



PAKISTAN STOCK EXCHANGE LIMITED
(Formerly Karachi Stock Exchange Limited)

PSX/N-6866

NOTICE

November 30, 2016

Reproduced hereunder letter No. JKSM/T/194/16 dated November 26, 2016 received from **J.K.SPINNING MILLS LIMITED**, alongwith the relevant details/information pertaining to issuance of Rights letters by the Company and the schedule of trading, for information of all concerned.

(Copy of the same is also available on our Website www.Psx.com.pk)

J. K. Spinning Mills Ltd.

29-K.M, Sheikhpura Road, Drumman Wala More,
Near Khurrianwala, Faisalabad, Pakistan.

J. K. Tech (Pvt) Ltd.
Fine Fabrics (Pvt) Ltd.
J. K. Agriculture Farms (Pvt) Ltd.

Phones: +92-41-111-151515
Fax: +92-41-111-161616
E-mail: jkgroup@jkgroup.net

Ref: JKSM/T/194/16

Dated: 26-11-2016

Mr. Muhammad Ghufraan
DGM Corporate Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

20% RIGHT ISSUE AT PREMIUM OF RS.5/= (i.e. RS.15) PER SHARE

With reference to our application for issuance of Right Shares, we hereby further confirm as under:
We shall abide by the CDC and PSX procedures relating to Right Shares and shall deposit the unpaid right in (Book Entry) within the time frame as stipulated under the CDC procedure letter No. OPS/RS/2016-64 dated 19-01-2016 as well as PSX Regulations.

The payment of Unpaid Right Letter will be made by cash/or crossed cheque or demand Draft or Pay order made out to the credit of "J.K.SPINNING MILLS LTD OF RIGHT SHARES SUBSCRIPTION (R.I)" Account through all branches of Meezan Bank Ltd as per tentative schedule submitted to you.

The shareholders holding shares of the company in physical form should note that under the CDC Applicable Right Shares procedures, the physical shareholders can renounce his/her letter of Right (LOR) by routing through his/her own CDC IAS Account/Sub-Account to a shareholder who is the IAS account holder or sub account holder with CDC and no credit of Right Share will be allowed in book entry from against subscription of physical Letter of Right (LOR).

We shall request you to please approve the letter of intimation, Letter of Right to Physical Shareholders, Circular under Section 86 and the tentative schedule of right issue and Right Subscription Request which are provided to you separately.

Should you need any other documents/ information, please feel free to contact us.

Thanking You,
Your's faithfully,

For J.K Spinning Mills Ltd.

Syed Hussain Shahid Mansoor Naqvi
Company Secretary

1/5

Dated 22-11-2016

16

J.K. Spinning Mills Limited

Schedule for Issuance of Letter of Rights

Book Closure: From 19.11.2016 to 25.11.2016 (both days inclusive)

Sr.	Procedure	Day	Date
1	Date of credit of unpaid Rights in Book Entry Form	Monday	28.11.2016
2	Dispatch of Letter of Right (LOR) to physical shareholders	Thursday	01.12.2016
3	Intimation to Stock Exchange (s) for dispatch of physical Letter of Rights	Friday	02.12.2016
4	Commencement of trading of unpaid Rights on the Karachi Stock Exchange Limited	Monday	05.12.2016
5	Last date for splitting and deposit of Requests into CDS	Thursday	29.12.2016
6	Last date of trading of Rights Letter	Monday	09.01.2017
7	Last date for acceptance and payment of shares in CDC and physical form - Last payment date	Monday	16.01.2017
8	Allotment of shares and credit of book entry of Right Shares into CDC	Friday	03.02.2017
9	Date of dispatch of physical shares certificates	Thursday	16.02.2017

2/5



16 + 3

J.K. SPINNING MILLS LIMITED

29th K.M, Sheikhpura road, Khurrianwala Faisalabad
Phone # 041-111-151515 ; Fax # 041-111-161616

Right Issue #
R-I

INTIMATION LETTER REGARDING RIGHT ENTITLEMENTS CONFIRMATION FOR CDC ACCOUNT HOLDERS. Date: 28-11-16

Name & Address of Shareholder:	Names(S) of Joint Holder(s) if any:
CDS Account #: _____	
Name: _____	
Father's /Husband's Name : _____	
Address: _____	

Dear Shareholder,

In accordance with the provisions of Section 86 of the Companies Ordinance 1984 and the provisions of the Companies (Issue of Capita) Rules 1996 and the decision of the Board of Directors of the Company, we are pleased to inform you that your right offer in the ratio of One right offer for every FIVE Share/Certificate registered in your name as of 18th November, 2016 have been credited into your CDS Account. Thus, physical letter of right is not required to be issued to you.

CDS Account #	No. of Shares	Right Offer credited

*This right offer is now available for trading & settlements in book entry form.

The right offer (at the rate of Rupees 15/- per share including premium of Rs.5/- per share) must be accepted and paid for in full to the extent of such subscription on or before 16th Jan., 2017. For the purpose of exercising the right offer, you will have to request the CDC participant/investor Account Services (IAS) Department (on behalf of IAS Account holders) to initiate Right Subscription Request transaction into CDS on your behalf. Upon execution of right subscription request, CDC participant/ IAS department will provide two copies of Right Subscription Request printouts to you to make the payment with authorized banker(s) to the right issue as mentioned in the right subscription request printout.

The Right Shares are being issued at Rs.15/- per share including premium of Rs.5/- per share. The premium has been determined on the basis of lower than Market and breakup value and higher than Par value and dividend pay outs during last 5 years.

If any right offer is not taken up by the CDC account holder on or before 16th January, 2017, then right offer shall be deemed to have declined by you and will be treated as cancelled. In that event these will be offered to and taken up as decided by the Board of Directors of the Company as per requirement of Section 86(7) of the Companies Ordinance, 1984.

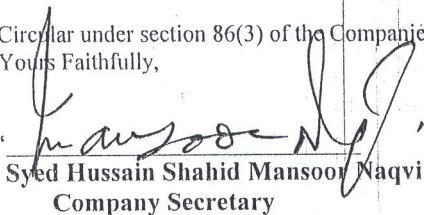
The fractional rights entitlements will be consolidated and disposed of on the Stock Exchange (s) and proceeds of such sale will be distributed in due course by the Company in the manner prescribed under the provisions of the applicable laws and its article of association.

Please note that once the Right Subscription Request has been initiated by CDC Participant/ IAS Department into CDS, right offer to the extent included in such request will be blocked and therefore cannot be traded further.

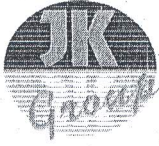
Please also note that Share against paid Right Subscription Request will be credited into your respective CDS account within 14 business days from the last payment date.

Circular under section 86(3) of the Companies Ordinance, 1984, along with trading payment details are also enclosed.

Yours Faithfully,


Syed Hussain Shahid Mansoor Naqvi
Company Secretary

3/5



J.K.SPINNING MILLS LIMITED

PAYMENT OF RIGHT OFFER BY CDS ACCOUNT HOLDERS

Details of Trading Subscription and Credit of Right Securities for CDS Account Holders

Activities	Date
Subscription of Right Offer start date	01-12-2016
Date of commencement of trading of unpaid Right at Stock Exchange	05-12-2016
Last date of trading of unpaid Right	09-01-2017
Last date of subscription of Right offer	16-01-2017
Date of credit of Right shares into CDS	03-02-2017

PAYMENT PROCEDURE:

1) **BANKERS TO THE RIGHT ISSUE:**

Meezan Bank Limited (All Branches)

2) **EXERCISING THE OFFER IN CDS:**

- a) For Subscription of Right offer, CDS account holder will request in writing to his/her CDC Participant/ IAS Department to initiate Right Subscription Request into CDS on his/her behalf and CDC Participant/IAS Department will provide him/her two copies of Right subscription Request printouts enabling him/her to make the payment with authorized banker to the Right Issue.
- b) Right subscription Request can be initiated for full or partial Right Offer.

3) **PAYMENTS:-**

Payment as indicated on Right Subscription Request should be made by Cash or crossed cheque or demand draft or pay order made out to the credit of "J.K.SPINNING MILLS LTD-RIGHT SHARE SUBSCRIPTION ACCOUNT"- (R-I) through any branch of above mentioned Bank in Pakistan, on or before 16th Jan., 2017 along with Right Subscription Request duly filled in and signed by the subscriber(s).

- a) In case of Non Resident Pakistani / Foreign shareholder, the demand draft of equaling amount in Pak Rupees should be sent to the Company Secretary, J.K.Spining Mills Limited at the registered office of the Company along with Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- b) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited, cheque is subject to realization.
- c) The Bank will not accept Right Subscription Requests delivered by post which may reach after the closure of business on 16th Jan., 2017, unless evidence is available that these have been posted before the last date of payment.

4) **ACCEPTANCE OF PAYMENT THROUGH RIGHT SUBSCRIPTION REQUEST:**

- a) Payment of the amount indicated on the Right Subscription Request to the Company's Banker to the issue on or before 16th Jan., 2017 shall be treated as acceptance of Right Offer.
- b) Two copies of Right Subscription Request (along with copy of CNIC) should be handed over to the Company's Banker to the issue intact. Client's copy of Right Subscription Request will be returned to the subscriber whilst issuer's copy will be retained by the Banker for onward transmission to the Company. The Client's copy must be preserved and retained safely by the subscriber.

4/5

Justification for premium on right Issue

Introduction and Performance

J.K. Spinning Mills Limited (JKS) is a public limited company incorporated in Pakistan on 07 January 1987 under the Companies Ordinance, 1984 and listed on Pakistan Stock Exchanges Limited. The Company is engaged in business of textile manufacturing comprising of ginning, spinning, stitching, buying, selling and otherwise dealing in yarn, fabrics and other goods.

JKS enjoy a good track record of profitability and sales growth. Data tabled below give the idea of past performance of the company. This growth trend is likely to continue in future also.

YEAR	SALES	PROFIT
		BEFORE TAX
RUPEES IN THOUSAND		
2012	7,193,895	364,079
2013	8,918,973	650,492
2014	9,734,861	350,930
2015	8,813,412	175,929
2016	8,289,147	86,772

Good Payout History

The company has good payout history demonstrated through dividend payout over the years. The company has paid average dividend @ 18% over period from FY 12 to FY 16. The following table represents JKS dividend payout history of the last 5 years.

YEAR	PROFIT	DIVIDEND ON
	AFTER TAX	ORDINARY
RUPEES IN		
THOUSAND		
2012	281,585	25%
2013	599,355	50%
2014	293,262	0%
2015	111,935	10%
2016	75,746	5%
Average		18%

Higher Break up value and market price

5/5