

Date: January 31, 2018

Mr. Zafar Abdullah

Commissioner & Acting Chairman
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad, Pakistan.

✓ **Mr. Muhammad Ghufuran**
DGM – Company Affairs
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi, Pakistan.

Ms. Amina Aziz

Director & Head of Department
Market Supervision & Compliance Department
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad, Pakistan.

Company Secretary

Dewan Cement Limited (Registered Address)
Block A, 7th Floor
Finance & Trade Centre, Shahra-e-Faisal
Karachi, Pakistan.

Subject: Public Announcement of Intention to Acquire 87.5% shares (423,599,175) or control of Dewan Cement Limited by Mega Conglomerate (Private) Limited under the Securities Act, 2015

Dear Sirs,

We, BMA Capital Management Limited (“BMA”), have been appointed as Manager to the Offer by Mega Conglomerate (Private) Limited (“Mega Conglomerate”) for the subject matter.

On behalf of the Mega Conglomerate, we are submitting herewith a copy of the Public Announcement of Intention by Mega Conglomerate to acquire up to 423,599,175 shares of Dewan Cement Limited (the “Target Company”) constituting up to 87.5% of the total issued shares of the Target Company.

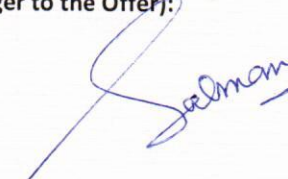
The Public Announcement of Intention is intended to be published on February 2, 2018 in one English and one Urdu newspaper in accordance with the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017

Regards,

For and on behalf of **BMA Capital Management Limited (Manager to the Offer):**



Amn Aanya Khan
Analyst – Investment Banking



Salman Virani
Senior Vice President – Investment Banking

Encl: Copy of Public Announcement of Intention

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Public Announcement of Intention to Acquire up to 87.5% shares (423,599,175 ordinary shares) or control of Dewan Cement Limited by Mega Conglomerate (Private) Limited under the Securities Act, 2015

Part A

Brief Description of the intended acquisition:

Intended Acquisition through Agreement(s)	Number of shares	Percentage
Public Offer	363,085,007	75.0%
	60,514,168	12.5%

Part B

1) Information about the Acquirer

a) Name(s) and address(es) of acquirer along with persons acting in concert, if any.

Name

Mega Conglomerate (Private) Limited

Address

7-10, KDLB Building, 58, West Wharf Road, Karachi.

b) Name(s) of the ultimate acquirer or the ultimate controlling shareholder.

Ultimate controlling shareholders of the Acquirer are (1) Mr. M. Habibullah Khan and (2) Mrs. Nusrat Khan

c) Name(s) and address(s) of manager to the offer of the acquirer.

Name

BMA Capital Management Limited

Address

BMA Capital Management Limited, Level 8, I.I.Chundrigar Road, Karachi, Pakistan.

d) Principal areas of business of the acquirer and relevant experience:

Whole seller, Retailer, Trading Business including investing in other companies.

e) In case the acquirer is a fund/ company(s):

(i) Names of the chief executive and directors of the company(s):

Directors: (1) Mr. M. Habibullah Khan and (2) Mrs. Nusrat Khan

Chief Executive Officer: Mr. M. Habibullah Khan

(ii) Names of substantial shareholders of the company.

(1) Mr. M. Habibullah Khan (2) Mrs. Nusrat Khan

(iii) Date of incorporation:

08/06/2010

(iv) Jurisdiction of incorporation:

Karachi, Sindh

(v) Authorized and paid up capital :

Authorised : Rs 1,300,000,000

Paid up: Rs 1,170,161,600

f) Detail of companies, where the intended acquirer(s) hold more than thirty percent voting shares:

Name of Company	Registration No.	Nature (listed/unlisted/Private)	Nature of business	Jurisdiction of incorporation	Description held control/more than thirty% shares or both
VMFG (Private) Limited	0072833	Private	Whole seller, Retailer, trading Business including investing in other companies	Karachi- Sindh	100%
G-4 Mega Pakistan (Private) Limited	0052614	Private	Construction, handling of containers and Transportation business	Karachi- Sindh	100%

g) Information about ultimate beneficial owner of the intended acquirer(s):-

In case of individuals:

i. Name, CNIC, nationality and address of each person

Name	CNIC	Nationality	Address
Mr. Habibullah Khan	42301-0827893-5	Pakistani	House No: 16 Street No:17 Khayaban-e-Tauheed, Phase V DHA, Karachi
Mrs. Nusrat Khan	42301-0781154-0	Pakistani	House No: 16 Street No:17 Khayaban-e-Tauheed, Phase V DHA, Karachi

In case of Fund/Company etc.
N/A

h) Details of any existing holding of voting rights in the target company

i. Which the acquirer owns or over which it has control or direction;
None

ii. Which is owned or controlled or directed by any person acting in concert with the of acquirer;
None

iii. In respect of which the acquirer or any person acting in concert with him has received an irrevocable commitment to accept the takeover offer; and in respect of which the acquirer or any person acting in concert with him holds an option to purchase or warrants or other convertible securities.
None

i) All conditions (including normal conditions relating to acceptance, listing and increase or capital) to which the public offer or the posting of it is subject.
N/A

MF

Part C

Information about the Target Company

- a) Name of the target company, its directors and major shareholders alongwith number of shares and percentage of paid up capital.

Name of the Target Company

Dewan Cement Limited

Name of Directors (as per quarterly accounts for the period ended 30th Sep, 2017)

- Dewan Muhammad Yousuf Farooqui (Chairman of the Board of Directors)
- Syed Muhammad Anwar (Chief Executive Officer)
- Mr. Haroon Iqbal
- Mr. Waseem-ul-Haque Ansari
- Mr. Ghazanfar Babar Siddiqi
- Mr. Ishtiaq Ahmad
- Mr. Aziz-ul-Haque

Major Shareholders (as per annual audited accounts for the year ended 30th Jun, 2017)

Shareholders	Number of Shares Held	% of Shareholding
Dewan Development (Pvt.) Ltd	30,000,000	6.20%
Dewan Farooque Motors (Pvt.) Ltd	65,375,455	13.50%
Dewan Muhammad Yousuf Farooqui	190,000,606	39.25%

- b) Total number of issued shares of the company.

Based on the quarterly accounts for the period ended 30th Sep, 2017 the total number of shares issued are 484,113,343 ordinary shares of Rs. 10/- each

- c) Date of listing and offer price at the time of initial public offering

By way of background two listed entities, Pakland Cement Limited and Saadi Cement Limited were acquired by the Dewan Group in 2004 and on 25th February, 2005 their names were changed to Dewan Cement Limited and Dewan Hattar Cement Limited, respectively. Under and pursuant to a court order dated 10th September 2007, Dewan Hattar Cement Limited merged in to Dewan Cement Limited (the Target Company in the circumstances). Accordingly, the information pertaining to the date of listing and offer price at time of initial public offering is not available in the circumstances. However, at the time of acquisition of Pakland Cement Limited (now Dewan Cement Limited, the Target) the share price of the security as listed on the Karachi Stock Exchange was PKR 21.65. Further, Pakland Cement Limited was listed on the Karachi Stock Exchange on 19 June 1989.

- d) Opening price at securities exchange at time of listing

As mentioned above, at the time of acquisition of Pakland Cement Limited (now Dewan Cement Limited, the Target) the share price of the security as listed on the Karachi Stock Exchange was PKR 21.65.

- e) Share price quoted on the securities exchange one day before the public announcement of intention

The share price at quote at close on 30th January, 2018 was PKR 25.63/share

- f) The weighted average share price as quoted on the securities exchange during four weeks preceding the date of public announcement of intention.

The volume weighted average share price for the period preceding the date of announcement is PKR 23.20/share.

ny:

g) Financial position/performance of the company for the last five years, including profit/loss after tax, earning per share, payouts.

Figures in PKR Mn (for the year ended June 30 th)	2013	2014	2015	2016	2017
Total Assets	21,597	23,370	24,639	25,435	30,267
Total Liabilities	13,345	13,597	12,994	12,312	13,889
Total Equity (excluding surplus on revaluation of Property, Plant & Equipment)	4,543	5,041	6,808	8,420	9,838
Surplus on revaluation of Property, Plant & Equipment	3,709	4,731	4,836	4,703	6,540
Turnover (Net)	8,658	9,963	11,245	12,879	12,856
Gross Profit	967	1,129	1,589	2,647	2,534
Operating Profit	425	437	756	1,636	1,467
Profit before taxation	486	483	732	1,912	1,570
Profit after taxation	450	437	710	1,500	1,306
EPS (basic)	1.16	1.12	1.81	3.11	2.71
EPS (diluted)	1.16	1.12	1.72	3.10	2.71
Dividends	-	-	-	-	-

Source: Annual audited accounts for years ended June 30th, 2014-17. Figures for year ended 2013 taken from comparative in 2014 financial statements due to restatement of figures.

Any questions in regard to the announcement can be directed to:

Manager to the offer

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Analyst

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Contact No: +92 21 3246 6858

Mr. Salman Virani

Senior Vice President

Investment Banking

BMA Capital Management Limited

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For and on behalf of Mega Conglomerate (Private) Limited:



M. Habibullah Khan

CEO & Director