شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

October 06, 2017

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

Subject: **Notice of 31st Annual General Meeting**

Dear Sir,

Please find enclosed a copy of the Notice of the 31st Annual General Meeting of Shifa International Hospitals Limited to be held on October 27, 2017 for circulation amongst your members.

Further, we are also enclosing the copy of Statement of Material Facts U/s 134 (3) of the Companies Act, 2017.

Thanking you,

MUHAMMAD NAEEM
Company Secretary

شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the shareholders of Shifa International Hospitals Limited will be held at the registered office (C-0 Auditorium) of the Company at Sector H-8/4, Islamabad on Friday, October 27, 2017 at 1030 hours to transact the following business:

ORDINARY BUSINESS

1- To confirm the minutes of the last Annual General Meeting of the Company held on October 29, 2016.

2- To receive, consider and adopt the annual audited accounts and consolidated audited accounts of the Company and its subsidiary for the year ended June 30, 2017 together with the directors' and auditors' report thereon.

3- To approve the payment of cash dividend @ Rs. 5.00 per share for the year ended June 30, 2017 as recommended by the directors.

4- To appoint auditors for the year ending June 30, 2018 and to fix their remuneration.

SPECIAL BUSINESS

5- To consider, and if thought fit, to pass with or without modification the following resolution as special resolution:

"**RESOLVED** that a private limited company under the name and style of "Shifa CARE (Pvt.) Limited" be incorporated as an associated company.

FURTHER RESOLVED that the Company is hereby authorized to make investment upto Rs. 250 million in the paid-up capital of the said associated company within 5 years from the date of incorporation.

FURTHER RESOLVED that the Chief Executive Officer and/or Company Secretary be and is/are hereby authorized singly or jointly to give effect to these resolutions."

6- To consider, and if thought fit, to pass with or without modification the following resolution as special resolution for alteration in Memorandum and Articles of Association, as recommended by the Board of Directors:

"**RESOLVED** that the Authorized Capital of the Company be and is hereby increased from Rs. 545,379,000/- divided into 54,537,900 ordinary shares of Rs. 10/-

شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

each to Rs. 1,000,000,000/- divided into 100,000,000 ordinary shares of Rs. 10/- each.

FURTHER RESOLVED that the new shares when issued shall rank pari passu with the existing shares in all respects/matters.

FURTHER RESOLVED that the Clause V and Clause II of the Memorandum of Association and Articles of Association respectively be altered accordingly.

FURTHER RESOLVED that the Chief Executive Officer and/or Company Secretary be and is/are hereby authorized to do or cause to do or to be done all acts, deeds and things that deems necessary to give effect to these resolutions."

7- To consider, and approve the transmission of Annual Audited Accounts to the shareholders at their registered addresses through CD/DVD/USB instead of transmitting the said accounts in hard copies as notified by the Securities & Exchange Commission of Pakistan vide its SRO No. 470(I)/2016 dated May 31, 2016 and if thought fit, to pass with or without modification the following resolution as ordinary resolution:

"**RESOLVED** that transmission of Annual Audited Accounts to the shareholders through CD/DVD/USB instead of transmitting the same in hard copy be and is hereby approved.

FURTHER RESOLVED that the Chief Executive Officer and/or Company Secretary be and is/are hereby authorized singly or jointly to give effect to foregoing resolution."

Statement of Material Facts u/s 134 (3) of Companies Act, 2017 is annexed with this notice.

By Order of the Board

MUHAMMAD NAEEM
Company Secretary

ISLAMABAD
September 18, 2017

شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

Notes:

i) The share transfer books of the Company will remain closed from October 18, 2017 to October 27, 2017 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at the share registrar's office of the Company i.e. M/s Corplink (Pvt.) Limited situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on Tuesday, October 17, 2017 will be considered in time for the purpose of payment of dividend to the transferees.

ii) A member entitled to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective must be received at the registered office of the Company at Sector H-8/4, Islamabad, not less than 48 hours before the time of holding the meeting. Proxy form is attached.

iii) Members are requested to notify any change in their registered addresses immediately.

iv) CDC shareholders entitled to attend and vote at this meeting must bring their original CNIC or Passport along with the participant's ID numbers and account numbers to prove their identity. In case of proxy, the attested copy of CNIC or passport of the CDC shareholder must be enclosed. Representatives of corporate members should bring the usual documents required for such purpose.

v) Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, M/s Corplink (Pvt.) Limited.

vi) The Company wishes to inform its shareholders that pursuant to section 242 of the Companies Act, 2017 and circular 18/2017 issued by Securities & Exchange Commission of Pakistan, any dividend payable in cash declared by the listed company shall only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder instead of receiving it through dividend warrants. In this regard, shareholders are advised to provide the particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank to the Company's Share Registrar. CDC account holders should submit their particulars to their broker (participant)/ CDC.

vii) Pursuant to the provision of Finance Act 2017, the rates of Income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 have been revised as under:

- **For filers - 15 %**
- **For non-filers - 20 %**

شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

All shareholders are requested to make it sure that copy of their valid CNIC/NTN should be available with the Shares Registrar. Please also note that in case of non-availability of CNIC/NTN, the Share Registrar could not check their status and would be constrained to apply tax rate prescribed for non-filers.

viii) In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal Shareholder) for deduction of Withholding Tax on dividends of the Company, shareholders are requested to please complete the form (earlier dispatched) to furnish the shareholding ratio, details of themselves as Principal Shareholder and their Joint Holders to the Company's Share Registrar, enabling the Company to compute Withholding Tax of each shareholder accordingly. In the event of non-receipt of the information by October 17, 2017 each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

ix) Pursuant to Notification vide SRO. 787(I)/2014 of September 08, 2014, the Securities and Exchange Commission of Pakistan has directed to facilitate the members of the Company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through email in future. In this respect members are hereby requested to send their consent on a standard request form which is available at Company website http://www.shifa.com.pk/files/finst/Financial-Statements-Request-Form.pdf duly signed alongwith copy of CNIC/PoA to the Company's Shares Registrar.

x) If the Company receives consent from members holding 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility.

In this regard, please fill the following and submit at the registered office of the Company situated at Sector H-8/4, Islamabad at least 10 days prior to the date of Annual General Meeting:

I/We ______________________________ of ______________________ being a member(s) of Shifa International Hospitals Limited, holding ______________ ordinary shares as per registered Folio / CDC Account No. ______________________ hereby opt for video conference facility at ____________________.

______________________ ______________________

Date **Signature**

شفا انٹرنیشنل ہسپتال اسلام آباد

Shifa International Hospitals Ltd.
Sector : H-8/4, Islamabad - Pakistan
Tel : 051-8463000
Fax : 051-4863182

STATEMENT OF MATERIAL FACTS U/S 134(3) OF COMPANIES ACT, 2017

INVESTMENT IN ASSOCIATED COMPANY

The Board of Directors have approved establishment of an associated company under the name and style of "Shifa CARE (Pvt.) Limited" which will focus on providing IT solutions pertaining to the following:

1) Hospitals providing services from Primary to Tertiary Care
2) Clinics and Nursing Homes
3) Diagnostic Centers
4) Pharmacies
5) Medical Benefits Management Entities

As per requirements of the Companies (Investment in Associated Companies and Associated Undertakings) Regulations, 2012, following information is provided to the shareholders:-

Sr. #	Description	Information Required
(i)	Name of the associated company or associated undertaking alongwith criteria based on which the associated relationship is established.	Shifa CARE (Pvt.) Limited (Proposed) will be associated company of Shifa International Hospitals Ltd. The proposed company is being established in collaboration with CARE (Pvt.) Ltd. Initially the shareholding of both Shifa and CARE shall be 50% of the Paid-up Capital. In future at appropriate time investment shall/may be invited from third parties, however, the equity interest of Shifa shall not be less than 30% of the total equity at any given time.
(ii)	Purpose, benefits and period of investment.	To contribute in equity - to be long term investment.
(iii)	Maximum amount of investment;	Investment upto Rs. 250 million in five years.
(iv)	Maximum price at which securities will be acquired.	At par value of Rs.10/- per share.

(v)	Maximum number of securities to be acquired.	25 million shares in five years.
(vi)	Number of securities and percentage thereof held before and after the proposed investment.	None at present. Afterward - 25 million shares not less than 30 % at any given point of time
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not applicable
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Not applicable
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	Not applicable
(x)	Earnings per share of the associated company or associated undertaking for the last three years.	Not applicable
(xi)	Sources of fund from which securities will be acquired.	Internal generation of resources / issuance of right shares
(xii)	Where the securities are intended to be acquired using borrowed funds: (1) Justification for investment through borrowing; and (2) Details of guarantees and assets pledged for obtaining such funds.	Not applicable.
(xiii)	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	Not applicable.
(xiv)	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.	Following will have interest:- (i) Shifa will have equity interest and nomination of directors accordingly. (ii) Spouse of Prof. Dr. Shoab A. Khan, Independent Director on the board of Shifa International Hospitals Limited, is the director of CARE (Pvt.) Limited and holds 27.12% shares of CARE (Pvt.) Limited so Prof. Dr. Shoab A. Khan shall be interested in the

		associated company by virtue of his spouse, being the director and substantial shareholder of CARE (Pvt.) Limited. (iii) Other directors are not interested in this business except as shareholders of the company.
(xv)	Any other important details necessary for the members to understand the transaction; and	None
(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;- (I) Description of the project and its history since conceptualization; (II) Starting and expected dated of completion of work; (III) Time by which such project shall become commercially operational; and (IV) Expected time by which the project shall start paying return on investment.	Not applicable.

The directors in their meeting held on September 11, 2017 signed the undertaking as required under sub regulation 3 of Regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012 and the duly signed recommendations of the due diligence report shall be available for inspection in the 31st Annual General Meeting of the Company scheduled to be held on October 27, 2017.

AMENDMENTS IN MEMORANDUM AND ARTICLES OF ASSOCIATION

The amendments in Memorandum and Articles of Association of the Company is proposed to enhance the Authorised Capital of the Company from Rs. 545,379,000/- to Rs. 1,000,000,000/-. The enhancement of its authorised capital will enable the Company to issue the right shares / bonus shares and others. The Directors do not have interest, directly or indirectly, in the aforementioned business except to the extent of their shareholding in the Paid-up Capital of the Company.

The proposed amendments shall be incorporated in the Memorandum and Articles of Association of the Company after the approval of special resolution. All necessary requirements of law will be complied with in this regard, therefore, the proposal for incorporation in Memorandum and Articles of Association of the Company is hereby being placed before the shareholders for their consideration and approval. The comparative statement of existing and proposed alteration in Memorandum and Articles of Association is as under:

Clause No.	Existing Clause	Proposed Clause
V of Memorandum of Association	The Authorised Capital of the Company is Rs. 545,379,000/- (Rupees Five Hundred Forty Five Million, Three Hundred Seventy Nine Thousand only) divided into 54,537,900 shares of Rs. 10/- each with power to increase or reduce the capital.	The Authorised Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion only) divided into 100,000,000 shares of Rs. 10/- each with power to increase or reduce the capital.
III of Articles of Association	The Authorised Capital of the Company is Rs. 545,379,000 (Rupees Five Forty Five Million Three Hundred Seventy Nine Thousand only) divided into 54,537,900 Ordinary Shares of Rs. 10/- each.	The Authorised Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion only) divided into 100,000,000 Ordinary Shares of Rs. 10/- each.

TRANSMISSION OF ANNUAL AUDITED ACCOUNTS THROUGH CD/DVD/USB

To give effect to the S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities & Exchange Commission of Pakistan (SECP), shareholders' approval is being sought to allow the company to circulate the annual audited statements, auditor's report and directors' report etc. (annual audited accounts) to its members through CD/DVD/USB at their registered addresses.

The Company, however, shall place on its website i.e.www.shifa.com.pk a standard request form to enable those members requiring a hard copy of the annual audited accounts instead of through CD/DVD/USB to intimate the Company of their requirement. The Company shall dispatch free of cost hard copy of the annual audited accounts to such members at their registered addresses within one week of receipt of request.

The directors are not interested in this business except as shareholders of the Company.

MUHAMMAD NAEEM
Company Secretary