



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the members of **Kohinoor Textile Mills Limited** (the "Company") will be held on **Friday, November 25, 2016 at 11:00 AM** at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business:-

Special Business:-

To consider and if deemed fit, to pass the following Resolution as a Special Resolution under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the Directors:-

Resolved that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Kohinoor Textile Mills Limited (the "Company") be and is hereby authorized to make long term equity investment upto Rs. 1.50 billion (Rupees one billion five hundred million only) by way of subscription of 150 million ordinary shares at par value of Rs.10/- each directly in Maple Leaf Capital Limited, a subsidiary company.

Resolved further that the above said resolution shall be valid for one year and the Chief Executive Officer or the Company Secretary of the Company be and are hereby **singly** empowered and authorized to undertake the decision of said investment in shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Maple Leaf Capital Limited including execution of any and all documents as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

Resolved further that subsequent to the above said equity investment, the Chief Executive Officer or the Company Secretary of the Company be and are hereby authorized **singly** to dispose off, through any mode, a part or all of equity investment made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company".

BY ORDER OF THE BOARD



(MULHAMMAD ASHRAF)
Company Secretary

Lahore: November 04, 2016



NOTES:

1. The Share Transfer Books of the Company will remain closed from November 19, 2016 to November 25, 2016 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on November 18, 2016 will be considered in time to determine voting rights of the shareholders for attending the meeting.
2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy and CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Representatives of corporate members should attach the usual documents required for such purpose.
3. Shareholders are requested to notify change in their addresses, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to the Share Registrar, if not earlier notified.

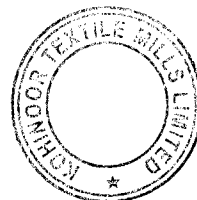
STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Extraordinary General Meeting of the Company to be held on November 25, 2016.

Investment in Maple Leaf Capital Limited

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 with issued, subscribed and paid up capital of Rs. 1,515,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and holds 100,000,000 shares (66.01%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing the capital of the company in any sort of financial instruments including but not limited to shares, stocks, shares and stocks of unlisted companies, debentures, debenture stocks, bonds, mutual fund certificates, modaraba certificates, musharika certificates, Sukuk, Participation Term Certificates (PTCs) and any other Shariah compliant security, term finance certificates, unit trust certificates and any other marketable securities and / or certificates of any kind, obligations and securities issued or guaranteed by the Government of Pakistan or by companies incorporated or registered in Pakistan and which are listed or to be listed on the stock exchanges of Pakistan or in any foreign country but not to act as an investment / brokerage company.





Total equity of MLCL amounts to Rs. 1,818,473,567 and it has an investment portfolio of Rs. 1,771,871,455 as at 30 June 2016 which comprises of quoted shares and mutual funds of Rs. 1,447,916,751 and treasury bills of Rs. 323,954,704.

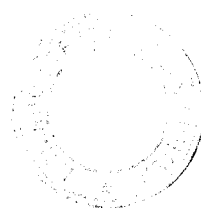
The Board of Directors of the Company in their meeting held on October 26, 2016 has approved the proposal of further equity investment in MLCL.

The Company is planning to make further equity investment upto Rs. 1.50 billion by way of subscription of 150 million ordinary shares at par value of Rs. 10/- each directly in MLCL. The Company expects significant returns from this equity investment in MLCL which will eventually enhance the return on investment of the shareholders of Kohinoor Textile Mills Limited.

The Directors have carried out their due diligence relating to the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with the latest audited accounts of the subsidiary company.

Information under Clause (a) of sub-regulation (1) of regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Ref. No.	Requirement	Information
i	Name of associated company	Maple Leaf Capital Limited (MLCL)
	Criteria of associated relationship	Common directorship and subsidiary company of Kohinoor Textile Mills Limited (the "KTML")
ii	Purpose	To participate in the growing stock market of the country through equity investment
	Benefits	To earn return on equity through dividend income from investment in subsidiary company and capital appreciation.
	Period of investment	Strategic long term investment
iii	Maximum amount of investment	Rs. 1.50 billion (Rupees one billion and five hundred million only)
iv	Maximum price / share	The price to be paid for the equity investment will be par value of Rs. 10/- per share since the subsidiary company has short operational history. However, the price being paid is less than the fair value determined by independent firm of Chartered Accountants.





Ref. No.	Requirement	Information
v	Maximum number of shares to be acquired	150 million shares
vi	Shareholding before investment	No. of shares: 100 million
		Shareholding Percentage: 66.01%
	Shareholding after investment	No. of shares: 250 million
		Shareholding Percentage: 82.92%
vii	Requirement in case of investment in listed associated company	Not Applicable as MLCL is an unlisted company.
viii	Fair market value of shares	The fair value of the shares determined in terms of regulation 6(1) is Rs. 12.53 per share based on discounted cash flows using "Free Cash Flow" to the company at discount rate of 14.32% with 4% terminal growth rate. (Copy of fair valuation report issued by HLB Ijaz Tabussum & Co., Chartered Accountants, is available at Registered Office of KTM and can be inspected during working hours upto 11:00 AM).
ix	Break-up value of shares	Rs. 12.00 per share as at 30 June 2016.
x	Earnings per share for the last three years	Year ended 30 June 2016: Rs. 1.38 per share. Year ended 30 June 2015: Rs. 2.34 per share. Period ended 30 June 2014 was the MLCL's first partial period of operations. Loss per share for the period ended 30 June 2014 is Re. 0.29
xi	Sources of fund from which shares will be acquired	Own funds of KTM
xii	Requirements if shares are intended to be acquired using borrowed funds	Not applicable
xiii	Salient features of agreement(s) entered into with the associated company	No agreement.





Kohinoor Textile Mills Limited

Registered Office: 42-Lawrence Road, Lahore.
Ph. # 042-36302261-62, Fax # 042-36368721



Ref. No.	Requirement	Information								
xiv	Direct / indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company	<p>Three Directors of KTML, Mian Tariq Sayeed Saigol & his spouse, Mian Taufique Sayeed Saigol and Mr. Waleed Tariq Saigol currently hold 25,150,000 (16.60%), 25,250,000 (16.67%) and 1,100,000 (0.73%) shares respectively in MLCL. The Directors of the subsidiary company are interested in the investing company to the extent of their shareholding as under:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Shares held</th> </tr> </thead> <tbody> <tr> <td>Mian Tariq Sayeed Saigol & his spouse</td> <td>12,579,127</td> </tr> <tr> <td>Mian Taufique Sayeed Saigol</td> <td>12,966,430</td> </tr> <tr> <td>Mr. Waleed Tariq Saigol</td> <td>81,577</td> </tr> </tbody> </table>	Name	Shares held	Mian Tariq Sayeed Saigol & his spouse	12,579,127	Mian Taufique Sayeed Saigol	12,966,430	Mr. Waleed Tariq Saigol	81,577
Name	Shares held									
Mian Tariq Sayeed Saigol & his spouse	12,579,127									
Mian Taufique Sayeed Saigol	12,966,430									
Mr. Waleed Tariq Saigol	81,577									
xv	Any other important detail	None								
xvi	<p>In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely:</p> <p>Description of the project</p> <p>Starting date of work</p> <p>Completion of work</p> <p>Commercial operation date</p> <p>Expected time by which the project shall start paying return on investment</p>	Not applicable as MLCL is in operation since last 2 years.								

