

Notice of Extra Ordinary General Meeting

Notice is hereby given that an Extra Ordinary General Meeting (“EOGM”) of **Roshan Packages Limited** (the “Company”) will be held on Thursday, May 06, 2021 at 11:00 AM from Registered Office of the Company at Lahore via video link facility, to transact the following special business:

- To consider and if thought fit, to pass, with or without modification, a Special Resolution as proposed in the Statement of Material Facts pursuant to Section 199 of the Companies Act, 2017 for additional equity investment of PKR 81,675,825 in Company’s Subsidiary, Roshan Sun Tao Paper Mills (Private) Limited as detailed in the Statement of Material Facts.

Attached to this Notice is a statement of material facts along with draft resolutions proposed to be passed as special resolutions in relation to the aforesaid special businesses, as required under Section 134(3) of the Companies Act, 2017.

Lahore
14 April, 2021

By Order of the Board



Rabia Sharif
Company Secretary

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 30 April, 2021 to 06 May 2021(both days inclusive). Transfers received in order at the office of our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi by the close of business on 29 April, 2021 will be treated in time for determination of entitlement of members to attend the EOGM.

2. Online Participation in the EOGM:

In view of the prevailing and worsening situation due to pandemic COVID-19 and in line with the directions issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No. 4 of 2021 dated February 15, 2021

and subsequent Circular No. 6 of 2021 dated March 3, 2021, this EOGM will be held virtually via video-link for safety and well-being of the shareholders of the Company and general public. The members and their proxies who wish to attend the EOGM are requested to register themselves by providing the following information along with valid copy of attested Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) with specimen signature of the nominee/representative at email corporate@roshanpackages.com.pk by May 04, 2021.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members / their proxies who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The members can also provide their comments/suggestions on agenda items of the EOGM via email: corporate@roshanpackages.com.pk.

3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. A proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member.

4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least forty-eight (48) hours before the time of the meeting. Form of proxy in English and Urdu languages are available on website. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

5. **CNIC/IBAN for E-Dividend Payment.** The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the designated bank account



of the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, if not already provided, electronic dividend mandate on E-Dividend Form available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

7. Zakat Declarations. The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

8. Unclaimed Dividend and Bonus Shares. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, CDC House 99-B block B SMCHS, Main Shahrah-e-Faisal, Karachi, to collect/enquire about their unclaimed dividend or pending shares, if any.

9. Transfer of Physical Shares in Book-Entry Form. As per Section 72 of the Companies Act, 2017, every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities and Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholder holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC sub-account with any of the brokers or investor account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange limited. It also reduces the risks and costs associated with storing share certificate(s) and replacing lost or stolen certificate(s) as well as fraudulent transfer of shares. For the procedure of conversion of physical shares into book-entry form, you may approach our Share Registrar at the following contact information:

CDC Share Registrar Services Limited
CDC House, 99-B, Block B,
S.M.C.H.S Main Shahrah-e-Faisal
Karachi
Contact No: 021-111-111-500



Statement of Material Facts under Section 134(3) of the Companies Act, 2017.

This statement sets out the material facts pertaining to the special business to be transacted in the Extra Ordinary General Meeting of the Company to be held on Thursday, May 06, 2021.

Approval & Authorization for Additional Equity Investments in Subsidiary Roshan Sun Tao Paper Mills (Private) Limited.

Roshan Sun Tao Paper Mills (Private) Limited was incorporated on 08th January 2016 under the Companies Act 2017 as a private limited company. It is a subsidiary of the Company (the “Subsidiary”/ “RSTPML”) The Subsidiary was incorporated to set up Corrugated Paper Manufacturing Mill. The Project was to be run as a joint venture between the Company with a Chinese partner, M/s Shandong Yongtai Paper Mills Limited (the ‘SYPML’); however, the joint venture agreement was terminated by the Company due to contractual breaches committed by Chinese partner. Thereafter, a case was filed before the Civil Court, Lahore for specific performance of termination clause of joint venture agreement.

SYPML had filed a petition before the Lahore High Court for winding up of the Company, which was dismissed on 05th October 2020. SYPML and its Directors now intends to settle the matter and have offered their stake (Equity & loan) comprising an aggregate 7,425,075 shares (7,421,075 shares held by SYPML, 3,000 shares held by Mr. Sun Tao and 1,000 Shares held by Mr. Sun Jinhao) for a total consideration of PKR 81,675,825 i.e., PKR 11/- per share. Pursuant to the settlement, this amount shall be full and final price for the settlement reached with the Chinese partner including the amount of PKR 32,432,958 appearing as loan/payables to SYPML in the books of RSTPML.

In view of the prolonged litigation resulting in delay in completion of the project of the Subsidiary, Board of Directors have accepted the offer of settlement with SYPML and its two nominee directors for an aggregate consideration of PKR 81,675,825 (Pak Rupees Eighty-One Million Six Hundred Seventy-Five Thousand Eight Hundred and Twenty-Five Only) subject to shareholders approval.

The suit filed in the civil court by the Company against SYPML will be withdrawn pursuant to the execution of the settlement agreement.



The Company currently beneficially own 11,137,613 60% shares (240 shares are held in the name of nominee directors) in RSTPML and after acquisition of 40% shares, the equity stake in RSTPML will increase to 100%. The offer for sale of shares by SYPML and its directors was made in terms of Section 76 of the Companies Act, 2017 and the transaction is being placed before the shareholders for passing a special resolution in terms of Section 199 and other applicable provisions of the Act.

Due Diligence:

Since the majority of the directors were common and deemed interested, the necessary due diligence for the proposed investment was carried out by the management and duly endorsed by the disinterested Directors. The duly signed recommendation of the due diligence report shall be made available for inspection of members in the EOGM. The names of common directors are:

1. Tayyab Aijaz
2. Saadat Eijaz
3. Zaki Aijaz
4. Khalid Eijaz Qureshi
5. Quasim Aijaz

Audited Financial Statements of Subsidiary

As required by the Regulations, the audited financial statements for the year ended 30 June, 2020 of Roshan Sun Tao Paper Mills (Private) Limited shall be made available to the members for inspection at the EOGM.

The following resolution is proposed to be passed as special resolution:

RESOLVED THAT approval of the members of Roshan Packages Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make further long term investment of PKR 81,675,825 (Pak Rupees Eighty One Million Six Hundred Seventy Five Thousand Eight Hundred and Twenty Five Only) by acquiring 7,425,075 ordinary shares of the face value of PKR 10 each at a price of PKR 11/- per share of Roshan Sun Tao Paper Mills (Pvt.) Limited (RSTPML), an associated/subsidiary company from Shandong Yongtai Paper Mills Limited (SYPML) and its Directors, as full and final settlement



for the aforesaid shares and outstanding loan/payable of PKR 32,432,958 to SYPML by RSTPML and as per other terms and conditions disclosed to the members.

RESOLVED FURTHER that Chief Executive Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental for the purpose of implementing the aforesaid resolution.

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Equity investment in Roshan Sun Tao Paper Mills (Private) Limited

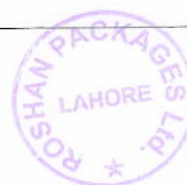
(a) Disclosure for all types of investments:		
(A) Disclosure regarding associated company		
(i)	Name of Associated Company or Associated Undertaking	Roshan Sun Tao Paper Mills (Private) Limited
(ii)	Basis of Relationship	Common Directorship/Subsidiary
(iii)	Loss per Share for the last three years (Rs.)	2018: 0.03 2019: 0.92 2020: 2.53
(iv)	Break-up value per Share, based on last audited financial statements	9.18 per share
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Assets as at 30 June 2020 Non-current assets – Rs. 489,909,996. Current assets – Rs. 24,228,362 Total assets – Rs. 514,138,358 Total current liabilities – Rs. 175,212,815 Net equity – Rs. 170,378,883 Revenue for the period ended 30 June 2020– Rs. NIL as commercial operations have not commenced. Expenses – Rs. 47,005,333 Other income – Rs. NIL Loss after tax- Rs. 47,005,333



(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely		
	I	Description of the project and its history since conceptualization	The Project is being established for setting up of Corrugated Paper Manufacturing Mill. The Project will be backward integration of corrugation plant of Roshan Packages Limited. The cost of first phase will be Rs. 2,400 Million to be financed by debt and equity.
	II	Starting date and expected date of completion of work	Construction commenced in the year 2017 Expected Date of Completion Dec-2022
	III	Time by which such project shall become commercially operational	By Jan 2023
	IV	Expected time by which the project shall start paying return on investment	By 2023-2024
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	PKR. 339.67 Million has been invested by the Company as of 30 June 2020 in the form of equity and loans. The investment of JV partner is PKR 168.526 Million. All investment was made in cash
(B) General Disclosures:			
(i)	Maximum amount of investment to be made	of	Upto PKR 81,675,825 (Pak Rupees Eighty One Million Six Hundred Seventy Five Thousand Eight Hundred and Twenty Five Only) as additional equity investment.



(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Shares are being acquired under settlement agreement with JV partner. The Company after this acquisition will own & hold 100 % shares in subsidiary. Settlement will allow completion of the project unhindered thus benefitting the Company and its members from operations of the subsidiary. The amount is being as full and final settlement for 40% equity comprising 7,425,075 shares and loan of PKR 32,432,958. The investment in Subsidiary is for long term.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from company's funds
	(I) Justification for investment through borrowings	NA
	(II) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA
	(III) Cost of benefit analysis	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The draft of the settlement agreement has been placed for inspection by the members.
(v)	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 interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:



		Directors shareholdings In Subsidiary held on behalf of Roshan Packages Limited: Tayyab Aijaz 0.0006% Saadat Aijaz 0.0003% Zaki Aijaz 0.0003% Khalid Eijaz Qureshi 0.0000% Quasim Aijaz 0.0000% Directors shareholdings In Company: Tayyab Aijaz 26.84% Saadat Aijaz 11.86% Zaki Aijaz 11.86% Khalid Eijaz Qureshi 14.65% Quasim Aijaz 2.96% Further, the Directors/CEO are interested to the extent of their remunerations, if any.
(vi)	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	The Company has made investment of PKR 111.38 Million in shares of RSTPML. Further investment in loans and advances amounts to be PKR 228.29 as of 30 June, 2020. Project of the Subsidiary was delayed for various reasons as explained herein. The project is still in construction phase. There are no impairment/write offs.
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional disclosure regarding Equity Investment		
(i)	Maximum price at which securities will be acquired	PKR 11/- per share.
(ii)	In case the purchase price is higher than market value in case of listed securities and fair	This price is less than fair value of a share of the Subsidiary



	value in case of unlisted securities, justification thereof										
(iii)	Maximum number of securities to be acquired	Upto 7,425,075 Shares offered by the Chinese partner of the subsidiary & its directors									
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table> <tr> <th></th><th>Number</th><th>%age</th></tr> <tr> <td>Before</td><td>11,137,613</td><td>60</td></tr> <tr> <td>After</td><td>18,562,688</td><td>100</td></tr> </table>		Number	%age	Before	11,137,613	60	After	18,562,688	100
	Number	%age									
Before	11,137,613	60									
After	18,562,688	100									
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A									
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	Fair value of the share is not less than the face value of the share (face value of shares is Rs. 10 per share).									

Statement Under Rule 4(2) of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Roshan Sun Tao Paper Mills (Pvt) Limited
Total Investment Approved:	For Equity: up to 1,406.4 Million For Loan and advances: 500 Million
Amount of Investment Made to date: 30 June 2020	Equity: 111.38 Million Loans: 228.29 Million
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	There is no deviation from investment.



Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	No material changes. The project of the Subsidiary is greenfield. The latest financial position has been explained above.
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Availability of Relevant Documents

The draft agreement to be executed with SYPML and its directors for purchase of shares and the related documents including are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the EOGM.

