



BIAFO INDUSTRIES LIMITED

Manufacturers of Tovex® Explosives & Blasting Accessories



BIL/ACCOUNTS/2018/0016

JUNE 12, 2018

The General Manager

Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,

APPROVAL OF INVESTMENT IN ASSOCIATED UNDERTAKING

We are pleased to inform you that Board of Directors of Biafo Industries Limited has approved the investment in an associated undertaking of the Company named Auxin Biafo Chemicals (Private) Limited ("Auxin Biafo"), incorporated in accordance with the terms of a Joint Venture Agreement between the Company and Beijing Auxin Chemical Technology Limited (a subsidiary of China North Industries Corporation (Norinco), a Fortune 500 Top Company and one of the largest manufacturers of explosives in the world), subject to the approval of members of the Company.

The main object of the associated undertaking, Auxin Biafo, is to manufacture and market Emulsion explosives using state of the art technology with capability to supply ground station design, construction & operation as well as on-site mixed explosive to customers along with blasting services to the customers.

Approval of the members of the Company is being sought for making equity investment of up to US \$ 2.062 Million (United States Dollars Two Million Sixty-Two Thousand Only) in equivalent Pakistani Rupees in the associated undertaking Auxin Biafo subject to regulatory permission(s) where total project cost is expected to be about US\$ 12,000,000 in the Extraordinary General Meeting of the Members to be held on 17 July 2018.

Notice of Extraordinary General Meeting along with the statement required under section 134(3) of the Companies Act, 2017 will be sent in due course of time.

Regards,


Khawaja Shaiq Tanveer
Company Secretary

Copy to:

1. Chairman, Securities & Exchange Commission of Pakistan, Islamabad.

Head Office : 1st Floor, Biafo House, Plot No. 23, St No. 38-40, I&T Centre, G-10/4, Islamabad - Pakistan.

Tel: (92-51) 2353450-53, 2353455-57, Fax: (92-51) 2353458

E-mail: management@biafo.com, Website: www.biafo.com

Plant : Plot No. 70, Phase III, Hattar Industrial Estate, Distt. Haripur, Khyber Pakhtunkhwa - Pakistan.

Tel: (92-995) 617312, 617830, Fax: (92-995) 617497, E-mail: plant@biafo.com