

**INTERNATIOAL INDUSTRIES LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING
ON 21ST MAY, 2018 AT BEACH LUXURY HOTEL,
KARACHI.**



Promising Reliability, For Now and Tomorrow



If undelivered please return to:

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INTERNATIOAL INDUSTRIES LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting (“**EOGM**”) of International Industries Limited (the “**Company**”) will be held on Monday, 21 May, 2018 at 11:00 a.m. at Jasmin Hall, Beach Luxury Hotel, M. T. Khan Road, Karachi, to transact the following business:

1. ORDINARY BUSINESS

To confirm the minutes of the 69th Annual General Meeting held on 28th September, 2017.

2. SPECIAL BUSINESS

To consider and if thought fit, approve investment by the Company of up to Rs. 194, 959,040/ towards the subscription of the Company's proportionate entitlement of the 25% rights issue announced by Pakistan Cables Limited (“**PCL**”), an associated company of IIL, and issue an undertaking addressed to the Pakistan Stock Exchange Limited, regarding subscription of the Company's proportionate entitlement of PCL's 25% right issue announced by PCL and for this purpose, pass the following special resolution, with or without any amendments:

"RESOLVED THAT the Company be and is hereby authorised to make an equity investment of Rs.194, 959,040/= by way of subscribing 1,218,494 right shares of Rs.10/= each at a price of Rs.160/= (inclusive of premium of Rs.150/= per share) as part of its strategic portfolio in its associated company Pakistan Cables Limited (“**PCL**”).

FURTHER RESOLVED THAT the Company be and is hereby authorised to issue an undertaking, addressed to the Pakistan Stock Exchange Limited, regarding its decision to subscribe to the Company’s proportionate entitlement of the 25% right issue announced by PCL.

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary of the Company be and are hereby jointly and severally authorized to take any and all necessary steps and to execute documents as may be necessary or expedient for the purpose of giving effect to the above resolution."

3. ANY OTHER BUSINESS

To transact any other business with the permission of the Chair.

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business, as required under Section 134(3) of the Companies Act, 2017.)

KARACHI
30th April, 2018

By Order of the Board
International Industries Ltd
UzmaAmjad Ali
Company Secretary

NOTES

Ø The Share Transfer Books of the Company will remain closed from May 12, 2018 to May 21, 2018 (both days inclusive). No transfers will be accepted for registration during this period.

Ø Member entitled to attend, speak and vote at the General Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. If a poll is demanded, subject to Section 143 and 144 of the Companies Act, 2017, Members may be entitled to exercise the right of e-voting or voting by postal ballot in accordance with the Companies (Postal Ballot) Regulations, 2018.

Ø An instrument appointing proxy and the power of attorney/board resolution or other authority under which it is signed or a notarised and certified copy of the power or authority must be deposited at the registered office of the Company at least forty-eight (48) hours before the time of the meeting. Form of Proxy is enclosed.

Ø Attendance of Meeting by Video-Link: If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video-link for attending the meeting. If you wish to take benefit of this facility, please fill the attached form and submit it to the Company at its registered address at least seven (7) days prior to the date of the meeting. The Company will intimate to the Members the venue of the video-link facility at least five (5) days before the date of the EOGM along with all the information necessary to enable them to access the facility.

VIDEO LINK FORM
I/We, _____ of _____ being a member of International Industries Limited, holder of _____ Ordinary shares as per Register Folio / CDC Account No _____ hereby opt for video-link facility at _____
_____ Signature of Member

Ø CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan:

a) For Attending EOGM

Ø In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the CDC Regulations, shall produce proof of his / her identity by showing original Computerized National Identity Card (CNIC) at the time of attending the meeting.

Ø 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.

b)For Appointing Proxy

- Ø In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the CDC Regulations shall submit the proxy form as per the above requirement.
- Ø Attested copies of CNIC of the beneficial owners and the proxy shall be furnished with the proxy form.
- Ø The proxy shall produce his/her original CNIC at the time of the meeting.

c)For CNIC, Zakat & Unclaimed Dividend

- Ø Members are requested to submit a copy of their (CNIC) to update our records. In case of non-submission of CNIC (copy), all future dividend warrants may be withheld.
- Ø Members are requested to submit declaration as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.
- Ø Members are requested to contact our Share Registrar, M/s CDC Pakistan Ltd. to claim their pending dividends. Please note that all previous dividends, if not claimed within three (3) years of the respective date of issuance, will be surrendered to the Federal Government.

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

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting ("EOGM") of International Industries Limited (the "**Company**") to be held on 21st May, 2018.

AGENDA ITEM 2

Pakistan Cables Limited ("**PCL**") is an associated company of the IIL, one of the original sponsor of PCL, having its registered office at 1st Floor, Arif Habib Centre, 23 M.T. Khan Road, Karachi. The authorized share capital of PCL is Rs. 500,000,000 (Five Hundred Million) divided into 50,000,000 (Fifty Million) shares of Rs. 10 each, while the paid-up capital of PCL is Rs.284,623,760/divided into 28,462,376 ordinary shares of Rs. 10/- each. PCL is a public listed company and is Pakistan's premium manufacturer of electrical cables, wires, copper rod, PVC compound and aluminum sections with annual revenues in excess of Rs. 8 billion. The Company currently holds 4,873,976 ordinary shares of PCL constituting 17.12% of the aggregate paid-up capital in PCL.

In order to support the cost of expansion project of manufacturing facilities including purchase of new machines, the Board of Directors of PCL in their meeting held on 19th April, 2018 has announced a 25% Right Issue by offering 7,115,594 ordinary shares to existing shareholders of PCL at a price of Rs.160/- per share (including a premium of Rs.150/- per share) in proportion of 25 right shares for every 100 ordinary shares held. The rights shares issue shall rank pari passu with the existing shares in all respect.

The Board of Directors of the Company at their meeting held on 20th April, 2018, has considered and proposed that the Company should subscribe to its proportionate entitlement of 17.12% of the Right Issue by making an equity investment of Rs.194,959,040/- towards the subscription price of 1,218,494 ordinary right shares of Rs.10/- each at a price of Rs. 160/- (inclusive of premium of Rs.150/- per share) so that the Company continues to maintain its per centum share in the increased paid-up capital of PCL.

In this regard, it was also recommended for shareholders' approval to authorize the Company to provide an undertaking to Pakistan Stock Exchange Limited regarding the Company's decision to subscribe to its right shares entitlement (to the tune of 17.12 % of the total rights issue) of 1,218,494 shares in exchange of a consideration of Rs.160 per share.

For this purpose, and pursuant to Section 199 of the Companies Act, 2017, it is proposed to consider and, if thought fit, to pass the special resolution set out in the Notice of EOGM, with or without modification, for authorizing investment by way of subscription to the Company's proportionate entitlement of the rights issue offered to the Company by PCL.

Mr. Mustapha A. Chinoy and Mr. Kamal A. Chinoy being respectively, the Chairman and CEO of PCL did not participate in the decision making at the Board meeting of the Company while the matter was considered, in accordance with Section 207 of the Companies Act, 2017.

The Directors are not interested, directly or indirectly, in the above special businesses, other than to the extent of their shareholding of the Company.

Information to be disclosed under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 ("Regulations")

The information required to be disclosed under the Regulations is set out below:

a. Disclosures for all types of investments:-

A. Regarding associated company or associated undertaking:-

(i) name of the associated company or associated undertaking;

Pakistan Cables Limited ("PCL"), a public listed company incorporated in Pakistan.

(ii) basis of relationship;

PCL is an associated of the Company for the purposes of Section 199 of the Companies Act, 2017, by virtue of common directorship. Mr. Mustapha A. Chinoy and Mr. Kamal A. Chinoy, Directors of the Company are also Directors of PCL. This makes PCL an associated of the Company. As a result, the approval of the shareholders of the Company, by special resolution, under Section 199 of the Companies Act, 2017 is sought.

(iii) earnings per share for the last three years;

	Earnings Per Share PCL RS.
30 June 2017	16.81
30 June 2016	9.29
30 June 2015	6.65

(iv) break-up value per share, based on latest audited financial statements;

The break-up value of the shares of PCL as per latest audited financial statements for the year ended 30 June 2017 is as follows:

Ø Without Revaluation: Rs. 70.56 per share

Ø With Revaluation: Rs: 109.32 per share

- (v) financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and

PAKISTAN CABLES LTD.
Balance Sheet (Summary) - As at 30 June 2017

	30-06-2017	(Rs.in '000) 30-06-2016
Assets		
Non-Current assets	2,252,148	2,148,946
Current assets	<u>3,537,579</u>	<u>2,926,580</u>
Total assets	<u><u>5,789,727</u></u>	<u><u>5,075,526</u></u>
EQUITY AND LIABILITIES		
Share Capitals and reserves	2,008,446	1,866,767
Surplus on revaluation of assets	1,103,112	1,114,119
Non-current liabilities	321,024	360,308
Current liabilities	<u>2,357,145</u>	<u>1,734,332</u>
	<u><u>5,789,727</u></u>	<u><u>5,075,526</u></u>

PAKISTAN CABLES LTD.
Profit & Loss Account - for the year ended 30 June 2017

	30-06-2017	(Rs.in 000's) 30-06-2016
Net Sales	8,083,511	6,849,559
Cost of Sales	<u>(6,815,996)</u>	<u>(5,766,671)</u>
Gross Profit	1,267,515	1,082,888
Marketing, selling and distribution costs	(406,018)	(405,694)
Administrative expenses	(230,120)	(196,730)
	(636,138)	(602,424)
Financial costs	(65,620)	(80,856)
Other Expenses	(48,746)	(31,420)
	(114,366)	(112,276)
Other Income	97,694	27,148
Share of profit from associate	9,546	11,849
Profit before income tax	<u>624,251</u>	<u>407,185</u>
Taxation	<u>(145,795)</u>	<u>(142,905)</u>
Profit for the year	<u><u>478,456</u></u>	<u><u>264,280</u></u>
	----- (Rupees) -----	
Earning per share - basic and diluted	16.81	9.29

- (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:-**

Not applicable.

A. General Disclosures:

- (i) **maximum amount of investment to be made;**

Equity investment of up to Rs. 194,959,040/= in PCL.

- (ii) **purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;**

Purpose: The Company currently holds 4,873,976 (17.12%) shares of PCL. As a consequence of subscription to right shares of PCL, the Company's shareholding will remain the same and not be diluted and the Company will continue to maintain its per centum share in the increased paid-up capital of PCL. The purpose of investment is detailed in the opening statement of the Statement of Material Facts.

Benefits: The Company is likely to benefit from increased profitability of PCL, as well as dividend income.

Period of Investment: This is an equity investment and no period of investment is envisaged.

- (iii) **sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:-**

- (I) **justification for investment through borrowings;**
(II) **detail of collateral, guarantees provided and assets pledged for obtaining such funds; and**
(III) **cost benefit analysis;**

The securities will be acquired out of Company's own funds.

- (iv) **salient features of the agreement(s), if any, with its associated company or associated undertaking with regards to the proposed investment;**

No agreement has been entered into with PCL in respect of this equity investment by way of subscription to right shares.

- (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;**

Mr. Mustapha A. Chinoy is the Chairman and Director of the Company, as well as a Director and Chairman of PCL. He also holds shares in the Company to the extent of 13.23% and in PCL to the extent of 10.05%. He is interested to the extent of his Directorship and shareholding of the Company.

Mr. Kamal A. Chinoy is a Director of the Company and is also a Director and CEO of PCL. He also holds shares in the Company to the extent of 10.77% and in PCL to the extent of 14.30%. He is interested to the extent of his Directorship and shareholding of the Company.

Except as above stated, no other Directors, sponsors, majority shareholders or their relatives have any direct or indirect interest in PCL or the proposed transaction except to the extent of their shareholdings in PCL. Nonetheless, the sponsors, majority shareholders and Directors (if they are also shareholders of the Company) will indirectly benefit from the dividends received by the Company on its investment in PCL.

- (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; and**

The Company recently made further equity investment in PCL by acquiring 2,448,063 shares of PCL in February, 2018, accumulating the total holding at 4,873,976 shares or 17.12% of the paid capital in PCL.

Given that the investment is very recent, a performance review is not possible at this early stage.

- (vii) **any other important details necessary for the members to understand the transaction;**

Not applicable.

b. In case of equity investment:

- (i) **maximum price at which securities will be acquired;**

The Company will subscribe to PCL's shares at the subscription price of Rs. 160 per share (including a premium of Rs. 150 per share).

- (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;**

As at 31st March, 2018 per share purchase market value of PCL shares of was Rs.281.00, which is higher than the subscription price of a right share i.e. Rs.160 per right share.

- (iii) **maximum number of securities to be acquired;**

1,218,494 right shares of PCL

- (iv) **number of securities and percentage thereof held before and after the proposed investment;**

The Company currently holds 4,873,976 (17.12%) ordinary shares of PCL. After subscribing to 1,218,494 right shares of PCL, the shareholding of the Company in PCL shall increase to 6,092,470 ordinary shares, however, the percentage shareholding of the Company in PCL will remain the same at 17.12%.

(v) current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities;

PCL Share Performance during 1st January, 2018 to 31st March, 2018 is as below:

Ø Average price per share	Rs.257.17
Ø Maximum price per share	Rs.307.50
Ø Minimum price per share	Rs.205.55

(vii) fair value determined in terms of regulation 5 for investment in unlisted securities;

Not applicable.

Due Diligence Undertaking of the Directors:

The Directors of the Company have, as required by Regulation 3(3) of the Regulations, carried out the requisite due diligence for the proposed investment directly in PCL for which shareholders' consent by Special Resolution set out above is required under Section 199 of the Companies Act, 2017. The recommendations of the said Due Diligence Report duly signed under the authority of the Directors will be made available for inspection by the shareholders at the EOGM.

Interest of the Investee Company, its Sponsors and Directors in the Company:

Mr. Mustapha A. Chinoy and Mr. Kamal A. Chinoy, are Directors and shareholders of PCL and are also Directors and shareholders of the Company and are interested to the extent of their Directorships and shareholding in both companies.

Audited Financial Statements of PCL:

As required by Regulation 4(3) of the Regulations, the latest annual audited financial statements of PCL (for the year ended 30 June 2017) and latest interim financial statements (if any) shall be made available for inspection by the Members at the EOGM.



PROXY FORM

I / we _____

of _____

being a member of INTERNATIONAL INDUSTRIES LIMITED and holder of _____

ordinary shares as per Share Register Folio No. _____ and / or CDC Participant I.D.

No. _____ and Sub Account No. _____ hereby appoint _____

_____ of _____

or failing him _____

of _____

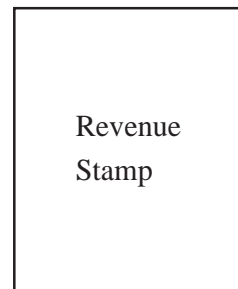
as my proxy to vote for me and on my behalf at the extraordinary general meeting of the Company to be held on 21 May, 2018 and at any adjournment thereof.

Signed this _____ day of _____ 2018.

WITNESSES:

1. Signature: _____
Name: _____
Address: _____
NIC or
Passport No. _____

Signature



Revenue
Stamp

2. Signature: _____
Name: _____
Address: _____
NIC or
Passport No. _____

(Signature should agree with the specimen signature registered with the Company)

Note: Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A proxy must be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their National Identity Card or Passport with this proxy form before submission to the Company.



Promising Reliability, For Now and Tomorrow

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