

**NOTICE OF EXTRA ORDINARY
GENERAL MEETING**



ADAMJEE INSURANCE COMPANY LIMITED



ADAMJEE INSURANCE COMPANY LIMITED

Registered Office: Adamjee House, 80/A, Block E/1, Main Boulevard, Gulberg-III, Lahore

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting (EOGM) of the members of **Adamjee Insurance Company Limited** (the "Company") will be held on Saturday, November 30, 2019 at 11:00 A.M. at AVARI HOTEL, Shahrah-e-Quaid-e-Azam, Lahore to transact the following special business:

1. To consider and if deemed fit, pass a resolution as Special Resolution, as proposed in the Statement of Material Facts, pursuant to the provisions of Section 199 of the Companies Act, 2017 to approve and authorize additional long-term equity investments by way of subscription of right shares of Hyundai Nishat Motor (Pvt) Limited an associated company;
2. To consider and if deemed fit, pass a resolution as Special Resolution, as proposed in the Statement of Material Facts, pursuant to the provisions of Section 199 of the Companies Act, 2017 to approve and authorize provision of sponsors support to Hyundai Nishat Motor (Pvt) Limited, an associated company by way of additional guarantee / continuing Stand by Letter(s) of Credit (SBLC) from Company's Banks.

A Statement of Material Facts as required under Section 134(3) of the Companies Act 2017 concerning the aforesaid special business is annexed to the notice of meeting circulated to the members of the Company.

By Order of the Board

TAMEEZ UL HAQUE
Company Secretary

Lahore,
November 08, 2019

NOTES:

1. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A Company or a Corporation being a member of the Company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.
2. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

- b. In case of corporate entity, the Board's 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.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
4. Members are requested to timely notify any change in their addresses.
5. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein blow at least seven (7) days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: www.adamjeeinsurance.com
6. Address of Independent Share Registrar of the Company:
CDC Share Registrar Services Ltd.
CDC House, 99- B, S.M.C.H.S
Main Shahrah e Faisal
Karachi.
7. Book Closure:

The Register of Members of the Company will remain closed from November 24, 2019 to November 30, 2019 (both days inclusive). Transfers received in order at the office of the Company's Independent Share Registrar, Karachi by the close of business (7:00 PM) on November 22, 2019 will be considered in time to be eligible for the purpose of attending, speaking and voting at the Extraordinary General Meeting.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement sets out material facts pertaining to the special business to be transacted at the Extra Ordinary General Meeting of the Company to be held on November 30, 2019.

Additional Equity Investments in Hyundai Nishat Motor (Private) Limited

Hyundai Nishat Motor (Private) Limited (HNMPL) is a joint venture company which is setting up a green field project for assembly and sales of Hyundai brand vehicles in Pakistan (the "Project"). The paid-up share capital of HNMPL is held by:

Nishat Mills Limited (12%)
DG Khan Cement Company Limited (10%)
Adamjee Insurance Company Limited (10%)
Security General Insurance Company Limited (10%)
Millat Tractors Limited (18%)
Sojitz Corporation (40%).

The project cost estimate has been revised primarily in view of the Foreign Exchange escalation and certain scope changes in the construction of the Project. The revised total cost of the project is now estimated to be PKR 19,160 million (Original 16,473 million) which is being financed through a mix of debt and equity as was originally proposed.

HNMPL intends to issue right shares and the Company will be offered right shares for subscription at par value of Rs. 10 each. The Board of Directors has already approved the additional investment by way of subscription of right shares.

The already approved amount of equity investment of Rs. 850,000,000 (Rupees Eight Hundred Fifty Million Only) in HNMPL shall increase to Rs. 1,056,400,000/- (Rupees One Billion Fifty-Six Million Four Hundred Thousand Only).

The following resolution is proposed to be passed as special resolution, with or without any modification.

RESOLVED THAT approval of the members of Adamjee Insurance Company Limited ("**the Company**") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make additional long-term equity investment of Rs. 206,400,000 (Rupees Two Hundred Six Million Four Hundred Thousand Only) in Hyundai Nishat Motor (Pvt) Limited (**HNMPL**), an associated company, from time to time by way of subscribing 20,640,000 right shares, at Par value of Rs. 10 each to be offered by HNMPL to the Company on its shareholding, as per terms and conditions disclosed to the members.

RESOLVED FURTHER THAT this resolution shall be valid for a period of four (4) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of documents as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

RESOLVED FURTHER THAT the Company be and is hereby authorized to dispose of through any mode, a part or all of equity investment in HNMPL made by the Company from time to time and to dispose of and / or decline a part or all of its entitlement of right shares as and when offered by HNMPL and the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary be and are hereby authorized singly to take the decision of divestment and / or declining of right shares entitlement as they may deem appropriate and necessary in the best interest of the Company and its members.

Information under Regulation 3 of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Additional Equity Investment in Hyundai Nishat Motor (Private) Limited

| Disclosure for all types of investments: | | |
|--|--|---|
| (A) Disclosure regarding associated company | | |
| (i) | Name of Associated Company or Associated Undertaking | Hyundai Nishat Motor (Private) Limited (" HNMPL ") |
| (ii) | Basis of Relationship | Common Directorship |
| (iii) | Earnings / (Loss) per Share for the last three years | PKR (5.74) - 2017 - Audited PKR (1.44) - 2018 - Audited HNMPL was incorporated on March 03, 2017. |
| (iv) | Break-up value per Share, based on last audited financial statements | PKR 9.03 per share as at 31 December 2018. |

| | | | | | | |
|---------|---|--|---|---------------|--------------------|---------------|
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements | | Statement of Financial Position as on 31 December 2018: | | | |
| | | | Equity & Liabilities | Rs. | Assets | Rs. |
| | | | Equity | 2,266,454,370 | Non-Current Assets | 2,365,469,175 |
| | | | Non-Current Liabilities | 235,435,079 | | |
| | | | Current Liabilities | 435,072,056 | Current Assets | 571,492,330 |
| | | | | 2,936,961,505 | | 2,936,961,505 |
| | | | Profit and loss account for the year ended 31 December 2018: | | | |
| | | | | | | Rs. |
| Revenue | | Nil | | | | |
| | | 179,000,602 | | | | |
| | | 26,108,679 | | | | |
| | | 152,891,923 | | | | |
| (vi) | In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely | | | | | |
| | I | Description of the project and its history since conceptualization | HNMPL is a joint venture company of Nishat Mills Limited (" Nishat "), DG Khan Cement Company Limited (" DGKCC "), Adamjee Insurance Company Limited (" AICL "), Security General Insurance Company Limited (" SGICL "), Millat Tractors Limited (" MTL ") and Sojitz Corporation, Tokyo, Japan (" Sojitz ") to establish a green field project for the assembly and sales of Hyundai brand vehicles in Pakistan. AICL executed a shareholders agreement on 04th April, 2018 whereby the following shareholdings were decided amongst HNMPL shareholders as follows: Nishat (12%), DGKCC (10%), AICL (10%), SGICL (10%), MTL (18%) and Sojitz (40%). The revised total cost of the project is estimated to be PKR 19,160 million (original PKR 16,473 million) which will be financed through debt and equity. | | | |

| | | | <p>HNMPL has been awarded with "Category-A Greenfield Investment Status" under the Automotive Development Policy 2016-21 by Ministry of Industries and Production, Government of Pakistan vide its Notification No. 2(55)2017-LED-II dated 21 June 2017.</p> <p>The ground-breaking ceremony of the project was held on 20 December 2017 and commercial production is expected by December 2019.</p> | | | | | | | | | | | | | | | | |
|--|---|--|---|-------------|----------------------------|----------------------|-------------|--------------------------------|-------------|-----------------------------------|-------------|--|-------------|-------------------------|-------------|--------------------------|---------------|--|----------------------|
| | II | Starting date and expected date of completion of work | The construction commenced in the 2nd Quarter of 2018. The Project's expected completion date is on track by December 2019. | | | | | | | | | | | | | | | | |
| | III | Time by which such project shall become commercially operational | Sales to begin By 1st Quarter 2020 | | | | | | | | | | | | | | | | |
| | IV | Expected time by which the project shall start paying return on investment | By Financial Year 2025 | | | | | | | | | | | | | | | | |
| | V | Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts | <p>AICL and other parties of Shareholders Agreement have to date invested a combined PKR 5,500 million in cash as per below detail:</p> <table><tr><th>Shareholder</th><th>Issued Share Capital (PKR)</th></tr><tr><td>Nishat Mills Limited</td><td>660,000,000</td></tr><tr><td>DG Khan Cement Company Limited</td><td>550,000,000</td></tr><tr><td>Adamjee Insurance Company Limited</td><td>550,000,000</td></tr><tr><td>Security General Insurance Company Ltd</td><td>550,000,000</td></tr><tr><td>Millat Tractors Limited</td><td>990,000,000</td></tr><tr><td>Sojitz Corporation Japan</td><td>2,200,000,000</td></tr><tr><td>Total Equity Injected till 30 June 2019</td><td>5,500,000,000</td></tr></table> | Shareholder | Issued Share Capital (PKR) | Nishat Mills Limited | 660,000,000 | DG Khan Cement Company Limited | 550,000,000 | Adamjee Insurance Company Limited | 550,000,000 | Security General Insurance Company Ltd | 550,000,000 | Millat Tractors Limited | 990,000,000 | Sojitz Corporation Japan | 2,200,000,000 | Total Equity Injected till 30 June 2019 | 5,500,000,000 |
| Shareholder | Issued Share Capital (PKR) | | | | | | | | | | | | | | | | | | |
| Nishat Mills Limited | 660,000,000 | | | | | | | | | | | | | | | | | | |
| DG Khan Cement Company Limited | 550,000,000 | | | | | | | | | | | | | | | | | | |
| Adamjee Insurance Company Limited | 550,000,000 | | | | | | | | | | | | | | | | | | |
| Security General Insurance Company Ltd | 550,000,000 | | | | | | | | | | | | | | | | | | |
| Millat Tractors Limited | 990,000,000 | | | | | | | | | | | | | | | | | | |
| Sojitz Corporation Japan | 2,200,000,000 | | | | | | | | | | | | | | | | | | |
| Total Equity Injected till 30 June 2019 | 5,500,000,000 | | | | | | | | | | | | | | | | | | |
| (B) General Disclosures: | | | | | | | | | | | | | | | | | | | |
| (i) | Maximum amount of investment to be made | | PKR 206,400,000 | | | | | | | | | | | | | | | | |
| (ii) | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment | | <p>To benefit from the Automotive Development Policy (2016-2021) of the Government of Pakistan by participating in the Project being established by HNMPL.</p> <p>The investment will help the completion of the Project and expected to result in dividend income and /or capital gains which will enhance the profitability of AICL and add to the shareholders' value of the members of the investing company.</p> <p>The investment in HNMPL will be for long term.</p> | | | | | | | | | | | | | | | | |

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|---|---|---|---|--------------------------|-------------------|---------------------------------------|----------------------------|--------------------------|--|------------------|----------------|---|----------------|---|--|----------------------|--------|--------------------------------|--------|------------------------------------|--------|
| (iii) | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: | | The investment will be made from AICL own funds. | | | | | | | | | | | | | | | | | | |
| | (I) | Justification for investment through borrowings | NA | | | | | | | | | | | | | | | | | | |
| | (II) | Detail of Collateral, guarantees provided and assets pledged for obtaining such funds | NA | | | | | | | | | | | | | | | | | | |
| | (III) | Cost benefit analysis | NA | | | | | | | | | | | | | | | | | | |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment | | Right Shares will be offered by HNMPL in terms of subscription agreement dated 04 April, 2018. As per the said agreement, the shareholders will contribute equity in the following ratios: Nishat 12%, DGKCC 10%, AICL 10%, SGICL 10%, MTL 18%, Sojitz 40% | | | | | | | | | | | | | | | | | | |
| (v) | Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration | | <p>The interest, direct or indirect, in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors of Adamjee Insurance Company Limited (AICL), their relatives and associated companies / sponsors / majority shareholders holding shares of Hyundai Nishat Motor (Private) Limited (HNMPL) are interested to the extent of their shareholding as under:-</p> <table><tr><td><u>Directors:</u></td><td>% of Shareholding</td></tr><tr><td>Mian Umer Mansha (Common Director)</td><td>in HNMPL 0.00 (1 Share)</td></tr><tr><td><u>Relatives:</u></td><td></td></tr><tr><td>Mian Raza Mansha</td><td>0.00 (1 Share)</td></tr><tr><td>Mian Hassan Mansha (Sibling of Mian Umer Mansha)</td><td>0.00 (1 Share)</td></tr><tr><td><u>Associated Companies/Shareholders</u></td><td></td></tr><tr><td>Nishat Mills Limited</td><td>12.00%</td></tr><tr><td>D. G. Khan Cement Company Ltd.</td><td>10.00%</td></tr><tr><td>Security General Insurance Co. Ltd</td><td>10.00%</td></tr></table> | <u>Directors:</u> | % of Shareholding | Mian Umer Mansha (Common Director) | in HNMPL 0.00 (1 Share) | <u>Relatives:</u> | | Mian Raza Mansha | 0.00 (1 Share) | Mian Hassan Mansha (Sibling of Mian Umer Mansha) | 0.00 (1 Share) | <u>Associated Companies/Shareholders</u> | | Nishat Mills Limited | 12.00% | D. G. Khan Cement Company Ltd. | 10.00% | Security General Insurance Co. Ltd | 10.00% |
| <u>Directors:</u> | % of Shareholding | | | | | | | | | | | | | | | | | | | | |
| Mian Umer Mansha (Common Director) | in HNMPL 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| <u>Relatives:</u> | | | | | | | | | | | | | | | | | | | | | |
| Mian Raza Mansha | 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| Mian Hassan Mansha (Sibling of Mian Umer Mansha) | 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| <u>Associated Companies/Shareholders</u> | | | | | | | | | | | | | | | | | | | | | |
| Nishat Mills Limited | 12.00% | | | | | | | | | | | | | | | | | | | | |
| D. G. Khan Cement Company Ltd. | 10.00% | | | | | | | | | | | | | | | | | | | | |
| Security General Insurance Co. Ltd | 10.00% | | | | | | | | | | | | | | | | | | | | |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs | | Adamjee Insurance Company Limited has already made an equity investment of Rs 550 million (55,000,000 ordinary shares) in the associated company. The associated company is establishing a Greenfield Project, which is expected to commence commercial production by December 2019. There is no impairment/write off of this investment. | | | | | | | | | | | | | | | | | | |
| (vii) | Any other important details necessary for the members to understand the transaction | | None | | | | | | | | | | | | | | | | | | |

| Additional disclosure regarding Equity Investment | | |
|---|--|---|
| (i) | Maximum price at which securities will be acquired | Since the Project is a Greenfield Project, the shares will be acquired, at par value, of PKR 10 each. This price is less than fair value of a share of HNMPL. |
| (ii) | In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof | HNMPL is setting up a Greenfield Project which is yet to be implemented and therefore, investment is being made at par value of PKR 10 each. |
| (iii) | Maximum number of securities to be acquired | 20,640,000 Shares |
| (iv) | Number of securities and percentage thereof held before and after the proposed investment | No. of Shares %age |
| | | Before 55,000,000 10.00[out of 85,000,000 previously approved] |
| | | After 50,640,000 10.00 |
| | | Total 105,640,000 10.00 |
| (v) | Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities | N/A |
| (vi) | Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities | PKR 10.21 per share |

Sponsors Support by issue of Additional Guarantee / Continuing Stand by Letter(s) of Credit (SBLC)

The Company also intends to provide the sponsors support to HNMPL, an associated company by way of additional bank guarantee/Standby Letter(s) of Credit (SBLC) of Rs. 277,100,000 (Rupees Two Hundred Seventy Seven Million One Thousand Only) to be issued by the Company's Bank(s) in favor of lenders of HNMPL as collateral to secure term loan to HNMPL for a period of 7.5 years starting from the date of the first loan drawdown by HNMPL and to provide securities/corporate guarantees/collaterals to the Company's Bank(s) for the purpose of issuance of Financial Assistance, provided that the commission to be charged by the Company to HNMPL on any outstanding amount of SBLC shall be 0.05% per quarter over and above the quarterly commission charged by the Company's Bank(s) from the Company on the outstanding amount of guarantee / SBLC.

The Directors of the Company have approved the above financial support subject to approval of the Shareholders.

The following resolution is proposed to be passed as special resolution, with or without any modification.

RESOLVED THAT approval of the members of the Company be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017, to provide sponsors support by way of additional guarantee / continuing Stand by Letter(s) of Credit (SBLC) of an amount of Rs. 277,100,000 (Rupees Two Hundred Seventy Seven Million One Hundred Thousand Only) to Hyundai Nishat Motor (Pvt) Limited (**HNMP**L), an associated company, for a tenure of 7.5 years starting from the date of first loan drawdown, to be issued by the Company's Bank(s) in favor of financial institutions/lenders of HNMPL to secure further financial assistance to be extended to HNMPL and to provide securities / corporate guarantees / collaterals to the Company's Bank(s) for the purpose of issuance of SBLC with requisite margin, provided that the commission to be charged by the Company to HNMPL on any outstanding amount of SBLC shall be 0.05% per quarter over and above the quarterly commission charged by the Company's Bank(s) from the Company on the outstanding amount of guarantee / SBLC, as per terms and conditions disclosed to the members.

RESOLVED FURTHER THAT in the event the Company is called upon by the lenders of HNMPL for repayment of money provided to HNMPL as a result of enforcement of SBLC, the Company shall recover the full amount paid by it from HNMPL with mark up of 0.5% per annum above the average borrowing cost of the Company or KIBOR for the relevant period whichever is higher till the date of payment from HNMPL, as may be mutually agreed.

RESOLVED FURTHER THAT this resolution shall be valid for a period of four (4) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of documents as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.

Investment in the form of Guarantee/Standby Letters of Credit (SBL) in favor of Lenders of Hyundai Nishat Motor (Private) Limited

| Disclosure for all types of investments: | | | | |
|--|---|---|---------------|--------------------|
| (A) Disclosure regarding associated company | | | | |
| (i) | Name of Associated Company or Associated Undertaking | Hyundai Nishat Motor (Private) Limited (HNMPL) | | |
| (ii) | Basis of Relationship | Common Directorship | | |
| (iii) | Earnings / (Loss) per Share for the last three years | PKR (5.74) - 2017 - Audited PKR (1.44) - 2018 - Audited HNMPL was incorporated on March 03, 2017. | | |
| (iv) | Break-up value per Share, based on last audited financial statements | PKR 9.03 per share as at 31 December 2018. | | |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements | Statement of Financial Position as on 31 December 2018: | | |
| | | Equity & Liabilities | Rs. | Assets |
| | | Equity | 2,266,454,370 | Non-Current Assets |
| | | Non-Current Liabilities | 235,435,079 | |
| | | Current Liabilities | 435,072,056 | Current Assets |
| | | | 2,936,961,505 | 571,492,330 |
| | | | | 2,936,961,505 |
| | | Profit and loss account for the year ended 31 December 2018: | | |
| | | | | Rs. |
| | | Revenue | | Nil |
| | | Expenses | | 179,000,602 |
| | | Other Income | | 26,108,679 |
| | | Loss after tax | | 152,891,923 |
| (vi) | In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely | | | |

| | | |
|-----|--|---|
| I | Description of the project and its history since conceptualization | <p>HNMPL is a joint venture company of Nishat Mills Limited ("Nishat"), DG Khan Cement Company Limited ("DGKCC"), Adamjee Insurance Company Limited ("AICL"), Security General Insurance Company Limited ("SGICL"), Millat Tractors Limited ("MTL") and Sojitz Corporation, Tokyo, Japan ("Sojitz") to establish a green field project for the assembly and sales of Hyundai brand vehicles in Pakistan. AICL executed a shareholders agreement on 04th April, 2018 whereby the following shareholdings were decided amongst HNMPL shareholders as follows: Nishat (12%), DGKCC (10%), AICL (10%), SGICL (10%), MTL (18%) and Sojitz (40%).</p> <p>The revised total cost of the project is estimated to be PKR 19,160 million (original PKR 16,473 million) which will be financed through debt and equity.</p> <p>HNMPL has been awarded with "Category-A Greenfield Investment Status" under the Automotive Development Policy 2016-21 by Ministry of Industries and Production, Government of Pakistan vide its Notification No. 2(55)2017-LED-II dated 21 June 2017.</p> <p>The ground-breaking ceremony of the project was held on 20 December 2017 and commercial production is expected by December 2019.</p> |
| II | Starting date and expected date of completion of work | The construction commenced in the 2nd Quarter of 2018. The Project's expected completion date is on track by December 2019. |
| III | Time by which such project shall become commercially operational | Sales to begin By 1st Quarter 2020 |
| IV | Expected time by which the project shall start paying return on investment | By Financial Year 2025 |
| V | Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts | AICL and other parties of Shareholders Agreement have to date invested a combined PKR 5,500 million in cash as per below detail: |

| | | Shareholder | Issued Share Capital (PKR) |
|---------------------------------|---|--|----------------------------|
| | | Nishat Mills Limited | 660,000,000 |
| | | DG Khan Cement Company Limited | 550,000,000 |
| | | Adamjee Insurance Company Limited | 550,000,000 |
| | | Security General Insurance Company Ltd | 550,000,000 |
| | | Millat Tractors Limited | 990,000,000 |
| | | Sojitz Corporation Japan | 2,200,000,000 |
| | | Total Equity Injected till 30 June 2019 | 5,500,000,000 |
| (B) General Disclosures: | | | |
| (i) | Maximum amount if investment to be made | PKR 277,100,000 (Rupees Two Hundred Seventy-Seven Million One Hundred Thousand Only) which will enhance the Guarantee/SBLC upto an amount of PKR 1,277,100,000/- (Rupees One Billion Two Hundred Seventy-Seven Million One Hundred Thousand Only). | |
| (ii) | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment | <p>To benefit from the Automotive Development Policy (2016-2021) of the Government of Pakistan by participating in the Project being established by HNMPL.</p> <p>The investment will help in the completion of the Project and expected to generate commission income for AICL at a commission of 0.05% per quarter over and above the quarterly commission charged by the AICL's Bank(s) on outstanding amounts of guarantee/SBLCs issued. The completion of the Project of HNMPL will enhance the profitability of AICL and add to the shareholders value of the members of the investing company.</p> <p>Guarantee/SBLCs will be issued for the tenure of 7.5 years starting from the date of the 1st drawdown by HNMPL.</p> | |
| (iii) | Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: | The guarantee/SBLC will be issued by AICL's Bank(s) for which security/corporate / guarantee / collateral will be provided by AICL. | |

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|--------------------------|-------------------|---------------------------------------|----------------------------|--------------------------|--|------------------|----------------|---|----------------|---|--|----------------------|--------|--------------------------------|--------|------------------------------------|--------|
| | (I) | Justification for investment through borrowings | NA | | | | | | | | | | | | | | | | | | |
| | (II) | Detail of Collateral, guarantees provided and assets pledged for obtaining such funds | NA | | | | | | | | | | | | | | | | | | |
| | (III) | Cost benefit analysis | NA | | | | | | | | | | | | | | | | | | |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment | | AICL entered into agreement(s) with Nishat, DGKCC, SGICL, MTL, Sojitz and HNMPL for the share subscription of HNMPL on 4th April 2018. As per the agreement, in addition to the equity contributions, the shareholders shall provide sponsors support by way of issues of Guarantees/ SBLC by their bankers in favor of HNMPL. | | | | | | | | | | | | | | | | | | |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration | | <p>The interest, direct or indirect, in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors of Adamjee Insurance Company Limited (AICL), their relatives and associated companies/sponsors/majority shareholders holding shares of Hyundai Nishat Motor (Private) Limited (HNMPL) are interested to the extent of their shareholding as under:-</p> <table><tr><td><u>Directors:</u></td><td>% of Shareholding</td></tr><tr><td>Mian Umer Mansha (Common Director)</td><td>in HNMPL 0.00 (1 Share)</td></tr><tr><td><u>Relatives:</u></td><td></td></tr><tr><td>Mian Raza Mansha</td><td>0.00 (1 Share)</td></tr><tr><td>Mian Hassan Mansha (Sibling of Mian Umer Mansha)</td><td>0.00 (1 Share)</td></tr><tr><td><u>Associated Companies/Shareholders</u></td><td></td></tr><tr><td>Nishat Mills Limited</td><td>12.00%</td></tr><tr><td>D. G. Khan Cement Company Ltd.</td><td>10.00%</td></tr><tr><td>Security General Insurance Co. Ltd</td><td>10.00%</td></tr></table> | <u>Directors:</u> | % of Shareholding | Mian Umer Mansha (Common Director) | in HNMPL 0.00 (1 Share) | <u>Relatives:</u> | | Mian Raza Mansha | 0.00 (1 Share) | Mian Hassan Mansha (Sibling of Mian Umer Mansha) | 0.00 (1 Share) | <u>Associated Companies/Shareholders</u> | | Nishat Mills Limited | 12.00% | D. G. Khan Cement Company Ltd. | 10.00% | Security General Insurance Co. Ltd | 10.00% |
| <u>Directors:</u> | % of Shareholding | | | | | | | | | | | | | | | | | | | | |
| Mian Umer Mansha (Common Director) | in HNMPL 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| <u>Relatives:</u> | | | | | | | | | | | | | | | | | | | | | |
| Mian Raza Mansha | 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| Mian Hassan Mansha (Sibling of Mian Umer Mansha) | 0.00 (1 Share) | | | | | | | | | | | | | | | | | | | | |
| <u>Associated Companies/Shareholders</u> | | | | | | | | | | | | | | | | | | | | | |
| Nishat Mills Limited | 12.00% | | | | | | | | | | | | | | | | | | | | |
| D. G. Khan Cement Company Ltd. | 10.00% | | | | | | | | | | | | | | | | | | | | |
| Security General Insurance Co. Ltd | 10.00% | | | | | | | | | | | | | | | | | | | | |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs | | As at 31st October 2019, Adamjee Insurance Company Limited has already provided continuing Standby Letters of Credit (SBLC) for Rs. 767,000,000 for a period of 7.5 years effective from the date of the first loan drawdown, by the Company's bankers in favor of lenders/financial institutions of HNMPL to secure financial assistance to be extended to HNMPL and securities / corporate guarantees/collaterals were provided to Company's bankers for the purposes of issuance of SBLC. | | | | | | | | | | | | | | | | | | |

| | | |
|---|--|---|
| | | <p>Adamjee Insurance Company Limited has to date made an equity investment of PKR 550,000,000 in the associated company.</p> <p>There is no impairment / write off of this investment.</p> |
| (vii) | Any other important details necessary for the members to understand the transaction | None. |
| Additional disclosure regarding investment in the form of Standby Letters of Credit (SBLC) | | |
| (i) | Category-wise amount of investment | <p>Additional Guarantee / SBLC upto PKR 277,100,000/- will be arranged by AICL in favor of the lenders of HNMPL to secure financial assistance for the Project of HNMPL.</p> <p>AICL will provide security/corporate guarantee / collaterals to its bankers for issuance of SBLC.</p> |
| (ii) | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return unfunded facilities, as the case may be, for the relevant period | Currently, the Company has no borrowing. The Company shall pay commission to the SBLC issuing financial institution on the outstanding SBLC amount which will be recovered from HNMPL as mentioned below |
| (iii) | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company. | AICL shall charge HNMPL a commission of 0.05 % per quarter over and above the quarterly bank guarantee commission paid by AICL to the SBLC issuing bank/financial institution on the outstanding guarantee / SBLC amount. All expenses incurred by AICL on procurement of SBLC shall be charged to HNMPL. |
| (iv) | Particulars of collateral or security to be obtained in relation to the proposed investment | AICL shall obtain an indemnity/ corporate guarantee from HNMPL for commitment to repay the amount in the event AICL is called upon to pay pursuant to enforcement of guarantee/ SBLC by the lenders of HNMPL. |
| (v) | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable. | NA |
| (vi) | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | <p>AICL shall recover the commission on SBLC from HNMPL on semi-annual basis.</p> <p>AICL will be required to pay only in case HNMPL fails to make re-payment of finances obtained on due dates as per agreement with its lenders.</p> |

Due Diligence:

As required by the Regulations, the directors have carried out the required due diligence for the proposed additional equity investment and issue of Guarantee / SBLC to the lenders of HNMPL before making recommendation for approval of members and duly signed recommendation of the due diligence reports shall be made available for inspection of the members at the EOGM.

Audited Financial Statements of HNMPL

As required by the Regulations, the audited financial statements for the year ended 31 December 2018 shall be made available to the members for inspection at the EOGM.

Interest of Investee Company, its sponsors and directors in the Company.

HNMPL is not a member of the Company and, therefore, has no interest in the Company.

The following sponsors/directors of HNMPL are directors/members of the Company. They have no other interest except their directorship and remuneration attached thereto and to the extent of their shareholding in the Company detailed as follows:

| Name | % of Shareholding in the Company |
|----------------------------|---|
| Mr. Umer Mansha - Director | 0.017 |
| Mr. Raza Mansha - Member | 0.151 |
| Mr. Hassan Mansha - Member | 0.063 |

STATUS OF INVESTMENT UNDER REGULATION 4 (2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017:

| Description | Nishat Hotels & Properties Ltd | Nishat Mills Ltd | Hyundai Nishat Motors (Pvt) Ltd |
|---|---|--|---|
| Date of approval | April 28, 2014 | May 28, 2016 | March 26, 2018 |
| Total Investment | Rs 500 million | Rs 625 million | Rs. 850 million Equity Rs. 1 billion SBLC |
| Amount of Investment made up to October 31, 2019 | - | Rs 161.053 million | Rs. 550 million Equity Rs. 767 million SBLC |
| Reasons for deviation from the approved timeline of investment, when investment decision was to be implemented in stipulated time | The special resolution is valid for 6 years. As such there is no deviation. | The special resolution is valid for 6 years. As such there is no deviation. | The special resolution is valid for 4 years (for equity) and 7.5 years (for SBLC). As such there is no deviation. |
| Material changes in financial statement since date of resolution passed | | | |
| a. Breakup value | Jun 2013 Rs 12.26 Jun 2019 Rs 18.09 | Jun 2015 Rs 216.56 Jun 2019 Rs 189.46 | Dec 2017 Rs. 4.85 Dec 2018 Rs. 9.03 |
| b. Earnings (loss) per share | Jun 2013 Rs (0.37) Jun 2019 Rs 1.42 | Jun 2015 Rs 11.13 Jun 2019 Rs 16.66 | Dec 2017 Rs. (5.74) Dec 2018 Rs. (1.44) |
| c. Balance Sheet footing | Jun 2013 Rs 2.86 billion Jun 2019 Rs 37.07 billion | Jun 2015 Rs101.14 billion Jun 2019 Rs.100.55 billion | Dec 2017 Rs. 170.73 million Dec 2018 Rs. 2936.96 million |



ADAMJEE INSURANCE COMPANY LIMITED

Registered Office: Adamjee House, 80/A, Block E/1, Main Boulevard, Gulberg-III, Lahore

PROXY FORM

I/We of being a member of Adamjee Insurance Company Limited and holder of shares as per Folio No. CDC Participant ID#.....and Sub Account #...../ CDC Investors Account #..... hereby appoint Mr./Miss/Mrs. of (Folio No.....CDC Participant ID#.....and Sub Account #...../ CDC Investors Account #.....) or failing him/her Mr./Miss/Mrs. of (Folio No.CDC Participant ID#.....and Sub Account #...../ CDC Investors Account #.....) as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Saturday, 30 November 2019 at 11:00 a.m. and any adjournment thereof at Avari Hotel, 87, Shahrah-e-Quaid-e-Azam, Lahore.

Signed this day of 2019

WITNESSES:

1- Signature
Name
Address.....
.....
CNIC No.

2- Signature
Name
Address.....
.....
CNIC No.

**Rupees Five
Revenue Stamp**

Signature of Member.....

(Please See Notes on reverse)

NOTES

1. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A Company or a Corporation being a member of the Company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.
2. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

نمائندگی نامہ

میں/ہم مقیم، آدمجی انشورنس کمپنی لمیٹڈ کے ایک ممبر
اور شیئرز کی ملکیت/فولیو نمبر سی ڈی سی پارٹسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر /
سی ڈی سی انویسٹرز اکاؤنٹ نمبر کے مطابق محترم/محترمہ مقیم (فولیو نمبر
سی ڈی سی پارٹسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر /سی ڈی سی انویسٹرز اکاؤنٹ نمبر)
یا اُن کے شریک نہ ہونے پر محترم/محترمہ مقیم (فولیو نمبر
سی ڈی سی پارٹسپنٹ آئی ڈی نمبر اور سب اکاؤنٹ نمبر /سی ڈی سی انویسٹرز اکاؤنٹ نمبر)
بذریعہ بلا آواری ہوٹل، 87، شاہراہ قائد اعظم، لاہور میں بروز ہفتہ مورخہ 30 نومبر 2019ء بوقت صبح 11:00 پر یا کسی ممکنہ التوائی وقت پر منعقد ہونے والے غیر معمولی
اجلاس عام میں شریک ہونے، گفتگو کرنے اور ووٹ دینے کیلئے میرے/ہمارے نمائندے کے طور پر نامزد کرنا چاہتا ہوں/چاہتی ہوں/چاہتے ہیں۔

آج بروز تاریخ 2019ء دستخط کیے گئے۔

گواہان

1. دستخط

نام

پتہ

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

2. دستخط

نام

پتہ

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر

-5 روپے کی
ریونیو اسٹیپ

..... دستخط

(ازراہ کرم اس صفحے کی پشت پر نوٹس ملاحظہ فرمائیں)

ملاحظات (نوٹس):

- 1- غیر معمولی اجلاس عام میں شرکت اور رائے دہی کا حق رکھنے والا ممبر کسی دوسرے ممبر کو اپنی بجائے شرکت اور حق رائے دہی کے استعمال کیلئے اپنا نمائندہ (پروکسی) مقرر کر سکتا ہے۔ کوئی کارپوریشن یا کمپنی، بحیثیت کمپنی، بحیثیت کمپنی کی ممبر، اپنے افسران میں سے کسی کی تقرری بورڈ ریزولیشن کے ذریعے کر سکتی ہے۔ نمائندگی نامہ (Proxy(s) اس اجلاس کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں وصول ہو جانا چاہیے۔
- 2- ایسے ممبران جو سینٹرل ڈپازٹری کمپنی آف پاکستان میں شیئرز جمع کروا چکے ہیں وہ قومی شناختی کارڈ اور سی ڈی پارٹسپنٹ نمبر ساتھ لائیں۔
- 3- CDC اکاؤنٹ ہولڈرز کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ درج ذیل ہدایات کی مزید پیروی کرنا ہوگی:

(A) اجلاس میں شرکت کیلئے:

- (i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈر جس کی رجسٹریشن کی تفصیلات CDC ضوابط کے مطابق اپ لوڈ کی جا چکی ہیں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھائے گا/گی۔
- (ii) کاروباری ادارے کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ نامزد نمائندے کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)۔

(B) نمائندوں کی تقرری کیلئے:

- (i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈر جس کی رجسٹریشن کی تفصیلات CDC ضوابط کے مطابق اپ لوڈ کی جا چکی ہیں، اجلاس میں درج بالا تقاضوں کے مطابق نمائندگی نامہ (Proxy Form) جمع کروائے گا/گی۔
- (ii) نمائندگی نامے پر دو افراد کی گواہی موجود ہونی چاہیے جن کے نام، پتے اور CNIC نمبر تقرری نامے میں درج ہوں۔
- (iii) نمائندگی نامے کے ہمراہ اصل مالکان (beneficial owner) اور نمائندے کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول مہیا کی جائیں۔
- (iv) نمائندے کو اجلاس کے موقع پر اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کاروباری ادارے کی صورت میں، اجلاس کے موقع پر نمائندگی نامے کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ نمائندے/اثارنی کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)۔

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