

**MAPLE LEAF CEMENT FACTORY LIMITED**

Registered Office: 42-Lawrence Road, Lahore.
Phone: 042-36278904-05, Fax: 042-36368721

KMLG
Kohinoor Maple Leaf Group**Notice of Annual General Meeting**

Notice is hereby given that the 61st Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on Tuesday, September 28, 2021 at 11:00 AM at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business: -

Ordinary Business:

- 1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2021 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2) To appoint Auditors for the year ending on June 30, 2022 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.


Special Business:

- 3) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors: -

"Resolved by way of special resolution that consent and approval of Maple Leaf Cement Factory Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans/advances from time to time to **Kohinoor Textile Mills Limited**, the holding company, upto an aggregate sum of Rs. 500 million (Rupees five hundred million only) for a period of one year commencing November 01, 2021 to October 31, 2022 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 27, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 200 million which is valid till October 31, 2021.

Resolved further that Chief Executive Officer and Secretary of the Company be and are hereby authorized **singly** to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the holding company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents



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all such notices, reports, letters and any other document or instrument to give effect to the above resolutions.”

- 4) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2021 by passing the following special resolution with or without modification: -

“Resolved that the transactions conducted with the Related Parties as disclosed in the note 45 of the unconsolidated financial statements for the year ended June 30, 2021 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed.”

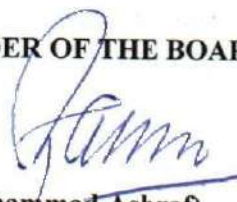
- 5) To authorize the Board of Directors of the Company to approve transactions with the related parties for the financial year ending on June 30, 2022 by passing the following special resolution with or without modification: -

“Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with the Related Parties on case to case basis for the financial year ending on June 30, 2022.

Resolved further that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.”

BY ORDER OF THE BOARD




(Muhammad Ashraf)
Company Secretary

Lahore: September 07, 2021

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (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 21, 2021 will be considered in time to determine voting rights of the shareholders for attending the meeting.

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2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity. In case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form. 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. A member shall not be entitled to appoint more than one proxy.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.
4. In light of the threat by the evolving coronavirus (COVID-19) situation, the Securities and Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting (AGM) in order to protect the well-being of the shareholders.

The shareholders who are interested to attend the AGM through Video Conferencing, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 72 hours before the time of AGM (i.e. before 11:00 AM on September 25, 2021) through following means:

- a) Mobile/WhatsApp: 0321-7775170
- b) E-mail: muhammad.ashraf@kmlg.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and e-mail ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail addresses. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/ computer devices.

In view of the above, the shareholders can also provide their comments / suggestion for the proposed agenda items of the AGM by using the aforesaid means.

5. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility. The audited financial statements for the year ended June 30, 2021 are available on website of the Company. Further, the Company has sent its Annual Report 2021 through CD/DVD/USB to the shareholders at their available Registered Addresses instead of hard copy. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder.



6. Shareholders are requested to notify / update the following information & documents with their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier notified / updated: -

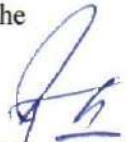
- a. Change in their addresses;
- b. Pursuant to requirement of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, provide their bank details including International Bank Account Number (IBAN) of 24 digits in order to receive unclaimed e-dividends. Further, shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;
- c. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder;
- d. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e. May 30, 2017.


The shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

- e. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

Statement Under Section 134(3) of the Act:

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on September 28, 2021.




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Agenda Item No. 3 of the Notice - Investment in Kohinoor Textile Mills Limited

Kohinoor Textile Mills Limited ("KTML"), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products and its production comprise 158,544 ring spindles and 2,712 open end rotors capable of spinning a wide range of counts using cotton and man-made fibers. The weaving facilities at Raiwind comprise 288 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access.

The Board of Directors of the Company in their meeting held on August 12, 2021 has approved Rs. 500 million as loans / advances, being a reciprocal facility, to KTML on the basis of satisfactory profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in KTML and it has been kept at the Registered Office of the Company for inspection of the members along with audited accounts of KTML as required under the Regulations.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking;	Kohinoor Textile Mills Limited (the "KTML")
(ii)	Basis of relationship;	KTML is a holding company of Maple Leaf Cement Factory Limited (the "Company").



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(iii)	Earnings per share for the last three years;	(Rupees)																												
		Year	Basic	Diluted																										
		30.06.2019	5.85	5.85																										
		30.06.2020	5.11	5.11																										
		30.06.2021	9.21	9.21																										
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2021 With revaluation surplus Rs. 67.35 Without revaluation surplus Rs. 54.41																												
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2021, the financial position of KTML is as under: - <table><tr><th>Particulars</th><th>Amount</th></tr><tr><td></td><td>Rupees (000)</td></tr><tr><td>Paid up capital</td><td>2,992,964</td></tr><tr><td>Surplus on revaluation of freehold land and investment properties</td><td>3,871,774</td></tr><tr><td>Total Reserves</td><td>17,164,593</td></tr><tr><td>Total Equity</td><td>20,157,557</td></tr><tr><td>Current liabilities</td><td>10,093,041</td></tr><tr><td>Current assets</td><td>10,471,920</td></tr><tr><td>Revenue</td><td>29,955,525</td></tr><tr><td>Gross Profit</td><td>6,132,628</td></tr><tr><td>Operating Profit</td><td>4,061,498</td></tr><tr><td>Net Profit</td><td>2,756,329</td></tr><tr><td>Earnings per share (Rs.)</td><td>9.21</td></tr></table>			Particulars	Amount		Rupees (000)	Paid up capital	2,992,964	Surplus on revaluation of freehold land and investment properties	3,871,774	Total Reserves	17,164,593	Total Equity	20,157,557	Current liabilities	10,093,041	Current assets	10,471,920	Revenue	29,955,525	Gross Profit	6,132,628	Operating Profit	4,061,498	Net Profit	2,756,329	Earnings per share (Rs.)	9.21
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(B) General Disclosures:-																														
Ref. No.	Requirement	Information																												
(i)	Maximum amount of investment to be made;	Rs. 500 million (Rupees five hundred million only).																												
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	Purpose: To earn income on the loans and/or advances to be provided to KTML from time to time for working capital requirements of KTML.																												



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		Benefits: The Company will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds. Period: For a period of one year from November 01, 2021 to October 31, 2022.	
(iii)	Source of funds to be utilized for investment and	Loan and/or advance will be given out of own funds of the Company.	
	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;	N/A	
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Nature	Loan / advance
		Purpose	To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow
		Period	One Year
		Rate of Mark-up	One percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
		Repayment	Principal plus mark-up/profit upto October 31, 2022
		Penalty charges	@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).



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(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;	Investing Company i.e. the Company is a subsidiary company of KTML and Nine Directors including CEO are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.
(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	A similar nature of loan/advance facility of Rs. 200 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 27, 2020 which is valid till October 31, 2021. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A

3(1)(c) Investments in the form of loans, advances:

Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirement for a period of one year as dilated in preamble.
(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 for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is 7.85% for the year ended June 30, 2021.



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(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from KTML at one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since KTML is a holding company of the Company.
(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 the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2021 to October 31, 2022 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2022.

Disclosure under Regulation 4(1):

Eight Directors and Sponsors of the associated company i.e. KTML are also the members of the Company and interested to the extent of their shareholding as under: -

Name	%age of shareholding in KTML	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol	4.2260	0.0030
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	10.1495	0.0164
Mr. Taufique Sayeed Saigol	14.5090	0.0015
Mr. Sayeed Tariq Saigol	0.1286	0.0010
Mr. Waleed Tariq Saigol	0.0112	0.0010
Mr. Danial Taufique Saigol	0.0010	0.0005
Ms. Jahanara Saigol	0.0008	0.0002
Mr. Shafiq Ahmed Khan	0.0010	0.0014
Mr. Zulfikar Monnoo	0.0010	0.0003



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Agenda Item No. 4 of the Notice – Ratification and approval of the related party transactions

Transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2021 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ratification.

All transactions with related parties to be ratified have been disclosed in the note 45 to the unconsolidated financial statements for the year ended June 30, 2021. Party-wise details of such related party transactions are given below: -

Name of Parties	Relationship	Transactions	2021	2020
(Rupees in thousand)				
a) Kohinoor Textile Mills Limited	Holding Company (55.22% equity held)	Sale of goods to related party	144,968	114,281
		Markup charged by the Holding Company	-	21,297
		Purchase of fixed assets	3,533	-
		Expenses paid by related party on behalf of the Company	14,050	22,152
		Expenses paid by the Company on behalf of related party	5,265	-
		Dividend paid	-	163,918
b) Maple Leaf Power Limited	Subsidiary Company (100% equity held)	Sale of goods to related party	2,159,321	2,325,359
		Long term loan from subsidiary	-	2,000,000
		Long term loan repaid to subsidiary	2,000,000	-
		Rent charged to subsidiary company	360	360
		Purchase of goods and services (inclusive of taxes)	5,043,812	5,821,959
		Markup paid during the year by related party	237,579	119,050



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			Dividend received from related party	3,514,000	-
			Payments made on behalf of related party.	224,544	376,582
c)	Key management personnel	Key management personnel	Remuneration and other benefits	196,694	181,787
d)	Employee benefits				
	Gratuity	Post-employment benefit plan	Contribution paid during the year	36,550	21,343
	Provident Fund Trust	Employees benefit fund	Contribution paid during the year	175,197	182,728

The Company carries out transactions as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval.

The nature of relationship with these related parties has been indicated above. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

Agenda Item No. 5 of the Notice – Authorization for the Board of Directors to approve the related party transactions during the year ending on June 30, 2022

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2022 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their shareholding and/or only their common directorships in such related parties.