



HALA ENTERPRISES LIMITED

120-E/1, GULBERG III, LAHORE 54660 PAKISTAN

PH: 92 42 35761585-86 FAX : 35710235

Email: corporate@halaenterprises.com Web Site: www.halaenterprises.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of **HALA ENTERPRISES LIMITED** will be held on Tuesday, October 31, 2017 at 11:00 A.M. at Factory Premises, 17.5 KM Sheikhpura Road, Lahore, the Registered Office of the Company to transact the following business.

ORDINARY BUSINESS

1. To confirm minutes of Annual General Meeting held on October 31, 2016.
2. To receive and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2017 along with Directors and Auditors Reports thereon.
3. To appoint External Auditors of the Company for the year ending June 30, 2018 as recommended by the Board of Directors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass the following resolutions as special resolutions with or without modification, addition and deletion:

Issue of 6,192,304 Ordinary Shares at par by way of otherwise than Right in accordance with the provision of Section 83 of the Companies Act, 2017.

RESOLVED that the paid up Capital of the Company be increased by issuing up to 6,192,304 ordinary shares at par or such other price as determined by SECP, through otherwise than Right against Directors Loan conversion into equity as payable in the name of Mr. Tahir Jahangir, Mr. Jillani Jahangir, Mrs. Munizae Jahangir, directors of the company and its associated company i.e Teejay Corporation (Private) Limited, in accordance with the provision of Section 83 of the Companies Act, 2017.

FURTHER RESOLVED that the aforesaid special resolution shall be subject to any amendment, modification, addition, or deletion or necessary approval of the Securities and Exchange Commission of Pakistan (SECP) and any other regulatory body or authority, shall be deemed to be part of such special resolution without the need of the members to pass a fresh special resolution.

FURTHER RESOLVED that the further issue of 6,192,304 Ordinary Shares shall carry equal voting rights and rank pari passu with the existing ordinary shares of the Company in all respects in accordance with the applicable provisions of Section 85 of the Companies Act, 2017.

FURTHER RESOLVED that Mr. Jillani Jahangir Chief Executive Officer, Abdul Munaf, Director/CFO and Mr. Muhammad Mushtaq Saeed Iqbal Company secretary be and are hereby authorized singly, on behalf of the Company to sign all documents in connection with





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the above resolutions and to meet all or any requirement and/or to make any amendment/correction/rectification regarding approval of SECP.

RESOLVED FURTHER THAT previous all Special Resolutions relating the issue of Ordinary Shares by way of otherwise than Right, stands closed.

5. Any other business with the permission of the Chair.

By order of the Board

(Muhammad Mushtaq Saeed Iqbal)
Company Secretary

Lahore: October 06, 2017

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 24, 2017 to October 31, 2017 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the meeting and must be duly stamped, signed and witnessed.
3. Members are requested to notify changes immediately to our Share Registrar, if any, in their registered addresses.
4. CDC Account Holders will have to follow the below mentioned guidelines as laid down in Circular 1 dated January, 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport along with Participants ID number and their account number at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. FOR APPOINTING PROXIES:

- i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.





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- iv). The Proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v). In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2017

This Statement sets out the material facts concerning such special business in terms of Section 134 of the Companies Act, 2017, to be transacted at the Annual General Meeting to be held on Tuesday October 31, 2017 at 11:00 A.M.

ISSUANCE OF 6,192,304 ORDINARY SHARES AT PAR BY WAY OF OTHERWISE THAN RIGHT

Members' approval is also sought for further issue of 6,192,304 Ordinary Shares at par or such other price as determined by SECP, in accordance with the provision of Section 83 of the Companies Act, 2017, for the purpose of strengthening equity & converting loans of Directors (Mr. Tahir Jahangir, Mr. Jillani Jahangir and Mrs Munizae Jahangir) and associated company M/s Teejay Corporation (Private) Limited into equity in order to reduce the debt burden on the Company and improve the debt equity ratios. This issue of shares as other than right will not only re-profile the debt equity of the company but will also support and strengthen the company efforts to fully convert sponsors loans into equity and to restructure its debts from syndicate. Furthermore, the loans extended by the Directors and associated company were utilized by the company to support its operations and pay company's liabilities. By converting these liabilities, company will not have to pay any amount to directors as in present circumstances.

The Directors and its associated company consented to take shares at par and any other price determined by the SECP, these shares will be ranking pari passu with the existing shares in all respects. The Directors of the Company have no personal interest in the business except conversion of their loan into equity.





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ADDITIONAL INFORMATION AS REQUIRED U/S 134

<p>a) Justification as to why proposed shares are to be issued otherwise than rights and not as Right Shares;</p> <p>b) Name of the person(s)/organization(s)/ Company(s) etc. to whom shares will be issued;</p> <p>c) Price at which the proposed shares will be issued. Justification, with details of the latest available market price and breakup value per share, if such price differs from par value;</p> <p>d) Detail of asset(s), if proposed shares are to be issued for consideration otherwise than cash;</p> <p>e) Purpose of the issue, utilization of the proceeds of the issue and benefits to the company and its members with necessary details;</p>	<p>a) In accordance with the amended Issue of Capital Rules 1996, fresh issue of shares through right shall be fully underwritten by at least two underwriters. As the share of the company traded below par due to heavy losses, no underwriter is willing to subscribe right shares at par value. As the sponsors have already been injected money to meet the working capital requirements of the Company. Now the Board of Directors in their meeting held on October 05, 2017 unanimously decided that the amount payable to Directors and Associated shall be converted into equity at par value or any appropriate price determined by the Commission.</p> <p>b) Mr. Tahir Jahangir, Mr. Jillani Jahangir, Miss Munizae Jahangir and its Associated Company i.e. Teejay Corporation (Private) Limited.</p> <p>c) The Board has approved that the conversion of loan into equity to Directors and Associated Company would be at par or any other price determined by the SECP.</p> <p>d) Detail mentioned as given below.</p> <p>e) The main purpose for further issue is only for strengthening equity & converting Loans thereon in order to reduce the debt burden on the Company and improve the debt equity ratios and financial health of the company. Furthermore, the loans extended by the Directors' where utilized by the company to support its operations and pay company's liabilities.</p>
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f) Existing shareholding of the person(s)/ organization(s)/ Company(s) etc. to whom shares will be issued (in number as well as percentage vis-a vis to existing paid up capital of the Company);	f) Detail attached herewith as given below
g) Total shareholding of the person(s)/ organization(s)/ Company(s) etc. after issue of shares (in number as well as percentage vis-a vis to existing paid up capital of the Company);	g) Detail attached herewith as given below
h) Whether the person(s)/ organization(s)/ Company(s) etc. has provided written consent to the company for the purchase of such shares;	h) The Directors and its associated company given us written consents which will be provided subject to the approval of Shareholders in forthcoming AGM held on October 31, 2017.
i) The fact that these shares will be rank pari-passu in all respects with the existing shares of the Company. Details if there is any change;	i) The Directors and associated company consented to take shares in question at par ranking pari passu with the existing shares in all respects.
j) The fact that this issue of shares is subject to approval of the Commission;	j) This issue of shares as other than right to the directors of the company will be issued after seeking approval of the Commission and applicable law.

Detail of Loan of Directors and associated company

Name of Director & Associated Company	Share Deposit Money (Rupees)	Total Amount (Rupees)
Mr. Tahir Jahangir	22,260,614	22,260,614
Mr. Jillani Jahangir	25,417,430	25,417,430
Miss Munizae Jahangir	6,245,000	6,245,000
Teejay Corporation (Pvt) Limited	8,000,000	8,000,000
Total	61,923,044	61,923,044





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Shareholding structure before and after issue of shares

Name of Director & Associated Company	Existing Holding	% of Holding	Proposed Shares at Par	Holding after issue	% of Holding
Mr. Tahir Jahangir	933,322	13.72	2,226,061	3,159,383	24.31
Mr. Jillani Jahangir	394,144	5.79	2,541,743	2,935,887	22.59
Miss Munizae Jahangir	197,441	2.90	624,500	821,941	6.32
Teejay Corporation (Pvt) Limited	3,139,393	46.14	800,000	3,939,393	30.31
Total	4,664,300		6,192,304	10,856,604	

