

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General Meeting (“EOGM”) of the shareholders of Singer Pakistan Limited (“SPL” or the “Company”) will be held on Wednesday 4<sup>th</sup> October 2017 at 11:00 a.m. at registered office of the Company, Plot No. 39, Sector 19, Korangi Industrial Area, Karachi, to transact the following business:

**SPECIAL BUSINESS:**

(1) To consider and, if thought fit, pass the following resolutions, with or without modification, as Special Resolutions for the sale of the Company’s property and lease back a portion of the said property:

“**RESOLVED** that the approval of the members of the Company be and is hereby accorded in terms of Sections 183(2) (i) and Section 183(3) (a) of the Companies Act, 2017 for sale of the Factory Land situated at Plot # 39, Sector 19, Korangi Industrial Area, Karachi being 37777.78 square yards and Building thereon, for an aggregate sale consideration of PKR 2,077,777,900/- (Rupees two billion seventy-seven million seven hundred seventy-seven thousand nine hundred only)”

“**FURTHER RESOLVED** that the approval of the members of the Company be and is hereby accorded for the lease back of the area as required by the Company out of the said Factory Land and Building for uninterrupted continuation of business / manufacturing activities of the Company at mutually agreed terms and conditions with the prospective Buyer of the Property. The Chief Executive of the Company is hereby further authorized to negotiate the terms and conditions of the lease/rental at the time of expiry/renewal of the lease arrangement in a manner as he may deem appropriate.”

“**FURTHER RESOLVED** that Mr. Haroon Ahmad Khan – Chief Executive Officer and Brig. Mukhtar Ahmed (Retd.) – Director be and are hereby authorized, to do all acts, deeds and things, take any or all necessary actions with respect to the sale of Factory Land & Building and its lease back as required and all matters related to settlement of the banking facilities and to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.”

(2) To consider and, if thought fit, pass the following resolutions, with or without modification, as Special Resolutions for amendments in the Articles of Association for providing E-Voting facility to shareholders:

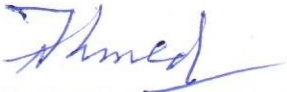
“**RESOLVED** that the approval of the member of the Company be and is hereby accorded for amendment in the Articles of Association of the Company by adding a new Article 52A as follows:

“The provision and requirements for e-voting as prescribed by the Securities and Exchange Commission of Pakistan (“SECP”) from time to time shall be deemed to be incorporated in the Articles of Association, notwithstanding anything contained herein to contrary”

“**FURTHER RESOLVED** that Mr. Haroon Ahmad Khan – Chief Executive Officer be and is hereby authorized, to do all acts, deeds and things, take any or all necessary actions and to complete all corporate formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions. The CEO is also authorized to delegate his powers to any other official of the Company as he may deem appropriate for the completion of the above resolutions”

**Statement of Material Facts under Section 134(3) of the Companies Act, 2017 regarding the Special Businesses is circulated to the Shareholders along with this notice of Extraordinary General Meeting**

By order of the Board



**Tauseef Ahmed Zakai**

Company Secretary

Karachi: September 12, 2017

**Notes:**

1. The Shares Transfer Books of the Company will remain closed from 26 September 2017 to 04 October 2017 (both days inclusive) for attending and voting at Extraordinary General Meeting.
2. Physical transfers / CDS Transactions IDs received in order in all respect up to 5:00 p.m. on 25 September 2017 at Share Registrar of the Company that is Manager, Share Registrar Department, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi, Phone 0300-23275, Email: info@cdcpak.com, will be considered in time for attending of meeting
3. A member eligible to attend and vote at this meeting may appoint another person his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC (Proxy Form Attached).
4. In case of corporate entity, the Board's Resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company.
5. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting. Shareholders are requested to immediately notify the change in address, if any

6. It is mandatory for Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or its Share Registrar, if not already provided and similarly it is mandatory for corporate shareholders to provide a copy of their NTN Certificate.
7. Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if Company receives consent from members holding aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of Extraordinary General Meeting. The Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide following information and submit to the Shares Registrar Office:

I/We, of being a member of Singer Pakistan Limited holder of Ordinary Share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at (Please insert name of the City)

\_\_\_\_\_  
Signature of member

The Company will intimate members regarding venue of video conferencing facility at least 5 days before the date of Extraordinary General Meeting along with complete information necessary to enable them to access such facility

8. The Memorandum and Articles of Association, Statement under section 134(3) in respect of the material facts of the special businesses, valuation reports by the independent valutors, land and building related documents, Agreement to Sell related to factory land and building and Lease/Rent back of the required property, annual audited financial statements of the Company for the previous years, reviewed half yearly accounts, un-audited quarterly accounts, financial projections, Companies (E-Voting) Regulations, 2016, Companies Act, 2017, and any other information relevant to the special businesses shall be available for the inspection of members at the Extraordinary General meeting of the Company

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT,  
2017 REGARDING THE SPECIAL BUSINESS**

This statement sets out the material facts pertaining to the Special Business to be transacted at the Extraordinary General Meeting of the Company, scheduled to be held on 04<sup>th</sup> October 2017 at the Registered Office of the Company.

**(a) Special Resolutions for the sale of Factory Land and Building (the “Property”) and lease back a portion of the said Property**

The Board of Directors of the Company in their meeting held on 18 August 2017 approved the sale of Factory land and building thereon keeping in view fair market value recommendations by one or more of leading valuation firms in Pakistan and in such manner and on such terms and conditions as a Committee of the Company’s Chief Executive Officer and a Director (the “Committee”) deems fit and appropriate subject to the further approval of the final terms and conditions of such sale including price by the Board and compliance of all legal formalities including shareholders’ approval. The Board of Directors in the same meeting also authorized the Committee to simultaneously enter into a Lease/Rental Agreement with the prospective Purchaser of the said property for a portion of the factory land at Korangi on such terms and conditions and period as the Board’s Committee may consider appropriate for the continuation of uninterrupted business/manufacturing activities of the Company with the intention being for the Company to move from an owned manufacturing facility to a lease/rental model.

Subsequently the Board of Directors in their meeting held on 30 August 2017 approved the Committee’s proposal for the sale and lease back of part of the Factory land and building subject to the approval of the shareholders of the Company. The following material information is given pursuant to the Section 134(3) of the Companies Act, 2017 for the shareholders of the Company.

**Detail of Assets to be sold:**

The Company intends to sell its Factory Land and Building therefore as under:

<b>(a) Description of the Asset</b>	<b>Factory land and Buildings</b>
Area	Land 37,777.78 Sq. Yards plus Buildings approximately 233,000 Sq. Feet
Location	Plot # 39, Sector 19, Korangi Industrial Area, Karachi
Original Cost	PKR 28,995,547
Revalued Amount as of 30 June 2017	PKR 1,590,000,000
Book Value as of 30 June 2017	PKR 1,590,000,000

Market Value/Fair value	Market/Fair Value has been conducted by leading and independent valutors Messrs. Iqbal A. Nanji and Messrs. Asif Associates that determined value less than the sale price of the Factory Land and Building.
Sale price / Consideration	PKR 2,077,777,900 based on the approval of the Board of Directors in their meeting held on 30 August 2017
Proposed manner of disposal	Through an outright sale and transfer through sale/conveyance deed against cash payment of the full consideration and simultaneous execution of lease agreement with the potential buyer.
Reason for sale	To reduce the borrowings from financial institutions and thereby save the debt servicing costs and to meet working capital requirements for expansion of Company's operations.
Benefits expected to accrue to the shareholders	<ol style="list-style-type: none"><li>1. Significant savings in the financial charges on bank borrowings / trade credits and thereby improving the operating results of the Company after paying for the rentals for the lease back of required space from the prospective Buyer. Improvement in cash flows will help the company in lower cost of procurement of goods &amp; services, reduced financial charges on working capital borrowings if and when required, increase in sales volume through better working capital management, etc.</li><li>2. An increase of approximately PKR 1.90 billion in the retained earnings (equivalent to PKR 41.85 per share) by way of transfer from (i) revaluation surplus and related deferred tax; (ii) gain on sale of property through current year's profits and loss account less investment income already booked. This will also completely eliminate the accumulated losses of the Company from face of the balance sheet. This will also facilitate payment of dividends to the Company's shareholders in future as may be considered appropriate by Board of Directors of the Company.</li></ol>

**Lease/Rental Agreement with the prospective Buyer and Future Business Operations**

The Board of Directors of the Company resolved in their meeting held on 18 August 2017 to shift its business model from manufacturing on owned factory facility to a lease/rental model. For the continuation of uninterrupted operations of the Company, the Board of Directors approved that portion of Factory Land and Building (the "Leased/Rented Property") up to a maximum of 172,420 square feet be obtained on lease/rental basis from the potential purchaser on the same location. Lease/rental agreement is expected to be signed simultaneously with sale of land and buildings. The physical possession of the said leased/rental Property is already with the Company. The broader terms and conditions of the lease/rental arrangements shall be as under:

Lease/Rental rate for lease back area	PKR 25.83 per Sq. feet per month
Tenure of Lease/Rental arrangement	One year from the date of signing of the Lease/Rental Agreement with options to renew for further similar term (s)
Other terms	As per standard terms and conditions applicable to property lease/rental arrangements

However, in case of need be, in future, the Company may also relocate its manufacturing and business facilities to an alternate location.

**(b) Special Resolutions for amendments in the Articles of Association for providing E-Voting facility to shareholders**

SECP has notified Companies (E-Voting) Regulations, 2016 (the "Regulations") through which E-Voting facility is to be provided by listed companies to its shareholders. Hence this resolution is proposed for obtaining approval of the shareholders of the Company to amend the Articles of Association of the Company to enable E-Voting facility for the shareholders. As per Regulations in the case of E-Voting, both members and non-members can be appointed as proxy. Further, the instructions to appoint execution officer and option to E-Vote through intermediary shall require to be deposited with the Company, at least ten (10) days before holding the general meeting, at the Company's registered office address or through email. The Company will arrange for E-Voting if the Company received demand for poll from at least five (5) members or any members having not less than one tenth of the voting power.

**Interest of Directors directly or indirectly**

The Directors of the Company have no interest directly or indirectly in the transaction, except to the extent of their shareholdings in the Company.

**Inspection of Documents**

The Memorandum and Articles of Association, Statement under section 134(3) in respect of the material facts of the special businesses, valuation reports by independent valuers, land and building related documents, Agreement to Sell related to factory land and building and Lease/Rent back of the required property, annual audited financial statements of the Company for the previous years, reviewed half yearly accounts, un-audited quarterly accounts, financial projections, Companies (E-Voting) Regulations, 2016, Companies Act, 2017, and any other information relevant to the special businesses shall be available for the inspection of members at the Extraordinary General meeting of the Company