

PAK SUZUKI MOTOR COMPANY LIMITED

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting of the shareholders of Pak Suzuki Motor Company Limited will be held virtually via webinar (Video Link) on Tuesday, August 31, 2021 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1- To approve enhancement of Corporate Guarantee from PKR 600 million to PKR 1,000 million to Meezan Bank Limited for Tecno Auto Glass Limited (TAG), an associated company, to include Islamic Temporary Economic Relief Fund (ITERF) financing facilities for upgradation of automobile glass plant and machinery for a period of 10 years starting from September 01, 2021 to August 31, 2031.

To consider and if thought fit, pass the following Special Resolution under section 199 of the Companies Act, 2017, with or without modification(s), addition (s) or deletion (s).

Resolved that approval of the shareholders of Pak Suzuki Motor Company Limited (“the Company”) be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, Regulation No. 5(7) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 and subject to the compliance with all statutory and legal requirement, to approve enhancement of corporate guarantee from PKR 600 million to PKR 1,000 million to Meezan Bank Limited on behalf of Tecno Auto Glass Limited (TAG), an associated undertaking, to include Islamic Temporary Economic Relief Fund (ITERF) financing facilities for upgradation of automobile glass plant and machinery for a period of 10 years, starting from September 01, 2021 to August 31, 2031.

- 2- To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: August 10, 2021

Notes:

- 1- The share transfer books of the Company will remain closed from August 25, 2021 to August 31, 2021 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on August 24, 2021 will be accepted for transfer.
- 2- Only those persons whose names appear in the Register of Members of the Company as at August 24, 2021 will be entitled to attend / participate in / vote at the Meeting.
- 3- An instrument of proxy applicable for the Meeting is being provided with the Notice sent to members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.suzukipakistan.com>.
- 4- A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- 5- Members are requested to notify change in their address, if any, to the Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400.
- 6- CDC Account Holders will further have to follow the under mentioned guidelines as laid down in the Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

For Attending the Meeting

- i. In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution/power of attorney in favor of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

For Appointing Proxies

- i. In case of individuals, the account holder or subaccount holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

- 7- SECP vide its SRO 779(1)/2011 dated August 18, 2011 has made it mandatory for the companies to provide CNIC numbers of the shareholders on dividend warrants. Therefore, members who have not yet submitted photocopies of their valid CNICs to the Company are again requested to immediately submit the same directly to Company's share registrar CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400. Dividend Warrants of the shareholders who will not submit the copies of their CNICs will be withheld by the or Company.
- 8- Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders, who own physical shares, are requested to fill in Electronic Credit Mandate Form available on Company's website and send duly signed form along with a copy of CNIC to the Registrar of the Company. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.
- 9- Members can also avail video conference facility. In this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than Karachi, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.
"I/We, _____ of _____, being a member of Pak Suzuki Motor Company Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____."
- 10- In compliance with the guidelines issued by the Securities and Exchange Commission of Pakistan vide circular No. 6 of 2021, dated 03 March, 2021, which, inter alia, has directed listed companies to avoid large gatherings at one place and consider using video link facility, webinar and other electronic means due to COVID 19 situation. Accordingly, company will hold extra ordinary meeting through video conferencing.

The shareholders who are willing to attend and participate at the meeting through video link are required to register their particulars by sending an email at (company.secretary@paksuzuki.com.pk). Such shareholders are requested to register by providing their credentials, i.e., Name, Folio Number, scanned copy of CNIC (both sides), Cell phone number and Number of shares held in their name through email with the subject "Registration for PSMC EOGM". Video link and login details will be shared with only those members whose emails, containing all the required particulars are received at the given email address before 05:00pm on August 29, 2021. The members can also provide their comments and suggestion to the agenda item of the EOGM at the email address: (company.secretary@paksuzuki.com.pk).

The login facility will be opened at 9:45 a.m. on 31st August, 2021 enabling the shareholders to join the meeting which will start at 10:00 a.m. sharp

11- **Statement of Material Facts under Section 134(3)(b) of The Companies Act 2017.**

Item No. 1 of the Notice: Enhancement of Corporate Guarantee from PKR 600 million to PKR 1,000 million to Meezan Bank Limited for Tecno Auto Glass Limited (TAG), an associated company, to include Islamic Temporary Economic Relief Fund (ITERF) financing facilities for upgradation of automobile glass plant and machinery. Existing corporate guarantee of PKR 600 million for long term financing facilities already availed from the same bank will expire on June 30, 2022, therefore, it is requested to extend its time period as well:

The information required to be annexed to the Notice by Companies (Investment in Associated Companies or Associated Undertakings) Regulation 2017 is set out below:

- (i) Name of the associated company or associated undertaking;
 - Tecno Auto Glass Limited (TAG).
- (ii) Basis of relationship;
 - TAG is an associated company with 40% shareholding held by Pak Suzuki Motor Company Limited (PSMCL).
- (iii) Earnings per share for the last three years;
 - The loss per share for year 2021 (unaudited), 2020 and 2019 are PKR 2.85, PKR 0.08, PKR 0.15 respectively.
- (iv) Break-up value per share, based on latest audited financial statements;
 - The break-up value per as at June 30, 2021 (unaudited) is PKR 6.56 whereas for June 30, 2020 (Audited) was PKR 9.41.
- (v) Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;
 - Financial Position as per the latest audited Financial Statements of TAG as on June 30, 2021 (unaudited), is as follows:

	‘Rupees in thousand’
Non-current assets:	
Property, plant & equipment	2,820,782
Other non-current asset	775
Total non-current assets	2,821,557
Total current assets	373,032
Total assets	3,194,589

Equity:	
Issued, subscribed & paid-up capital	861,000
Accumulated loss	(295,678)
Total equity	565,321
Non-current liabilities	
Long term finance- secured	605,766
Current liabilities	
Trade and other payables	307,392
Current portion of Long term finance- secured	104,942
Short term borrowing	1,611,168
Total current liabilities	2,023,502
Total equity & liabilities	3,194,589

- (vi) The project has not commenced its operations fully, however the major portion of the project is completed. The additional information required to be disclosed are as follows:
- I. Description of the project and its history since conceptualization:
Tecno Auto Glass Limited incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) on 16 March 2017. The Company's main area of operations will be manufacturing of Auto Glass to cater local as well as international markets.
The Company is a subsidiary of Tecno Pack Telecom (Pvt) Ltd, which holds 51,660,000 (60%) of the shares of the Company, while Pak Suzuki Motor Company Limited holds 34,440,000 (40%).
 - II. Starting date and expected date of completion of work;
The project was started on July 2017 and the windscreen plant is completed by July 2020, however the side glass and rear glass plants is delayed due to COVID 19 as foreign consultants are unwilling to travel to Pakistan.
 - III. Time by which such project shall become commercially operational;
The side glass and rear glass plants will be operational by September 2021 and November 2021 respectively subject to availability of foreign consultants.
 - IV. Expected time by which the project shall start paying return on investment; and
-Financial year 2023 – 24.
 - V. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts;
- Pak Suzuki Motor Company has injected PKR 344.4 million as equity participation in the associated company.

- Tecno Pack Telecom (Pvt) Ltd has injected PKR 516.6 million as equity participation in the Tecno Auto Glass Limited
- The short term loan to meet working capital from Tecno Pack Telecom (Pvt) Ltd of PKR 1,611.2 million is outstanding as on June 30, 2021.

(vii) Maximum amount of investment to be made;

- The maximum amount of corporate guarantee is PKR 1,000 million.

(viii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment

Purpose

- To support the associated company.

Benefit

- To facilitate the associated company (TAG) for financial arrangements for Islamic Temporary Economic Relief Fund (ITERF) project financing from Meezan Bank.

Further, Pak Suzuki is purchasing automobile glass for its vehicles from TAG.

Period of Corporate Guarantee

- 10 years from September 1, 2021 to August 31, 2031.

(ix) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds;

- Not applicable.

(x) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;

- Not applicable.

(xi) 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;

- The Directors of the company have no personal interest in TAG which is an associated company, except that a director of the company is also a Director of TAG and he hold a share in TAG as nominee director of the company.

(xii) 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;

- There is no impairment or write off in the investment in the associated company.

(xiii) Any other important details necessary for the members to understand the transaction;

- None.

(xiv) Category-wise amount of investment is as follows;

- The maximum amount of corporate guarantee is PKR 1,000 million

(xv) 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, as the case may be, for the relevant period;

- Not applicable.

(xvi) Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;

- PSMCL will charge 0.5% per annum as service charge for issuance of Corporate Guarantee till the Corporate Guarantee served as a security for financing facilities by TAG.

(xvii) Particulars of collateral or security to be obtained in relation to the proposed investment;

- Counter Corporate guarantee from TAG.

(xviii) 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 and the time when the conversion may be exercisable;

- None.

(xix) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;

- Not applicable.

Information pursuant to the Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The following director of TAG is also member of the investing company:

- Mr. Masafumi Harano, director has no personal interest in the matter.

The duly audited latest annual financial statements along with the latest unaudited financial statements, if any, shall be made available for inspection of the members in the shareholder meeting.