

NISSAN



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GHANDHARA NISSAN LIMITED

April 24, 2018

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Limited,
Stock Exchange Road,
Karachi

Subject: Material Information – Declaration of Right Shares

Dear Sir,

In accordance with the requirements of applicable provisions of the Securities Act, 2015 and PSX Rule Book, we are pleased to inform you that the Board of Directors of Ghandhara Nissan Limited (the "**Company**") in their meeting held on April 24, 2018 at its registered office, F-3 Hub Chowki Road, SITE, Karachi, in order to partially finance the expenditure for the revival of existing assembly facility for the manufacturing of Datsun passenger Cars and capacity expansion for other existing businesses, has recommended to issue 26.67% right shares by offering 12,000,000 right shares to the existing ordinary shareholders of the Company at a price of PKR 100/- per share (including a premium of PKR 90/- per share) in proportion of 26.67 right shares for every 100 ordinary shares held. The right shares shall rank pari passu with the existing shares in all respect.

In this respect, the share transfer books of the Company will be closed from May 09, 2018 to May 15, 2018 (both days inclusive) to determine the entitlements of right shares. Physical transfers/CDS Transaction IDs received at the Company's Share Registrar, M/s. THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi, Pakistan, at the close of business on May 08, 2018 will be treated in time for the purpose of entitlement of right shares to the transferees.

We enclose herewith the following information/documents:

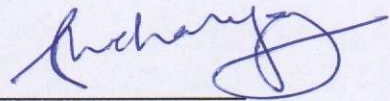
- a. Financial plan including purpose, benefits and use of funds for right issue along with risk factors associated with the issue (Annexure "A")
- b. Financial projections duly approved by the Board of Directors (Annexure "B")
- c. Certified true copy of the Board of Resolutions dated April 24, 2018 ("Annexure "C")
- d. Draft copy of notice of right issue and book closure to the shareholders prior to publishing in newspaper (Annexure "D"). This will also suffice the requirement of Section 96 and 131 of the Securities Act, 2015

You may please inform the TRE Certificate Holders of the Pakistan Stock Exchange Limited accordingly.

We trust that the information provided above would suffice your requirements. However, we shall be glad to provide any further information should you so require.

Yours faithfully,

For and on behalf of Ghandhara Nissan Limited



M. Sheharyar Aslam
Company Secretary

Encl: As above

Cc to:

The Director/HD

Surveillance, Supervision and Enforcement Department
Securities and Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad

Annexure "A"

GHANDHARA NISSAN LIMITED

FINANCIAL PLAN INCLUDING PURPOSE, BENEFITS AND USE OF THE FUNDS FROM RIGHT ISSUE ALONGWITH RISK FACTORS ASSOCIATED WITH THEM

PURPOSE OF RIGHT ISSUE

Ghandhara Nissan Limited has recently been awarded "Category-B Brownfield Investment Status" by the Ministry of Industries and Production under the Automotive Development Policy 2016-21, for the revival of existing assembly facility for the manufacturing of Datsun passenger cars. The Company is also going for capacity enhancement to cater to the increase in existing operations of the Company. The investment required to meet the above objectives is estimated to be PKR 5,600 million which is intended to be partially funded through issuance of right shares of PKR 1,200 million.

Therefore, it is being proposed to issue 26.67% right shares of PKR 10/- each at a price of PKR 100/- per share (inclusive of a premium of PKR 90/- per share).

BENEFIT TO THE COMPANY

The funds received from the right issue will partially contribute towards the revival of car assembly facility as well as capacity enhancement of the plant whereas the overall revenue will increase with resultant increase in profitability of the Company, thereby enhancing the expected returns to the valued shareholders of the Company.

USE OF FUNDS

Funds Requirement	PKR million
Required Financing	5,600
Means of Financing	
Debt financing	3,600
Proceeds from right issue	1,200
Internally generated cash	800
Total Financing	5,600

RISK FACTORS

Right issue of the Company is being made at a price which is far less than the current share price in the market and hence there is no major investment risk associated with the right issue. Normal risks associated with the business will remain, however, the Company is well placed in the market with proven track record which will help to mitigate such risk factors.

Annexure "B"

FINANCIAL PROJECTIONS

PKR million

Financial Projections – Standalone	FY18	FY19	FY20	FY21	FY22
Net Revenue	2,314	3,534	6,730	14,630	22,344
Profit After Tax	1,202 ⁽¹⁾	192	116	429	850
EPS (PKR/share)	26.7 ⁽¹⁾	3.4	2.0	7.5	14.9
Paid up Share Capital	450 ⁽²⁾	570	570	570	570

PKR million

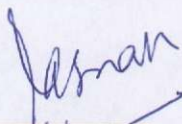
Financial Projections - Consolidated	FY18	FY19	FY20	FY21	FY22
Revenue	5,129	6,625	10,105	18,301	26,088
Profit After Tax	1,580 ⁽¹⁾	525	468	793	1217
EPS (PKR/share)	35.1 ⁽¹⁾	9.2	8.2	13.9	21.3
Paid up Share Capital	450 ⁽²⁾	570	570	570	570

⁽¹⁾This includes the impact of gain on disposal of long term investment (i.e. shares of associated company) amounting to PKR 930 million.

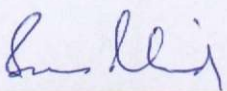
⁽²⁾The proceeds of the right issue is expected to be realized in July 2018.

Financial projections mentioned above are the outcome of how the Board assesses on the basis of current business environment and macro-economic conditions of the country. However, the Company and / or its Directors cannot accept any liability for any investment decision by any person on the basis of the above projections.

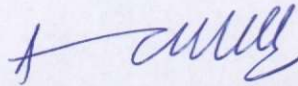
Lt. Gen. (Retd.) Ali Kuli Khan Khattak



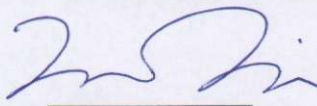
Jamil A. Shah



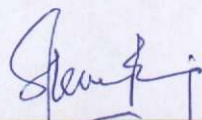
Syed Haroon Rashid



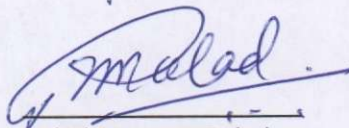
Ahmed Kuli Khan Khattak



Mohammad Zia



Muhammad Saleem Baig



Polad Marwan Polad

Annexure "C"

ABSTRACT FROM MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON TUESDAY, APRIL, 24, 2018, AT 1:00 PM AT ITS REGISTERED OFFICE, F-3 HUB CHOWKI ROAD, SITE, KARACHI

ISSUANCE OF RIGHT SHARES

"Resolved that, pursuant to the requirement of provisions of Section 83 of the Companies Act, 2017, approval of the Board be and is hereby accorded to offer 12,000,000 Right Shares in proportion of 26.67 ordinary right shares for every 100 shares held (@26.67%) of PKR 10/- each at a price of PKR 100/- per share (inclusive of premium of PKR 90/- per share) through letters of offer to the existing shareholders of the Company.

Resolved further that purpose of right issue, benefits to the Company, use of funds, risks associated with the Issue and financial projections for five years be and are hereby approved.

Resolved further that the Company be and is hereby authorized to close its share transfer books from May 09, 2018 to May 15, 2018 (both days inclusive) to determine entitlement for offering right shares to the existing shareholders of the Company and the Company Secretary be and is hereby authorized to announce book closure dates along with publication of notices in newspapers.

Resolved further that the Company Secretary be and is hereby authorized to prepare right issue plan, make any amendment therein and get formal approval of the same from Pakistan Stock Exchange Limited.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to take any and all necessary steps for issuance of letters of offer under section 83 of the Companies Act, 2017 (the "Act") and related Circular along with terms and conditions therein, get signatures under the Act and file the requisite returns/ notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan ("SECP") and Pakistan Stock Exchange Limited ("PSX"), as the case may be.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to approach any bank or banks for appointment as bankers to the right issue in order to collect the right subscription money against right shares and to open an account with any bank or banks so appointed and give instructions for transfer of proceeds from right subscription to the Company's bank account.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to appoint consultants and potential underwriters, finalize terms and conditions and sign underwriting agreements and settle/ finalize fees, underwriting commission, take up commission and third party expenses and/or any other expenses relating to the right issue.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to take all necessary actions as required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for right shares and right shares in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, documents, undertakings and other papers on behalf of the Company.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to allot / credit right shares and file returns as required by SECP / PSX / CDC along with Auditors' Certificate or any other authority.

Resolved further that the Chief Executive Officer and the Company Secretary be and are hereby authorized jointly to allot un-subscribed portion of the right issue, if any, to any party including the underwriters.

Resolved further that fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust) and be sold in the PSX and proceeds thereof will be distributed to the members in accordance with their entitlements."

Annexure "D"

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Ghandhara Nissan Limited (the "Company") in their meeting held on April 24, 2018 has decided to issue further capital by offering 26.67% ordinary right shares of PKR 10/- each at a price of PKR 100/- per share (inclusive of a premium of PKR 90/- per share) in proportion of 26.67 ordinary right shares for every 100 ordinary shares held.

The share transfer books of the Company will remain closed from May 09, 2018 to May 15, 2018 (both days inclusive). Physical transfers/CDS Transaction IDs received at the Company's Share Registrar, M/s. THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi, Pakistan, at the close of business on May 08, 2018, will be considered in time for entitlement of right shares.

April 24, 2018

M. Sheharyar Aslam
Company Secretary