



BESTWAY CEMENT LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of Bestway Cement Limited (the Company) will be held at Bestway Building, 19-A, College Road, F-7 Markaz, Islamabad at 3:00 p.m. on Monday, September 23, 2019 to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on September 24, 2018.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended June 30, 2019 together with the Directors' and Auditors' Reports thereon.
3. To approve and declare final cash dividend of 30% in addition to 80% interim dividends already paid for the year ended June 30, 2019, as recommended by the Board of Directors.
4. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2020. The retiring auditors M/s A. F. Ferguson & Co., Chartered Accountants have consented to be so appointed and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the requirements of Section 199 of the Companies Act, 2017, the Company be and is hereby authorized to make an investment of upto Rs. 500 million in the ordinary shares of United Bank Limited (UBL), an associated undertaking by way of acquiring these shares at the applicable quoted price of such shares on the Stock Exchange on the date of purchase.

FURTHER RESOLVED THAT the above said resolution shall be valid for one year and the Chief Executive Officer and the Chief Financial Officer of the Company be and are hereby empowered and authorized to undertake the decision of the said investment of shares jointly as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of UBL including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

OTHER BUSINESS

6. Any other business with the permission of the chair.

By Order of the Board

Sehar Husain
Company Secretary

September 2, 2019
Islamabad

NOTES

1. The share transfer books of the Company will remain closed from 17-09-2019 to 23-09-2019 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order at M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 upto the close of business on 16-09-2019 will be treated in time to attend the Annual General Meeting and for other entitlements.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote instead of him/her. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.



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For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

3. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
4. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his original NIC or original passport at the time of meeting.
6. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
7. Shareholders are informed that rate of withholding tax for non filers is 20% against 15% for filers of the income tax returns. The shareholders are advised to e-file their returns as the Department places the names of the e-filers on their website and to provide their NTN to the Shares Registrars of the Company for availing the benefit of lower withholding rate.
8. In terms of section 242 of Companies Act, 2017, listed Companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate (bank account details) to the share registrar of the company in case of physical shares and to the CDC in case shares are held electronically.
9. Shareholders are requested to provide copies of their valid CNICs, mandatory for dispatch of dividend warrants and also promptly notify any changes in their addresses.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting (AGM) of the Company to be held on September 23, 2019.

The Company seeks its shareholders' approval to pass the Special Resolutions provided in the Notice of the AGM to make an investment in its associated company i.e. United Bank Limited (UBL) pursuant to Section 199 of the Companies Act, 2017.

United Bank Limited (the Bank) is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank's registered office and principal office are situated at UBL Building, Jinnah Avenue, Blue Area, Islamabad and at UBL Head Office, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,364 branches inside Pakistan including 94 Islamic Banking branches and 2 branches in Export Processing Zones. The Bank also operates 15 branches outside Pakistan. The Bank is a subsidiary of Bestway (Holdings) Limited and Bestway (Holdings) Limited is a wholly owned subsidiary of Bestway Group Limited which is incorporated in the United Kingdom.

The Bank's ordinary shares are listed on Pakistan Stock Exchange (PSX). Its Global Depository Receipts (GDRs) are on the list of the UK Listing Authority and the London Stock Exchange Professional Securities Market.

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosures for all types of investments,-			
(A) Regarding associated company or associated undertaking:-			
(i)	Name of Associated Company or Associated Undertaking	United Bank Limited	
(ii)	Basis of relationship	Common Directorship	
(iii)	Earnings Per Share for the last three years	Rs. 12.44, 20.57 & 22.65	
(iv)	Break-up value per share, based on latest audited financial statements;	Without surplus on revaluation of assets	Rs. 110.02
		With surplus on revaluation of assets	Rs. 123.57
		As at December 31, 2018	



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(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Balance Sheet	2018 Rs. Million	Profit & Loss Accounts	2018 Rs. Million
		Share Capital	12,242	Mark-up/return /interest earned	113,198
		Reserves	54,439	Mark-up/return/ interest expensed	56,964
		Unappropriated Profit	68,002	Net mark-up / interest income	56,234
		Assets	1,889,599	Non mark-up / interest income	25,072
		Liabilities	1,738,329	Total Income	81,306
				Total non mark-up / interest expenses	36,768
				Profit before taxation	24,967
		Profit after taxation	15,226		
(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				N/A
	(I)	Description of the project and its history since conceptualization			N/A
	(II)	Starting date and expected date of completion of work;			N/A
	(III)	Time by which such project shall become commercially operational;			N/A
	(IV)	Expected time by which the project shall start paying return on investment: and			N/A
	(V)	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts			N/A
(B) General disclosures					
(i)	Maximum amount of investment to be made	Rs. 500 million (Rupees Five Hundred Million)			
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	The Company expects stable dividends from the equity investment in UBL which will eventually enhance the return on investment of its shareholders.			
(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 through company's available funds and cash flows.			
	(I)	Justification for investment through borrowings;			N/A
	(II)	Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and			N/A
	(III)	Cost benefit analysis			N/A
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	No agreement is required as the shares will be purchased from the open market.			
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the	The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under: The directors of the Company their relatives and associated companies holding shares of UBL are interested to the extent of			



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	transaction under consideration;	their shareholding as under: Directors Sir Mohammed Anwar Pervez 12,765,368 Mr. Zameer Mohammed Choudrey 2,348,870 Mr. Haider Zameer Choudrey 2,000,000 Mr. Mohammed Younus Sheikh 2,394,492 Mr. Muhammad Irfan Anwar Sheikh 36,100 Relatives Mr. Rizwan Pervez 129,500 Associated Companies Bestway (Holdings) Limited 631,728,895									
(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;	The Company has already made an equity investment in 93,649,744 ordinary shares of UBL and received dividend in the ratio of 11%, 13% and 13% during last three years.									
(vii)	Any other important details necessary for the members to understand the transaction	None									
(b) Additional disclosure regarding equity investment											
(i)	Maximum price at which securities will be acquired;	Open market price									
(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;	N/A									
(iii)	Maximum number of securities to be acquired;	Quantity will be corresponded with total amount of Rs. 500 million.									
(iv)	Number of securities and percentage thereof held before and after the proposed investment;	<table border="1"> <thead> <tr> <th></th> <th>No. of Shares</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Before</td> <td>93,649,744</td> <td>7.65</td> </tr> <tr> <td>After</td> <td colspan="2">Depend upon the price of shares</td> </tr> </tbody> </table>		No. of Shares	Percentage	Before	93,649,744	7.65	After	Depend upon the price of shares	
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Before	93,649,744	7.65									
After	Depend upon the price of shares										
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Current Price : 129.44 Preceding Twelve Weeks' weighted average market Price: 141.16									
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	N/A									