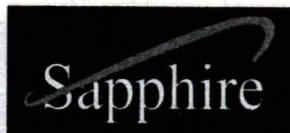


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Sapphire Textile Mills Limited

December 13, 2019

Deputy General Manager
Trading & TREC Holder's Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Sub: Release of Right Shares Subscription Amount

Dear Sir,

We are pleased to inform that 8% (1,606,651) Right Shares offered by Sapphire Textile Mills Limited (the "Company") have been fully subscribed as per detail given below:

Particulars	Shares	Amount
Directors	587,513	235,005,200
General Public & Others	1,015,657	406,262,800
Allotment of Unsubscribed Shares	3,481	1,392,400
Total	1,606,651	642,660,400

The Auditors' certificate confirming receipt of full amount of right shares is attached herewith.

You are requested to please issue NOC in the name of Habib Bank Limited (the "Banker" of the right issue) to release to the subscription amount to the company received by them in favor of the company in respect of right issue.

Yours truly,
For & on behalf of "Sapphire Textile Mills Limited"

Company Secretary



LA/2159/19
13 December 2019

The Company Secretary
Sapphire Textile Mills Limited
212, Cotton Exchange Building
I. I. Chundrigar Road
Karachi

Dear Sir

CERTIFICATE ON RECEIPT OF SUBSCRIPTION MONEY IN RESPECT OF RIGHTS ISSUE

We have been requested to provide you with a certificate on the receipt of subscription money in respect of right shares.

Scope of Certificate

This certificate is issued in accordance with the requirement of condition 7 of Annexure II of Pakistan Stock Exchange's letter referenced PSX / C-419-4816 to certify that the amount of subscription money in respect to rights issue has been received by the Company.

Management Responsibility

It is the management's responsibility to ensure compliance with the legal requirements in respect of issue of right shares. The management's responsibilities include causing the maintenance of adequate accounting records and internal controls, compliance with laws and regulations and prevention and detection of frauds and irregularities. This certification does not relieve the management of its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the amount of subscription money received by the Company in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the following procedures:

1. Obtaining Board's resolution approving the rights issue and ascertaining the total amount of consideration to be received in respect of the rights issue.
2. Tracing the amount received in bank statement of the bank designated for issue of right shares.

Certificate

Based on the procedures mentioned above, we certify that the Company has received the full amount of right issue aggregating to Rs. 642,660,400 in the designated bank account.

Restriction on use and distribution

This certificate is being issued in accordance with requirements of condition 7 of Annexure II of Pakistan Stock Exchange's letter referenced PSX / C-419-4816 and on the specific request of the management of the Company and is not to be used for any other purpose. This certificate may be submitted to Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange only. Accordingly, this should not be distributed to any other party without prior written consent from us. This certificate is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes

Encls: As above



Extract of Resolution passed by the Board of Directors of Sapphire Textile Mills Limited ("Company") in their meeting held on Dec 10, 2019 at the registered office of the company.

At the meeting of the Board of Directors of the Company, the Directors were informed that pursuant to the resolution passed by the Board of Directors on Sept 26, 2019, a right issue of shares of the Company in the aggregate amount of Rs. 642,660,400 (Rupees Six hundred forty two million, Six hundred sixty thousand and four hundred only) divided into 1,606,651 ordinary shares of Rs. 400 each, comprising face value of Rs. 10/- and Premium of Rs. 390/- each, was carried out. The Directors were further informed that as on the last date of payment of the subscription amounts i.e. Nov 29, 2019, an amount of Rs. 641,268,000 (Rupees Six hundred forty one million, two hundred sixty eight thousand only) had been subscribed as per the subscription results presented to the Board, whilst the balance amount of Rs. 1,392,400 (Rupees One million, three hundred ninety two thousand four hundred only) remains unsubscribed (i.e. 3,481 unsubscribed shares).

Consequently the following resolutions passed by the Board:

RESOLVED THAT *pursuant to the provisions of Companies Act, 2017, the consent of the Board of Directors of the Company be and is hereby accorded for allotment of 1,603,170 (One million, Six hundred three thousand one hundred seventy Only) ordinary shares at a face value of Rs. 10 (Rupees ten only) each at a premium of Rs. 390 (Rupees three hundred ninety only) to all those members who have accepted the offer by depositing of right subscription and amount aggregating to Rs. 641,268,000 (Rupees Six hundred forty one million, two hundred sixty eight thousand only).*

FURTHER RESOLVED THAT *the 3,481 un-subscribed shares amounting to Rs. 1,392,400 (Rupees One million, three hundred ninety two thousand four hundred only), be and hereby allotted to M/s. Neelum Textile Mills (Pvt.) Limited.*

FURTHER RESOLVED THAT *all necessary steps and actions be taken in accordance with the applicable laws for completion of the Right Issue process.*

FURTHER RESOLVED THAT *the Chief Executive, the Chief Financial Officer and the Company Secretary, be and are hereby jointly or severally authorized to take all necessary steps, and do all other acts, deeds and things, including any ancillary or incidental actions to give effect to the above resolutions including but not limited offering the unsubscribed shares in the manner directed by the Board, carrying out discussions and negotiations for subscription of the unsubscribed shares, confirming allotment of the said shares and completing the right issue process.*

CERTIFIED TRUE COPY

Company Secretary