

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 at Pearl Continental Hotel, Club Road, Karachi on Thursday, February 16, 2017 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1- To confirm minutes of Annual General Meeting held on April 28, 2016.

SPECIAL BUSINESS

- 2- To approve investment in setting up Tecno Auto Glass Limited for manufacturing of automobile glass.

ANY OTHER BUSINESS

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

A Statement of Material Facts under Section 160(1)(b) of The Companies Ordinance 2001 covering the above mentioned special businesses is being sent to the shareholders along with a copy of this notice.

BY ORDER OF THE BOARD

ABDUL NASIR
COMPANY SECRETARY

Karachi: January 26, 2017

Notes:

- 1- The share transfer books of the Company will remain closed from February 9, 2017 to February 16, 2017 (both days inclusive) and no transfer will be accepted for registration during this period. Transfers received in order till close of business on February 8, 2017 will be accepted for transfer.
- 2- 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.
- 3- Account holders and sub-account holders holding book entry securities in respect of the shares of the Company in Central Depository Company of Pakistan Limited, who wish to attend the Extra-Ordinary General Meeting, are requested to bring their original Computerized National Identity Cards (CNIC) or Passports for identification purpose.
- 4- Shareholders who have not submitted their valid CNICs are once again requested to submit copy of their valid CNIC to the registrar of Company, Central Depository Company of Pakistan Ltd., CDC House 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.

Statement of Material Facts under Section 160(1)(b) of The Companies Ordinance 1984.

Item No. 2 of the Notice: Investment in setting up Tecno Auto Glass Limited for manufacturing of automobile glass:

Information under Clause (a) under sub regulation (1) of Regulation 3 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012:

- (i) Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;

- Tecno Auto Glass Ltd.
- Associated company with 40% shareholding to be held by Pak Suzuki Motor Co. Ltd.

- (ii) Purpose, benefit and period of investment;

Purpose

- Setup a plant to manufacture automobile glass under Technical Assistance Agreement with Asahi India Solutions Ltd.
- Localization of auto glass in Pakistan would result in acquisition of valuable technology for auto glass production and generation of employment opportunities in the vendor industry

Benefit

- Pak Suzuki to purchase automobile glass for its vehicles from Tecno Auto Glass Ltd. resulting in estimated cost saving amounted Rs. 791.92 million over a period of 8 years
- Return on investment amounted Rs. 710.85 million in period of 8 years

Period of investment

- The investment by Pak Suzuki is in the form of long term equity participation in the Project

- (iii) Maximum amount of investment;

- Total Project investment estimate:	Rs. 2,870,000,000
- Total requirement of Equity @ 30%:	Rs. 861,000,000
- Pak Suzuki share in equity participation (40%):	Rs. 344,400,000
- (iv) Maximum price at which securities will be acquired;
 - Rs. 10 (par value)
- (v) Maximum number of securities to be acquired;
 - 34,440,000 shares
- (vi) Number of securities and percentage thereof held before and after proposed investment;
 - Not applicable
- (vii) In case investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;
 - Not applicable
- (viii) In case of investment in unlisted securities, fair market value of such securities determined in term of regulation 6(1);
 - Not applicable
- (ix) Break-up value of securities intended to be acquired on the basis of the latest audited financial statement;
 - Not applicable

- (x) Earning per share of the associated company or associated undertaking for the last three years;
 - Not applicable
- (xi) Sources of fund from which securities will be acquired;
 - Internal cash generation
- (xii) Where the securities are intended to be acquired using borrowed funds;
 - Not applicable
- (xiii) Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment;
 - Not applicable
- (xiv) 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 Pak Suzuki Motor Co. Ltd. have no personal interest in Tecno Auto Glass Ltd which will be an associated Company, except that some directors of PSMCL would be Directors of Tecno Auto Glass Ltd. and may hold shares in Tecno Auto Glass Ltd, as nominees of PSMCL
- (xv) Any other important details necessary for the members to understand the transaction;
 - Not applicable
- (xvi) In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations in addition to the information referred to above the following further information is required namely,
 - (i) Description of the project and its history since conceptualization;
 - The Project (Tecno Auto Glass Ltd.) is proposed to be a Public Limited Company (Unlisted) being setup to produce automobile glasses for Pak Suzuki Motor Co. Ltd. and other prospective automobile assemblers in Pakistan
 - The project will be a Joint Venture between Pak Suzuki Motor Co. Ltd. and Tecno Pack Telecom Pvt Ltd. (TPT). TPT is part of the Tecno Group, who have been a Vendor/Supplier to PSMCL since its inception in 1984
 - The technology for setting up the project shall be acquired from Asahi India Solutions Ltd. (AIS), who are the leading auto glass producers in India and hold 70% share of the Indian OEM market
 - Since 2013, PSMCL management has been in negotiation with AIS for finalization of Technical Assistance Agreement (TAA) to implement the Project. The TAA draft is agreed between all parties and shall be signed after approval of shareholders in the PSMCL Extra-Ordinary General Meeting
 - (ii) Starting and expected dated of completion of work;
 - Start of the project implementation: June 2017
 - Completion of project implementation: December 2018
 - (iii) Time by which such project shall become commercially operational; and
 - Targeted date for commercial production: March 2019
 - (iv) Expected time by which the project shall start paying return on investment;
 - From 2nd Year
- (b) In case of loans and advances,
 - (i) Name of associated company or associated undertaking along with criteria based on which the associated relationship is established;
 - Not applicable
 - (ii) Amount of loans or advances;
 - Not applicable
 - (iii) Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;
 - Not applicable
 - (iv) In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;
 - Not applicable
 - (v) Financial position, including main terms of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements.
 - Not applicable
 - (vi) Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;
 - Not applicable

It is proposed that the following special resolution be passed

"Resolved that Company is authorized to make investment upto Rs. 344,400,000 to acquire 34,440,000 shares of Rs. 10 each in Tecno Auto Glass Limited for setting up manufacturing plant of automobile glass".