



# KOHINOOR TEXTILE MILLS LIMITED

Registered Office : 42-LAWRENCE ROAD, LAHORE PAKISTAN. PHONE: 042-36302261-62 FAX : 92-42-36368721

**The General Manager,**  
Pakistan Stock Exchange Ltd,  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**PUCARS / Courier**  
KTML/BM/14/95  
August 31, 2017

## Material Information – Equity Investment

Dear Sir,

In accordance with 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 **Kohinoor Textile Mills Limited** (the "Company") in their meeting held on **Thursday, August 31, 2017 at 10:00 AM** at its Registered Office, 42-Lawrence Road, Lahore, has recommended long term equity investment upto Rs. 527.360 million (Rupees five hundred twenty seven million three hundred sixty thousand only) by way of acquisition of ordinary shares from shareholders of Maple Leaf Capital Limited, an associated company, within one year in order to earn returns from equity investment through dividend income and capital appreciation, under Section 199 of the Companies Act, 2017, subject to approval of the same by shareholders in the forthcoming Extraordinary General Meeting of the Company schedule to be held on **Tuesday, September 26, 2017**.

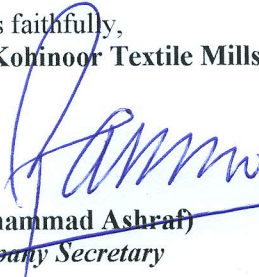
In this connection, the Share Transfer Books of the Company will be closed from **September 20, 2017 to September 26, 2017** (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on **September 19, 2017**, will be considered in time to determine voting rights of the shareholders for attending the forthcoming Extraordinary General Meeting.

Further, we enclose herewith copy of the notice of Extraordinary General Meeting (EOGM) scheduled to be held at **11:30 AM on Tuesday, September 26, 2017**. Furthermore, we also enclose herewith copy of the notice of EOGM prior to its being insertion in newspapers.

The above information will suffice the requirement of Section 96 and 131 of the Securities Act, 2015.

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

Yours faithfully,  
For **Kohinoor Textile Mills Limited**

  
(**Muhammad Ashraf**)  
Company Secretary



Encl. As above

- ◆ **The Director / HOD,**  
Surveillance, Supervision and Enforcement Department,  
Securities and Exchange Commission of Pakistan  
NIC Building, 63-Jinnah Avenue, Blue Area,  
**Islamabad**

Fax# 051-9100440

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## KOHINOOR TEXTILE MILLS LIMITED

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



### 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 **Tuesday, September 26, 2017 at 11:30 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 under Section 199 of the Companies Act, 2017, with or without modification, addition(s) or deletion(s), as recommended by the Directors:-

**"Resolved that** pursuant to the requirements of Section 199 of the Companies Act, 2017, Kohinoor Textile Mills Limited (the "Company") be and is hereby authorized to make long term equity investment upto PKR 527.360 million (Rupees five hundred twenty seven million three hundred sixty thousand only) by way of acquisition of shares from shareholders of Maple Leaf Capital Limited, an associated company.

**Resolved further that** the above said resolution shall be valid for one year and the Chief Executive Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of the 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, Chief Executive Officer and / or Company Secretary of the Company be and are hereby authorized singly to dispose of, 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



(MUHAMMAD ASHRAF)  
Company Secretary

Lahore: August 31, 2017

#### NOTES:

1. The Share Transfer Books of the Company will remain closed from September 20, 2017 to September 26, 2017 (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 September 19, 2017 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.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.
4. 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.
5. If the Company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 07 days prior to the date of meeting, the Company will arrange video conference facility.

In this regard, please fill the following and submit at Registered Office of the Company situated at 42-Lawrence Road, Lahore, at least 07 days prior to the date of Extraordinary General Meeting.

“I/We, \_\_\_\_\_  
of \_\_\_\_\_, being a member of  
Kohinoor Textile Mills Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per  
Registered Folio / CDC A/c # \_\_\_\_\_ hereby opt for video conference facility  
at \_\_\_\_\_.”

\_\_\_\_\_  
Signature of Member / Attorney”

#### Statement under Section 134(3) of the Companies Act, 2017

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 September 26, 2017.

#### 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 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited (KTML) is the holding company of MLCL and owns 250,000,000 shares (82.919%) 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 secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment / brokerage company.

As at 30 June 2017, total equity of MLCL amounts to Rupees 4,519,476,990. MLCL has an investment portfolio of Rupees 4,343,425,486 as at 30 June 2017 which comprises of quoted shares and mutual funds of Rupees 1,632,120,459, treasury bills of Rupees 1,498,548,924 and cash and bank balance of Rs. 1,212,756,103.

The Board of Directors of the Company in their meeting held on August 31, 2017 has approved the proposal of further equity investment in MLCL.



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KTML is planning to make further equity investment upto Rs. 527.360 million by way of acquisition of shares from shareholders of Maple Leaf Capital Limited, an associated company. After the planned equity investment, MLCL will become a wholly owned subsidiary of KTML and KTML shall be entitled to avail the income tax exemption in respect of income derived from inter-corporate dividend (dividend from MLCL to KTML) subject to compliance with income tax law. KTML expects significant dividends from this equity investment in MLCL which will eventually enhance the return on investment of the shareholders of KTML.

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

**Information under Clause (a) of sub-regulation (1) of regulation 3 of 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 (KTML)
ii	Purpose	To avail the income tax exemption in respect of income derived from inter-corporate dividend (dividend from MLCL to KTML) and to participate in the stock market of the country through equity investment.
	Benefits	To earn return on equity through dividend income from investment in associated company (without deduction of income tax) and capital appreciation.
	Period of investment	Strategic long term investment
iii	Maximum amount of investment	Rs. 527,360,000 (Rupees five hundred twenty seven million three hundred sixty thousand only)
iv	Maximum price / share	The price to be paid for the equity investment will be Rs. 10.24 per share as the price is the fair value determined by independent firm of Chartered Accountants.
v	Maximum number of shares to be acquired	51,500,000 shares
vi	Shareholding before investment	No. of shares: 250,000,000
		Shareholding Percentage: 82.92%
	Shareholding after investment	No. of shares: 301,500,000
		Shareholding Percentage: 100%
vii	Requirement in case of investment in listed associated company	Not Applicable as Maple Leaf Capital Limited is an unlisted company.



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Ref. No.	Requirement	Information															
viii	Fair market value of shares	The fair value of the shares determined in terms of regulation 6(1) is Rs. 10.24 per share based on discounted cash flows using "Free Cash Flow to the Company" at discount rate of 14.54% with 4% terminal growth rate. (Copy of fair valuation report issued by HLB Ijaz Tabassum & Co., Chartered Accountants, is available at Registered Office of the Company and can be inspected in working hours up to September 26, 2017)															
ix	Break-up value of shares	Rs. 14.99 per share as at 30 June 2017.															
x	Earnings per share for the last three years	Year ended 30 June 2017: Rs. 5.23 per share. Year ended 30 June 2016: Rs. 1.38 per share. Year ended 30 June 2015: Rs. 2.34 per share.															
xi	Sources of fund from which shares will be acquired	Surplus funds of KTML.															
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.															
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company	<p>KTML is the holding company of MLCL and three Directors (Mr. Tariq Sayeed Saigol and his spouse, Mr. Waleed Tariq Saigol and Mr. Taufique Sayeed Saigol) being common in both the companies are interested to the extent of their shareholding. Three Directors of KTML are also the members of MLCL and are interested to the extent of their shareholding as under:-</p> <table border="1"> <thead> <tr> <th>Name</th> <th>% age of shareholding in MLCL</th> <th>% age of shareholding in KTML</th> </tr> </thead> <tbody> <tr> <td>Mr. Tariq Sayeed Saigol</td> <td>5.025% (15,150,000 shares)</td> <td>4.226% (11,932,380 shares)</td> </tr> <tr> <td>Mrs. Shehla Tariq Saigol, spouse of Mr. Tariq Sayeed Saigol</td> <td>3.317% (10,000,000 shares)</td> <td>10.150% (28,657,683 shares)</td> </tr> <tr> <td>Mr. Waleed Tariq Saigol</td> <td>0.365% (1,100,000 shares)</td> <td>0.011% (31,577 shares)</td> </tr> <tr> <td>Mr. Taufique Sayeed Saigol</td> <td>8.375% (25,250,000 shares)</td> <td>14.509% (40,967,037 shares)</td> </tr> </tbody> </table>	Name	% age of shareholding in MLCL	% age of shareholding in KTML	Mr. Tariq Sayeed Saigol	5.025% (15,150,000 shares)	4.226% (11,932,380 shares)	Mrs. Shehla Tariq Saigol, spouse of Mr. Tariq Sayeed Saigol	3.317% (10,000,000 shares)	10.150% (28,657,683 shares)	Mr. Waleed Tariq Saigol	0.365% (1,100,000 shares)	0.011% (31,577 shares)	Mr. Taufique Sayeed Saigol	8.375% (25,250,000 shares)	14.509% (40,967,037 shares)
Name	% age of shareholding in MLCL	% age of shareholding in KTML															
Mr. Tariq Sayeed Saigol	5.025% (15,150,000 shares)	4.226% (11,932,380 shares)															
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xv	Any other important detail	None															



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Ref. No.	Requirement	Information
xvi	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:	Not applicable as MLCL is in operation since last 3 years.
	Description of the project	
	Starting date of work	
	Completion of work	
	Commercial operation date	
	Expected time by which the project shall start paying return on investment	

**Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012**

<b>Name of Investee Company</b>	<b>Maple Leaf Cement Factory Limited</b>
Total Investment Approved:	Investment of Rupees one billion by way of loans and advances was approved by members in AGM held on 31 October 2016 for the period of one (1) year.
Amount of Investment Made to date:	NIL.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	No loan has been extended after the approval because funds request has not yet been made by the investee company.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per then available latest financial statements for the year ended 30 June 2016, the Basic Earnings Per Share was Rs. 9.26 and Break-up Value Per Share (without surplus) was Rs. 31.74. As per latest available un-audited financial statements for the nine-months ended 31 March 2017, the Basic Earnings Per Share is Rs.7.68 and Break-up Value Per Share (without surplus) is Rs. 35.25.

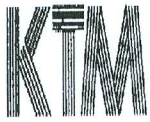
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Notice of Extraordinary General Meeting to be published in Newspapers



**KOHINOOR TEXTILE MILLS LIMITED**

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



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**Resolved further that** subsequent to the above said equity investment, Chief Executive Officer and / or Company Secretary of the Company be and are hereby authorized singly to dispose of, 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".

**(Statement under Section 134(3) of the Companies Act, 2017, pertaining to the Special Business referred to the above is annexed to this notice of meeting, being sent to the shareholders).**

Lahore: August 31, 2017

By Order of the Board  
**(Muhammad Ashraf)**  
Company Secretary

**NOTES:**

1. The Share Transfer Books of the Company will remain closed from September 20, 2017 to September 26, 2017 (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 September 19, 2017 will be considered in time to determine voting rights of the shareholders for attending the meeting.



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In this regard, please fill the following and submit at Registered Office of the Company situated at 42-Lawrence Road, Lahore, at least 07 days prior to the date of Extraordinary General Meeting.

"I/We, \_\_\_\_\_  
of \_\_\_\_\_, being a member of Kohinoor Textile Mills Limited,  
holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio / CDC A/c # \_\_\_\_\_ hereby  
opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Signature of Member / Attorney"



A handwritten signature in blue ink, appearing to be "F. S.", written over a horizontal line.

A handwritten number "8" enclosed in a circle, located in the lower right area of the page.