



REGISTERED OFFICE:
FIRST CAPITAL HOUSE
 96-B/1, Lower Ground Floor,
 M.M. Alam Road, Gulberg-III, Lahore.
 Tel: +92-42-35778217-8



**PACE (PAKISTAN) LIMITED ("THE COMPANY")
 ADDENDUM TO THE NOTICE OF ANNUAL GENERAL MEETING**

The additional information regarding Special Business proposed at upcoming Annual General Meeting of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") Scheduled to be held on Friday 28 October 2022 at 11:00 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore.

STATEMENT UNDER SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business as to be transacted at the Annual General Meeting of the Company to be held on 28 October 2022.

TO MAKE INVESTMENT AS LOAN/ADVANCE TO PACE BARKA PROPERTIES LIMITED, AN ASSOCIATED COMPANY, UP TO RS. 500.00 MILLION (RUPEES FIVE HUNDRED MILLION ONLY)

Pursuant to the Board of Directors approval dated 06 October 2022, in addition to Equity Investment, the Company also intends to make an investment up to Rs. 500.00 Million (Rupees five hundred million only) as Loan/Advance to Pace Barka an associated company.

The benefits likely to accrue to the Company shall include income on Loan/Advance in the shape of Mark-up.

INFORMATION AS REQUIRED UNDER REGULATION 3(A) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

Investment in the form of Loan/Advance;

(i)	Name of the associated company or associated undertaking	Pace Barka Properties Limited
(ii)	Basis of relationship	Common Directorship
(iii)	Earnings per share for the last three years	June 2020 2021 2022 RS.(0.51) RS (0.77) RS (1.02)
(iv)	Break-up value per shares, based on latest financial statements	PKR 17.62 /- 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	Financial Year ended 2022 Share Capital & Reserves PKR 5,379,782,000 million Non-Current Liabilities RS 985,715,000 Current Liabilities RS 922,168,000 Non-Current Assets RS 5,147,306,000 Current Assets RS 2,140,359,000 Operating Loss RS 354,691,000 Net Loss for F/Y 2022 is RS 311,003,000
(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;	Currently, Pace Barka is focusing on completion of development of Pace Circle Project, a premium multiuse project near Alama Iqbal International Airport Lahore which comprises a 5-star proposed hotel, a world class shopping mall, proposed serviced & Pace-managed apartments. The project is located near Lahore International Airport and is surrounded by number of high-end housing societies like Army Housing Scheme and Defence Housing Authority. Total planned constructed area consists of around 1.67 million square feet (including basement). The civil work on Serviced Apartment and Shopping Mall Building has been almost completed
	Maximum amount of investment to be made	PKR 500,000,000 only (Rupees five hundred million only)
	Purpose, benefits likely to accrue to the investing company its members from such investment and period of investments;	Utilization of the Company's available/future cash resources including sale of assets for better prospective returns to shareholders
	Sources of funds to be utilized for investment;	Available cash resources and/or future internal cash generation from the operations of Company or through sale of other assets

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Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment;	A draft Loan agreement is available for inspection at Registered office of the Company
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;	Mr. Salmaan Taseer (late) holds 2,613,701 (0.86%) of the total shareholding of Pace Barka, which is under succession. Rest the Directors of the Company and their relatives (if any) are interested to the extent of their shareholdings.
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;	Currently, no investment has been by the Company in Pace Barka as Loan/Advance.
Any other important details necessary for the members to understand the transaction	Loan/Advance Investment in addition to Equity in Associated Company
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;	Equity investment was made, from time to time at Par value of Rs. 10.00 each, now the break-up value of the shares is Rs. 17.62 per share.
Any other important details necessary for the members to understand the transaction	Loan/Advance Investment in addition to Additional Equity in Associated Company
(i) Category wise amount of investment	Loan/Advance up to Rs.500 million only
(ii) Average borrowing cost of the Company, the KIBOR for relevant period, rate of return for shariah compliant products, rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing cost is 13.11% for year ended 30 June 2022 (which is 6 month KIBOR+2.00% p.a).
(iii) Rate of interest, mark-up, profit, fees or commission, etc.to be charged by the Company	Not less than borrowing cost of the Company. CEO is authorized to charge a premium over and above the borrowing cost of the Company as he may deems fit in the best interest of the Company
(iv) Particulars of collateral or security to be obtained in relation to the proposed investment	No collateral security is required as Pace Barka is an associated of the Company
(v) If the investment carries conversion features 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 when the time when the conversion may be exercisable and	Not applicable
(vi) Repayment schedule and terms and conditions of loans or advance to be given to the associated company or associated undertaking	The total outstanding loan/advance amount (including principal and any mark-up added in the same, which in total shall not exceed the approved limit) shall be repaid after completion of two years, from the dates of disbursement of loan/advance or at any earlier date, as may be practical based on cash flows of Pace Barka

17 October 2022

For Pace (Pakistan) Limited



Said
Company Secretary