

Notice of Meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on 31st October, 2017 at 2:00 pm at F/538 S.I.T.E., Karachi to transact the following business:

ORDINARY BUSINESS

1. Recitation from the Holy Quran.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 2017.
3. To discuss and consider the issue of appointment of the Auditors whose term is expiring on the forth coming Annual General Meeting and to fix their remuneration. However, the retiring auditor M/s Ghalib & Co, have offered themselves for re-appointment.
4. To approve the issue of 10% bonus shares as dividend for the year ending 30th June 2017, in accordance with Section 83 of the Companies Act, 2017 as recommended by the Board of Directors of the Company.
5. To consider the issuance of right shares at the rate of (1:1) at par amongst the existing shareholders of the Company. The entitlement of right shares being declared simultaneously will not be applicable on Bonus shares as declared above subject to approval of serial No. 6 below.

SPECIAL BUSINESS:

To pass the following resolutions as Special Resolutions:

- 6 (a) Resolved that Clause III of the Memorandum of Association of the Company is hereby replaced by the following:
 - (III) (i) The principal line of business of the Company shall be to carry out manufacturing, buying, selling, wholesale, retailing, import and export of textile products, including but not limited to polyester filament yarn, fabric, embroidered fabric both stitched and unstitched.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

6 (b) Further Resolved that

- (i) Clause V of the Memorandum and Articles of Association after the proposed amendment shall be read as under:

“The Authorised Capital of the Company be increased from Rs. 300,000,000 (Rupees Three Hundred Million Only) divided into 30,000,000 (Thirty Million) ordinary shares of 10 each to RS 1,000,000,000/- (Rupees One Billion Only), divided into 100,000,000 (One Hundred Million) Ordinary Shares of Rs. 10/- each.

The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company into different classes in accordance with the provisions of the Companies Act 2017.”

7. To consider and approve conversion of Directors' / Sponsors' / Associated Parties' loan to Ordinary Share (equity). As per Annual Accounts for the financial year ending June 30, 2017 the Non-Current Liabilities section contains long term loan from associated and related parties of Rs. 158,011,625 (Rupees One Hundred Fifty Eight Million Eleven Thousand Six Hundred and Twenty Five Only). This loan was provided between 2005 and 2009 to reduce the losses accruing to the Company by virtue of commercial borrowing from the financial institutions/commercial banks.

It is proposed by the Board of Directors that out of this amount Rs. 118,011,620 (Rupees One Hundred Eighteen Million Eleven Thousand Six Hundred and Twenty Only) be converted into 11,801,162 (Eleven Million Eight Hundred and One Thousand One Hundred and Sixty Two) Ordinary Shares at par value of Rs. 10/- per share, vide Board Resolution dated October 5, 2017 – subject to approval by SECP under Section 83 (b) of the Companies Act, 2017.

The details of loan and proposed conversion into ordinary shares of Rs 10/- each is as follows:

<u>Particulars</u>	<u>Loan Amount</u>	<u>No of Shares</u>
<u>Associated & Related Parties:</u>		
Prestige Enterprises (Pvt) Ltd.Rs.	31,000,000	3,100,000
Tri-Star Industries (Pvt) Ltd.	558,000	55,800
Farnaz Ahmad	37,325,000	3,732,500
Tri-Star Investments Ltd.	512,800	51,280

Directors' Loan:

Asad Ahmad	21,128,106	2,112,810
Rashid Ahmad	2,500,000	250,000
Uzma Ahmad	375,000	37,500

Sponsors' Loan:

Uzma Ahmad	50,000	5,000
Shamima Begum	<u>24,562,719</u>	<u>2,456,272</u>

Total **Rs. 118,011,625** **11,801,162**

8. To authorise the Company Secretary, to do all acts, deeds and things, take any or all-necessary actions to complete all legal formalities and file all necessary documents as maybe necessary or incidental for the purpose of implementing the aforesaid resolutions. That the aforesaid resolutions and terms and conditions shall be subject to any amendments, modifications, addition or deletion as maybe suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to have been approved as part of these Special Resolutions without the need for the shareholders to pass a fresh Special Resolution.
9. To transact any other business with the permission of the Chair.

By Order of the Board
Company Secretary

Karachi:
10th October 2017

NOTES:

1. The Share Transfer books of the Company will remain closed from 21.10.2017 to 31.10.2017 (both days Inclusive). Transfers received in order at the office of the Share Registrar before the close of business on October 20, 2017 will be considered in time for the purpose of attendance of the Annual General Meeting and entitlement of bonus shares and letter of rights.
2. A member entitled to attend Annual General Meeting is entitled to appoint a proxy and vote in his place at the meeting. Proxies in order to be effective must be received at the registered office of the Company at F/498, S.I.T.E, Karachi duly stamped, signed and witnessed, not later than 48 hours before the meeting.
3. CDC Shareholders or their Proxies are required to bring with them their Original Computerized National Identity Card (CNIC) or Passport alongwith the Participant's I.D. number and their account number at the time of attending Annual General Meeting in order to authenticate their identity.
4. Proxy form must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC number must be mentioned on the form, along with attested copies of the CNIC or passport of the beneficial owner and the proxy.

5. In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the proxy holder shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO No. 470(I)/2016 dated 31stMay, 2016, that have allowed companies to circulate their Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Directors' Report etc. ("Annual Report") along with the Notice of Annual General Meeting ("Notice") to its shareholders through Email or CD/DVD/USB at the registered addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.tristar.com.pk and send at the Company address.

7. The audited financial statements of the Company for the year ended June 30, 2017 have been placed at the Company's website: www.tristar.com.pk
8. Members are requested to notify any change in their addresses immediately.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company:

The board of Directors of the Company has proposed the following amendments in the Memorandum of Association of the Company:

Sr. #	New Clause #	Existing Clause of Memorandum of Association.	Review of Proposed Amendments in Memorandum of Association
1	III (i)	III. (1) To carry on the exclusive business of manufacturers of Polyester filament yarn which is singularly one object of the company so as to qualify for exemption from income tax under clause (118 E) of Part 1 of Second Schedule of the Income Tax Ordinance 1979 or any other fiscal incentive which may be given by the government from time to time. Other objects which follow are ancillary and supportive to this singular object to do this exclusive business.	The principal line of business of the Company shall be to carry out manufacturing, buying, selling, wholesale, retailing, import and export of textile products, including but not limited to polyester filament yarn, fabric, embroidered fabric stitched and unstitched.
2		Existing sub clauses 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22	[To be deleted]
3	III (ii)	[To be added]	Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
4	III (iii)	[To be added]	Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or

			Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
5	III (iv)	[To be added]	<p>It is hereby undertaken that the company shall not:</p> <p>(a) Engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;</p> <p>(b) Launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;</p> <p>(c) Engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.</p>
6	V	<p>The Share Capital of the Company is Rs. 300,000,000 (Rupees Three Hundred Million Only) divided into 30,000,000 (Thirty Million) ordinary shares of 10 each. The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company, into different classes in accordance with the provisions of the Companies Ordinance, 1984.</p>	<p>The Share Capital of the Company is Rs. 1,000,000,000 (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) ordinary shares of 10 each. The Company shall have the power to increase, reduce or reorganize the Capital of the Company, subdivide the Share Capital of the Company, into different classes in accordance with the provisions of the Companies Act 2017.”</p>