

SEARLE

THE SEARLE COMPANY LIMITED

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the shareholders of **The Searle Company Limited** (the “**Company**”) will be held on Wednesday, July 26, 2023 at 4 :30 p.m. through video link to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting of the Company held on October 28, 2022.

SPECIAL BUSINESS

2. To consider and, if thought fit, pass the following resolutions as Special Resolutions, with or without modification(s), in accordance with Section 199 of the Companies Act, 2017, for the purposes of approving and authorizing investment(s) by the Company in the aggregate amount of PKR 3,500,000,000/- (Pak Rupees Three Billion Five Hundred Million) in its associated company i.e. Searle IV Solutions (Private) Limited (“**SIV**”), through acquisition of 100% (one hundred percent) of the issued and paid up share capital of SIV from IBL Operations (Private) Limited (“**IBL Ops**”):

“RESOLVED THAT in accordance with Section 199 of the Companies Act, 2017, the Company be and is hereby authorized to acquire 5,400,000 (Five Million Four Hundred Thousand) ordinary shares, having face value of PKR 100/- (Pak Rupees One Hundred) each, of its associated company i.e. SIV, constituting 100% (one hundred percent) of the issued and paid up share capital of SIV, from IBL Ops, for an aggregate purchase price of PKR 3,500,000,000/- (Pak Rupees Three Billion Five Hundred Million), subject to compliance with all statutory and legal requirements and finalization of deal terms and documents with IBL Ops.

***FURTHER RESOLVED THAT** Mr. S. Nadeem Ahmed – Chief Executive Officer, and / or Mr. Zubair Razzak Palwala – Director and Company Secretary, and / or Mr. Mobeen Alam – Chief Financial Officer of the Company, be and are hereby authorized, jointly by any two, to prepare, negotiate, finalize, execute, file and deliver all necessary documents, deeds, instruments, undertakings, declarations and forms, including a share purchase agreement and any ancillary documents, complete all legal formalities, take all necessary steps and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as they may think fit for or in connection with or incidental for the purposes of the above resolution or for the proposed acquisition, as well as carry out any other act or step which may be ancillary and / or incidental to do the above and necessary to fully achieve the objects of the aforesaid resolution.”*

3. To consider and if thought fit, pass the following resolutions as Special Resolutions, with or without modification(s), in accordance with Section 199 of the Companies Act, 2017, for the purposes of approving and authorizing the acquisition of 100% (one hundred percent) of the issued and paid up share capital of Stellar Ventures (Private) Limited (“**SVPL**”), being an associated company, from Universal Ventures (Private) Limited (“**UVPL**”), for an aggregate amount of PKR 3,750,407,053/- (Pak Rupees Three Billion Seven Hundred Fifty Million Four Hundred Seven Thousand Fifty Three), by way of adjustment / set-off against a part of the Company’s receivable balance due from UVPL:

“RESOLVED THAT in accordance with Section 199 of the Companies Act, 2017, the Company be and is hereby authorized to acquire 12,100,000 (Twelve Million One Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, of its associated company i.e. SVPL, constituting 100% (one hundred percent) of the issued and paid up share capital of SVPL, from UVPL, for an aggregate amount of PKR 3,750,407,053/- (Pak Rupees Three Billion Seven Hundred Fifty Million Four Hundred Seven Thousand Fifty Three), which amount shall be adjusted / set-off against a part of the Company’s receivable balance due from UVPL, subject to compliance with all statutory and legal requirements and finalization of deal terms and documents with UVPL.

***FURTHER RESOLVED THAT** Mr. S. Nadeem Ahmed – Chief Executive Officer, and / or Mr. Zubair Razzak Palwala – Director and Company Secretary, and / or Mr. Mobeen Alam – Chief Financial Officer of the Company, be and are hereby authorized, jointly by any two, to prepare, negotiate,*

finalize, execute, file and deliver all necessary documents, deeds, instruments, undertakings, declarations and forms, including a share purchase agreement and any ancillary documents, complete all legal formalities, take all necessary steps and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as they may think fit for or in connection with or incidental for the purposes of the above resolution or for the proposed acquisition, as well as carry out any other act or step which may be ancillary and / or incidental to do the above and necessary to fully achieve the objects of the aforesaid resolution."

4. To consider and, if thought fit, pass, with or without modification(s), the following resolution to enable and authorize the Company to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink, as permitted by the Securities and Exchange Commission of Pakistan vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of old technology which has become obsolete for transmission through CD/DVD/USB.

"RESOLVED THAT the Company be and is hereby authorized to circulate its annual report, including annual audited financial statements, auditor's report, Directors' report, Chairman's review and other reports contained therein, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the annual report through CD / USB be discontinued."

5. To consider and, if thought fit, increase the authorized share capital of the Company from PKR 6,000,000,000/- (Pak Rupees Six Billion) to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, by creation of 100,000,000 (One Hundred Million) new ordinary shares of PKR 10/- (Pak Rupees Ten) each, and approve the consequential amendments to the Memorandum and Articles of Association of the Company, and in that connection to pass the following resolutions as special resolutions, with or without modification:

"RESOLVED that the authorized share capital of the Company be and is hereby increased from PKR 6,000,000,000/-, divided into 600,000,000 ordinary shares of PKR 10/- each, to PKR 7,000,000,000/-, divided into 700,000,000 ordinary shares of PKR10/- each, by the creation of 100,000,000 additional ordinary shares of PKR 10/- each, to rank pari passu in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED THAT, as a consequence of the said increase in the authorized share capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced accordingly to read as follows:

"The Authorized Capital of the Company is PKR 7,000,000,000/- (Pak Rupees Seven Billion) divided into 700,000,000 (Seven Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each."

FURTHER RESOLVED THAT, as a consequence of the said increase in the authorized share capital of the Company, the existing Article 3 of the Articles of Association of the Company be and is hereby replaced accordingly to read as follows:

"The authorized capital of the Company is PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) ordinary shares of PKR 10/- each."

FURTHER RESOLVED that Mr. Zubair Razzak Palwala, Director and Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementation the aforesaid resolutions, as well as carry out any other act or step which may be ancillary and / or incidental to do the above and necessary to fully achieve the objects of the aforesaid resolutions, including, inter alia, obtaining any approvals (if required) and carrying out any filings with the Securities and Exchange Commission of Pakistan or other regulatory bodies."

OTHER BUSINESS

6. To transact any other business that may be placed before the meeting with the permission of the Chair.

(Attached to this notice is a Statement of Material Facts covering the abovementioned Special Business, as required under section 134(3) of the Companies Act, 2017)

By order of the Board

Zubair Razzak Palwala
Company Secretary

Karachi: July 5, 2023

NOTES:

A. Participation in Extraordinary General Meeting

The Company intends to convene the Extra Ordinary General Meeting (EOGM) through video link facility managed from 3rd Floor, One IBL Centre, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi. The EOGM through video link facility is being held in line with Company's austerity measures in the wake of the current macroeconomic situation and uncertainty in the country. For the foregoing reasons, the Company plans to convene the EOGM electronically with a view to providing larger participation of members across the country and lowering attendance costs for shareholders.

Shareholders interested in attending / participating in the EOGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email sent to cdcsr@cdcsrsl.com or WhatsApp at 0321-8200864 at the earliest, but not later than 48 hours before the time of the EOGM i.e. before 4:30 p.m. on July 24, 2023.

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of shares	Cell No.	Email address

The online meeting link and login credentials will be shared with only those members who provide their intent to attend the meeting containing all the required particulars as mentioned above on or before July 24, 2023 by 4:30 p.m.

All members are entitled to attend, speak and vote at the EOGM. A member may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company's Registered Office: 2nd Floor, One IBL Centre, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi-75530 not less than 48 hours before the meeting.

An individual beneficial owner of the shares must provide his/her original CNIC or Passport, Account and Participant's ID numbers to prove his / her identity. In case of corporate entity, the Board of Directors' Resolution and/or Power of Attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

B. Book closure

The share transfer books will remain closed from July 20, 2023 to July 26, 2023 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on July 19, 2023 shall be treated in time for the purpose of attending the EOGM.

C. Change of Address

Members are requested to notify changes in their address, if any, immediately to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400.

D. Request for Video conference facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company at least ten days before holding of the EOGM.

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

I/We, _____ of _____ being a member of The Searle Company Limited, holder of _____ ordinary shares as per registered folio # _____ hereby opt for video conference facility at _____.

Signature of Member

The Company will intimate members regarding venue of video conference facility at least five days before the date of EOGM along with the complete information necessary to enable them to access the facility.

E. Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), as amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming EOGM to be held on 26th day of July 2023 at 4:30 p.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.searlecompany.com for download.

1. Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on July 18, 2023.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from July 21, 2023, 09:00 a.m. and shall close on July 25, 2023 at 5:00 P.M. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

2. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address at 2nd Floor, One IBL Centre, Plot No. 1, Block 7 & 8D.M.C.H.S., Tipu Sultan Road, Karachi or email at

muhammad.suleman@searlecompany.com no later than one day before the EOGM on July 25, 2023, during working hours. The signature on the ballot paper shall match the signature on CNIC.

The schedule and procedure of postal ballot / E-Voting will be placed on the Company's website i.e. www.searlecompany.com at least seven (7) days of the meeting.

INFORMATION ABOUT SCRUTINIZER

With reference to the Regulations 4(4) and 11 of the Companies (Postal Ballot) Regulations, 2018, below is the information regarding the Scrutinizer for the purpose of upcoming Extraordinary General Meeting (EOGM) of The Searle Company Limited (the "Company") to be held on July 26, 2023.

Name of Scrutinizer	Messrs. UHY Hassan Naeem & Co, Chartered Accountants
Qualification and Experience	<p>The firm has grown over the last decade as a leading multi-disciplinary organization offering auditing taxation, business advisory, information technology, human resources and corporate services to public and private sector organizations in the country.</p> <p>UHY Hassan Naeem & Co. is a member of UHY International, one of the world's leading accounting and business advisory network, with offices in over 330 business centers in 90 countries across the globe.</p> <p>The firm holds a satisfactory Quality Control Review (QCR) status from the Institute of Chartered Accountants of Pakistan (ICAP) which demonstrates the quality standards maintained by the firm. It is registered on the Panel of State Bank of Pakistan (SBP) and is on the panel of USAID.</p>
Purpose of appointment	<p>The Company is required to appoint a scrutinizer for the purpose of voting in the EOGM to transact business that pertains to investment in associated companies as mentioned in Section 199 of the Companies Act, 2017.</p> <p>Therefore, M/s. UHY Hassan Naeem & Co. has been appointed as the Scrutinizer to observe that satisfactory procedures of the voting process including adequate precautionary measures are ensured and reported as mentioned under regulation 11A.</p>

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

This statement sets out the material facts concerning the Special Businesses listed at agenda items 2, 3, 4 and 5 to be transacted at the Extraordinary General Meeting of The Searle Company Limited (the "Company") to be held on July 26, 2023.

Agenda item no. 2: Investment in Associated Company – Searle IV Solutions (Private) Limited

The Company intends to expand its product portfolio by addition of intravenous products through acquisition of 100% (one hundred percent) shareholding of its associated company i.e. Searle IV Solutions (Private) Limited ("SIV"), at an aggregate purchase price of PKR 3,500,000,000/- (Pak Rupees Three Billion Five Hundred Million), from IBL Operations (Private) Limited ("IBL Ops"). Consequently, the Company seeks the approval from its shareholders for investment in its associated company, through passing of the special resolutions (with or without modification(s)) provided in agenda item no. 1 of the notice, in accordance with Section 199 of the Companies Act, 2017.

For the purposes of valuation of SIV, as required under the applicable laws, the Company had engaged the services of KPMG Taseer Hadi & Co., and the terms agreed with the seller are supported by the valuations suggested by them in terms of their report dated May 19, 2023.

The Board of Directors of the Company has certified that necessary due diligence of SIV has been carried out, and has recommended that the shareholders of the Company pass the resolutions to permit the said transaction.

The information required to be annexed to the Notice in accordance with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (Notification No. SRO 1240(I)/2017 dated December 6, 2017) (the "Regulations") is set out below:-

S. No.	Description	Information Required																																				
(a)	Disclosures for all types of investments																																					
(A)	Regarding Associated Company or Associated Undertaking:																																					
(i)	Name of the associated company or associated undertaking	Searle IV Solutions (Private) Limited (" SIV ")																																				
(ii)	Basis of relationship	SIV is a subsidiary of an associated company of the Company, i.e. IBL Operations (Private) Limited (" IBL Ops "). International Brands (Private) Limited is the holding company of the Company and IBL Ops.																																				
(iii)	Earnings/(Loss) per Share for last three years	2022: PKR 10.51 per Share 2021: PKR (1.06) per Share 2020: PKR (0.71) per Share																																				
(iv)	Break-up value per share, based on latest audited financial statements	PKR 472.04 per share, based on the audited financial statements for the year ended June 30, 2022																																				
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	As per audited financial statements of SIV for the year ended June 30, 2022: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;">Pak Rupees</th> </tr> </thead> <tbody> <tr> <td colspan="2">Assets:</td> </tr> <tr> <td>Property, plant and equipment</td> <td style="text-align: right;">231,893,862</td> </tr> <tr> <td>Capital work in progress</td> <td style="text-align: right;">233,437,857</td> </tr> <tr> <td>Long term investments</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Stores and spares</td> <td style="text-align: right;">8,770,571</td> </tr> <tr> <td>Stock in trade</td> <td style="text-align: right;">88,302,177</td> </tr> <tr> <td>Trade and other receivables</td> <td style="text-align: right;">112,739,932</td> </tr> <tr> <td>Prepayments and advances</td> <td style="text-align: right;">59,674,319</td> </tr> <tr> <td>Cash and bank balances</td> <td style="text-align: right;">20,131,048</td> </tr> <tr> <td colspan="2">Equity:</td> </tr> <tr> <td>Issued, subscribed and paid-up capital</td> <td style="text-align: right;">135,000,000</td> </tr> <tr> <td>Accumulated Profit/Loss</td> <td style="text-align: right;">119,087,798</td> </tr> <tr> <td>Share deposit money</td> <td style="text-align: right;">383,168,617</td> </tr> <tr> <td colspan="2">Liabilities:</td> </tr> <tr> <td>Liabilities against assets subject to finance lease</td> <td style="text-align: right;">3,258,249</td> </tr> <tr> <td>Deferred liabilities</td> <td style="text-align: right;">24,838,395</td> </tr> <tr> <td>Long term loans</td> <td style="text-align: right;">7,680,572</td> </tr> </tbody> </table>	Pak Rupees		Assets:		Property, plant and equipment	231,893,862	Capital work in progress	233,437,857	Long term investments	Nil	Stores and spares	8,770,571	Stock in trade	88,302,177	Trade and other receivables	112,739,932	Prepayments and advances	59,674,319	Cash and bank balances	20,131,048	Equity:		Issued, subscribed and paid-up capital	135,000,000	Accumulated Profit/Loss	119,087,798	Share deposit money	383,168,617	Liabilities:		Liabilities against assets subject to finance lease	3,258,249	Deferred liabilities	24,838,395	Long term loans	7,680,572
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		Short term borrowings	30,000,000
		Current portion of lease liabilities	967,759
		Trade and other payables	50,948,376
(vi)	In case of investment in relation to a project of associated undertaking that has not commenced operations.	Not Applicable	
(B)	General disclosures:		
(i)	Maximum amount of investment to be made	The aggregate purchase price for acquisition of the shares of SIV is PKR 3,500,000,000/- (Pak Rupees Three Billion Five Hundred Million).	
(ii)	Purpose, benefits and period of investment.	<p>The acquisition of SIV will enable the Company to expand its product portfolio by addition of intravenous products through a wholly owned subsidiary.</p> <p>Benefits – The management of the Company believes that it will diversify its portfolio and contribute towards increase in profitability which is expected to ultimately translate into higher returns for the shareholders.</p> <p>The Board has not fixed any particular period for such investment; consequently, the Board shall be empowered to cause the Company to hold such investment as deemed fit (including to dispose the same or any part thereof from time to time).</p>	
(iii)	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis</p>	<p>Investment will made from the proceeds of the Right Issue being undertaken by the Company.</p> <p>The Company has announced a declaration of right shares on May 25, 2023.</p>	
(iv)	Salient features of the agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	The Company is in the process of negotiating and finalizing the terms of the share purchase agreement to be entered into between the Company and IBL Ops. In terms of the share purchase agreement, the Company shall acquire 100% (one hundred percent) of the issued and paid up share capital of SIV for an aggregate price of PKR 3,500,000,000/- (Pak Rupees Three Billion Five Hundred Million), subject to legal and regulatory compliance. The seller i.e. IBL Ops shall provide standard representations and warranties with respect to the Shares and SIV.	
(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.	Other than Mr. Munis Abdullah, Mr. Zubair Razzak Palwala and Mr. S. Nadeem Ahmed, who are common directors of the Company and IBL Ops and hold shares of both the said companies (and who for the avoidance of doubt, did not vote at the meeting of the Board on the matter	

		<p>comprising the special business), the remaining directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholdings in the Company.</p> <p>In this respect the shareholdings of the interested directors in IBL Ops are as follows (resulting in an indirect shareholding in SIV being a wholly owned subsidiary of IBL Ops):</p> <table border="1"> <thead> <tr> <th>Name</th> <th>No. of shares in IBL Ops</th> </tr> </thead> <tbody> <tr> <td>Mr. Munis Abdullah</td> <td>1</td> </tr> <tr> <td>Mr. Zubair Palwala</td> <td>2</td> </tr> <tr> <td>Mr. Nadeem Ahmed</td> <td>2</td> </tr> </tbody> </table> <p>Furthermore, Mr. Munis Abdullah indirectly holds approximately 20% shareholding in IBL Ops (which in-turn holds 108,290 shares of the Company) in light of his shareholding in International Brands (Private) Limited.</p>	Name	No. of shares in IBL Ops	Mr. Munis Abdullah	1	Mr. Zubair Palwala	2	Mr. Nadeem Ahmed	2
Name	No. of shares in IBL Ops									
Mr. Munis Abdullah	1									
Mr. Zubair Palwala	2									
Mr. Nadeem Ahmed	2									
(vi)	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.	Not Applicable.								
(vii)	Any other important detail necessary for the members to understand the transactions.	None.								
(b)	In case of equity investment, following disclosures in addition to those provided under clause (a) above									
(i)	Maximum price at which securities will be acquired.	Approximately Pak Rupees 648.148 per share.								
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof.	The purchase price of the shares is equal to fair value of the Company determined by KPMG Taseer Hadi & Co., who considered the discounted cash flow approach as the primary valuation methodology, being the appropriate method for the nature of the business.								
(iii)	Maximum number of securities to be acquired.	5,400,000 (Five Million Four Hundred Thousand) ordinary shares, having face value of PKR 100/- (Pak Rupees One Hundred) each.								
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	Currently, the Company does not hold any shares of SIV. After the investment, the Company shall hold (including through any nominee(s)) 5,400,000 (Five Million Four Hundred Thousand) ordinary shares of SIV, constituting 100% (one hundred percent) of the issued and paid up share capital of SIV.								
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities.	Not Applicable.								
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Approximately PKR 648.148 per share.								

Agenda item no. 3: Investment in Associated Company – Stellar Ventures (Private) Limited.

On May 25, 2023, in continuation of the disclosures carried out on October 3, 2022, it was announced that the Board of Directors resolved to acquire 100% (one hundred percent) shareholding of Stellar Ventures (Private) Limited (“SVPL”) (being an associated company of the Company) from Universal Ventures (Private) Limited (“UVPL”), to be adjusted against a part of the Company’s receivable balance due from UVPL.

The proposed transaction provides an opportunity to settle the Company’s existing outstanding receivable from UVPL, while at the same time enhancing the asset base of the Company by addition of shareholding (indirectly) in three companies, as well as a commercial property at a prime location, which are held by SVPL, to its portfolio which will generate returns for the shareholders.

For the purposes of valuation of SVPL, as required under the Regulations, the Company had engaged the services of KPMG Taseer Hadi & Co., and the terms agreed with the seller are supported by the valuations suggested by them in terms of their report dated May 23, 2023.

The Board of Directors of the Company has certified that necessary due diligence of SVPL has been carried out, and has recommended that the shareholders of the Company pass the resolutions to enable the said transaction.

The information required to be annexed to the Notice in accordance with the Regulations is set out below:-

S. No.	Description	Information Required								
(a)	Disclosures for all types of investments									
(A)	Regarding Associated Company or Associated Undertaking:									
(i)	Name of the associated company or associated undertaking	Stellar Ventures (Private) Limited (“SVPL”)								
(ii)	Basis of relationship	Common Directorship – Mr. Munis Abdullah, the director of the Company, is also the director and chief executive of SVPL.								
(iii)	Earnings/(Loss) per Share for last three years	May 2023: (0.549) per Share (Note that SVPL was incorporated on April 25, 2022 as a holding company).								
(iv)	Break-up value per share	April 2023 PKR 57,219.49 per share. (Note that since SVPL was incorporated on April 25, 2022, it is not required to have audited financial statements at this stage)								
(v)	Financial position, including main items of statement of financial position and profit and loss account.	Main items of the statement of financial position (based on SVPL’s management accounts for the period ended April 30, 2023) is as follows: <table border="1" data-bbox="547 1220 973 1372"><tbody><tr><td>Property</td><td>2,865,050,000</td></tr><tr><td>Long term investments</td><td>2,700,300,000</td></tr><tr><td>Advances</td><td>153,803,000</td></tr><tr><td>Cash and bank balances</td><td>5,526,000</td></tr></tbody></table> The Company has operating losses of approximately PKR 6.65 million in the said accounts for the period stated.	Property	2,865,050,000	Long term investments	2,700,300,000	Advances	153,803,000	Cash and bank balances	5,526,000
Property	2,865,050,000									
Long term investments	2,700,300,000									
Advances	153,803,000									
Cash and bank balances	5,526,000									

(vi)	In case of investment in relation to a project of associated undertaking that has not commenced operations.	Not Applicable
(B)	General disclosures:	
(i)	Maximum amount of investment to be made	The aggregate amount for the acquisition of the shares of SVPL is PKR 3,750,407,053/- (Pak Rupees Three Billion Seven Hundred Fifty Million Four Hundred Seven Thousand Fifty Three)
(ii)	Purpose, benefits and period of investment.	<p>As determined by the Board, and disclosed from time to time, the proposed transaction provides an opportunity to settle the Company's existing outstanding receivable from UVPL through acquisition of asset without having to pay further cash or risk any reduction in the Company's liquidity / cash flows.</p> <p>The proposed acquisition of SVPL will enhance the asset base of the Company by addition of shareholding (indirectly) in three companies, as well as a commercial property at a prime location, which are held by SVPL, to its portfolio which is expected to generate returns for the shareholders of the Company.</p> <p>The Board has not fixed any particular period for such investment; consequently, the Board shall be empowered to cause the Company to hold such investment as deemed fit (including to dispose the same or any part thereof from time to time).</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis	The aggregate amount for the investment i.e. for the purchase of the shares of SVPL (as stated in (i) above) shall be effectuated by setting-off / adjusting against a part of the receivable due from UVPL to the Company (which currently stands at PKR 3,836,859,000/-).
(iv)	Salient features of the agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	The Company is in the process of negotiating and finalizing the terms of the share purchase agreement to be entered into between the Company and UVPL. In terms of the share purchase agreement, the Company shall acquire 100% (one hundred percent) of the issued and paid up share capital of SVPL for an aggregate price of PKR 3,750,407,053/- (Pak Rupees Three Billion Seven Hundred Fifty Million Four Hundred Seven Thousand Fifty Three), subject to legal and regulatory compliance. The seller shall provide standard representations and warranties with respect to the Shares and SVPL.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or	Other than Mr. Munis Abdullah who is a common director and related party (who for the avoidance of doubt, did not vote at the meeting of the Board on the matter comprising the

	associated undertaking or the transaction under consideration.	special business), the remaining directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholdings in the Company. Other than being a director of SVPL, Mr. Munis Abdullah is also a director of UVPL and holds 99.99% shares of UVPL (which in-turn owns 100% shareholding of SVPL).
(vi)	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.	Not Applicable.
(vii)	Any other important detail necessary for the members to understand the transactions.	None.
(b)	In case of equity investment, following disclosures in addition to those provided under clause (a) above	
(i)	Maximum price at which securities will be acquired.	Approximately Pak Rupees 309.951 per share.
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof.	The purchase price of the shares is equal to the fair value of the Company determined by KPMG Taseer Hadi & Co., who considered the discounted cash flow approach as the primary valuation methodology, being the appropriate method for the nature of the businesses / entities / assets held by SVPL.
(iii)	Maximum number of securities to be acquired.	12,100,000 (Twelve Million One Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	Currently, the Company does not hold any shares of SVPL. After the investment, the Company shall hold (including through any nominee) 12,100,000 (Twelve Million One Hundred Thousand) ordinary shares of SVPL, constituting 100% (one hundred percent) of the issued and paid up share capital of SVPL.
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities.	Not Applicable.
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Approximately PKR 309.951 per share.

Agenda item no. 4: Transmission of Annual Report / Annual Audited Accounts of the Company to the members via QR enabled Code and web link.

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink. The SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the ordinary resolution, as set out in the notice, be passed by the members for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and directors of the Company.

Agenda item no. 5: Increase in the authorized share capital of the Company.

In order to cater for future increase(s) in the issued and paid-up share capital of the Company / issuance of shares, including the issuance of stock dividend in the future or right shares, the Board of Directors has recommended that the authorized share capital of the Company be enhanced. It is important to highlight that the fee for enhancing the authorized share capital of a company has already undergone an increase; and it is anticipated that the same will further rise.

In the light of the same and for future potential issuance of shares, the Board of Directors of the Company has resolved (subject to obtaining the approval of the members of the Company) that the authorized share capital of the Company be increased from PKR 6,000,000,000/- (Pak Rupees Six Billion), divided into 600,000,000 (Six Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each. Accordingly, the amount of increase in authorized share capital of the Company will be equal to PKR 1,000,000,000/- (Pak Rupees One Billion), comprising 100,000,000 (One Hundred Million) additional ordinary shares of PKR 10/- (Pak Rupees Ten) each.

For the purposes of the same, corresponding amendments are required to be made to the Memorandum and Articles of Association of the Company to reflect the increase in the authorized share capital of the Company, as detailed in the proposed resolutions appearing in the notice of the general meeting.

The above requires the approval of the members of the Company, through special resolutions, in accordance with Section 85 of the Companies Act, 2017.

The Board of Directors of the Company has confirmed that the requisite alterations to the Memorandum and Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework.

None of the directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and directors of the Company.