

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting (“**EOGM**”) of the members of Nishat Chunian Limited will be held on Saturday, 31 August, 2019 at 11:30 A.M. at Head Office 31-Q, Gulberg-II, Lahore to transact the following business:

Special Business

1. To consider and, if thought fit to pass with or without modification, addition(s) or deletion(s), the following resolution as special resolution under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 for the purchase/buy-back by Nishat Chunian Limited of up to a maximum of **32 Million** issued ordinary shares of the Company of the face value of Rs. 10/- (Rupees Ten) each at a purchase price of Rs.32/- per share as recommended by the Board of Directors of the Company.

“Resolved that, subject to compliance with the provisions of all applicable laws, regulations and permission required, if any, the approval of the members of Nishat Chunian Limited (hereinafter the ‘**Company**’) be and is hereby accorded under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, to purchase / buy-back up to a maximum of **32 Million** issued ordinary shares of the face value of Rs. 10/- (Rupees Ten) each of the Company (13.32%) at a purchase price of Rs.32/- per share.

Resolved Further that the ordinary shares purchased pursuant to this special resolution be and is hereby cancelled and issued and paid up share capital shall accordingly be reduced by the aggregate face value of the cancelled shares.

Resolved Further that the purchase / buy-back by the Company of its issued ordinary shares shall be made through a tender offer by utilizing **Rs.1.024 Billion** out of the distributable profits of the Company and the purchase period shall be for 30 days commencing from 09 September, 2019 to 08 October, 2019 (both days inclusive).

Resolved Further that the Chief Executive Officer or the Company Secretary (hereinafter the ‘**Authorized Persons**’) be and are hereby singly authorized and empowered to take all such necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of giving effect to this special resolution and for the purpose of implementing, procuring, cancellation of shares and completing the purchase/buy-back by the Company of its issued ordinary shares.

Resolved Further that the Authorized Persons be and are hereby further singly authorized and empowered, to take or cause to be taken all actions including but not limited to obtaining any requisite regulatory permissions, if required, preparation the tender notice and other requisite documents, engaging legal counsel and consultants for the purposes of the purchase/buy-back of shares, filing of all the requisite statutory forms, returns and all other documents as may be required to be filed with the regulator(s), submitting all such documents as may be required, executing all such documents or instrument including any amendments or substitutions to any of the foregoing as may be required or necessary in respect of implementing, procuring, cancellation of shares and completing the purchase/buy-back by the Company of its issued ordinary shares and all other matters incidental or ancillary thereto.

Resolved Further that all acts, deeds, and actions taken by the Authorized Persons pursuant to this special resolution of the shareholders for and on behalf of and in the name of the Nishat Chunian Limited shall be binding acts, deeds and things done by the Company.

Resolved Further that the aforesaid Special Resolution shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the Commission which suggestion, direction and advise shall be deemed to be part of this special resolution without the need of any the members to pass a fresh special resolution.”

Attached to this Notice is a statement of material facts in relation to the aforesaid special business, as required under Section 134(3) of the Companies Act, 2017. This statement has been dispatched to the shareholders by post. The notice of meeting as well as statement has also been placed on company’s website: (www.nishat.net)

By Order of the Board
Shehzad Rauf
Company Secretary

Lahore,
Dated: 09 August, 2019

Notes:

1. The share transfer books of the Company will remain closed from 24 August, 2019 to 31 August, 2019 (both days inclusive). Physical transfers and deposit requests under Central Depository System received at the close of business on 23 August, 2019 by the Share Registrar of the Company, M/s. Hameed Majeed Associates (Pvt) Limited 1st Floor, H.M. House 7-Bank Square, Lahore (Ph: 042 37235081-2 Fax: 042-3735881) will be treated as being in time for determining the entitlement of the members for attending the Extraordinary General Meeting and for determining the names of members for dispatch of offer letters.
2. A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote for him/ her. An instrument of proxy or power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power of attorney or such authority to be valid, be deposited with the registered office of the Company not later than 48 hours before the schedule time of the meeting. The proxy form in English and Urdu Languages is attached with this notice and has also been placed on the Company’s website of the company.
3. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000:

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.

- b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Shareholders are requested to immediately notify the Share Registrar of the change in their addresses, if any.
5. Pursuant to the provisions of the Companies Act, 2017, the members can avail video conference/link facility for this Annual General Meeting, provided the Company receives consent from member(s) holding 10% or more total paid up capital in the company, residing in any other city, at least 10 days prior to the date of meeting. In order to avail video conference/link facility, interested members may send to the Company consent as mentioned above being enclosed in standard format with the notice of meeting and also placed on the website of the company within the stipulated time frame.

Statement of Material Facts under Section 134 (4) of the Companies Act, 2017.

This explanatory statement sets out the material facts pertaining to the special business to be transacted at the Extra Ordinary General Meeting of Nishat Chunian Limited (hereinafter the 'Company') to be held on Saturday, 31 August, 2019 at 11:30 a.m. Head Office, 31-Q, Gulberg II, Lahore.

The Board of Directors of the Company in its meeting held on 09 August, 2019 has approved the purchase/buy back by the Company up to a maximum of **32 Million** issued ordinary shares of the face value of Rs. 10/- (Rupees Ten) each at a purchase price of Rs.32/- per share under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (hereinafter the '**Buy-Back Regulations**') subject to the approval of members of the Company through a special resolution.

The shares will be purchased through tender offer within the purchase period starting from 09 September, 2019 and ending on 08 October, 2019 (both days inclusive) i.e., a period of 30 days. The Board of Directors of the Company has recommended that the special resolution as set out in the Notice to be passed at the Extra Ordinary General Meeting.

Purchase Price:

The Board of Directors has recommended the purchase price of Rs.32/- per share for the buy-back up to a maximum of 32 Million issued ordinary shares by the Company. The current market price of the share of the company is Rs.26.60. The preceding five trading days weighted average price of the Company's share based on closing rates at PSX is Rs.26.57.

The purchase price i.e., Rs.32/- for the buy-back of 32 Million issued ordinary shares by the Company is not less than the preceding five trading days weighted average price of the share of the Company as required under regulation 8 of the Buy-Back Regulations

Justification for the purchase/Buy-Back of Shares:

The purchase/buy-back of the Company's issued ordinary shares will improve the earning per share and book value per share of the Company subsequent to the purchase of shares. Currently, the Company has the issued and paid up share capital of Rs.2,402,215,560 divided into 240,221,556 ordinary shares of Rs. 10/- each. The reduced paid up share capital would be quite sufficient for the future business needs of the Company. The purchase/buy-back of shares by the Company will also provide an opportunity of exit to those members who wish to liquidate their investments at a reasonable price.

Source of Funds:

The shares will be purchased in cash using the distributable profits of the Company as required under Section 88 (8) of the Companies Act, 2017. The Company will utilize maximum Rs.1.024 Billion out of its distributable profits which as of 30-06-2018 were Rs.11,308,233,791 based on the audited annual financial statements of the Company.

The Company has sufficient cash resources available with it for the proposed purchase / buy-back of its shares.

Effects on Financial Position of the Company:

The proposed purchase / buy-back of shares of the company will have positive impact on the financial position of the Company as the reduced capital would consolidate its equity resulting in increase in earnings per share. The breakup value of the Company will also increase.

If the Company purchases the maximum of 32 Million issued ordinary shares of the nominal / face value of Rs.10/- each if authorized by the special resolution, the issued and paid up share capital after the proposed purchase/buy-back of shares would be as under:

	No. of Shares	Amount Rs.
Issued and paid up Share Capital – Current	240,221,556	2,402,215,560
Purchase / buy-back of shares (cancellation of shares)	32,000,000	320,000,000
Issued and paid up Share Capital after purchase/buy-back of shares	208,221,556	2,082,215,560

The current and post shares buy-back breakup value and EPS of Company's share considering equity as at 31 March 2019 (on the basis of unaudited financials) will be as follows:

	As per In-Audited Accounts of 31 March 2019	Post buy-back position as at 31 March 2019 assuming cancellation of shares
Equity (Rs. in millions)	14,970,918,718	13,946,918,718
Breakup Value	62.32	66.98
EPS	10.16	11.72

Directors Interest:

The Directors have no personal interest, directly or indirectly, in the proposed business for the purchase / buy-back of issued ordinary share of the Company except to the extent of their respective shareholdings held by them in the Company and like other members they would also be entitled to participate in proposed purchase/buy-back of Company's issued ordinary shares.

Procedure for purchase/buy-back of shares

As required under Section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulations, 2019, the following procedure shall be followed for purchase/buy-back of shares of the Company:

1. The Public Announcement for the tender offer shall appear within two working days of the passing of the special resolution in two daily newspapers, the News and the Jang at least 7 days before commencement of the purchase period;
2. The offer letters and Shares Tender Forms will be sent by the Company to the all members whose names will appear on the Members Register on the book closure date i.e., 31 August, 2019 along with copies of Public Announcement and the share tender form within 5 days of Public Announcement. The Shares Tender Form and other documents shall also be available on Company's website: www.nishat.net
3. The shares shall be tendered during purchase period through share tender form to the Manager to the Offer, in terms of regulation 4(3) of the Buy-Back Regulations. Necessary, information and instruction regarding procedure to sell the shares shall also be communicated to the members through the Offer Letter, public announcement and shares Tender Form, which in addition to being dispatched shall also be made available on Company's website
4. If the shares tendered by the members exceeds the number of shares announced to be purchased, the procedure as laid down in regulation 5 (h) of the Buy-Back Regulations shall be followed by the Company.
5. If the share tendered are less than the minimum marketable lot, five hundred shares or marketable lot, whichever is lower shall be accepted.
6. The shares tendered in physical form shall not be accepted for purchase.
7. The payment for the accepted shares shall be made by the Manger to the Officer through bank draft or pay order not later than seven days of the closing of the purchase period.
8. The unaccepted shares, if any, shall be returned within seven days of the closing of the purchased period.