

Image Pakistan Limited

(Formerly Tri-Star Polyester Ltd.)

July 12, 2021

The General Manager,
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **Approval of Business Plan & Declaration of Right Shares**

Dear Sir,

We have to inform you that the Board of Directors in their meeting held on 12.07.2021 at 11 am at Karachi have approved the Business Plan and decided to issue 75 Right Shares for every 100 Shares held i.e. 75% at premium of Rs. 5/- per share.

The Share Transfer Books of the Company will be closed from 02.08.2021 to 09.08.2021 (both days inclusive) to determine the entitlement of Right Shares.

Transfer received at the M/s. Hameed Majeed Associates (Pvt) Ltd., Karachi Chambers, Hasrat Mohani Road, Karachi Ph: +92-21-32424826 Email: khi@hmaconsultants.com at the close of business on 30.07.2021 will be treated in time for the purpose of above entitlement to the transferees.

The following details are enclosed:

1. Certified true copy of the Extracts of the Resolution passed by the Board of Directors of the Company dated July 12, 2021 (Annexure A).
2. Draft copy of the notice of the Right issue and book closure to the Shareholders prior to its publication in the newspapers (annexure B).

You may please inform the TRE Certificate holders of the Exchange accordingly.

Thanking you.

Yours truly,
IMAGE PAKISTAN LTD.


Company Secretary

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Annexure "A"

Extract of the Resolution passed by the Board of Directors of Image Pakistan Limited (the "Company") at its meeting held on 12th July, 2021 at the Registered Office of the Company at Karachi.

Resolved that the ordinary Paid-up Capital of the Company be increased from Rs. 568,792,010/- to Rs. 995,386,020/-, by issue of further 42,659,401 ordinary shares of the Company of Rs. 10/- each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e., as right issue) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of Rs. 15/- per share including a premium of Rs. 5/- per share, in the ratio of 75 right shares for every 100 existing ordinary shares, against payment to the Company of the price of the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company (the "Right Issue").

Further Resolved that the following are the quantum, size, price and purpose of the Right Issue, along with the utilization of proceeds, benefits of the Right Issue of the Company and the shareholders of the Company, the risk factors associated with the Right Issue, and the justification for the issue of shares at premium, in accordance with Regulation 3(1)(iii) of the Companies (Further issue of Shares) Regulations, 2020:

a) Quantum of the Right Issue:

The quantum of the Right Issue is 75% of the existing paid-up capital of the Company i.e., 75 right shares for every 100 ordinary shares held by the shareholders of the Company.

b) Right Issue Size:

The Company shall issue 42,659,401 ordinary shares at a price of Rs. 15/- per share, aggregating to Rs. 639,891,015/-.

c) Right Issue Price:

Rs. 15/- per share, inclusive of a premium of Rs. 5/- per share.

d) Purpose of the Right Issue:

The Company intends to issue rights to meet the capital requirements of the Company to effectively implement its business plan with the objective to increase the company's profitability.

e) Utilization of Proceeds of the Right Issue:

The Company intends to issue rights to raise funds for expansion of existing production capacity through installation of new Schiffli embroidery machines so as to reduce reliance on outsourcing embroidery for manufacturing quality product and cost saving, opening of 10 new outlets in different cities and to meet the working capital requirements. Thus, to increase Company's profitability.

f) Benefits to the Company and Shareholders:

The subscription amount from the Right Issue will enable the Company to implement its capacity expansion plans and to make available the required liquidity for meeting its working capital requirements. Effective implementation of the business plan is expected to positively impact the profitability of the Company, which in consequence would benefit its shareholders.

g) Risk Factors associated with the Right Issue:

The Right Issue of the Company is being made at a price which is less than current share price in the market and hence there is no major investment risk associated with the Right Issue. The Directors / Shareholders have given undertaking for subscription (or arrangement of subscription) of their respective right entitlements. The balance portion of Right Issue is to be fully underwritten as per requirement of applicable regulations. Normal risks associated with the business will remain.

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h) Justification for issue of shares at premium or at discount to face value:

Considering the current market price of the Company's shares, premium charged over the par value is justified and is also in line with the prevailing market practice.

Further Resolved that the letter of offer may be issued / signed by any two directors of the Company in compliance with the applicable laws.

Further Resolved that the Company be and is hereby authorized to close its share transfer books from 2.08.2021 to 9.08.2021 (both days inclusive) to determine entitlements of the shareholders of the Company with respect to the Right Issue.

Further Resolved that Mr. Asad Ahmad, Chief Executive and Mr. Haroon Saeed, Company Secretary be and are hereby singly authorized to do the following on behalf of the Company:

- (i) To appoint / negotiate with consultants / advisors / auditors and underwriter(s) to the Right Issue, to finalize terms and conditions and sign underwriting agreement(s), other documents and settle / finalize fees, underwriting commission, take-up commission and third-party expenses and / or any other expenses relating to the Right Issue;
- (ii) To prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the Securities & Exchange Commission of Pakistan (SECP) / Pakistan Stock Exchange (PSX) / Central Depository Company of Pakistan (CDC) (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority;
- (iii) To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of shares;
- (iv) To allot / credit right shares and file returns as required by SECP / PSX / CDC along with the auditors' certificate; and
- (v) To take all other necessary steps, and to do all other acts, deeds and things, sign circular to accompany the letter of offer, pursuant to Section 83(3) of the Companies Act, 2017 and to prepare the offer letter, schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Image Pakistan Limited held at Karachi on July 12, 2021.


Company Secretary
July 12, 2021

Certified true copy
IMAGE PAKISTAN LTD.


Company Secretary

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