

212, Cotton Exchange Building,
I.I.Chundrigar Road, Karachi (Pakistan)
UAN:92 21 111000100 Fax: 92 21 2416705



Sapphire Textile Mills Limited

7-A/K, Main Boulevard, Gulberg-II,
Lahore (Pakistan)
UAN: 92 21 111 000 100 Fax:92 21 35758783, 35713753

**SAPPHIRE TEXTILE MILLS LIMITED
ADDENDUM**

The Notice for Extra Ordinary General Meeting of the Shareholders of Sapphire Textile Mills Limited was published in the "Business Recorder" and "Nawa-e-Waqt" Karachi, on May 31, 2011. The Special Business item # 2 Para two be read as follows:

"Further Resolved that the Company be and is hereby authorized to make Long term Equity Investment of Rs. 50 million (Rupees Fifty million only) in the Share Capital of Sapphire Dairies (Private) Limited (SDPL) an associated company at par of Rs. 10 each and is authorized to sell at any time at not less than breakup value.

Further Resolved that the Chief Executive of the Company be and is hereby authorized to undertake such investments as and when deemed necessary, as per requirements of the Beirholms Sapphire A/S and Sapphire Dairies (Private) Limited and arrange counter security in favour of Beirholms Vaeverier for a credit facility obtained by Beirholms Sapphire A/S."

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

A Statement under Section 160(1) (b) of the Companies Ordinance, 1984, read with S.R.O. 865 (1)/ 2000 dated December 6, 2000 issued by the Securities and Exchange Commission of Pakistan is given as under.

Sapphire Dairies (Private) Limited is an associated company of Sapphire Textile Mills Limited. The Authorized capital of the Company is Rs. 400,000,000 divided into 40,000,000 ordinary shares of Rs. 10 each. Five (5) Directors of Sapphire Dairies (Private) Limited (SDPL) are also the Directors in Sapphire Textile Mills Limited (STML). Other information as desired under S.R.O. No.865(1)/2000 to be annexed with the Resolution for approval of investment under Section 208 of the Companies Ordinance, 1984 is as under:

1. **Name of the Investee Company:**
Sapphire Dairies (Private) Limited (SDPL) a private limited company, incorporated for Dairy Farming business.
 2. **Nature, Amount and Extent of Investment:**
It is a Long Term Equity Investment amounting to Rs. 50.0 Million which will be made from time to time as per equity requirements of SDPL.
 3. **Aggregate Market Price of the Shares Intended to be Purchased:**
Not Applicable.
 4. **Break-up Value of Shares Intended to be Purchased:**
The Breakup value of share of SDPL as at 30th June 2010 was Rs. 9.44 per share.
 5. **Price at which Shares will be Purchased:**
The Shares of SDPL will be purchased at par value of Rs. 10/- per share.
 6. **Source of Funds from where Shares will be Purchased:**
The Company will use its own resources to purchase the shares.
 7. **Period for which Investment will be Made:**
This investment is a Long Term Investment.
 8. **Purpose of the Investment:**
The investment is a strategic decision in line with the Government policy to promote dairy farming in Pakistan. It is a step towards diversification of the Group activities. The prospects of this business are very bright and it is anticipated that this diversification will enhance the value of the shareholders.
 9. **Benefits likely to Accrue to the Company and the Shareholders from the Proposed Investment:**
With this diversification, the risk factor will spread over to sectors other than textile and this investment will give steady stream of income in the shape of dividends to the Company and as such the Shareholder will benefit.
 10. **Interest of Directors and their Relatives in the Investee Company:**
The Common Directors are Mr. Mohammad Abdullah, Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, Mr. Yousuf Abdullah. The total investments of these Directors till today are 2,500 Ordinary shares in SDPL. The Directors interest in the Company is up to shareholding in the Company.
- The counter security will expire on repayment of the credit facility by Beirholms Sapphire A/S.

Karachi: June 17, 2011

By order of the Board

Company Secretary