



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") will be held on Monday 28 October 2019 at 11:30 a.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, the Registered Office of the Company, to transact the following business:

Ordinary Business

1. To confirm the minutes of last Annual General Meeting held on 27 November 2018;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2019 together with the Chairman's Review, Directors' Report and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2020 and to fix their remuneration;

4 Special Businesses

TO CONSIDER AND IF DEEMED FIT, PASS THE FOLLOWING "SPECIAL RESOLUTIONS" WITH OR WITHOUT MODIFICATIONS TO MAKE INVESTMENTS IN ASSOCIATED COMPANY IN ACCORDANCE WITH PROVISIONS OF THE COMPANIES ACT, 2017

"RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to take all necessary steps to make investments in the Share Capital of Ever Green Water Valley (Pvt.) Limited up to the extent of Rs. 55.00 million (Rupees fifty five million only) by way of an acquisition of 715,400 shares having a par value of Rs. 100.00 million from First Capital Securities Corporation Limited an associated company, in accordance with the provisions of section 199 of the Companies Act, 2017 on such terms and conditions to be authorized by the Board of Directors of the Company. Further, the Chief Executive of the Company is also authorized to disinvest such investments, from time to time on such terms and conditions as to be authorized by the Board of Directors of the Company:

"RESOLVED FURTHER THAT the above authority shall remain in-force until revoked by the shareholders of the Company".

"RESOLVED FURTHER THAT the Chief Executive officer/the Company Secretary of the Company be and is hereby authorized to complete any or all necessary required corporate and legal formalities for the completion of subject investment. Chief Executive officer is also authorized to delegate any of his powers to any person in respect of the above as she/he may deem appropriate".

By order of the Board


Sajjad Ahmad
Company Secretary

Lahore:
07 October 2019

PACE (PAKISTAN) LTD.

Head Office: 2nd & 3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore, Pakistan

Tel: +92-42-36623005-6-8, Fax: +92-42- 36623121-22

www.pacepakistan.com

Notes:

- 1) The Members Register will remain closed from 21 October 2019 to 28 October 2019 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2019 will be considered in time for the purpose of Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference atleast 10 days prior to the date of the meeting, the Company will arrange video conferencing facility in that city subject to availability of such facility in that city.

- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head Office of the Company 2nd and 3rd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting.

Pursuant to Companies (Postal Ballot) Regulations, 2018 the right of vote through postal ballot may be provided to the members pursuant to the section 143 and 144 of the Companies Act, 2017.

- 4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.

b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2019 along with Auditors and Directors Reports thereon on its website: www.pacepakistan.com
- 6) In pursuance of SECP notification S.R.O. 787 (I) 2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through E-mail to the members of the Company.

Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.pacepakistan.com

- 7) In pursuance of SECP notification S.R.O # 470(I)2016/ dated 31 May 2016, the Company has sent information regarding Annual audited Accounts of the Company to the shareholders in soft form i.e. CD. However, the Company will supply the hard copy of the Annual Audited Accounts to the Shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The Company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.
- 8) Members are requested to notify any change in their registered address immediately.

STATEMENT UNDER SECTION (3) OF SECTION 134 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 28 October 2019.

INVESTMENT IN EVER GREEN WATER VALLEY (PVT) LIMITED ("EGWV")

The Board of Directors of the Company has made a decision on 05 October 2019 to authorize CEO of the Company to make long term investment in the share capital of Ever Green Water Valley (Pvt.) Limited ("EGWV" or Evergreen) up to the extent of Rs. 55,000,000 (Rupees fifty five million only), in accordance with the provisions of Section 199 of the Companies Act, 2017 on such terms and conditions to be authorized by the Board of Directors of the Company. The Board also decided to authorize CEO of the Company to disinvest such investments, from time to time as and when considered appropriate on terms and conditions to be authorized by the Board of Directors of the Company.

EGWV was incorporated on 22 December 2005 and is currently registered with Pakistan Engineering Council (Category C-2); EGWV is carrying on the activities of providing the state of the art, leading edge, high quality construction (civil works) and water purification systems across the country under the supervision of qualified team of professionals in all areas of civil engineering, material engineering, management, Information Technology, Human Resources and finance. Over the period Evergreen has become a single source company with capability to specify, Engineering Design, Assemble, Install, Commission, and after sale services of water treatment solutions & construction of multi storied buildings. Evergreen's Management Team is engaged in Complete Construction (Structural work and Finishing works) of Shopping Malls, Housing Schemes and structural work of Commercial buildings.

EGWV is wholly owned subsidiary of First Capital Securities Corporation Limited ("FCSC"), an associated undertaking, which holds 100% shareholding i.e. 715,400 shares (seven hundred fifteen thousand and four hundred only) of Rs. 100 each of EGWV.

The registered office of EGWV is 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore. The existing Authorized Share Capital of EGWV is Rs. 150,000,000 divided into 1,500,000 ordinary shares of Rs.100/- each. The issued, subscribed and paid up capital is Rs. 71,540,000/- divided into 715,400 ordinary shares of Rs.100/- each. The break up value per share is Rs. 71.83/- as per latest Audited financial statements of EGWV as at 30 June 2019. The fair value per share of

EGWVV is Rs. 25.33/- as at 30 June 2019. The Company shall acquire the entire shareholding of EGWV from FCSC at a fair value on the date of acquisition, to be determined in accordance with law.

The management of the Company has approached FCSC to acquire the complete shareholding of EGWV as its operations are more like Pace's operations being a real estate marketing and development company.

The equity investment in EGWV shall be made from the available cash resources and / or the future internal cash generations of the Company. The Company will acquire the 100% shareholding in EGWV, thereby making a wholly owned subsidiary. EGWV will be engaged in construction and development of the Company's projects and other projects depending upon the operational capacity of EGWV.

EGWV is in process of expansion and has identified certain real estate projects. EGWV is also in process of obtaining a Convertible loan up to an extent of Rs. 1.00 billion (Rupees one billion only) for investments in upcoming proposed real estate projects.

The benefits likely to accrue to the Company shall include income on equity investment in the shape of dividends and capital gains. All the benefits accrued to EGWV, through growth in its business operations will become part of the returns of the Company and its shareholders

The Company is fully authorized by its Memorandum of Association to make such investment. The investment would be made at such time(s), as the Chief Executive may think appropriate on behalf of the Company and would disinvest(s) as and when appropriate. The Chief Executive of the Company or the Company Secretary are also authorized to take all the necessary corporate and legal formalities in connection with the proposed investment where required.

THE INFORMATION REQUIRED UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017:

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

(i)	Name of the associated company or associated undertaking	Ever Green Water Valley (Pvt.) Limited,
(ii)	Basis of relationship	Common Management/Control
(iii)	Earnings per share for the last three years	June 2017 2018 2019 PKR 14.41 7.31 (42.26)
(iv)	Break-up value per shares, based on latest financial statements as at 30 June 2019	PKR 71.83 per share
(v)	Financial Position, including main items of statement of financial position and profit & Loss account on the bases of latest financial statements; and	Share Capital & Reserves PKR 51.383 million Non-Current Liabilities PKR 326.235 million Current Liabilities PKR 507.240 million Non-Current Assets PKR 299.607 million Current Assets PKR 585.252

4/6

million

Gross Loss PRK 18.403 million

Loss for the year PRK 30.230
million

- (vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information;

- (I) Description of the project and its history since conceptualization;
- (II) Starting date and expected date of completion of work;
- (III) Time by which such project shall become commercially operational;
- (IV) Expected time by which the project shall start paying return on investments and ;
- (V) Funds invested or to be invested by the promoters, sponsors, associated company or undertaking distinguishing between cash and non-cash amounts.

Maximum amount of investment to be made

Purpose, benefits likely to accrue to the investing company its members from such investment and period of investments;

Sources of funds to be utilized for investment;

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

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;

In case any investment in associated company or associated has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and;

Any other important details necessary for the members to understand the transaction

Maximum price at which securities will be acquired

In case the purchase price is higher than market value in the case of listed entity and fair value in case of unlisted securities, justification thereof;

Not applicable

PKR 55.00 million only

Utilization of the Company's available/future cash resources for better prospective returns to shareholders

Available cash resources and/or future internal cash generation from the operations of Company

Not applicable

The Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings

Not applicable

New Equity Investment in Associated Company

At fair value on the date of acquisition to be determined in accordance with law.

The purchase price will be not more than fair value of shares to be determined on the date of acquisition .The CEO is being

	authorized to negotiate terms and conditions of the investment and Board of Directors has to approve it in the best interest of the Company .
Maximum number of securities to be acquired	715,400 shares of Rs.100.00 each
Number of securities and percentage thereof held before and after the proposed investment;	Before =nil = 0% After =715,400= 100.00% wholly owned subsidiary
Fair value determined in terms of sub regulation (1) of regulation 05 for investments in unlisted securities.	At Rs. 25.33/- per share as at 30 June 2019

INSPECTION OF DOCUMENTS

Copies of the Memorandum and Articles of Association, Statement under section 134(3) of the Companies Act, 2017, latest pattern of shareholding and variation in shareholding of the shareholders, having 10% or more in the Company during the last six months, financial projections/plan of the Company and investee company, audited annual accounts for the last three years along with latest half yearly and quarterly accounts, utilization of funds and benefit arisen to the company and its shareholders, all other related information of the Company may be inspected during the business hours at the Registered Office of the Company from the date of the publications of this notice till the conclusion of the Annual General Meeting.

INTEREST OF DIRECTORS AND THEIR RELATIVES

All the directors of the Company including the Chief Executive and their relatives (if any) are interested to the extent of their shares that are held by them. The effect of the resolutions on the interest of these directors including the Chief Executive and their relatives (if any) does not differ from its effect on the like interest of other shareholders. They have no other interest in the special business and / or resolutions except as specified herein.