

Maple Leaf Cement Factory Limited



42-Lawrence Road, Lahore (PAKISTAN)
Phones: 042-36278904-5 Fax: 042-36368721

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

PUCARS / Courier
MLCF/BM/76
August 15, 2017

Material Information – Declaration of Right Shares

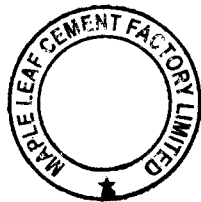
Dear Sir,

In accordance with the requirements of applicable provisions of the Securities Act, 2015 and PSX Rule Book, we are pleased to inform you that the Board of Directors of **Maple Leaf Cement Factory Limited** (the “Company”) in their meeting held on **Tuesday, August 15, 2017** at 3:00 PM at its Registered Office, 42-Lawrence Road, Lahore, in order to partially finance the project cost of additional dry process clinker production line of 7,300 tpd grey clinker production, has recommended to issue 12.50% Right Shares by offering 65,966,740 Right Shares to the existing ordinary shareholders of the Company at a price of Rs. 65/- per share (including premium of Rs. 55/- per share) in proportion of 12.50 Right Shares for every 100 ordinary shares held. The Right Shares shall rank pari passu with the existing shares in all respect.

In this respect, the Share Transfer Books of the Company will be closed from **September 12, 2017 to September 18, 2017** (both days inclusive) to determine the entitlement of Right Shares. Physical transfers / CDS Transaction IDs received at the Company’s Share Registrar, M/s. Vision Consulting Limited, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on September 11, 2017 will be treated in time for the purpose of entitlement of Right Shares to the transferees.

We also enclose herewith the following information / documents:-

- Financial plan including purpose, benefits and use of funds for Right Issue alongwith risk factors associated with the Issue (**Annexure “A”**).
- Financial projections for five years duly approved by the Board of Directors (**Annexure “B”**).



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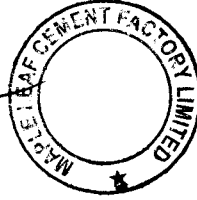
- c) Certified true copy of the Board Resolutions dated August 15, 2017 (**Annexure "C"**).
- d) Draft copy of Notice for Right Issue and Book Closure to the shareholders prior to its being insertion in newspapers (**Annexure "D"**). This will also suffice the requirement of Section 96 and 131 of the Securities Act, 2015.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

We trust that the information provided above would suffice your requirements. However, we shall be glad to provide any further information should you so require.

Yours faithfully,
For Maple Leaf Cement Factory Limited

(Muhammad Ashraf)
Company Secretary



Encl. As above

- ◆ **The Director / HOD,**
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan
NIC Building, 63-Jinnah Avenue, Blue Area,
Islamabad

Fax# 051-9100440

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ANNEXURE "A"

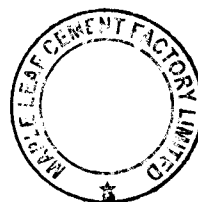
FINANCIAL PLAN INCLUDING PURPOSE, BENEFITS AND USE OF THE FUNDS FROM RIGHT ISSUE ALONGWITH RISK FACTORS ASSOCIATED WITH THEM

In order to meet the increasing demand for cement and maintain its share in the growing market, the Board of Directors decided for setting up of an additional dry process clinker production line-3 of 7,300 tpd grey clinker production for enhancing grey cement capacity upto 18,000 tons per day at the existing plant site (brown field project). The total project cost is estimated at Rs. 23 billion. The Company established Letters of Credit in favour of plant supplier, M/s. FLSmidth A/S, Denmark, for supply and setting up of the said production line. The project is expected to commence trial production in first half of year 2019. Funds are required to partially finance the expansion project through shareholders' equity whereas rest of the project cost will be met through borrowing and internal cash generation.

Therefore, it is being proposed to issue 12.50% right shares of Rs. 10/- each at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share).

BENEFIT TO THE COMPANY & USE OF FUNDS

The funds from 12.50% Right Shares will contribute towards the completion of expansion project of 7,300 tpd grey clinker capacity whereas the overall revenue will increase considerably with resultant increase in profitability of the Company, thereby enhancing the expected returns to the valued shareholders of the Company.



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FINANCIAL PLAN

FUNDS REQUIREMENT

Rs. in million

Estimated Cost of the Expansion Project

23,000

MEANS OF FINANCING

Borrowing from Banks

11,000

Internal cash generation

7,712

12.50% Right Issue i.e. issue of 65,966,740 ordinary right shares of Rs. 10/- each at a price of Rs. 65/- per share (inclusive of premium of Rs.55/- per share)

4,288

Total Financing

23,000

RISK FACTORS

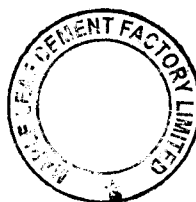
Following risks are associated with right issue, which are not considered material due to the reasons mentioned against them.

(1) INVESTMENT RISK

Right Issue of the Company is being made at Rs. 65/- per share (inclusive of premium of Rs. 55/- per share) which is far less than the current share price in the market.

(2) OTHER RISK

There is no major risk associated with the functional and/or operational performance of the Company.



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ANNEXURE "B"


FIVE YEARS FINANCIAL PROJECTIONS


(Rs. in million)

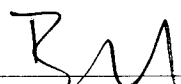
Year	2017	2018	2019	2020	2021
Sales – net	24,037	26,120	30,131	35,784	38,864
Profits after taxation	4,750	5,505	7,090	7,937	8,577
EPS (Rupees)	9.00	9.27	11.94	13.37	14.45
Paid up Share Capital	5,277	5,937	5,937	5,937	5,937

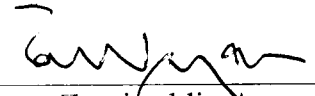
Financial projections mentioned above are the outcome of how the Board assesses on the basis of current business environment and macro economic conditions of the country. However, the Company and / or its Directors cannot accept any liability for any investment decision by any person on the basis of the above projections.

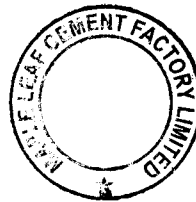

Tariq Sayeed Saigol


Sayeed Tariq Saigol


Taufique Sayeed Saigol


Daniel Taufique Saigol


Zamiruddin Azar



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ANNEXURE "C"

ABSTRACT FROM MINUTES OF THE BOARD OF DIRECTORS' MEETING HELD ON TUESDAY, AUGUST 15, 2017 AT 03:00 PM AT ITS REGISTERED OFFICE, 42-LAWRENCE ROAD, LAHORE

“Resolved that, pursuant to requirement of provisions of Section 83 of the Companies Act, 2017, approval of the Board be and is hereby accorded to offer 65,966,740 Right Shares in proportion of 12.50 ordinary right shares for every 100 shares held (@12.50%) of Rs. 10/- each at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share) through letters of offer to the existing shareholders of the Company.

Resolved further that purpose of right issue, benefits to the Company, use of funds, risks associated with the Issue and financial projections for five years be and are hereby approved.

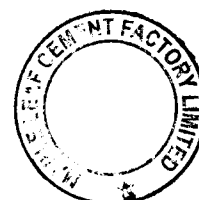
Resolved further that the Company be and is hereby authorized to close its share transfer books from September 12, 2017 to September 18, 2017 (both days inclusive) to determine entitlement for offering right shares to the existing shareholders of the Company and the Company Secretary be and is hereby authorized to announce book closure dates alongwith publication of notices in newspapers.

Resolved further that the Company Secretary be and is hereby authorized to prepare right issue plan, make any amendment therein and get formal approval of the same from Pakistan Stock Exchange Limited.

Resolved further that the Chief Executive Officer or the Company Secretary be and are hereby authorized **singly** to take any and all necessary steps for issuance of letters of offer under Section 83 of the Companies Act, 2017 (the “Act”) and related Circular alongwith terms and conditions therein, get signatures under the Act and file the requisite returns/ notices in the Company Registration Office and / or to the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited, as the case may be.

Resolved further that the Chief Executive Officer and / or the Group Director Finance be and are hereby authorized **singly** to approach any bank or banks for appointment as bankers to the right issue in order to collect the right subscription money against right shares and to open an account with any bank or banks so appointed and give instructions for transfer of proceeds from right subscription to the Company’s Account.

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Resolved further that the Chief Executive Officer and / or the Group Director Finance be and are hereby **singly** authorized to appoint consultants and potential underwriters, finalize terms and conditions and sign underwriting agreements and settle/ finalize fees, commission, take up commission and third party expenses and/or any other expenses relating to the Right Issue.

Resolved further that the Chief Executive Officer and / or Company Secretary be and are hereby authorized **singly/ jointly** to take all necessary actions as required by the Central Depository Company of Pakistan Limited (the "CDC") including but not limited to induction of the offer for right shares and right shares in Central Depository System of the CDC and in this connection to sign all requisite applications, forms, documents, undertakings and other papers on behalf of the Company.

Resolved further that the Chief Executive Officer and / or Company Secretary be and are hereby **singly / jointly** authorized to allot / credit right shares and file returns as required by SECP / Stock Exchange / CDC alongwith Auditors' Certificate or any other authority.

Resolved further that the Chief Executive Officer be and is hereby authorized to allot un-subscribed portion of the right issue, if any, to the underwriters in accordance with covenants of the underwriting agreement(s).


Resolved further that fractional entitlements, if any, will be consolidated in the name of the Company Secretary (under trust) and be sold in the Stock Exchange and proceeds thereof will be distributed to the members in accordance with their entitlements."


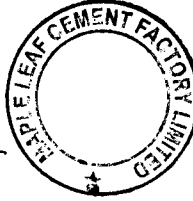
Certified True Copy
For Maple Leaf Cement Factory Limited


Company Secretary

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ANNEXURE "D"

	<p>MAPLE LEAF CEMENT FACTORY LIMITED Registered Office: 42-Lawrence Road, Lahore. Tel. 042-36278904-05, Fax # 042-36368721</p>	<p>KMLG <small>Kohat, near Bagh, Leaf Group</small></p>
<p>NOTICE OF RIGHT ISSUE & BOOK CLOSURE</p>		
<p>Members are hereby notified that the Board of Directors of Maple Leaf Cement Factory Limited (the "Company") in their meeting held on August 15, 2017 has decided to issue further capital by offering 12.50% Ordinary Right Shares of Rs. 10/- each at a price of Rs. 65/- per share (inclusive of premium of Rs. 55/- per share) in proportion of 12.50 Ordinary Right Shares for every 100 Ordinary Shares held.</p> <p>The Share Transfer Books of the Company will remain closed from September 12, 2017 to September 18, 2017 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Limited, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on September 11, 2017, will be considered in time for entitlement of right shares.</p> <p style="text-align: right;">By Order of the Board (Muhammad Ashraf) Company Secretary</p> <p>Lahore: August 15, 2017</p>		

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