rs. 1,800,000,000/- (Rupees one billion eight hundred million only) divided into 180,00,000 (one hundred eighty million) ordinary shares of Rs. 10/- each."

Interest of directors

The Directors / Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and / or Special Resolution except in their capacities as Directors / Chief Executive / shareholders.

Statement of the Board of Directors

We, the members of the Board of Directors of the Company hereby confirm that the proposed amendment in Articles of Association of the Company is in line with the applicable provisions of the laws and regulatory framework.

The following is proposed to be passed as special resolution, with or without any modification:

Resolved that pursuant to the requirements of Section 208 and all other applicable provisions of the Companies Act, 2017 and related rules and regulations made thereunder, approval and ratification of the members of Zephyr Textiles Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to enhance its capital from 625,000,000 to 1,800,000,000.

Further resolved that the Chief Executive Officer be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, deeds and things, that may be considered for the purpose of implementing this resolution.

Further resolved that approval of shareholders of Zephyr Textiles Limited (Company) be and is hereby accorded and the Company be and is hereby authorized to circulate Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the Companies Act, 2017 through QR enable code and weblink. Also resolved that Chief Executive and / or Company Secretary be and are hereby authorized to do all such acts, deeds and things and take all such actions as may be necessary for implementing this resolution.