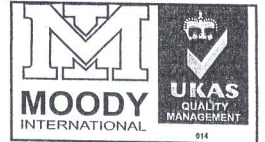


BILAL FIBRES

L I M I T E D

MANUFACTURERS & EXPORTERS OF YARN



ISO 9001:2008 CERTIFIED
Registration # 9910765

EXPORT REGISTRATION NO.W-077224
IMPORT REGISTRATION NO.W-211496

N.T.N 0658669-4

SALES TAX REGISTRATION NO.
04-04-5202-011-46

REF/BFL/16/134

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

Dated: 23-12-2016

Subject: DESPATCH OF NOTICE OF EXTRA ORDINARY GENERAL MEETING & NEWS PAPER CLIPPING

Dear Sir,

We are pleased to enclose herewith the notice of extra ordinary General Meeting of Bilal Fibres Ltd. to be held on January 13, 2017 at 10:00 AM at registered office of the Company, 112-B, Block E/1, Ghalib Road, Gulberg III, Lahore and News paper clipping of notice of Extra Ordinary General Meeting for your record please.

Thanking You,

Yours Sincerely,
For **BILAL FIBRES LIMITED;**


(Muhammad Aslam Bhatti)
Director

CC to:-
The General Manager,
Pakistan Stock Exchange Limited, 19, Khayaban-e-Aiwan -e-Iqbal, Lahore.

The General Manager,
Pakistan Stock Exchange Limited, I.S.E. Towers, 55 B, Jinnah Avenue, Blue Area, Islamabad.

Head Office / Registered Off:
112 - B, Block E/1,
Ghalib Road,
Gulberg - III, Lahore - Pakistan.

Phone :+92-42-35717701-6
Fax :+92-42-35717707
E-mail : info@bilalfibres.com
Web Site : www.bilalfibres.com

Mills:
38th Km, Sheikhupura Road,
Post Office Chak No. 61-RB,
Faisalabad, Pakistan.

Phone :+92-41-4689075-6
Fax :+92-41-4689279
E-mail : mills@bilalfibres.com

BILAL FIBRES LIMITED

NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given to all the shareholders of Bilal Fibres Limited (the "Company") that an Extraordinary meeting of the Company will be held on January 13, 2017 at 10.00 a.m. at registered office of the Company, 112-B, Block E/1, Ghalib Road, Gulberg III, Lahore to transact the following business:

SPECIAL BUSINESS

To consider and if thought fit, approve the sale of idle plant and machinery of the Company located at Mills' premises at 38th KM, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, by passing following resolution as a special resolution with or without any modification.

RESOLVED "That consent of the general meeting be and is hereby accorded to the disposal and sale of idle plant, machinery, equipment and other assets installed at Mills located at 38th KM, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad subject to compliance with provisions of all applicable laws and other regulatory approvals".

RESOLVED FURTHER "That Mr. Nacem Omer the Chief Executive Officer of the Company be and is hereby singly authorized and empowered on behalf of the Company to do all acts, deeds and things and take all necessary steps including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary in order to give effect to, implement and complete the sale of the assets as aforesaid and all matters connected, necessary and incidental thereto".

Lahore
Dated: December 23, 2016

By Order of the Board
(Muhammad Ijaz Shahid)
Company Secretary

Notes:

- The Members' Register will remain closed from January 07, 2017 to January 13, 2017 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore, the Independent Share Registrar of the Company by the close of business on January 06, 2017 will be treated in time.
- A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at Registered Office not later than 48 hours before the time for holding the Meeting.
- CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

a. For attending the meeting

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- In case of 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.

b. For Appointing Proxies

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts pertaining to the special business to be transacted at the Extraordinary General Meeting of the Company, scheduled to be held on January 13, 2017.

BACKGROUND

The textile sector started facing problems over the years including mostly due to high cost of electricity and gas. Back in December 2015 the then Chairman of The All Pakistan Textile Mills Association (APTMA) had claimed that at least 110 textile mills have closed down their operations in the last one year due to the high cost of doing business, particularly the cost of electricity and gas.

The problems have persisted all through this year and APTMA has so far not been able to get the desired concessions from the Government despite holding meetings with the Finance Minister, Commerce Minister and others. As late as November 2016 APTMA through advertisements in the newspapers has called on the Government to take the following steps among others, to allow the industry to keep floating:

- Remove custom duty and sales tax on import of cotton
- Notify NEPRA determined multi-year tariff for industry without surcharges enabling regionally competitive tariff rate at Rs. 7 per KWH.
- Lift moratorium imposed on new gas / RLNG connections for captive and process use
- Provide RLNG/system gas to industry at Rs. 600/MMBTU inclusive of all levies
- Graduating drawbacks of local taxes on export of yarn

It is in this scenario that some listed companies have already resorted to taking steps like disposal of fixed assets to curtail recurring losses and settle their creditors.

The Board of Directors of the Company had already deliberated on the present scenario being faced by the sector as a whole and the company in particular and approved the disposal of idle plant and machinery subject to the approval of the shareholders in a General Meeting.

The information as required under Notification No. S.R.O. 1227/2005 dated December 12, 2005 is given hereunder:

i) The detail of assets to be sold:

S. No.	DETAIL OF IDLE FIXED ASSETS (REVALUED in 2013)	RUPEES (Millions)
1	Blow Room	30
2	Cards	70
3	Drawing Frames	57
4	Simplex Frames	40
5	Ring Frames	130
6	Cone Winders	160
7	Air Conditioning, Humidification & Filtration Plant	35
8	Power House, Cooling tower, LT/HT Panels 1000 KW, Transformers & Cabling etc., 1000KW	130
9	Laboratories & Testing Equipment	15
10	Workshop & Miscellaneous	10

ii) Cost, Re-valued and expected sale price

The cost of the idle plant and machinery as on June 30, 2016 was Rs. 448 million. These assets of the Company were got revalued from certified valuers, M/s Empire Enterprises (Private) Limited in year 2013 and the revalued amount was Rs. 677 million. The written down value of the revalued plant and machinery as on June 30, 2016 was Rs. 614 million. Based on the present market trends and availability of numerous sellers # and few buyers the expected amount to be received from these sales is Rs. 200 million.

iii) The proposed manner of disposal

The assets will be disposed off through negotiations and wherever required through calling of bids or other means as deemed necessary.

iv) Reasons for the disposal of assets

The reasons for this decision are based on the factors already elaborated above and most of all to curtail the recurring losses to the Company due to shortage of working capital, continuous loss in operations due to depressed revenue from sale in terms of price and volume, higher costs of cotton, electricity, labour and allied expenses. The equity of the Company as on June 30, 2016 showed negative balance of Rs. 230.115 million. The management considered the option of running the production unit causing a loss of Rs. 12.7 million per month versus the shutdown of operations which cost Rs. 2.0 million per month. The management therefore took the decision to close the operations temporarily on June 16, 2016. This has resulted in curtailing the loss as is evident from the quarterly accounts of the company.

v) Benefits expected to accrue to the shareholders

The proceeds from the disposal of the assets will be utilized in settlement of some of the creditors. The company will be left with 154 kanals of freehold land and buildings comprising of Godowns, Machinery halls, offices and residential quarters. The management is working on the following lines:
a) Ongoing negotiations with Chinese investors for entering into a joint venture whereby the Chinese investors would inject capital into the company and bring in new machinery.

BILAL FIBRES LIMITED

NOTICE:

PROXY FORM

Folio No. _____ CDC Participants Identity Card No. _____ A/C No. _____

I/We _____

of _____ being

a member(s) of BILAL FIBERS LIMITED, a holder of _____

ordinary shares as per Registered Folio No. _____

hereby appoint _____

of _____

Shares Registered Folio No. _____

who is also member of BILAL FIBERS LIMITED, as my proxy to vote for me and my behalf at the

Extra Ordinary General Meeting of the Company to be held on Friday, the 13th January, 2017 and

at any adjournment thereof.

Signed this _____ day of _____ 2017

Witness:

1. _____

2. _____

Please
affix
Revenue Stamp

N.B. (Signature should agree with specimen
signature registered with the Company)

NOTICE:

A member entitled to vote at this meeting may appoint a proxy. Proxies in order to be effective must be received at Registered Officer of the Company duly stamped and signed not later than 48 hours before the time of meeting.