



**NISHAT
CHUNIAN**
L T D.

NCL/CS/2018

July 30, 2018

PUCAR / Courier

The General Manager,
Pakistan Stock Exchange Ltd.
Stock Exchange Building,
Stock Exchange Road,
KARACHI

Subject: **Notice of Extra Ordinary General Meeting**

Dear Sir,

With reference to our Letter NCL/PSX/2018-1665-66 dated July 24, 2018. Enclosed please find a copy of the Notice of Extra Ordinary General Meeting to be held on 20th August 2018 (Monday) at 10:45 a.m, for circulation amongst the TRE Certificate Holders of the Exchange.

Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 14-08-2018 to 20-08-2018 (both days inclusive) for attending of Extraordinary General Meeting.

Yours truly,
For Nishat (Chunian) Limited

Awias Mahmood
Company Secretary

Enclosed: Notice of Extra Ordinary General Meeting

C.C. to: The Executive Director
Monitoring & enforcement Division
Securities & Exchange Commission of Pakistan,
N.I.C Building, Jinnah Avenue, **ISLAMABAD**
Fax # (051) 9218592/9204915



NISHAT CHUNIAN L T D.

NISHAT (CHUNIAN) LIMITED NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Nishat (Chunian) Limited (the "Company") will be held on August 20, 2018 at 10:45 A.M. at registered office, 31-Q, Gulberg – II, Lahore to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last General Meeting held on April 13, 2018.
2. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

3. To consider and approve the sale of NC Entertainment (Private) Limited ("NCEL"), the Company's 100% subsidiary, to the highest bidder (Mr. Shahmir Yahya, a related party) declared by the Board as per its policy and pass the following resolutions with or without amendments as a special resolutions:

"RESOLVED that the transaction of sale of NC Entertainment (Private) Limited ("NCEL"), the Company's 100% subsidiary, to the highest bidder (Mr. Shahmir Yahya, a related party) be and is hereby approved.

FURTHER RESOLVED that the Chief Executive and / or Secretary of the Company be and is/are hereby authorized to comply with the legal and corporate formalities relating to this transaction and effectuate this resolution."

Statement under section 134(3) of the Companies Act, 2017 in the above matters mentioned in item No.3 is annexed.

By order of the Board

Lahore
Dated: July 30, 2018

Awais Mahmood
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 14-08-2018 to 20-08-2018 (both days inclusive) for attending of Extraordinary General Meeting.

2. Participation in the Extraordinary General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

2A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport 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 the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

2B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, 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 Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (v) In case of 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.

3. Change of Address

Members are requested to notify any change in their addresses immediately. Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Share Registrar of the Company.

4. Pursuant to the provisions of the Companies Act 2017, the Company may on the demand of members, at least 7 days before the general meeting, residing in a city, who hold at least 10% of the total paid up capital of the Company, provide the facility of video-link to such members enabling them to participate in its general meeting. If you wish to take benefit of this facility, please fill the form appearing below and submit it to the Company at its registered address at least 10 days prior to the date of the general meeting, whereafter the Company will intimate members the venue of the video conference facility, provided the required criteria is fulfilled, at least 7 days before the date of general meeting along with complete information necessary to enable them to access such facility:

I/ We _____ of _____ being a member of Nishat (Chunian) Limited, holder of _____ ordinary shares as per register Folio/ CDC Account No. _____ hereby require the facility of video-link at _____ to attend the Extraordinary General Meeting on _____ 2018.

Signature of Member
CNIC No. _____



NISHAT CHUNIAN L T D.

Statement of Material Facts concerning special business pursuant to section 134 (3) of the Companies Act, 2017

The statement sets out the material facts concerning the Special Business, given in the agenda item No. 3 of the Notice that will be considered by the members.

As mentioned in the notice, the board has decided to sale the 100% owned subsidiary of Nishat Chunian Limited, engaged in the cinemas/entertainment business, namely NC Entertainment (Private) Limited ("NCEL"). For this purpose, bids were called from private investors. The highest bid was received at Rs. 322 Million from Mr. Shahmir Yahya, who is related to one of the director, and the said director has recused himself from voting on the resolution in which this bid was considered and approved.

i) Name of the subsidiary	NC Entertainment (Pvt) Limited; a 100% subsidiary of Nishat Chunian Limited
ii) Cost and book value of investment in subsidiary;	Cost: Rs. 100 million Book Value: Rs. 100 million
iii) Total market value of subsidiary based on value of the shares of the subsidiary company: a) In case of listed subsidiary company: quoted price of shares of subsidiary on day of decision of the board for disposal;	N.A.
b) In case of non-listed subsidiary: value determined by a registered valuer, who is eligible to carry out such valuation along with name of the valuer.	Valuation was carried out by KPMG Chartered Accountants Value was determined at Rs.256,430,286.
iv) Net worth of subsidiary as per latest audited financial statements and subsequent interim financial statements, if available;	Net worth as per Audited Accounts of 2017 is Rs. 2,717,121 Net Worth as per un-audited accounts of fourth quarter is Rs. 34,884,846.
v) Total consideration for disposal of investment in subsidiary, basis of determination of the consideration and its utilization;	Consideration for disposal is Rs. 322 million. The board entrusted KPMG to work out the value of the business, based on which the board decided a floor of Rs. 260 million. Offers for bids were invited privately and the highest bidder was selected by the board. Funds from the sale of the subsidiary will be utilized to pay off loans of the Company.
vi) Quantitative and qualitative benefits expected to accrue to the members.	A capital gain of Rs. 222 million will arise, improving EPS of the Company by Rs. 0.92 per. Disposal will allow the management to concentrate on its core business.