

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS '**OFFER DOCUMENT**') AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS.

THIS DOCUMENT IS ISSUED FOR THE PURPOSE OF PROVIDING INFORMATION TO SHAREHOLDERS OF THE COMPANY AND TO THE PUBLIC IN GENERAL IN RELATION TO THE RIGHTS ISSUE OF PKR 250,000,000 CONSISTING OF 6,250,000 NEW ORDINARY SHARES BY THE SHADAB TEXTILE MILLS LIMITED. A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SECURITIES EXCHANGE.

THIS OFFER DOCUMENT IS VALID TILL APRIL 01, 2026 (60 days from the last day of payment of subscription amount).



Shadab Textile Mills Limited Right Share – Offer Document

Date and place of incorporation: Pakistan

Incorporation number: 0007162

Registered Office: A-601/A, City Towers 6-K, Main Boulevard Gulberg-II, Lahore Pakistan

Contact Person: Tariq Javaid, **Contact Details:** +92 300 4650377 **Email:** shadstm@brain.net.pk **Website:** www.shadabtextile.com

Total Issue Size: The Right Issue consists of 6,250,000 Right Shares (i.e. 37.65% of the existing paid-up capital of Shadab Textile Mills Limited) at an offer price of PKR 40.00 per share (i.e. including a premium of PKR 30.00 per share) for an aggregate issue size of PKR 250,000,000 (Pak Rupees Two Hundred Fifty Million) at a ratio of 37.65 rights shares for every 100 shares held.

Date of Placing Offer Document on PSX for Public Comments: N/A

Date of Final Offer Letter: March 6, 2026

Date of Book Closure: From [February 23, 2026] to [February 23, 2026]

Subscription Amount Payment Dates: From [March 9, 2026] to [April 8, 2026]

Trading Dates for Letter of Rights: From March 9, 2026 to April 1, 2026

Website: This offer document is available for download at: www.shadabtextile.com.



Details of the relevant contact persons:

Description	Name of person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Tariq Javaid	Company Secretary	03004650377	A-601/A, City Towers, 6-K Main Boulevard, Gulberg, Gulberg-II, Lahore.	tariq@shadabtextile.com

Underwriters:

Underwriter	Name of person	Designation	Contact Number	Office Address	Email ID
Muhammad Munir Muhammad Ahmed Khanani Securities Limited	Muhammad Munir	Chief Executive Officer	0334-9314771	Room No. 624, 6 th Floor, Main Stock Exchange Building I.I. Chundrigar Road, Karachi.	Support@munirkhanani.com

Bankers to the Issue:

Banks	Name of person	Designation	Contact Number	Office Address	Email ID
Meezan Bank Limited	Rai Muhammad Naeem Qaiser	Branch Manager	0321-8403639 042-35879870-2	60-Main Boulevard, Gulberg II, Lahore	bm.lhr01@meezanbank.com



UNDERTAKING ON RS.100/- STAMP PAPER

The following undertaking by the Issuer:

“WE MIAN AAMIR NASEEM, THE CHIEF EXECUTIVE OFFICER AND MUHAMMAD ADEEL ANWAR KHAN, THE CHIEF FINANCIAL OFFICER OF SHADAB TEXTILE MILLS LIMITED CERTIFY THAT;

- (i) THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
- (ii) THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
- (iii) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- (iv) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- (v) ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.”

For and on behalf of
Shadab Textile Mills Limited

.....Sd-.....

Name of Chief Executive Officer

.....Sd-.....

Name of Chief Financial Officer

**UNDERTAKING ON RS.100/- STAMP PAPER**

Undertaking by the Board of Directors (Board) [or an officer of the Company authorized by them in this behalf]

Date: [*]

WE, THE BOARD OF DIRECTORS OF Shadab Textile Mills Limited HEREBY CONFIRM THAT:

- I. ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- II. WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- III. RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- IV. THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER, IF PUBLIC COMMENTS ARE SOUGHT, ON ____ (I.E. WITHIN 3 WORKING DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.
- V. PUBLIC COMMENTS WERE FROM SOUGHT FOR A PERIOD OF 5 (FIVE) DAYS I.E _____ TO _____ [OPITONAL AND IS THE DISCRETION OF THE COMPANY]
- VI. COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON February 18, 2026
- VII. THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE PUBLIC COMMENTS (IF SOUGHT), SECURITIES EXCHANGE AND SECP COMMENTS.
- VIII. THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.
- IX. THE FINAL OFFER DOCUMENT WAS SUBMITTED TO THE COMMISSION AND PLACED ON SECURITIES EXCHANGE WEBSITE ON February 18, 2026 ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 5 DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX and SECP)
- X. THE STATUATORY AUDITOR M/s. FAZAL MEHMOOD AND CO OF THE ISSUER SHALL SUBMIT HALF YEARLY REPORT TO THE ISSUER REGARDING UTILIZATION OF PROCEEDS IN THE MANNER REFERRED TO IN THE FINAL OFFER DOCUMENT. THE ISSUER WILL INCLUDE THE REPORT OF THE STATUATORY AUDITOR, ALONG WITH ITS COMMENTS THEREON, IF ANY, IN ITS HALF YEARLY AND ANNUAL FINANCIAL STATEMENTS.
- XI. NAMES OF THE DISSENTING DIRECTOR (IF ANY) ARE Nil.

FOR AND BEHALF OF SHADAB TEXTILE MILLS LIMITED

Aamir Naseem
Chief Executive Officer



DISCLAIMER:

(i) Following disclaimer be included:

- In line with the Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities and Exchange Commission of Pakistan (SECP).
- The Securities Exchange and the SECP disclaim:
 - a) Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
 - b) Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
 - c) Any responsibility with respect to the quality of the issue.
- It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.



GLOSSARY OF TERMS

BOD	Board of Directors
Company or Issuer	Shadab Textile Mills Limited
Companies Act	Companies Act, 2017
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
PKR or Rs	Pakistani Rupees
PSX or Securities Exchange	Pakistan Stock Exchange Limited
SECP or Commission	Securities & Exchange Commission of Pakistan
STML	Shadab Textile Mills Limited

DEFINITIONS

Banker to the Issue	Any bank with whom an account is opened and maintained by the Issuer for keeping the issue amount. Meezan Bank Limited, has been appointed as Bankers to the Issue, in this Right Issue
Book Closure Dates	The Book Closure shall commence from [February 23, 2026 to [February 23, 2026].
Issue	Issue of 6,250,000 right shares representing 37.65% of the total paid-up capital of the Company.
Issue Price	PKR 40.00/- per share The price at which right shares of the Company are being offered for subscription by the existing shareholders of the Company
Market Price	The latest available closing price of the share.
Net Worth	Total assets minus total liabilities.
Ordinary Shares	Ordinary Shares of Shadab Textile Mills Limited having face value of PKR 10.00/- each.
Regulations	The Companies (Further Issue of Shares) Regulations, 2020
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.



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1. SALIENT FEATURES OF THE RIGHT ISSUE

1.1. Brief Terms of the Rights Issue:

a)	Description of issue	Issuance of new ordinary shares by way of rights to existing shareholders of the Company, at PKR 40.00/- (Pak Rupees Forty only) per share, as per their proportional entitlement.
b)	Size of the proposed issue	The Company shall issue 6,250,000 (Six Million Two Hundred Fifty Thousand) ordinary shares, at a price of PKR 40.00/- (Pak Rupees Forty only) per share, aggregating to PKR 250,000,000/- (Pak Rupees Two Hundred Fifty Million).
c)	Face value of the share	PKR 10.00/- each
d)	Basis of determination of price of the Right Issue	The Right Issue is being carried out at a premium. Considering the 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. In fact, the Right Issue price constitutes a discount of approximately 13% to the prevailing market price (as of 3 rd February, 2026 being the date of announcement of the Right Issue).
e)	Proportion of new issue to existing issued shares with condition, if any	37.65 right shares for every 100 ordinary shares held i.e. 37.65% % of the existing paid-up capital of the Company
f)	Date of meeting of the BOD wherein the Right Issue was approved	February 03, 2026
g)	Names of directors attending the BOD meeting	<ol style="list-style-type: none"> 1. Saad Naseem 2. Farrukh Naseem 3. Yasir Naseem 4. Hamza Naseem 5. Fahad Shafiq 6. Ghazanfer Feroz 7. Mrs. Fatima Aamir 8. Aamir Naseem (Chief Executive)
h)	Brief purpose of utilization of Right Issue proceeds	<p>The main purpose of the company to add machinery to make the more efficient and cost effective and to reduce high cost short- term debt of the Company.</p> <p>These initiatives will enable the Company to increase its bottom-line profitability, Further-more, these projects will enhance production efficiencies, enable entry into new markets and promote environmental sustainability. These efforts underscore the Company's commitment to sustainable growth, operational excellence, and long-term value creation for its shareholders.</p>



i)	Purpose of the Right Issue - Details of the main objects for raising funds through present Right Issue	<p>Plant and machinery aggregating approximately PKR 179.00 million, to be financed out of the proceeds of the proposed Right Issue. Management informed the Board that, due to timing differences between the expected receipt of Right Issue proceeds and the payment schedules for the machinery, the Company may be required to make certain advance payments prior to the receipt of such proceeds. It was noted that any such interim payments shall be met through internal cash generation and/or short-term bank borrowings, which shall subsequently be adjusted against the proceeds of the Right Issue upon receipt.</p> <p>The Board reviewed and discussed the details of the proposed machinery acquisitions, as summarized below:</p> <ol style="list-style-type: none"> 1. <u>Import of Four (04) Sets of Saurer Card Machines</u> Costing USD 216,000, against which the Letter of Credit was established on 01 December 2025. Shipment and retirement of the L/C are expected by the end of March 2026. The estimated landed cost is PKR 65.00 million. 2. <u>Import of Three (03) Sets of Tianmen Drawing Machines</u> Costing USD 54,000, against which the Letter of Credit was established on 10 December 2025. Shipment and retirement of the L/C are expected during February 2026. The estimated landed cost is PKR 16.50 million. 3. <u>Import of 250 kW Compressor & High-Speed Card</u> Estimated cost of 250 Kw Compressor and High-speed card is PKR 50.00 million for which L.C will be established after the receipts of proceeds of right share issue. 4. <u>Installation of 730 KW Solar Power System</u> Estimated cost PKR 47.50 million. <p>After detailed deliberation, the Board approved the above capital expenditure plan and authorized management to:</p> <ol style="list-style-type: none"> 1. Make advance or interim payments, where required, using internal funds and/or bank financing prior to receipt of Right Issue proceeds; 2. Subsequently adjust such payments against the
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		proceeds of the Right Issue strictly in accordance with disclosed utilization plans; and Take all necessary steps to ensure compliance with applicable SECP and PSX regulations, including disclosures relating to utilization of Right Issue proceeds.
j)	Minimum level of subscription (MLS)	Not Applicable
k)	“Application Supported by Blocked amount” (ASBA) facility, if any, will be provided for subscription of right shares.	Not Applicable
(i)	Clear justification for issuance of shares of different kind or class, if applicable. N/A	

1.2. Principal Purpose of the Issue and funding arrangements:

A. Details of the principal purpose of the issue.

Proceeds from Right Subscription will be used as follows:

Item Breakup	Amount (Millions)	%
(i) Purchase of Plant & machinery including Solar System	179.00	71.6%
(ii) To meet working capital requirements	<u>71.00</u>	<u>28.40%</u>
Total	<u>250.00</u>	<u>100.00%</u>

B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

(a) If purpose of the issue is to finance working capital:

Out of the total proceeds of the Rights Issue, an amount of PKR 71.00 million will be utilized to meet the Company’s working capital requirements, including the purchase of raw materials, payment of utility bills, and other operational expenses. The utilization of proceeds for working capital purposes is expected to reduce reliance on short-term borrowings, thereby lowering finance costs and further enhancing the Company’s profitability.

	Year (2025)	Year (2024)	Year (2023)
Cash Conversion Cycle (in Days)	26.26	35.13	36.35

(b) If purposes of the issue are to purchase Plant/ Equipment/ Technology:

Plant and machinery aggregating approximately PKR 179.00 million, to be financed out of the proceeds of the proposed Right Issue. Management informed the Board that, due to timing differences between the expected receipt of Right Issue proceeds and the payment schedules for the machinery, the Company may be required to make certain advance payments prior to the receipt of such proceeds. It was noted that any



such interim payments shall be met through internal cash generation and/or short-term bank borrowings, which shall subsequently be adjusted against the proceeds of the Right Issue upon receipt.

The Board reviewed and discussed the details of the proposed machinery acquisitions, as summarized below:

1. Import of Four (04) Sets of Saurer Card Machines

Costing USD 216,000, against which the Letter of Credit was established on 01 December 2025. Shipment and retirement of the L/C are expected by the end of March 2026. The estimated landed cost is PKR 65.00 million.

2. Import of Three (03) Sets of Tianmen Drawing Machines

Costing USD 54,000, against which the Letter of Credit was established on 10 December 2025. Shipment and retirement of the L/C are expected during February 2026. The estimated landed cost is PKR 16.50 million.

3. Import of 250 kW Compressor & High-Speed Card

Estimated cost of 250 Kw Compressor and High-speed card is PKR 50.00 million for which L.C will be established after the receipts of proceeds of right share issue.

4. Installation of 730 KW Solar Power System

Estimated cost PKR 47.50 million.

After detailed deliberation, the Board approved the above capital expenditure plan and authorized management to:

1. Make advance or interim payments, where required, using internal funds and/or bank financing prior to receipt of Right Issue proceeds;
2. Subsequently adjust such payments against the proceeds of the Right Issue strictly in accordance with disclosed utilization plans; and
3. Take all necessary steps to ensure compliance with applicable SECP and PSX regulations, including disclosures relating to utilization of Right Issue proceeds.

(iii) General Requirements:

- (a) Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be.
- (b) Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented.
- (c) Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies.



(iv) Financial Effects Arising from Right Issue:

As at 30 th June 2025	Unit	Pre-Issue	Post-Issue	Increase in %
Authorized Share Capital	PKR	400,000,000	400,000,000	0.00%
Paid-up Capital	PKR	166,600,000	228,500,000	37.65%
Number of Shares	Unit	16,600,000	22,850,000	37.65%
Total Equity	PKR	1,757,072,000	2,007,072,000	14.22%
Net Asset/Breakup value per share*	PKR	105.85	87.83	(20.51%)
Gearing Ratio**	%	0.42	0.37	(11.90%)
Production Capacity	Unit	21,817,513	21,817,513	-
Market Share	%	0.36%	0.36%	-

* The break-up value is calculated as follows: Total Equity ÷ No. of Shares.

** Gearing Ratio is calculated as follows: Net Debt (Total Borrowings – Cash & Bank Balances) ÷ Total Equity

(v) Total expenses to the issue: (i) banker's commission (ii) others, if any.

Underwriting Commission	1.50%
Underwriter Take-up Commission	3.00%
Bankers Commission	
PSX Fee (0.2% of increase in paid-up capital)	125,000
SECP Supervisory Fee (10% of fees paid to PSX)	12,500
CDC Fee – Fresh Issue Fee	
CDC – Annual Fees for Eligible Security (Listing Fee)	
Stamp Duty for Additional Shares 0.15% of face value in book entry form 0.50% on physical shares	2,730
Auditor Fee for Auditor Certificates	50,000
Legal Advisor Fee	400,000
Financial Advisor Fee	400,000

(vi) Details of Underwriters:

Name of the Underwriter	Amount Underwritten (PKR)	Associated Company/ Associated undertaking of the Issuer (YES /NO)
Muhammad Munir Muhammad Ahmed Khanani Securities Limited	98,925,000/-	NO



(vii) Commitments from substantial shareholders/directors:

Name of the Person	Status (Substantial Shareholder /Director)	No. of Existing Shares	Number of Shares Committed to be Subscribed*	Amount Committed to be Subscribed (PKR)*	Shareholding %pre-issuance	Shareholding %post issuance**
Saad Naseem	Chairman / Director	955,215	359638	14,385,520	5.75	5.75
Aamir Naseem	CEO / Substantial Shareholder	2,835,209	1067456	42,698,240	17.08	17.08
Farrukh Naseem	Director	1,057,000	397960	15,918,400	6.33	6.33
Yasir Naseem	Director	500,000	188250	7,530,000	3.01	3.01
Hamza Naseem	Director	955,215	359638	14,385,520	5.75	5.75
Fahad Shafiq	Director	2,766	1041	41,640	0.02	0.02
Ghazanfer Feroz	Director	5,533	2083	83,320	0.03	0.03
Mr. Fatima Aamir	Director	614,545	231376	9,255,040	3.70	3.70

*Subject to subscription of additional shares which may be unsubscribed, or disposal of shares otherwise held, or shares entitlement subscribed by persons arranged by such substantial shareholder/ director in accordance with the applicable laws

** Including through persons arranged by such substantial shareholders/ directors

(viii) **Fractional Rights Shares:** Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer;

The Board of Directors of the Company have resolved in their meeting held on February 3, 2026 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.

(ix) Important Dates:

Credit of unpaid Right into CDC	Tuesday, March 3, 2026
Dispatch of Physical Right to Shareholders	Friday, March 6, 2026
Intimation to PSX regarding Credit/Dispatch	Friday, March 6, 2026
Commencement of Trading	Monday, March 9, 2026
Last date of Splitting and deposit of Request in CDC	Friday, March 20, 2026
Last date of Trading of Right letter	Wednesday, April 1, 2026
Last date for acceptance and payment for Physical/CDC	Wednesday, April 8, 2026
Allotment of Shares inn CDS	Tuesday, April 28, 2026
Date of dispatch of Physical Shares	Friday, May 8, 2026



8. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE:

- (i) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "Shadab Textile Mills Limited-Right Shares Subscription Account" through any of the authorized branches of above-mentioned bank(s) on or before April 8, 2026 along with this Right Subscription Request duly filled in and signed by the subscriber(s).
- (ii) Right Subscription Request can be downloaded from the Company website: www.shadabtextile.com.
- (iii) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of the equivalent amount in Pak Rupees should be sent to the Company Secretary, (Mr. Tariq Javed) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- (iv) All cheques and drafts must be drawn on a bank situated in the same city where the Right Subscription Request is deposited. Cheque is subject to realization.
- (v) The Banker(s) to the Issue will not accept Right Subscription Requests delivered by post which may reach after the closure of business on April 08, 2026 unless evidence is available that these have been posted before the last date of payment.
- (vi) Payment of the amount indicated above to the Issuer's Banker(s) to the Issue on or before April 8, 2026 shall be treated as acceptance of the Right offer.
- (vii) After payment has been received by the Banker(s) to the Issue, the Right Securities will be credited into respective CDS Accounts within 10 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

9. PROFILE OF MANAGEMENT AND SPONSORS

(e) Profile of the Board of Directors of the company

Board of Directors		
Name	Position	Tenure of Directorship
Saad Naseem	Chairman/Nom-Executive Director	26-08-2025/28-03-2025
Aamir Naseem	Chief Executive Officer	10-04-2025
Farrukh Naseem	Executive Director	28-03-2025
Yasir Naseem	Nom-Executive Director	28-03-2025
Hamza Naseem	Nom-Executive Director	28-03-2025
Fahad Shafiq	Independent Director	28-03-2025
Ghazanfer Feroz	Independent Director	28-03-2025
Mrs. Fatima Aamir	Nom-Executive Director	28-03-2025

Saad Naseem
Chairman/Director



Saad Naseem, is a graduate from City University, London, and has been a Director at Shadab Textile Mills Limited since 2013 and Chairman of Board since August 26, 2025. He is also a certified director under the Code of Corporate Governance, reflecting his commitment to best practices in corporate governance. His diverse experience in the textile industry, combined with his educational background, positions him as a valuable asset to the board and a contributor to the strategic direction of the organizations he is associated with.

Aamir Naseem
Chief Executive

Aamir Naseem is the Chief Executive of Shadab Textile Mills Limited, where he has served as Director Incharge since January 1990. With an MBA in Finance from the USA, he brings over 35 years of extensive experience in the textile industry, demonstrating strong leadership and operational expertise. His managerial acumen and strategic vision have significantly contributed to the growth and development of the organizations he leads.

Farrukh Naseem
Executive Director

Farrukh Naseem is an esteemed figure in the textile industry with an extensive career spanning over 45 years. An alumnus of Commerce College, Sargodha, he currently serves as the Chief Executive of Sargodha Spinning Mills Limited and has been a Director of Shadab Textile Mills Limited for nearly four decades. His vast experience and strategic oversight play a crucial role in driving the success and governance of the organizations he leads.

Yasir Naseem
Non-Executive Director

Yasir Naseem holds a Bachelor of Science (Hons) Degree in Business Management from Queen Mary, University of London, graduating in 2016. His academic background has provided a strong foundation in strategic management, leadership, and business operations, equipping him with the expertise to drive innovation and growth in the industry. He is equipped with DTP certification under the Code of Corporate Governance, Regulations, 2019, highlighting his dedication to corporate governance standards.

Hamza Naseem
Director

Hamza Naseem, a law graduate from Lahore Grammar University (LGU) through the University of London External Program, has served as a Director of Shadab Textile Mills Limited since April 2016. He is equipped with DTP certification under the Code of Corporate Governance, Regulations, 2019, highlighting his dedication to corporate governance standards. His legal background and governance expertise contribute significantly to the strategic management and compliance of the businesses he oversees.

Fahad Shafiq
Independent Director

Mr. Fahad Shafiq, an Independent Director of Shadab Textile Mills Limited since 2019, brings a wealth of experience from the Pakistan Capital Market and the yarn and fabric industry. His freelance work in financial analysis and investment consultancy, combined with hands-on knowledge of the textile sector, provides valuable insights that enhance the company's strategic decision-making.

Mr. Shafiq also holds a Directors' Certification, underscoring his commitment to corporate governance and effective leadership. His ability to foster transparency and accountability ensures that the interests of stakeholders are prioritized, making him a key asset to the board and integral to the company's growth and success.



Ghazanfer Feroz
Independent Director

Ghazanfer Feroz is an independent director with a solid educational background, holding a Bachelor's degree in Chemical Engineering and Economics from the USA. With 26 years of diverse experience, he has progressed from grassroots operations to senior management roles in various sectors, including manufacturing, marketing and sales, new product development, research, and international trade.

Mr. Feroz possesses extensive expertise in industrial specialty chemicals, fluids, and lubricants, specializing in their specifications for production and maintenance processes. He is proficient in specifying sensors and instrumentation for various industrial operations and has significant experience in designing process parameters and scaling up production to achieve economies of scale. His skill set includes project startup and feasibility evaluations aimed at long-run cost analyses to meet corporate strategic goals. Additionally, he has led reliability maintenance (RM) analysis programs focused on predictive maintenance solutions relevant to sectors such as polymer, textile processing, wood processing, and oil and gas production.

Mrs. Fatima Aamir
Female Non-Executive Director

Mrs. Fatima Aamir is a prominent female director at Shadab Textile Mills Limited, a position she has held since March 2013. An alumna of Beacon House School, she brings valuable insights to the management team, leveraging her experience. Her contributions are instrumental in advancing the strategic objectives and governance of the organizations she is involved with.

(ii) Other Directorships held (provide names of the company(ies))

Other Directorships		
Name	Designation	Name of The Company
Farrukh Naseem	Executive Director	Sargodha Spinning Mills Ltd., (C/E)
		Tariq Textile Mills Ltd.,
Aamir Naseem	Chief Executive	Sargodha Spinning Mills Ltd.,
		Tariq Textile Mills Ltd.,
		Sargodha Textile Mills Ltd.,
		Blue Star Enterprises (Pvt) Ltd.,
Mr. Saad Naseem	Chairman/Non-Executive Director	Sargodha Spinning Mills Ltd.,
		Tariq Textile Mills Ltd., (C/E)
		Shadab Innovations (Pvt) Ltd.,(C/E)
		Blue Star Enterprises (Pvt) Ltd.,
Mr. Yasir Naseem	Non-Executive Director	Tariq Textile Mills Ltd.,
		Shadab Innovations (Pvt) Ltd.,
Mr. Hamza Naseem	Non-Executive Director	Sargodha Spinning Mills Limited
Mr. Fahad Shafiq	Independent Director	None
Mr. Ghazanfer Feroz	Independent Director	None
Mrs. Fatima Aamir	Director	Tariq Textile Mills Ltd.,
		Shadab Innovations (Pvt) Ltd.,



- (iii) Profile of Sponsors N/A
- (iv) If sponsor is company registered in Pakistan, date of incorporation, names of directors % age of shareholding

Sponsors Company		
-	-	-

- (v) If sponsor is foreign registered company, % age of shareholding, Form 43, form 45 be provided

10. DETAILS OF THE ISSUER:

- (f) Financial highlights of Issuer for last three years

(Pakistani Rupee)	Audited Account	Audited Account	Audited Account
	Year 2025	Year 2024	Year 2023
Name of the Statutory Auditors	Fazal Mahmood and Company	Fazal Mahmood and Company	Fazal Mahmood and Company
Revenue-net	8,002.565	7280.768	5,962.782
Gross Profit	564.638	399.065	183.652
Profit before Interest & Tax	382.152	248.818	44.473
Profit / (loss) after Tax	185.025	98.466	(107.742)
Net Profit / (loss)	185.025	98.466	(107.742)
Accumulated Profit / (loss)	720.599	548.024	449.558
Total Assets	3,215.029	3,089.043	2,849.313
Total Liabilities	1457.072	1476.646	1396.650
Net Equity	1,757.072	1,612.397	1,452.661
Break-up value Per Share (PKR)	105.85	97.13	87.51
Earnings / (loss) per share - PKR	11.15	5.93	(6.49)
Dividend Announced	12.50	7.50	NIL
Bonus Issue	NIL	NIL	NIL

- (ii) Financial highlights for the preceding year of consolidated financial:
Not Applicable

- (iii) Detail of issue of capital in previous five years:

Bonus Issue	FY2025	FY2024	FY2023	FY2022	FY2021
Percentage	N/A	N/A	N/A	N/A	N/A
Number of Shares	N/A	N/A	N/A	N/A	N/A



(iv) Average market price of the share of the Issuer during the last six months: N/A

Average market price of the share of the Company during the last six months (from August 11, 2025 to February 9, 2026

Rs. 56.81 to Rs. 43.58

(v) Share Capital and Related Matters

(a) Pattern of shareholding of the issuer in both relative and absolute terms.

Shareholders	Number of Shares	Shareholding %
Aamir Naseem	2,835,209	17.08%
Farrukh Naseem	1,057,000	6.37%
Hamza Naseem	955,215	5.75%
Saad Naseem	955,215	5.75%
Yasir Naseem	500,000	3.01%
Fahad Shafiq	2,766	0.02%
Ghazanfer Feroz	5,533	0.03%
Mrs. Fatima Aamir	614,545	3.70%
Mrs. Hina Farrukh w/o Farrukh Naseem	477,608	2.88%
Executives	0	0%
Banks, Development Financial Institutions, Non-Banking Financial Institutions	53	0.00%
NIT and ICP	521,878	3.14%
General Public -Local	8,548,334	51.50%
General Public -Foreign	0	0%
Others	126,644	0.78%
Total	16,600,000	100%

(b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

S. No.	Directors/Sponsors/Substantial Shareholder	No. of Existing Shares	No. of Shares after Right Shares ¹
1	Aamir Naseem	2,835,209	3,902,665
2	Farrukh Naseem	1,057,000	1,454,961
3	Hamza Naseem	955,215	1,314,853
4	Saad Naseem	955,215	1,314,853
5	Yasir Naseem	500,000	688,250
6	Fahad Shafiq	2,766	3,807
7	Ghazanfer Feroz	5,533	7,616
8	Mrs. Fatima Aamir	614,545	845,921

(c) Details and shareholding of the holding company, if any.

Not Applicable



(vi) Group structure along with respective shareholding in subsidiaries and associates

Name of Concern	Name of Director	Shareholding (Shares)
Sargodha Spinning Mills Limited	Farrukh Naseem	4,829,277
	Aamir Naseem	4,333,652
	Saad Naseem	122,500
	Hamza Naseem	3,100
Tariq Textile Mills limited	Farrukh Naseem	73,929
	Aamir Naseem	71,929
	Saad Naseem	500
	Yasir Naseem	500
	Mrs. Fatima Aamir	2,500
Blue Star Enterprises (Pvt.) Ltd.	Aamir Naseem	609,350
	Saad Naseem	123,500
Shadab Innovations (Pvt.) Ltd.	Aamir Naseem	1,440,000
	Yasir Naseem	30,000
	Hamza Naseem	30,000
	Saad Naseem	30,000
	Mrs. Fatima Aamir	30,000

A company shall disclose the following, if applicable: Not Applicable

- (a) details of any defaults/overdue amount of principal and interest at the date of submission of offer document along with defaults/overdue amounts in last three financial years;
- (b) the carrying amount of the loan's payable in default;
- (c) whether the default was remedied, or the terms of the loan's payable were renegotiated;
- (d) details and status of any debt restructuring;
- (e) whether any part of right issue proceeds would be utilized towards over dues;
- (f) NOC issued by the financial institution(s) in respect of whom the over dues or defaults of the issuing company, its sponsor(s), promoter(s), substantial shareholder(s) or directors appear in the report obtained from the Credit Information Bureau, in relation to right issue; and
- (g) details of recovery proceedings, if any:
 - (i) proceedings initiated by the lenders against company;
 - (ii) the company's actions in response; and
 - (iii) the current status of such proceedings.



11. RISK FACTORS

- (i) Each risk factor shall appear in the following manner
 - (a) Risk as envisaged by the issue;
 - (b) Proposals, if any, to address the risk.
- (ii) Risk factors shall be classified as internal and external risk factors and the issuer shall ensure that coverage of each risk factor is in manner that is specific to the issue/issuer and clearly covers the impact of the risk factor on the operations/performance of the issuer.”
- (iii) Risk factors shall be disclosed in the descending order of materiality.
- (iv) All possible risk factors relating to business of the company, the project, technology, competition, suppliers, consumers, industry, liquidity, regulatory, changes in Govt. policies, law and order situation, capital market, pending litigations, defaults etc. shall be disclosed.
- (v) Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable:
 - (a) Approvals that are yet to be received by the issuer;
 - (b) Seasonality of the business;
 - (c) Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;
 - (d) Lack of experience of the Management to run the business;
 - (e) If the issuer has incurred losses in the last three financial years;
 - (f) Dependence of the issuer or any of its business segments upon a single customer or a few customers
 - (g) Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.
 - (h) In case of outstanding debt instruments, any default in compliance with the material covenants;
 - (i) Default in repayment of loan by the issuer and associated group companies, if any.
 - (j) Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.
 - (k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.
 - (l) Any material investment in debt instruments by the issuer which are unsecured.



- (m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.
 - (n) Negative cash flow from operating activities in the last three preceding financial years.
 - (o) Any restrictive covenant that could hamper the interest of the equity shareholders
 - (p) Low credit rating of the Issuer.
 - (q) Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.
 - (r) Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.
- (iv) A statement that 'to the best of our knowledge and belief all risk factors have been disclosed' shall be given immediately after the risk factor by the authorized officer/Management

Undersubscription Risk

There is a risk that the Right Issue may get undersubscribed due to lack of interest from shareholders of the Company. The Right Issue 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 entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws.

NOTE: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.



12. LEGAL PROCEEDINGS:

- (i) Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer
- (ii) Action taken by the Securities Exchange against the issuer or associated listed companies of the Issuer during the last three years due to noncompliance of the its Regulations
- (ii) Legal proceedings be summarized in the following format

S. No.	Legal Order dated	Issuing Authority	Tax Period, if any	Order Amount/ Financial Impact (PKR Mn)	Current status	Management's Stance
1	N/A	Sui Gas GIDC	Lahore High Court	42.330 million	Pending	Provision made in the Financial Accounts and no further financial impact
2	N/A	Sui Gas RLNG	Lahore High Court	15.160 million	Pending	Provision made in the Financial Accounts and no further financial impact

13. SIGNATORIES TO THE OFFER DOCUMENT

Saad Naseem
Director

Yasir Naseem
Director

List of the signatories, including all the directors or an officer of the company authorized by them in this behalf, to the offer document and their signatures in original duly dated and witnessed.