



HABIBMETRO MODARABA

(An Islamic Financial Institution)

(Managed by: HabibMetro Modaraba Management)

HMM/PSX/968/2022

September 05, 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

SUBJECT: NOTICE OF GENERAL MEETING OF THE CERTIFICATE HOLDERS OF HABIB METRO MODARABA

Dear Sir,

In continuation of our earlier disclosures, this is to inform you that pursuant to the Order of the High Court of Sindh at Karachi dated August 31, 2022, passed in Civil Miscellaneous Application No. 1983 of 2022, in Petition bearing J. C. M. No. 18 of 2022, a General Meeting of the certificate holders of Habib Metro Modaraba ("HMM") shall be held at Seminar Hall, ICMAP Head Office, ICMAP Building, ST-18/C, Block-6, Gulshan-e-Iqbal, Karachi on September 27, 2022 at 4:00 p.m., for the purpose of obtaining approval of the Scheme of Arrangement dated July 22, 2022 pertaining to the merger, by way of amalgamation, HMM with and into First Habib Modaraba (both being modarabas managed by Habib Metropolitan Modaraba Management Company (Private) Limited).

In this respect, and in accordance with Clause 5.6.9(b) of the Rule Book of the Pakistan Stock Exchange Limited, please find enclosed herewith the notice intended to be dispatched to the certificate holders of HMM for such meeting, which also contains the draft resolution to be passed by the certificate holders. Please also find enclosed herewith copies of the Statement under Section 281 of the Companies Act, 2017; Scheme of Arrangement; Swap Computation Letter dated June 7, 2022, issued by Yousuf Adil, Chartered Accountants; and the special purpose financial statements of HMM specially audited for the period from July 1, 2021 to March 31, 2022 (which shall be circulated to the certificate holders in soft form along with the notice).

Copies of the public notices of the General Meeting shall be shared upon publication of the same.

Yours Sincerely,

Tehsin Abbas
Company Secretary

3rd Floor, Al Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi-74200
UAN: 111-346-346, TEL: (92-21) 32635949-51
E-MAIL: hmm@habibmetromodaraba.com WEBSITE: www.habibmetromodaraba.com

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To: Certificate Holders

September 6, 2022

SUBJECT: NOTICE OF GENERAL MEETING OF THE CERTIFICATE HOLDERS OF HABIB METRO MODARABA

This is to inform you that pursuant to the Order of the High Court of Sindh at Karachi dated August 31, 2022, passed in Civil Miscellaneous Application No. 1983 of 2022, in Petition bearing J. C. M. No. 18 of 2022, a General Meeting of the certificate holders of Habib Metro Modaraba ("HMM") shall be held at Seminar Hall, ICMAP Head Office, ICMAP Building, ST-18/C, Block-6, Gulshan-e-Iqbal, Karachi on September 27, 2022 at 4:00 p.m. to transact the following business:

In accordance with and pursuant to the Order of the High Court of Sindh at Karachi dated August 31, 2022, passed in Civil Miscellaneous Application No. 1983 of 2022, in Petition bearing J. C. M. No. 18 of 2022, to consider and, if thought fit, to pass, with or without modification, the following resolution for approving, *inter alia*, the merger, by way of amalgamation, of the entire undertaking of HMM with and into First Habib Metro, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated July 22, 2022, as approved by the Board of Directors of Habib Metropolitan Modaraba Management Company (Private) Limited (being the management company of the said modarabas).

The resolution to be passed by the requisite majority under Sections 279 and 282 of the Companies Act, 2017 is as under:

"RESOLVED THAT the Scheme of Arrangement dated July 22, 2022, for, inter alia, the merger, by way of amalgamation, of the entire undertaking of Habib Metro Modaraba with and into First Habib Modaraba, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

The Statement under Section 281 of the Companies Act, 2017 is being circulated to the certificate holders along with this notice of the General Meeting. Furthermore, soft copies of the Scheme of Arrangement, Swap Computation Letter dated June 7, 2022, issued by Yousuf Adil, Chartered Accountants, and the special purpose financial statements of HMM specially audited for the period from July 1, 2021 to March 31, 2022, are being circulated (in CD format) to the certificate holders along with this notice of the General Meeting.

Yours Sincerely,

Tehsin Abbas

Company Secretary

Habib Metropolitan Modaraba Management Company (Private) Limited

3rd Floor, Al Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi-74200

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Notes:

1. The certificate transfer books of HMM shall remain closed from September 21, 2022 to September 27, 2022 (both days inclusive). Transfers received in order at the office of HMM's Registrar i.e. CDC Share Registrar Services Limited, CDC House, 99-B, Block – B, S.M.C.H.S, Main Shahra-e-Faisal, Karachi, before the close of business on September 20, 2022 will be treated in time for the purpose of attending and voting at the General Meeting.
2. All certificate holders are entitled to attend and vote at the General Meeting.
3. A certificate holder entitled to attend and vote at the General Meeting may appoint another certificate holder as his / her proxy to attend, speak and vote for him / her. The instrument appointing a proxy, together with Power of Attorney (to the extent applicable), if any, under which it is signed or a notarially certified copy thereof, must be received at the registered office of HMM, situated at 3rd Floor, Al-Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi, not less than 48 hours before the time of holding the General Meeting.
4. If a certificate holder appoints more than one proxy and more than one instrument of proxy is deposited by a certificate holder, all such instruments of proxy shall be rendered invalid.
5. An individual beneficial owner of certificates must bring his / her original CNIC or Passport, Account and Participant's I.D. numbers to prove his / her identity. A representative of a corporate member must bring the Board of Directors Resolution and / or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
6. Certificate holders are requested to immediately notify any change in their addresses to HMM.
7. Copies of the Statement under Section 281 of the Companies Act, 2017, Scheme of Arrangement, Swap Computation Letter dated July 7, 2022 issued by Yousuf Adil, Chartered Accountants, and special purpose financial statements of HMM specially audited for the period from July 1, 2022 to March 31, 2022, shall be available upon request, and for inspection, by any person entitled to attend the General Meeting from the registered office of HMM, free of cost during normal office hours, from the date of this notice till the conclusion of the General Meeting. Such information shall also be placed for inspection by the certificate holders of HMM at the General Meeting.

Statement under Section 281 of the Companies Act, 2017

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the management company of HMM and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the General Meeting from the registered office of HMM situated at 3rd Floor, Al-Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi, free of cost during normal office hours.

The aforesaid statement is also enclosed along with this notice of the General Meeting.

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STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES TO THE CERTIFICATE HOLDERS OF HABIB METRO MODARABA

Pursuant to the Order dated August 31, 2022, passed by the High Court of Sindh at Karachi in Civil Miscellaneous Application No. 1983 of 2022, in Petition bearing J. C. M. No. 18 of 2022, under Sections 279 to 283 and 285(8) of the Companies Act, 2017 (read with Section 505(1)(c) of the Companies Act, 2017), the Court has directed, inter alia, that a meeting of the certificate holders of Habib Metro Modaraba ("HMM") be convened for seeking approval with respect to the Scheme of Arrangement dated July 22, 2022, pertaining, inter alia, to the merger, by way of amalgamation, of the entire undertaking of HMM with and into First Habib Modaraba ("FHM"), by transfer to and vesting in FHM all the assets, properties, rights, liabilities, quotas, benefits, powers, contracts, authorizations, obligations etc. comprised in HMM (the "Amalgamation"), along with all ancillary matters thereto, as approved by the Board of Directors of Habib Metropolitan Modaraba Management Company (Private) Limited (being the management company of HMM and FHM) (the "Management Company") on June 6, 2022 (the "Scheme of Arrangement"). The Scheme of Arrangement shall require the sanction of the Court in accordance with the applicable laws.

The proposed Amalgamation detailed above, along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, in accordance with the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, read with Section 505(1)(c) of the Companies Act, 2017. The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 18 of 2022. Furthermore, in accordance with the directions of the High Court of Sindh, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the General Meeting, at the registered office of HMM, situated at 3rd Floor, Al-Manzoor Building, Dr. Ziauddin Ahmed Road, Karachi, free of cost during normal office hours. A copy of the same may also be obtained upon request by such persons from the registered office of HMM free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme of Arrangement has been enclosed with the notice of the General Meeting circulated to the certificate holders of HMM.

The notice issued to the certificate holders of HMM is for the purpose of convening a meeting of the certificate holders of HMM, as directed by the Court, for the purpose of passing, inter alia, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the Amalgamation contemplated thereunder, along with ancillary matters:

"RESOLVED THAT the Scheme of Arrangement dated July 22, 2022, for, inter alia, the merger, by way of amalgamation, of the entire undertaking of Habib Metro Modaraba with and into First Habib Modaraba, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

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As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the General Meeting of the certificate holders convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued modaraba certificates held by the certificate holders of HMM, present in person or by proxy, and voting at the General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

The principal object of the Scheme of Arrangement is, inter alia, to effect the Amalgamation with effect from the start of business on 1st July, 2022 or at such other date stated by the Court (the "Effective Date"), by transfer to and vesting in FHM the entire business and undertaking of HMM, including all the assets, properties, rights, liabilities, benefits, powers, quotas, contracts, authorizations, obligations etc. of every description of HMM, subsisting immediately preceding the Effective Date, without any further act or deed or documents being required to be carried out, executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme of Arrangement. Thereafter, HMM shall be dissolved without winding up in the manner prescribed under the Scheme of Arrangement.

In consideration for the Amalgamation, and as further detailed in the Scheme of Arrangement, FHM shall allot and issue an aggregate of 20,061,000 (Twenty Million Sixty One Thousand) modaraba certificates, having face value of PKR 5/- (Pak Rupees Five) each, to the certificate holders of HMM, on the basis of a swap ratio of approximately 0.6687 certificates of FHM for every 1 (one) modaraba certificate of HMM held by each certificate holder of HMM. The aforementioned consideration with respect to the Amalgamation, including the swap ratio, has been approved by the Board of Directors of the Management Company, which has been based on the specially audited financial statements of HMM and FHM for the period ended March 31, 2022, and the recommendations of, and relative valuations / calculations carried out by, Yousuf Adil, Chartered Accountants, in terms of the swap computation letter dated June 7, 2022 (attached as Annexure B to the Scheme of Arrangement), which letter has also been approved by the Board of Directors of the Management Company.

All information / particulars with respect to the Amalgamation and the arrangement in respect thereof, along with ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including the objects and benefits of the entire arrangement. Approval of the Scheme of Arrangement by the certificate holders of HMM shall constitute an approval with respect to all matters prescribed under the Scheme of Arrangement.

Vide letter dated July 22, 2022, the Securities and Exchange Commission of Pakistan (Modaraba Wing) intimated that the Registrar Modaraba has no objection to the Amalgamation, subject to obtaining no objection certificates from all creditors. FHM has obtained no objection certificates from all its secured creditors, whereas HMM does not have any secured creditors.

In compliance with the provisions of Section 282(2)(e) of the Companies Act, 2017, the special purpose financial statements of HMM specially audited for the period from July 1, 2021 to March 31, 2022 have also been enclosed with the notices of the General Meeting circulated to the certificate holders of HMM. The same is available for inspection to any person entitled to attend the General Meeting, at the registered office of HMM, free of cost during normal office hours. A copy of the same may also be obtained upon request by such persons from the registered office of HMM, free of cost during normal office hours.

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The directors of the Management Company are interested in the Scheme of Arrangement to the extent of their certificate holdings in the respective modarabas (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other certificate holders.

Yours Sincerely,



Tehsin Abbas

Company Secretary

Habib Metropolitan Modaraba Management Company (Private) Limited

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