

Maple Leaf Capital Limited

Registered Office: 42-Lawrence Road, Lahore

Tel: 92-042-36302261-62, Fax: 92-042-36368721

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the members of **Maple Leaf Capital Limited** (the “Company”) will be held on **Friday, October 25, 2024 at 11:00 AM** at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business: -

- 1) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2024 together with the Directors’ and Auditors’ Reports thereon.
- 2) To appoint Auditors for the year ending on June 30, 2025 and fix their remuneration. The Board has recommended the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

Special Business:

- 3) 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** by way of special resolution that consent and approval of Maple Leaf Capital 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 to **Kohinoor Textile Mills Limited**, the holding company, upto an aggregate sum of **Rs. 2,000 million** (Rupees two thousand million only) for a period commencing November 01, 2024 to October 31, 2025 (both days inclusive) at the mark-up rate of two percent above the three months KIBOR. Vide special resolution passed in general meeting held on October 25, 2023, by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 2,000 million which is valid till October 31, 2024.

Resolved further that the Chief Executive and the Company 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 all such notices, reports, letters and any other document or instrument to give effect to the above resolution.”

- 4) To ratify and approve transactions conducted with the Related Party for the year ended June 30, 2024 by passing the following special resolution with or without modification: -

“**Resolved that** the transactions conducted with the Related Party as disclosed in note 30 of the audited financial statements for the year ended June 30, 2024 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 Party for the financial year ending on June 30, 2025 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 Party, on case to case basis for the financial year ending on June 30, 2025.

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

Sd/-

(Muhammad Ashraf)

Company Secretary

Lahore:
October 04, 2024

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 19, 2024 to October 25, 2024 (both days inclusive). Physical transfers received at the Company’s Share Department, 42-Lawrence Road, Lahore, at the close of business on October 18, 2024 will be considered in time for any entitlement and to determine voting rights of the shareholders for attending the meeting.
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. 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.
3. In case of corporate entity, the Board of Directors’ resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.
4. The shareholders will be allowed to exercise their right to vote through postal ballot subject to the requirements of Sections 143 and 144 of the Act and the Companies (Postal Ballot) Regulations, 2018.

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 of the Company to be held on October 25, 2024.

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. The spinning production facilities comprise 180,144 Ring Spindles; 3,648 Open-end Rotors and 768 MVS Spindles capable of producing a wide range of yarn counts using cotton and synthetic fibres. The weaving

facilities at Raiwind comprise 384 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics intended 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. Fully equipped laboratory facilities for quality control and process optimization have been setup at all three sites.

The Board of Directors of the Company in their meeting held on September 09, 2024 has approved Rs. 2,000 million as loans / advances 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 for working capital requirements to KTML in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence relating to the proposed investment and duly signed recommendation of due diligence report / undertaking has been kept at the Registered Office of the Company for inspection and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the holding company.

The information under clauses 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

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 Capital Limited (the “Company”).		
(iii)	Earnings per share for the last three years;	Basic and diluted – for the year ended June 30,		
		2024	2023	2022
		(Rupees)		
		8.07	8.05	15.84
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2024 With revaluation surplus Rs. 108.55 Without revaluation surplus Rs. 86.41		

(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	<p>Based on the audited financial statements for the financial year ended 30 June 2024, the financial position of KTML is as under:-</p> <table border="1" data-bbox="842 315 1396 775"> <thead> <tr> <th data-bbox="842 315 1187 394" rowspan="2">Particulars</th> <th data-bbox="1187 315 1396 353">Amount</th> </tr> <tr> <th data-bbox="1187 353 1396 394">Rupees (000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 394 1187 432">Paid up capital</td> <td data-bbox="1187 394 1396 432">2,692,994</td> </tr> <tr> <td data-bbox="842 432 1187 470">Reserves</td> <td data-bbox="1187 432 1396 470">26,539,562</td> </tr> <tr> <td data-bbox="842 470 1187 508">Total Equity</td> <td data-bbox="1187 470 1396 508">29,232,556</td> </tr> <tr> <td data-bbox="842 508 1187 546">Current liabilities</td> <td data-bbox="1187 508 1396 546">15,036,294</td> </tr> <tr> <td data-bbox="842 546 1187 584">Current assets</td> <td data-bbox="1187 546 1396 584">17,482,569</td> </tr> <tr> <td data-bbox="842 584 1187 622">Revenue</td> <td data-bbox="1187 584 1396 622">58,174,952</td> </tr> <tr> <td data-bbox="842 622 1187 660">Gross Profit</td> <td data-bbox="1187 622 1396 660">9,287,331</td> </tr> <tr> <td data-bbox="842 660 1187 698">Operating Profit</td> <td data-bbox="1187 660 1396 698">6,542,727</td> </tr> <tr> <td data-bbox="842 698 1187 736">Net Profit</td> <td data-bbox="1187 698 1396 736">2,199,162</td> </tr> <tr> <td data-bbox="842 736 1187 775">Earnings per share (Rs.)</td> <td data-bbox="1187 736 1396 775">8.07</td> </tr> </tbody> </table>	Particulars	Amount	Rupees (000)	Paid up capital	2,692,994	Reserves	26,539,562	Total Equity	29,232,556	Current liabilities	15,036,294	Current assets	17,482,569	Revenue	58,174,952	Gross Profit	9,287,331	Operating Profit	6,542,727	Net Profit	2,199,162	Earnings per share (Rs.)	8.07
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(B) General Disclosures: -																									
(i)	Maximum amount of investment to be made;	Rs. 2,000 million (Rupees two thousand million only).																							
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To earn income on the loan and/or advances to be provided to KTML for working capital requirements of KTML.</p> <p>Benefits: The Company will receive mark up at the rate of two percent above three months KIBOR. This shall benefit the Company's cash flow by earning profit on idle funds.</p> <p>Period: For a period from November 01, 2024 to October 31, 2025.</p>																							
(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	November 01, 2024 to October 31, 2025
		Rate of Mark-up	Two percent above three months KIBOR
		Repayment	Principal plus mark-up/profit upto October 31, 2025
		Penalty charges	@ 3-months KIBOR plus three percent in addition to the outstanding amount(s).
(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;	<p>Investing Company i.e. the Company is a subsidiary company of KTML and six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding.</p> <p>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.</p>	
(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	Similar facility(ies) of a sum of Rs. 2,000 million was granted vide special resolution dated October 25, 2023 which is valid till October 31, 2024. There is no impairment and/or write off against the above facility(ies) as the facility request was not made by the investee company i.e. KTML..	
(vii)	Any other important details necessary for the members to understand the transaction;	N/A	
3(1)(c) Investments in the form of loans			
(i)	Category-wise amount of investment;	Short term loan for working capital requirement for a period of one year.	
(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,	Average borrowing cost of the Company is 23.03% for the year ended June 30, 2024.	

	as the case may be, for the relevant period;	
(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 two percent above three months KIBOR.
(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 from November 01, 2024 to October 31, 2025 (both days inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2025.

Disclosure under Regulation 4(1):

KTML, an associated company, is a shareholder of the Company and its Directors and sponsors are also the members of the Company and are interested to the extent of their shareholding/ directorship as under: -

Name	%age of shareholding in KTML	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol & his spouse	16.4235	8.3416
Mr. Taufique Sayeed Saigol	16.5719	8.3748
Mr. Waleed Tariq Saigol	0.0124	0.3648
Kohinoor Textile Mills Limited	-	82.9187%

Disclosure under Regulation 4(2):

Name of Investee Company	Maple Leaf Cement Factory Limited	Kohinoor Textile Mills Limited
Total Investment Approved:	Equity investment of Rs.900 million was approved by members in EOGM held on June 26, 2021 for a period of three (3) years.	Loan / advance upto Rs.2,000 million was approved by members in AGM held on October 25, 2023 for a period of one (01) year.
Amount of Investment Made to date:	Investment of Rs. 300.965 million has been made against this approval to date.	Investment has not been made yet to date.

Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Partial investment has been made in the investee company. The Company will make time to time further equity investment keeping in view the market dynamics and volatility.	The Company will provide funds to KTML from time to time as per working capital requirements to KTML upon request.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval of equity investment of Rs.900 million, as per financial statements for the period ended March 31, 2021, the basic earnings per share was Rs.5.03 and breakup value per share (without surplus) was Rs. 30.40. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs.4.98 and breakup value per share (without surplus) is Rs. 45.90.	At the time of approval of loan/advances of Rs. 2,000 million, as per financial statements for the year ended June 30, 2023, the basic earnings per share is Rs. 8.05 and breakup value per share (without surplus) is Rs.76.82. As per latest financial statements for the year ended June 30, 2024, the basic earnings per share is Rs. 8.07 and breakup value per share (without surplus) is Rs. 86.41.

Agenda Item No. 4 of the Notice – Ratification and approval of the related party transactions for the year ended June 30, 2024.

Transactions conducted with the related parties have to be approved by the Board of Directors on quarterly basis. 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 cases to case basis for the year ended June 30, 2024 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 30 to the financial statements for the year ended **June 30, 2024**. Party-wise details of such related party transactions are given below: -

Name of Related Party and Relationship basis	Description of Transactions	2024	2023
Rupees			
Kohinoor Textile Mills Limited (The Holding Company)	Finance cost paid	-	1,235,068
	Expenses incurred on behalf of the Company	7,867,794	-
Maple Leaf Cement Factory Limited- (Associated Company)	Loan obtained	500,000,000	-
	Loan repaid	500,000,000	-
	Finance charges accrued	11,409,178	-
	Finance cost paid	11,409,178	-
Key Management Personnel	Remuneration of Chief Executive and Executives	149,971,400	81,776,167

Agenda Item No. 5 – Authorization for the Board of Directors to approve the related party transactions during the year ending on June 30, 2025.

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2025 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 holding and/or 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, 2025, which transactions shall be deemed to be approved by the Shareholders. 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.
