



ABDUL KHALIQ & CO.

CHARTERED ACCOUNTANTS

Ref: 405/07/2024

Date July 26, 2024

The Board of Directors,
Big Bird Foods Limited
2-A, Ahmad Block, New Garden Tow, Lahore

The Board of Directors,
MetaTech Trading Limited
Office No. 505, 5th Floor, LSE Building, Aiwan-e-Iqbal, Lahore

Subject: Auditors' Certificate on Merger

Dear Sirs,

The Honorable Lahore High Court, in his order dated June 26, 2024, has allowed the merger petition and has sanctioned the Scheme of Arrangement and Reconstruction (**C.O 43907/2023**) in the matter of transfer of complete business and undertaking of MetaTech Trading Limited with and into **Big Bird Foods Limited**. The Honorable Court has ordered the Scheme to take effect in terms of its relevant clauses and has ordered the Scheme to form part of the Judgement of the Honorable High Court.

The approved Scheme is to take effect as under:

Complete Transfer of Business and Undertaking of MetaTech Trading Limited with and into Big Bird Foods Limited.

Effective Date of the Scheme	-	March 31, 2023
Sanction Date of the Scheme	-	June 26, 2024

SWAP Ratio under the Scheme is **0.24** share of **Big Bird Foods Limited (BBFL)** against One shares of **MetaTech Trading Limited (META)** and **Big Bird Foods Limited** shall be listed at Pakistan Stock Exchange Limited (PSX).

In accordance with the Scheme, the compiled accounts of the above mentioned entities have been prepared and initialed by the respective statutory auditors as on Sanction Date i.e. June 26, 2024 of the Scheme.

The Statement of Financial Position showing the Merger Effect is prepared by the Board of Directors based on the financial statement as on Sanction Date that shows the assets, liabilities, reserves (the Undertaking and Net Assets of META) that is being transferred on the Sanction Date according to the approved Scheme.

Scope of the Certificate

We, as a practicing Chartered Accountant, have been requested to certify the book value of assets and liabilities as mentioned in the Statement of Financial Position showing the aforementioned Merger Effect, as prepared by the management of META and BBFL, that are duly taken from the respective initialed financial statements for the period ended June 26, 2024.

Management's Responsibility

It is the management's responsibility to prepare the merger statement of the entities involved in the Scheme according to the order of Honorable Lahore High Court. This certificate does not relieve the management from its responsibility.

Practicing Chartered Accountant's Responsibility

Our responsibility is to certify that the Statement of Financial Position showing the Merger Effect of the entities involved in the Scheme has been prepared and presented on the basis of compiled financial statements (initialed) for the period ended June 26, 2024 for the purpose of transfer of business and undertaking (including assets, liabilities of META) to BBFL (as a transferee) and re-characterization of reserves and issuance of shares of BBFL as per the SWAP ratio as per the Scheme.

The Shares of BBFL to be issued to the registered member of META shall be as following;

No. of Shares Outstanding - META	7,432,425
No. of Shares of BBFL to be issued to the shareholders of META	1,812,786
SWAP Ratio (No. of Shares of BBFL against every One share of META)	0.24

Reconciliation

No. of shares of META before Merger	7,432,425
No. of shares of BBFL to be given to the shareholders of META	1,812,786
No. of shares of BBFL before Merger	297,093,000
No. of shares of BBFL after Merger	298,905,786

Authorized share capital

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the Scheme
Big Bird Foods Limited (BBFL)	Rs. 3,000,000,000 divided into 300,000,000 ordinary shares of Rs. 10/- each	Rs. 3,600,000,000 divided into 360,000,000 ordinary shares of Rs. 10/- each
MetaTech Trading Limited (META)	Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10/- each	It will dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up
Total in Rs.	Rs. 3,600,000,000	Rs. 3,600,000,000

Accordingly, our verification was limited to the following procedures:

1. We have obtained information about the net assets of META to be transferred to BBFL based on the compiled financial statements as on June 26, 2024.
2. We have also obtained the pattern of shareholding of META as on July 24, 2024 for the purpose of determining of the shares of BBFL to be given to the registered members of META as per the SWAP ratio.
3. We have checked the financial information used in the Statement of Financial Position showing Merger Effect regarding the assets, liabilities, reserves based on the compiled financial statements (initialed) for the period ended June 26, 2024.

Certificate

Based on the procedures mentioned above, we certify that all the financial information mentioned in the Statement of Financial Position showing Merger Effect as regard to the book values of assets, liabilities, reserves of META and BBFL are based on the compiled financial statement of the respective entities and merger adjustments on the effectuation of merger scheme have been incorporated therein as per the approved Scheme for the purpose of issuance of shares of BBFL to the members of META.

Our certificate is in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the information above.

Restriction on Use of Distribution

This certificate is being issued on the specific request of the management of Big Bird Foods Limited and MetaTech Trading Limited for the purpose of presenting to the Board of Directors of aforementioned companies, the Statement of Financial Position showing the Merger Effect as on Sanction Date and it shall not be used for any other purpose specified therein.

Lahore: July 26, 2024

ABDUL KHALIQ
Chartered Accountant



The Statement of Financial Position showing the Merger Effect as on Sanction Date

	Big Bird Foods Limited	MetaTech Trading Limited	Merger Effect/ Reclassification Rs.	Big Bird Foods Limited
	BBFL	META		BBFL
	June 26, 2024 Rs.	June 26, 2024 Rs.		After Merger Rs.
ASSETS				
Non-current assets				
Property, plant and equipment	7,090,942,507			7,090,942,507
Capital work in progress	359,802,611			359,802,611
Long term loans and advances	684,000			684,000
Long term deposits and prepayments	29,813,208			29,813,208
	7,481,242,326	-		7,481,242,326
Current assets				
Stores and spares	261,283,836			261,283,836
Stock in trade	1,274,846,781			1,274,846,781
Trade debts	1,031,838,036			1,031,838,036
Loans and advances (including Tax refund due from Government)	51,685,956	287,931		51,973,887
Deposits and prepayments	2,841,994			2,841,994
Short term investment	36,916,882			36,916,882
Cash and bank balances	150,129,434			150,129,434
	2,809,542,919	287,931		2,809,830,850
TOTAL ASSETS	10,290,785,245	287,931		10,291,073,176
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	3,000,000,000	600,000,000		3,600,000,000
Issues, subscribed and paid up capital	2,970,930,000	74,324,250	(56,196,390)	2,989,057,860
Accumulated loss	(957,833,882)	(79,947,886)	1,892,231,356	854,449,588
Surplus on revaluation surplus of operating fixed assets	3,279,972,295		(1,892,231,356)	1,387,740,939
Merger reserves			56,196,390	56,196,390
Loan from director - related party	-			-
	5,293,068,413	(5,623,636)		5,287,444,777
Non-current liabilities				
Long term finance - secured	485,579,602			485,579,602
Deferred markup	680,847,204			680,847,204
Diminishing musharaka finance	346,090,000			346,090,000
Deferred taxation - net	491,374,667			491,374,667
Employees' benefit obligations	97,344,214			97,344,214
	2,101,235,687	-		2,101,235,687
Current liabilities				
Current and overdue portion of current liabilities	1,356,843,891			1,356,843,891
Short term borrowings	244,664,088			244,664,088
Trade and other payables	742,962,260	5,911,567		748,873,827
Accrued and deferred mark-up	552,010,907			552,010,907
	2,896,481,145	5,911,567		2,902,392,712
TOTAL EQUITY AND LIABILITIES	10,290,785,245	287,931		10,291,073,176

Financial Information after Merger Effect

	Big Bird Foods Limited
Par/nominal value	Rs. / Share 10.00
Authorized share capital	Nos. 360,000,000
Issues, subscribed and paid up capital	Nos. 298,905,786
Book value	Rs. / Share 17.69
Current ratio	Times 0.97
Debt-equity ratio	Times 0.95
Shares issued to the shareholders of META under SWAP ratio	Nos. 1,812,786

