

Shams Textile Mills Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the shareholders of Shams Textile Mills Limited will be held on **October 28, 2021 at 9:00 a.m.** through video conference (Zoom) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditor's reports thereon for the year ended June 30, 2021.
2. To approve as recommended by Directors, the payment of Cash Dividend @ 20% i.e. Rs. 2/- per share for the year ended June 30, 2021.
3. To appoint auditors of the Company and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By order of the board

Lahore: 30 September 2021

Company Secretary

BOOK CLOSURE:

The Members' Register will remain closed from October 21, 2021 to October 28, 2021 (both day inclusive)

Notes:

1. Due to COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 issued on March 17, 2020 had advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this EOGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at EOGM through proxies.

Shareholders interested to participate in the AGM are requested to share below information at info@corpsec.com.pk for their appointment and proxy's verification by or before Friday, October 25, 2021 by 3:00 P.M.

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	E-mail Address

Shareholders who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be available at the start of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of AGM at aforementioned e-mail on or before October 25 by 05:00 p.m.

2. 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 the Registered Office not later than 48 hours before the time of holding the meeting. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A proxy must be a member of the Company. The proxy form is annexed to the notice sent to the members. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be submitted along with copy of CNIC of the representative.

CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980

Deduction of Tax on Dividend Income – Finance Act, 2021

It is hereby informed that pursuant to the Finance Act, 2021, the rate of withholding tax under Section 150 of the Income Tax Ordinance, 2001 on dividend income has been segregated as follows:

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|-----|---|-----|
| i) | Rate of tax deduction on dividend income for filer of income tax return | 15% |
| ii) | Rate of tax deduction of dividend income for non-filer of income tax return | 30% |

Further you are therefore requested to please provide us the following details:

Name	Folio No. / CDC Account No.	National Tax No.	CNIC No. (for individual only) enclose a copy of valid CNIC, if not already provided

Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

Replacement of physical shares with book-entry

As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by The SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares in the

book entry form. For this purpose, the shareholders may open CDC Sub-account with any of the brokers or investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares at any time they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.

Placement of Financial Statements

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2021 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: www.shams.com.pk

Shareholders are also requested to notify immediately any change in their E-mail address to the Share Registrar of the Company, M/s. Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore. Ph. 042-35170335- 37