

NOTICE OF 12th EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that 12th Extra Ordinary General Meeting of the Company will be held at Royal Palm Golf & Country Club, 52 Canal Bank Road, Lahore on Friday December 26, 2014 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

- 1) To confirm the minutes of 11th Extra Ordinary General Meeting held on June 12, 2014.

SPECIAL BUSINESS:

- 2) To consider and approve investment in Apna Microfinance Bank Ltd to the extent of Rs. 200,000,000/= by way of purchase of Right Shares offered on Company's previous investment and to pass the following resolution with or without alteration.

Resolved that the Management of the Company be and is hereby empowered and authorized to purchase Right Shares offered on the basis Company's previous investment in Apna Microfinance Bank Limited to the extent of Rs. 200,000,000/=.

- 3) Any other business with the permission of the Chair.

By Order of the Board

(Z.H. Zuberi)

Company Secretary

Karachi: December 04, 2014

NOTES:

- 1) The Share Transfer Books of the Company will remain closed from 19.12.2014 to 26.12.2014 (both days inclusive). Transfers received in Company's Registered Office at Karachi on the close of business on 18.12.2014 will be treated in time to vote in the meeting.
- 2) A shareholder entitled to attend and vote at this meeting is also entitled to appoint his/her proxy to attend the meeting. Proxies must be received at the Head Office of the Company not less than 48 hours before the time of holding the meeting.
- 3) CDC Account Holders are advised to bring their original National Identity Cards to authenticate their identity along with CDC account numbers at the meeting. However, if any proxies are granted by such shareholders, the same shall also have to be accompanied with attested copies of the National Identity Card of the guarantor, and the signature on the proxy form has to be the same as appearing on the National Identity Card.
- 4) The shareholders are requested to immediately notify the changes, if any, in their mailing addresses.

Statement under Section 160(1)(b) of the Companies Ordinance 1984.

This Statement sets out the material facts pertaining to the special business to be transacted at Extra Ordinary General Meeting of the Company to be held on December 26, 2014 in Lahore.

Investment in APNA Microfinance Bank Limited

APNA Microfinance Bank Limited ("the Bank") was incorporated on May 8, 2003 as a Public Limited Banking Company under the Companies Ordinance, 1984. The Bank was granted a certificate of commencement of business on December 28, 2004 and its operations started from January 01, 2005. Its shares are listed on Karachi Stock Exchange Limited. The present Authorized Share Capital of the Bank is Rs. 1500 million. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001.

The United Insurance Company of Pakistan Limited is planning to make further investment (in terms of right issue) up to Rs. 200 million in APNA Microfinance Bank Limited. It is expected that this investment will improve market development that will eventually result in improved profitability.

The Directors carried out due diligence for the proposed investment and duly signed recommendation of due diligence report available for inspection of members in Extra Ordinary General Meeting along with the latest accounts of the associated company.

Information under Clause (a) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012.

Ref No.	Requirement	Information
i	Name of associated Company	APNA Microfinance Bank Limited
	Criteria of associated relationship	Investment in Equity
ii	Purpose	Market development and risk reduction
	Benefits	To earn return on equity through dividend income from investment in associated company and capital appreciation
	Period of Investment	Strategic long term investment
iii	Maximum amount of investment	Rs. 400 million (Four Hundred million Only)
iv	Maximum price	The share price 10/- each right issued at discount of Rs. 5/-
v	Maximum number of shares acquired	70 million shares
vi	Shareholding before investment	No. of Shares 34.018 million Shareholding percentage 30.93%
	Shareholding after investment	No. of Shares 68.38 million Shareholding percentage 30.93%
vii	Investment in listed security	Preceding twelve weekly average price Rs. 5.69 per share
viii	Fair market value of shares	The fair value of shares is Rs. 5.70 per share
ix	Breakup Value of share	Rs. 4.34 per share as at 30-09-2014
x	Earnings per share for last 3 years	Loss per share .48(2011), 1.53(2012), 1.78(2013)
xi	Source of funds from which share will be acquired	Own Funds of the Company
xii	Requirements if shares are intended to be acquired using borrowed funds	Not Applicable
xiii	Salient features of agreement(s) entered into with the associated company	Agreement may be executed after passing of special resolution
xiv	Direct/indirect interest of directors in the associated company	Not Applicable
xv	Any other important detail	None