

Notice of Extra Ordinary General Meeting

to be held on Tuesday, 26th December 2023 at 11:00 a.m.

at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi.

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ARIF HABIB LIMITED
NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that pursuant to the Order of the High Court of Sindh at Karachi dated November 23, 2023, passed in Civil Miscellaneous Application No. 2559 of 2023, in Petition bearing J. C. M. No. 31 of 2023, an Extraordinary General Meeting (“EOGM”) of Arif Habib Limited (the “Company”) will be held on Tuesday, December 26, 2023 at 11:00 a.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi, including through video link facility, to transact the following business:

A - Special Business

Pursuant to the Order of the High Court of Sindh at Karachi dated November 23, 2023, passed in Civil Miscellaneous Application No. 2559 of 2023, in Petition bearing J. C. M. No. 31 of 2023, to consider and, if thought fit, to pass, with or without modification, the following resolution for, *inter alia*, a corporate restructuring / reorganization of the Company and its holding / parent Company, Arif Habib Corporation Limited (“AHCL”), involving the bifurcation / separation of the Company into two segments / undertakings, i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into AHCL, along with ancillary matters thereto, in accordance with the Scheme of Arrangement dated November 17, 2023, as approved by the Board of Directors of the Company on November 17, 2023.

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

“RESOLVED THAT the Scheme of Arrangement dated November 17, 2023, prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, for, inter alia, the bifurcation / separation of Arif Habib Limited into two segments / undertakings i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into Arif Habib Corporation Limited, along with all ancillary and incidental 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 Honorable High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

B - Any Other Business

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

Copies of the (a) Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; (b) Statement under Section 281 of the Companies Act, 2017; (c) Scheme of Arrangement; and (d) Swap Computation Letter dated November 15, 2023 issued by Yousuf Adil, Chartered Accountants, are being circulated to the members along with this notice of the EOGM.

By order of the Board

Muhammad Taha Siddiqui
Company Secretary

Karachi: December 5, 2023

Notes:

1. The share transfer books of the Company will remain closed from December 18, 2023 to December 26, 2023 (both days inclusive). Transfers received in order at the office of the Company's share registrar: CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi [the Company's Share Registrar (CDCSRSL)], by the close of business on Friday, December 15, 2023 will be treated in time for the determination of entitlement of shareholders to attend and vote at the EOGM.
2. A member of the Company entitled to attend and vote at the EOGM may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the EOGM as are available to a member.
3. Procedure including the guidelines as laid down in Circular No. I- Reference No. 3(5-A) Misc/ARO/LES/96 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan:
 - i. Members, proxies or nominees shall authenticate their identity by showing their original national identity card or original passport and bring their folio numbers at the time of attending the EOGM.
 - ii. In the case of a corporate entity, the Board of Directors' resolution / power of attorney and attested copy of the CNIC or passport of the nominee shall also be produced (unless provided earlier) at the time of meeting.
 - iii. In order to be effective, the proxy forms must be received at the office of the Company's Share Registrar (CDCSRSL) not later than 48 hours before the meeting, duly signed and stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
 - iv. In the case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - v. In the case of proxy by a corporate entity, the Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

4. Online Participation in the Extraordinary General Meeting

In order to maximize the member's participation, the Company is convening this EOGM via video link in addition to holding physical meeting with the members. Accordingly, those members and permitted participants who desire online participation in the EOGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of their CNIC at secretariat@arifhabibltd.com with subject of 'Registration for AHL EOGM 2023' not less than 48 hours before the time of the meeting:

Name of Member	CNIC No.	Folio No. / CDC Account No.	Cell No.	Email Address

Video Link to join the EOGM will be shared with only those members whose email, containing all the required and correct particulars, are timely received at secretariat@arifhabibltd.com. The members can also provide their comments and questions for the agenda items of the EOGM on this email address and WhatsApp Number 0321-8210503.

5. Provision of Video Link Facility:

If the Company receives a demand (at least 7 days before the date of meeting) from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the EOGM through video link, the Company will arrange video link facility in that city (subject to availability thereof in such city).

Members, who wish to participate through video-link facility, are requested to fill in Video Link Facility Form available at Company's website and send a duly signed copy to the Registered Address of the Company. It may be noted that no person other than the member or proxy holder can attend the meeting through video link facility.

6. Vote Casting In-Person or Through Proxy

Polling booth will be established at the place of physical gathering of the EOGM for voting.

7. E-Voting / Postal Ballot

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, read with Sections 143-144 of the Companies Act, 2017, and SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in accordance with the conditions mentioned therein. The following options are being provided to members for voting:

i) E-Voting Procedure

- (a) 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 December 15, 2023.
- (b) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.
- (c) Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start from December 20, 2023, 9:00 a.m. and shall close on December 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.

ii) Postal Ballot

- (a) Members may alternatively opt for voting through postal ballot. Ballot Paper shall also be available for download from the website of the Company at www.arifhabibltd.com or use the same as annexed to this Notice and published in newspapers.
- (b) 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 at Arif Habib Centre, 23 M. T. Khan Road, Karachi (Attention of the Company Secretary) OR through the registered email address of the member at chairman.generalmeeting@arifhabibltd.com with subject of 'Postal Ballot for AHL EOGM 2023 by Monday, December 25, 2023 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.
- (c) Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman of the meeting shall be the deciding authority.

8. Provision of Information by Members:

To comply with various statutory requirements, and to avoid any non-compliance of law or any inconvenience in future, all members are hereby advised to coordinate / update their records with their respective Participant / CDC Investor Account Services / the Company's Share Registrar (CDCSRL) in connection with following:

- Submission of copies of their valid / updated CNIC / NTN Certificate / Zakat Declaration (Exemption) Form / Tax Exemption Certificate

- Provision of relevant details including valid bank account details / IBAN in order to enable the Company to pay any unclaimed / future cash dividends, if any
 - In case of a Joint account, provision of shareholding proportions between Principal shareholder and Joint Holder(s)
 - Convert their physical shares into scrip less form, which will also facilitate the members having physical shares in many ways, including safe custody, efficient trading and convenience in other corporate actions.
 - Provision of mandatory registration details in terms of Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, including mobile number / landline number and email address (if available).
 - Promptly notify any change in mailing address, email address and mobile number by writing to the office of the Company's Share Registrar (CDCSRSL).
9. Copies of the Memorandum and Articles of Association of the Company; Statement under Section 134(3) of the Act in respect of the material facts of the special business; Statement under Section 281 of the Act; Scheme of Arrangement dated November 17, 2023; Swap Computation Letter dated November 15, 2023 issued by Yousuf Adil, Chartered Accountants; and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the EOGM from the registered office of the Company, located at Arif Habib Centre, 23 M. T. Khan Road, Karachi, free of cost during normal office hours, from the date of this notice till the conclusion of the EOGM. The said information shall also be placed for inspection of members of the Company during the EOGM.
10. The notice of the EOGM along with the statements, the Scheme of Arrangement and the latest annual Audited Financial Statements have also been placed on the website of the Company.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE EXTRAORDINARY GENERAL MEETING OF ARIF HABIB LIMITED

The Board of Directors of Arif Habib Limited (the “**Company**”), in its meeting held on November 17, 2023, has decided to enter into an arrangement with its holding / parent company, Arif Habib Corporation Limited (“**AHCL**”), in terms of the Scheme of Arrangement dated November 17, 2023 (“**Scheme**”) under Sections 279 to 283 and 285 of the Companies Act, 2017 (“**Act**”), for the corporate restructuring / reorganization of the Company and AHCL.

Subject to the sanction of the High Court of Sindh at Karachi, under the Scheme, the business / undertaking of the Company shall be bifurcated / separated into two segments / undertakings i.e. the Demerged Undertaking and the Retained Undertaking. Simultaneously, the Demerged Undertaking shall be merged / amalgamated with and into the AHCL, by transferring to and vesting in AHCL the assets, business, rights, properties, investments, liabilities, benefits, powers, contracts, authorizations, obligations etc. comprising the Demerged Undertaking (as detailed in the Scheme), with effect from the start of business on July 1, 2023, or at such other date stated by the Court (the “**Effective Date**”), against the issuance of shares by AHCL to the shareholders of the Company (other than the AHCL itself) (the “**Arrangement**”). The Retained Undertaking shall remain with the Company.

The proposed Arrangement, along with all ancillary and related matters thereto, shall be effective by way of the Scheme, in accordance with the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017. The Scheme has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 31 of 2023. 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 is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at Arif Habib Centre, 23 M. T. Khan Road, Karachi, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company 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 has been enclosed with the notice of the meeting circulated to the members of the Company.

The assets, properties, investments, rights, liabilities, obligations etc. comprising the Demerged Undertaking and Retained Undertaking are based on the audited financial statements of the Company for the year ended June 30, 2023. The Demerged Undertaking primarily comprises the non-core business / investment portfolio of the Company. The split balance sheet of the Company, as at the Effective Date, detailing the break-ups of the Demerged Undertaking and the Retained Undertaking, inclusive of certain notes, is attached as Annexure A to the Scheme. Furthermore, as part of the arrangement under the Scheme, the Demerged Undertaking also comprises reserves, representing a part of the unappropriated profits of the Company, in the aggregate amount of PKR 4,169,667,286/- (Pak Rupees Four Billion One Hundred Sixty Nine Million Six Hundred Sixty Seven Thousand Two Hundred Eighty Six), which shall stand transferred to and vested in AHCL, and shall be reduced / transferred from the Company.

The objects and benefits of the arrangements are also provided in detail in the Scheme. The Company is the subsidiary of AHCL; further, the Arrangement constitutes a corporate restructuring / reorganization of the Company and its holding / parent company.

The details pertaining to the consideration for the Arrangement, including the ordinary shares to be issued by AHCL along with the swap ratio are stipulated in the Scheme. In accordance with the same, AHCL shall allot and issue ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the AHL Shareholders (being all the shareholders of the Company other than AHCL itself) existing on the Record Date (as detailed in the Scheme), on the basis of a swap ratio of 0.8673 shares of AHCL for every 1 (one) ordinary share of the Company held by each AHL Shareholder (i.e. 86.73 ordinary shares of AHCL will be allotted and issued for every 100 ordinary shares of the Company held by each AHL Shareholder). The aforementioned consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies from the range of values and calculations as stated in the Swap Computation Letter dated November 15, 2023 issued by Yousuf Adil, Chartered Accountants (attached as Annexure D to the Scheme), which has in-turn taken into account fair values of the Company, AHCL and the Demerged Undertaking, under the income based and asset based approaches, as detailed in the said letter. The Swap Computation Letter has also been approved by the Board of Directors of each company.

The aggregate quantum of ordinary shares to be issued by AHCL to the AHL Shareholders will be determined on the Record Date, as detailed in the Scheme, based on the shareholding position of the Company (i.e. the shares of the Company held by its members, other than AHCL). There shall be no cancellation of shares of the Company held by the AHL Shareholders as a consequence of the Scheme.

The directors of the Company are interested in the Scheme to the extent of their directorships (including common directorships) and (direct and / or indirect) shareholdings in the Company and AHCL (to the extent applicable). The effect of the Scheme on the interests of these directors does not differ from its effect on the like interests of other members of the Company except to the extent stipulated herein or under the Scheme. To the extent that any directors hold shares of the Company on the Record Date, such directors shall be entitled to shares of AHCL on the basis of the swap ratio, in the same manner as the other Company's Shareholders.

In view of the above, the Board of Directors of the Company have approved and recommended the Scheme, along with the arrangements stipulated thereunder which have been described above.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at Arif Habib Centre, 23 M. T. Khan Road, Karachi, free of cost during normal office hours.

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

STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017,
ACCOMPANYING THE NOTICES TO THE MEMBERS AND SECURED CREDITORS
OF ARIF HABIB LIMITED

Pursuant to the Order dated November 23, 2023, passed by the High Court of Sindh at Karachi in Civil Miscellaneous Application No. 2559 of 2023, in Petition bearing J. C. M. No. 31 of 2023, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that separate meetings of the members and secured creditors of Arif Habib Limited (the “**Company**”) be convened for seeking approval with respect to the Scheme of Arrangement dated November 17, 2023, pertaining, *inter alia*, to the bifurcation / separation of the Company into two segments / undertakings i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into Arif Habib Corporation Limited (“**AHCL**”) (the “**Arrangement**”), along with all ancillary matters thereto, as approved by the Board of Directors of the Company on November 17, 2023 (the “**Scheme**”).

A copy of the Scheme (along with its annexures) may be obtained from the registered office of the Company, situated at Arif Habib Centre, 23 M. T. Khan Road, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme has been / shall be enclosed with the notices of the respective meetings circulated / to be circulated to the members and secured creditors of the Company.

The notices issued and published to the members of the Company are for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme and the Arrangement contemplated thereunder, along with ancillary matters:

*“**RESOLVED THAT** the Scheme of Arrangement dated November 17, 2023, prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, for, *inter alia*, the bifurcation / separation of Arif Habib Limited into two segments / undertakings i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into Arif Habib Corporation Limited, along with all ancillary and incidental 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 Honorable High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”*

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

In the manner prayed in terms of the application filed with the Court, the Court has appointed Mr. Muhammad Shahid Ali, or in his absence, any other director of the Company, to act as Chairman of the meeting of the members, and has directed the Chairman to report the results thereof to the Court.

The notices issued / to be issued to the secured creditors of the Company is for the purpose of convening a meeting of the secured creditors of the Company, as directed by the Court, for the purpose of obtaining their approval in respect of the Scheme and the Arrangement contemplated thereunder. With respect to the secured creditors of the Company, under section 279(2) of the Companies Act, 2017, the Scheme is required to be approved by three-fourths of the creditors (in value) present and voting at the meeting of the secured creditors (through their authorized representatives).

In the manner prayed in terms of the application filed with the Court, the Court has appointed Mr. Syed Kashif ul Hassan Shah, or in his absence, Mr. Faizan Hanif, to act as Chairman of the meeting of the secured creditors, and has directed the Chairman to report the results thereof to the Court.

The Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and the Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose. The respective Boards of Directors of the Company and AHCL have the power (in the manner specified under the Scheme) to consent on behalf of all concerned to any modifications of, or additions to, the Scheme, or to any conditions which the Court may think fit to impose. Furthermore, the Company and AHCL shall also take steps to obtain the necessary regulatory / third party approvals, as may be required under the applicable laws.

The principal object of the Scheme is, *inter alia*, to effect the Arrangement, as further detailed in the Scheme, with effect from the start of business on July 1, 2023 or at such other date stated by the Court (the “Effective Date”), by transfer to and vesting in AHCL all the assets, properties, investments, rights, liabilities, benefits, powers, contracts, authorizations, obligations etc. comprising the Demerged Undertaking (as detailed in the Scheme) with effect from 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. The Retained Undertaking shall remain with the Company.

The assets, properties, investments, rights, liabilities, obligations etc. comprising the Demerged Undertaking and Retained Undertaking are based on the audited financial statements of the Company for the year ended June 30, 2023. The Demerged Undertaking primarily comprises the non-core business / investment portfolio of the Company. The split balance sheet of the Company, as at the Effective Date, detailing the break-ups of the Demerged Undertaking and the Retained Undertaking, inclusive of certain notes is attached as Annexure A to the Scheme. Furthermore, as part of the arrangement under the Scheme, the Demerged Undertaking also comprises reserves, representing a part of the unappropriated profits of the Company, in the aggregate amount of PKR 4,169,667,286/- (Pak Rupees Four Billion One Hundred Sixty Nine Million Six Hundred Sixty Seven Thousand Two Hundred Eighty Six), which shall stand transferred to and vested in AHCL, and shall be reduced / transferred from the Company.

The details pertaining to the consideration for the Arrangement, along with the swap ratio, are stipulated in the Scheme. In consideration for the Arrangement, and as further detailed in the Scheme, AHCL shall allot and issue ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the AHL Shareholders (being all the shareholders of the Company other than AHCL itself) existing on the Record Date (as detailed in the Scheme), on the basis of a swap ratio of 0.8673 shares of AHCL for every 1 (one) ordinary share of the Company held by each AHL Shareholder (i.e. 86.73 ordinary shares of AHCL will be allotted and issued for every 100 ordinary shares of the Company held by each AHL Shareholder). The aforementioned consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies from the range of values and calculations as stated in the Swap Computation Letter dated November 15, 2023 issued by Yousuf Adil, Chartered Accountants (attached as Annexure D to the Scheme), which has in-turn taken into account fair values of the Company, AHCL and the Demerged Undertaking, under the income based and asset based approaches, as detailed in the said letter. The Swap Computation Letter has also been approved by the Board of Directors of each company.

The aggregate quantum of ordinary shares to be issued by AHCL to the AHL Shareholders will be determined on the Record Date, as detailed in the Scheme, based on the shareholding position of the Company (i.e. the shares of the Company held by its members, other than AHCL). There shall be no cancellation of shares of the Company held by the AHL Shareholders as a consequence of the Scheme.

All information / particulars with respect to the Arrangement and matters in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme, including, details of the companies, and the objects and benefits of

the entire arrangement. Approval of the Scheme by the members of the Company shall constitute an approval with respect to all matters prescribed under the Scheme.

Among other benefits as are also elaborated in detail in the Scheme, the Arrangement is expected to lead to sustainable revenue stream, simplified governance and tax efficiency, risk diversification and improved capital allocation, as well as enhanced transparency. From the Company's perspective, the Arrangement will enable the Company to focus on its core business segments, enabling a sustainable revenue stream from its service-oriented businesses, including securities brokerage, inter-bank brokerage, underwriting, advisory and consultancy (investment banking). Simultaneously, shareholders of the Company will acquire ownership in AHCL, which possesses a diverse medium to long-term high-quality investment portfolio, enhancing the fair value in the secondary market for the AHL Shareholders. Furthermore, in such case, the Arrangement will result in enhanced tax efficiency, preventing double taxation.

The latest annual Audited Financial Statements of both companies are available on respective websites of the companies, which duly contain the summarized operating and financial performance as well as details about company specific risk factors.

The Scheme has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 31 of 2023. Furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

The respective directors of the Company and AHCL are interested in the Scheme to the extent of their directorships (including common directorships) and (direct and / or indirect) shareholdings in the respective companies (to the extent applicable). The effect of the Scheme on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme. To the extent that any directors of the Company and / or AHCL hold shares of the Company on the Record Date, such directors shall be entitled to shares of AHCL on the basis of the swap ratio, in the same manner as the other AHL Shareholders.

Furthermore, the following office-bearers / directors of the Company and AHCL respective are relatives; however, the office-bearers / directors / relatives have no direct or indirect interest except to the extent of their respective shareholdings / directorships / office-holding in respective companies:

Arif Habib Limited	Arif Habib Corporation Limited
Mr. Shahid Ali Habib – CEO & Director	Mr. Arif Habib – CEO & Director
Ms. Sharmin Shahid – Non-Executive Director	Mr. Samad Habib – Non-Executive Director
Ms. Nida Ahsan – Non-Executive Director	Mr. Kashif Habib – Non-Executive Director

Muhammad Taha Siddiqui
Company Secretary
ARIF HABIB LIMITED

Karachi
Dated: December 5, 2023

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285 OF
THE COMPANIES ACT, 2017**

INVOLVING

**ARIF HABIB CORPORATION LIMITED
AND ITS MEMBERS**

AND

**ARIF HABIB LIMITED
AND ITS MEMBERS**

FOR

The separation / de-merger of certain non-core business, including assets, liabilities and obligations, from Arif Habib Limited and the merger / amalgamation of the same with and into Arif Habib Corporation Limited, involving, *inter alia*, a corporate restructuring of the said companies and their members, along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017

BETWEEN

ARIF HABIB CORPORATION LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at Arif Habib Centre, 23 M. T. Khan Road, Karachi (hereinafter referred to as "**AHCL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

ARIF HABIB LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at Arif Habib Centre, 23 M. T. Khan Road, Karachi (hereinafter referred to as "**AHL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

THEIR RESPECTIVE MEMBERS.

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is, *inter alia*, proposed that:

1. The undertaking, comprising the Assets, Liabilities and Obligations, of AHL shall be spilt into 2 (two) separate segments i.e. the Demerged Undertaking and the Retained Undertaking.
2. The segment, comprising all the Assets, Liabilities and Obligations, pertaining to the Demerged Undertaking shall be carved out and, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by AHCL. Furthermore, there shall be a transfer / reduction in the reserves of AHL.
3. As consideration for the above, it is proposed that AHCL Shares shall be issued to the AHL Shareholders in accordance with this Scheme.
4. Upon the merger and transfer of the Demerged Undertaking to AHCL in the manner prescribed under this Scheme, AHL shall continue to own and operate the Retained Undertaking, while the Demerged Undertaking shall vest in AHCL, and both the companies shall continue to exist as independent companies without either company being wound up.
5. This Scheme, if approved through a resolution by the requisite majority of the respective members of AHCL and AHL, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on AHCL and AHL along with all the members, creditors, employees, Customers, contracting parties, governments, tax and regulatory / statutory authorities, bodies and departments of or with respect to AHCL and AHL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Arrangement Between AHCL, AHL and their Respective Members

The Amalgamation shall allow AHCL and AHL (being the holding company and subsidiary company respectively) to effectuate the arrangement envisaged by the parties, including the companies and their respective members, through the provisions of sections 279 to 283 and 285 of the Act, in a seamless and tax efficient manner.

B. Portfolio Optimization, Simplified Governance and Tax Efficiency

The Demerged Undertaking primarily comprises AHL's investment portfolio, along with related Liabilities and Obligations. By consolidating AHL's portfolio investments within AHCL (being the holding company of AHL), avoidance of resource duplication in portfolio management would be facilitated. For AHL's shareholders, the Amalgamation will ensure a sustainable revenue stream from its service-oriented businesses, including securities brokerage, inter-bank brokerage, underwriting, advisory and consultancy (investment banking). Simultaneously, they will acquire ownership in the holding company (i.e. AHCL), which possesses a diverse medium to long-term high-quality investment portfolio, enhancing the fair value in the secondary market for the AHL Shareholders.

For AHCL, the vesting of AHL's portfolio investments will result in enhanced tax efficiency, preventing double taxation on the same profits which are received by AHL and thereafter distributed to AHCL. Further, the Amalgamation will enable more concentrated investment decisions regarding portfolio management.

Additionally, management of the Assets comprising the Demerged Undertaking at the holding company level (i.e. AHCL) is expected to help streamline governance and decision-making processes, which would result in better management of the investment portfolio / Demerged Undertaking. Furthermore, the AHL Shareholders will have additional access to the stable dividend income from AHCL's diverse long term investment portfolio.

C. Risk Diversification and Improved Capital Allocation

A consolidated portfolio will allow focused and efficient decision making with respect to investment opportunities. In this regard, AHCL will be in a position to diversify its investment risks more effectively for its short, medium and long term investment opportunities.

The same is also expected to provide greater flexibility to the AHCL (being the holding company of AHL) in terms of divesting or restructuring portfolio investments to align with its strategic objectives or respond to changing market conditions.

D. Enhanced Transparency

The Amalgamation is expected to provide better visibility into the overall financial health and performance of the respective companies i.e. AHCL and AHL. Such transparency can be important and beneficial for investors and stakeholders.

E. Larger Asset Base

The Amalgamation would lead to better access to capital markets and financing options for AHCL, which can be beneficial for *inter alia* managing and expanding the portfolio of investments.

F. Accuracy in Valuation

Consolidating the portfolio investments at the holding company level (i.e. AHCL) would result in a more accurate valuation of the company. At the same time, AHL (being the subsidiary company of AHCL) could be valued on the basis of its core services business. This can be important and beneficial for financial reporting and investor perception. The same would enable members and investors to fairly determine the financial strength of the companies and determine their own investment strategies.

G. Separation of Businesses of AHL being Distinct in Nature and Focus Thereon

The existing businesses of AHL can be categorized under 2 (two) broad separate heads i.e. (i) managing its investments portfolio; and (ii) its core business and operations, comprising activities and services related to share brokerage, inter-bank brokerage, underwriting, advisory and consultancy (investment Banking).

Since each of the business undertakings / segments of AHL are different from one another, it is prudent and beneficial for AHL to separate these segments so that the same can be managed, operated and developed independently and effectively.

Separation of the Demerged Undertaking from AHL, and merger of the same with and into AHCL, will allow the management of AHL to focus on its core business segments (being a regulated industry), resulting in better performance of the same. The respective managements of each company shall be able to apply their skills and experience towards the long term growth of such company and even potentially expand the business, which will ultimately benefit the respective stakeholders. Since AHCL is the holding company of AHL, the long term growth and expansion of AHL in such manner will benefit AHCL and its members.

H. Reduction in Risk Exposure

The separation of the Demerged Undertaking from AHL, and the amalgamation of the same with and into AHCL, shall distribute the risk of carrying on business. As a consequence of the Amalgamation, AHL's exposure to investment related risks e.g. market volatility shall stand reduced; resultantly, loss, damage, market variation or other potential risks arising out of any adverse and uncertain operating environment in this respect will not directly undermine AHL's core business operations. This is expected to result in greater financial stability for AHL.

I. Simplified Financial Statements

As a consequence of the Amalgamation, AHL's financial statements will become simpler and more transparent as the same will no longer need to account for portfolio investments on the

balance sheet. This will enable members / stakeholders of AHL to have a clearer representation of the performance of AHL's core business and operations without the fluctuations in financial results due to market price volatility of the investment portfolios.

J. Reduction in Administrative Responsibilities and Costs

The Amalgamation would relieve AHL of the administrative responsibilities associated with managing a portfolio of investments, including tracking dividends, managing documentation and compliance. This is expected to reduce AHL's administrative costs.

K. Improved Creditworthiness

The consequential simplified balance sheet of AHL, along with the reduced risk exposure in a volatile secondary market investment portfolio, is expected to enhance AHL's creditworthiness.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1. In this Scheme, including in the recitals and benefits above, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

"Act" means the Companies Act, 2017;

"AHCL" shall have the meaning as prescribed in the Preamble above;

"AHCL Shares" means the ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, in the share capital of AHCL;

"AHL" shall have the meaning as prescribed in the Preamble above;

"AHL Shareholders" means all the members of AHL, other than AHCL, as determined on the Record Date, to whom AHCL Shares shall be issued in accordance with the provisions of this Scheme;

"AHL Shares" means the ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, in the share capital of AHL;

"Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1 of this Scheme;

"Annexure A" is the annexure attached hereto which contains the split balance sheet of AHL, as at the Effective Date, detailing the break-ups of the Demerged Undertaking and Retained Undertaking, inclusive of certain notes;

"Annexure B" is the annexure attached hereto which lists the members of the Board of Directors of AHCL;

"Annexure C" is the annexure attached hereto which lists the members of the Board of Directors of AHL;

"Annexure D" is the annexure attached hereto containing the Swap Letter;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax protections, remissions and exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired period), sanctions and authorizations, including all registrations, licences, Claims, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights, licences, liberties, secret processes, know-how, good-will, data and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the term **'Assets'** shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights associated therewith); (ii) all inventory, stock-in trade, raw materials, ingredients, consignments from shipments, plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances and accessories, spare parts and tools; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records, information, reports, policies, research and all other documents of whatever nature relating thereto; (iv) all the utilities connections and facilities for telecommunications, electricity, gas, water and other installations, owned by, leased or licensed to a company (including related deposits); (v) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (vi) unadjusted tax receivables / losses and tax refunds; and (vii) sales tax carry forward balance and sales tax refunds;

"CDC" means the Central Depository Company of Pakistan Limited;

"CDS" means the Central Depository System, an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC;

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"Contingent Claims" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contracts" means any contracts, agreements, deeds, instruments, insurance policies, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

"Court" means the High Court of Sindh at Karachi, or any other Court / authority for the time being having jurisdiction under the Act in connection with the Amalgamation;

"Customer" means any person having entered into a transaction, arrangement or other dealing with a company;

"Demerged Undertaking" means all the Assets, Liabilities and Obligations of AHL which are to be demerged from AHL and merged with and into AHCL, as more specifically ascertained in terms of the split balance sheet of AHL, appearing in Annexure A attached hereto;

"Effective Date" shall have the same meaning as prescribed thereto in Article 3.1 of this Scheme;

"existing" means existing, outstanding or in force immediately prior to the Effective Date (unless stated otherwise);

"Liabilities and Obligations" includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract, law or otherwise whatsoever, and all Securities, and the term **"Liabilities"** and **"Obligations"** are used interchangeably and / or in conjunction with each other;

"Liquidation" means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

"Record Date" the date to be fixed by the directors of AHL, after the sanction of this Scheme, to determine the identities and entitlements of the AHL Shareholders;

"Retained Undertaking" means all the Assets, Liabilities and Obligations of AHL, excluding the Demerged Undertaking, which shall be retained by AHL (as also identifiable in the split balance sheet of AHL, appearing in Annexure A attached hereto);

"Scheme" means this Scheme of Arrangement, in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

"Security" or "Securities" means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any Liabilities and Obligations;

[]

"Swap Letter" means the letter dated November 15, 2023, issued by Yousaf Adil, Chartered Accountants to the respective Board of Directors of AHCL and AHL, attached hereto as Annexure D, pertaining to the Amalgamation, and stipulating, *inter alia*, the basis and calculations of the ranges of the Swap Ratio, for the allotment and issuance of AHCL Shares to the AHL Shareholders; and

"Swap Ratio" shall have the same meaning as prescribed thereto in Article 9.1 of this Scheme.

1.2. In this Scheme, unless specified otherwise:

- (i) the headings in this Scheme are for convenience only and shall not affect the construction or interpretation thereof;
- (ii) a reference to any legislation or legislative provision includes any statutory modification of, or re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;
- (iii) words denoting the singular shall include the plural and vice versa;
- (iv) a reference to a person includes a company, firm, trust, authority or government and vice versa;
- (v) a reference to any person includes that person's executors, administrators, successors, legal heirs, and permitted assigns;
- (vi) "including" and "include" shall be deemed to mean "including, without limitation" and "include, without limitation"; and
- (vii) the word "hereof", "herein", "hereto" and "hereunder" and words of similar import when used, with the required linguistic and / or grammatical derivation, in this Scheme refer to this Scheme as a whole and not to any particular provision thereof.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to separate / demerge the Demerged Undertaking from AHL and amalgamate the same with and into AHCL by transferring to, merging with and vesting in AHCL the whole of the Demerged Undertaking, including all Assets, Liabilities and Obligations of the Demerged Undertaking, as of the Effective Date, (the "**Amalgamation**") against the allotment and issue of AHCL Shares to the AHL Shareholders in accordance with the provisions of this Scheme, and involving transfer / reduction in the reserves of AHL.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.
- 2.3. The Retained Undertaking shall not be transferred to or vest in AHCL as a consequence of the Amalgamation, and the same shall remain part of AHL after the Amalgamation.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind AHCL and AHL as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act. When this Scheme becomes operative upon its sanction, the Amalgamation, in accordance with this Scheme, will be treated as having effect from the start of business on July 1, 2023, or such other date as may be stated by the Court (hereinafter referred to as the "Effective Date"). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Karachi in accordance with Section 279 of the Act.
- 3.2. Accordingly, as of the Effective Date and thereafter, until the Demerged Undertaking (including the Assets, Liabilities and Obligations thereof) is actually transferred to and vested in AHCL in terms of this Scheme, the business of AHL, to the extent of the Demerged Undertaking, will be deemed to have been carried for and on account and for the benefit of AHCL.
- 3.3. All income, profits, gains and losses accruing or arising to, or incurred by, AHL (including any taxes paid or deducted or withheld), with respect to the Demerged Undertaking, from the Effective Date shall be treated as the income, profits, gains or losses (including any taxes paid or deducted or withheld), as the case may be, of AHCL. Furthermore, the reserves, including un-appropriated profits / losses of AHL, up to and immediately preceding the Effective Date, if any, to the extent allocated for the Demerged Undertaking (as detailed in Annexure A attached hereto), shall constitute and be treated as reserves / losses of a corresponding nature in AHCL, and shall be accounted for on that basis in the books of account of AHCL.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of AHCL is PKR 10,000,000,000/- (Pak Rupees Ten Billion), divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 408,375,000 (Four Hundred Eight Million Three Hundred Seventy Five Thousand) ordinary shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of AHL is PKR 750,000,000/- (Pak Rupees Seven Hundred Fifty Million), divided into 75,000,000 (Seventy Five Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 65,340,000 (Sixty Five Million Three Hundred Forty Thousand) ordinary shares have been issued, fully subscribed to and paid up.
- 4.3. It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital of AHCL and AHL shall remain unchanged.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of AHCL are listed in Annexure B attached hereto.
- 5.2. The present directors of AHL are listed in Annexure C attached hereto.
- 5.3. The respective directors of AHCL and AHL are expected to continue as the directors of the respective companies after the Amalgamation / sanction of this Scheme, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created.
- 5.4. All the directors of AHCL and AHL have interest in the Amalgamation to the extent of their respective directorships and (direct and / or indirect) shareholdings in the said companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of each of AHCL and AHL (which is a subsidiary of AHCL).

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, the entire Demerged Undertaking shall be demerged / separated from AHL (as a going concern (without discontinuation) for the purpose of all laws, standards and conventions) and amalgamated with, stand transferred to and vest in AHCL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) AHCL shall be able to carry out all the business with respect to the Demerged Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) The Retained Undertaking shall be retained by AHL.
- (iv) As consideration of the Amalgamation, AHCL shall allot and issue AHCL Shares to the AHL Shareholders in accordance with Article 9 below.
- (v) The reserves of AHL shall stand transferred / reduced accordingly.

6.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets comprised in the Demerged Undertaking, shall immediately, without any conveyance or transfer, and without any further act or deed, be vested in and become the undertaking and Assets of AHCL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by AHL prior to the Amalgamation.

- (ii) The vesting / transfer of the Assets comprising the Demerged Undertaking shall be subject to all Securities subsisting thereon (if any), including in the manner prescribed under this Scheme.
- (iii) The vesting / transfer of the Assets, forming part of the Demerged Undertaking, to AHCL pursuant to the Amalgamation shall be effectuated notwithstanding that the same may be in blocked accounts, or pledged by AHL, or in freeze status (including maintained with the CDC in such form). Where required or applicable, the status of the same shall continue in such manner (under the ownership and title of AHCL) once transferred to the relevant account / sub-account of AHCL.

6.3. Transfer of Liabilities and Obligations

- (i) As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Demerged Undertaking, shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of AHCL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.
- (ii) It is clarified that while the Demerged Undertaking comprises a portion of AHL's short term secured borrowing, no finance facilities availed by AHL shall stand vested in AHCL as part of the Amalgamation. Instead, any amounts forming part of the Demerged Undertaking under such line item shall be payable by AHCL to AHL, which shall be the primary obligor towards the relevant secured creditors (i.e. the Liabilities and Obligations of AHL towards such secured creditors shall continue to vest with AHL).
- (iii) Having said that, the Securities over the Assets comprising the Demerged Undertaking in favour of any secured creditors of AHL, if any, shall subsist and continue to secure such facilities availed by AHL (including as third party security) in the manner detailed in this Scheme. Approval to this Scheme by the members of AHCL shall constitute requisite approval (by way of special resolution) under the applicable laws, including under Section 199 of the Act, for provision of such security in favour of the secured creditors of AHL on a continuing basis (till the same are released).

6.4. AHCL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Obligations and Liabilities with respect to the Demerged Undertaking may, if required, at any time be executed by officers and / or directors of AHCL authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Demerged Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Demerged Undertaking (and as determined in terms of this Scheme) to which AHL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by AHL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset comprised in the Demerged Undertaking which immediately before the Effective Date was held by AHL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by AHCL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which AHL is a party, which pertains to the Demerged Undertaking, shall have effect as of the Effective Date as if:

- (i) AHCL had been a party thereto instead of AHL; and
- (ii) For any reference (however worded and whether express or implied) to AHL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to AHCL.

6.8. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to AHL in writing (pertaining to the Demerged Undertaking) shall have effect, as of the Effective Date, as if given to AHCL.

6.9. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, AHL, or payable at any place of business of AHL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the Demerged Undertaking, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by AHCL, or were payable at the same place of business of AHCL.

6.10. Custody of Documents

The custody of any document, record or goods held by AHL as bailee and duly recorded in their books that pass to AHL under any Contract of bailment relating to any such document, record or goods, which pertain to the Demerged Undertaking, shall on the Effective Date become rights and obligations of AHCL.

6.11. Securities:

- (i) Any Security held immediately before the Effective Date by AHL or by a nominee or agent of or trustee for AHL, as security for the payment or discharge of any liability and obligation of a Customer, with respect to the Demerged Undertaking, shall, as of the Effective Date, be held by AHCL, or, as the case may require, by that nominee, agent or trustee for AHCL and be available to AHCL (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.

- (ii) In relation to any Security vested in AHCL in accordance with provisions of this Scheme and any Liabilities and Obligations thereby secured, AHCL shall be entitled to the rights and priorities to which AHL would have been entitled if they had continued to hold the Security.
- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the Demerged Undertaking) shall, as of the Effective Date, be available to AHCL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, AHL or, as the case may be, AHCL were secured thereby immediately before that time (to the extent applicable to the Demerged Undertaking).
- (iv) All Securities of any nature (whether legal or equitable) granted / created by AHL, over the Assets comprising the Demerged Undertaking, in favour of its secured creditors (including where the same have been provided as third party security), if any, will continue to remain operative and effective as Securities in favour of such secured creditors in the manner detailed below, unless the same have been vacated / released prior to the sanction of this Scheme. In this respect, upon the Amalgamation (and the sanction of this Scheme):
- (a) the *pari passu* Security holders of AHL, having Securities over the present and future Assets of AHL (excluding land and building), or any part or class thereof, forming part of the Demerged Undertaking, shall rank *pari passu* with the *pari passu* Security holders of AHCL, having Securities over the same (class of) present and future Assets (excluding land and building) of AHCL;
 - (b) the ranking Security holders of AHL, having ranking charges / Securities over the present and future Assets of AHL (excluding land and building), or any part or class thereof, forming part of the Demerged Undertaking, shall continue to be treated as ranking charges / Securities over the combined Assets (or same class thereof) of AHCL. The ranking of such charges / Securities (including the ranking of Securities created by AHCL in favour of its creditors) shall be determined based on the date on which the same were registered with the Securities and Exchange Commission of Pakistan, irrespective of which company had created the same;
 - (c) any first exclusive charge or Security interest, including by way of pledge, granted to a creditor of AHL, by AHL, over specific assets of AHL forming part of the Demerged Undertaking, will continue to remain and retain its priority over such specific Assets forming part of the Demerged Undertaking (which stand merged with and into AHCL), notwithstanding the time of time of creation and registration of any other charge / Security;
 - (d) any mortgage over an immovable property of AHL forming part of the Demerged Undertaking (if any), granted in favour of a creditor of AHL, shall continue to remain as is (i.e. over such immovable property which stands transferred to and vested in AHCL, as part of the Demerged Undertaking, upon the Amalgamation); and

- (e) any mortgage over an immovable property of AHCL, or any specific charge / exclusive Security interest (including by way of pledge) over an Asset of AHCL, granted in favour of a creditor of AHCL, shall continue to remain as is.

6.12. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of AHL pertaining to the Demerged Undertaking, becomes a right, Claim or Liability of AHCL as of the Effective Date, AHCL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of AHCL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against AHL with respect to the Demerged Undertaking may be continued by or against AHCL.

6.13. Judgments

Any judgment or award obtained by or against AHL with respect to the Demerged Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against AHL with respect to the Demerged Undertaking, become enforceable by or against AHCL.

6.14. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against AHL with respect to the Demerged Undertaking, shall be admissible in evidence in respect of the same matter for or against AHCL.

6.15. Authorizations

Any authorizations / powers of attorney granted by AHL to any persons with respect to matters pertaining to the Demerged Undertaking shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by AHCL to such persons, until or unless otherwise revoked or modified by AHCL.

6.16. Clarification

The provisions contained in Articles 6.2 to 6.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, AHCL shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Demerged Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.

- 7.2. Upon the sanction of this Scheme, but with effect from the Effective Date, AHCL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of AHL with respect to the Demerged Undertaking.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 8.2. The execution and / or sanction of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security (except to the extent stipulated in this Scheme); and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in AHCL and / or AHL.
- 8.3. Upon the sanction of this Scheme, and with effect from the Effective Date, the terms of this Scheme shall be binding on AHCL and AHL, and also on all the respective shareholders / members of AHCL and AHL, the Customers of each of AHCL and AHL, the creditors of the companies and on any other person having any right or liability in relation to either of them.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As consideration for the Amalgamation, AHCL shall allot and issue AHCL Shares, credited as fully paid up, at par, to the AHL Shareholders (existing on the Record Date), on the basis of a swap ratio of 0.8673 AHCL Shares for every 1 (one) AHL Share held by each AHL Shareholder (on the Record Date) (the "Swap Ratio") (i.e. 86.73 AHCL Shares for every 100 (one hundred) AHL Shares held by each AHL Shareholder (on the Record Date). All entitlements of the AHL Shareholders shall be determined in the proportion aforesaid. All fractions less than an AHCL Share shall be consolidated into whole AHCL Shares which shall be disposed of by AHCL in a manner determined by the Board of Directors of AHCL. All entitlements of the AHL Shareholders shall be determined in the proportion aforesaid.
- 9.2. The Swap Ratio has been determined and approved by the Board of Directors of AHCL and AHL from the range of values and calculations as stated in the Swap Letter, which has in-turn taken into account fair values of AHCL, AHL and the Demerged Undertaking under the income based and asset based approaches, as detailed under the valuation reports dated November 15, 2023. The Swap Letter has been approved by the respective Board of Directors of each of AHCL and AHL.
- 9.3. Subsequent to the date of sanction of this Scheme, at least 7 (seven) days' notice shall be given to the members of AHL, by AHL, specifying the Record Date (being the book closure date) in order to determine the identities of the AHL Shareholders and their entitlements. AHL

shall, within 7 (seven) days of the Record Date, provide AHCL with the list of the AHL Shareholders along with details of their respective entitlements (based on the Swap Ratio).

- 9.4. Based on the details provided by AHL, the AHL Shareholders shall be entitled to share certificates / CDC book-entries representing the number of fully paid up AHCL Shares to which the respective AHL Shareholder is entitled to in accordance with the provisions of this Scheme.
- 9.5. The allotment of the AHCL Shares (in accordance with the provisions of this Article 9) shall be made by AHCL within 30 (thirty) days from the date notified above. The share certificates for such AHCL Shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the AHL Shareholders in the manner provided in the Articles of Association of AHCL. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. AHCL shall not be responsible for loss of the share certificates in such transmission. The AHL Shareholders holding physical share certificates representing their AHL Shares shall have the option of receiving the AHCL Shares in book entry form through the CDS, which they shall intimate to AHL in advance (which in turn will intimate AHCL of the same at the time of sharing details pertaining to the AHCL Shareholders in accordance with Article 9.3).
- 9.6. With respect to the AHL Shareholders holding AHL Shares in book entry form through the CDS, such persons (along with other AHL Shareholders who have requested to receive AHCL Shares in book entry form), AHCL shall credit the respective CDC accounts / sub-accounts of the relevant AHL Shareholders with book entries relating to the corresponding number of AHCL Shares which the relevant AHL Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 9.7. The AHCL Shares, issued and allotted to the AHL Shareholders in accordance with the provisions of this Scheme shall, in all respects, rank *pari passu* with the ordinary shares of AHCL and shall be entitled to all dividends declared by AHCL after the date of sanction of this Scheme.
- 9.8. It is clarified that any AHCL Shares to be allotted and issued as a consequence of the Amalgamation, in accordance with the provisions of this Article 9, in favour of foreign / non-resident AHL Shareholders, against the AHL Shares held by each of them (that have been registered and / or are held and / or are in the process of being registered with the State Bank of Pakistan, on repatriable basis), shall be deemed to be issued and held on repatriable basis, and shall be registered by AHCL with the State Bank of Pakistan upon issuance thereof.
- 9.9. It is clarified that since the quantum of the aggregate number of AHL Shares that will be held by the AHL Shareholders at the Record Date is not determinable at this point of time, the aggregate number of AHCL Shares to be allotted and issued as consideration for the Amalgamation is variable. Consequently, the AHCL Shares, to be issued by AHCL in accordance with this Article 9, shall be recorded in the books of account of AHCL at par value. Any differential amount vis-à-vis the par value of the share capital being issued by AHCL, including to balance and adjust the books of AHCL as of the Effective Date, shall be credited / recorded as reserves, as per the legal and accounting applicable framework, taking into account the

carrying values of the net assets comprising the Demerged Undertaking which shall stand vested in AHCL pursuant to this Scheme.

- 9.10. Furthermore, as part of the arrangement under this Scheme, the Demerged Undertaking also comprises reserves, representing a part of the unappropriated profits of AHL, in the aggregate amount of PKR 4,169,667,286/- (Pak Rupees Four Billion One Hundred Sixty Nine Million Six Hundred Sixty Seven Thousand Two Hundred Eighty Six) (as illustrated in Annexure A attached hereto), which shall stand transferred to and vested in AHCL, and shall be reduced from AHL.

ARTICLE 10

DETERMINATION OF THE UNDERTAKINGS

- 10.1. The Assets, Liabilities, and Obligations comprising the Demerged Undertaking and Retained Undertaking have been determined by the Board of Directors of AHL and are based on the audited financial statements of AHL for the financial year ended June 30, 2023.
- 10.2. A split balance sheet as at the Effective Date has been prepared by AHL, attached hereto as Annexure A, detailing the break-ups of the Demerged Undertaking and the Retained Undertaking, inclusive of certain notes, based on the audited financial statements of AHL for the financial year ended June 30, 2023.

ARTICLE 11

BOOKS OF ACCOUNT

- 11.1. On and from the Effective Date, AHL shall maintain separate books and accounts with respect to the Demerged Undertaking and Retained Undertaking (along with the books of accounts pertaining to AHL as a whole). The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.
- 11.2. It is clarified that any Assets acquired / disposed subsequent to the Effective Date, including by way of trading, which are for the purposes of, or attributable to, the Demerged Undertaking, and are recorded in such manner in the separate books and accounts being maintained, shall form part of the Demerged Undertaking irrespective of the fact that the same are routed through AHL.

ARTICLE 12

GENERAL

12.1. Modifications by the Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of AHCL and AHL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approvals may be obtained from the Court. Notwithstanding the above, in

the event that the terms of this Scheme are not approved by the members and / or creditors of AHCL and / or AHL (as the case may be) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of AHCL and / or AHL shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective companies has been obtained).

12.2. Severability

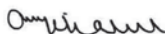
If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

12.3. Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect, till the sanction thereof, shall be borne by AHCL and AHL on equal basis. Subsequent to the sanction of this Scheme, costs, charges and expenses shall be borne by the respective companies in accordance with the applicable laws.


Karachi.

Dated: 17th November 2023



For and on behalf of
ARIF HABIB CORPORATION LIMITED

Name: Muhammad Arif Habib
Designation: Chief Executive



For and on behalf of
ARIF HABIB LIMITED

Name: Muhammad Shahid Ali
Designation: Chief Executive

LIST OF ANNEXURES

- "Annexure A" – Split balance sheet of AHL, as at the Effective Date, detailing the break-ups of the Demerged Undertaking and the Retained Undertaking, inclusive of certain notes.
- "Annexure B" – List of members of Board of Directors of AHCL.
- "Annexure C" – List of members of Board of Directors of AHL.
- "Annexure D" – Swap Letter dated November 15, 2023, issued by Yousaf Adil, Chartered Accountants.

ANNEXURE A

SPLIT BALANCE SHEET OF ARIF HABIB LIMITED AS AT THE EFFECTIVE DATE

Based on audited financial statements for the year ended June 30, 2023

		Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
	Note	Rupees		
ASSETS				
Non-current assets				
Property and equipment		67,118,424	-	67,118,424
Right-of-use assets		2,279,667	-	2,279,667
Intangible assets		5,715,626	-	5,715,626
Long term investment	1	1,123,254,068	1,054,065,880	69,188,188
Investment property	2	450,749,014	404,249,014	46,500,000
Long-term advances and deposits	3	500,184,567	458,298,960	41,885,607
		2,149,301,366	1,916,613,854	232,687,512
Current assets				
Short term investments	4	2,849,795,546	2,727,024,239	122,771,307
Trade debts		259,690,968	-	259,690,968
Receivable against margin financing		113,367,759	-	113,367,759
Advances, deposits and prepayments		38,549,929	-	38,549,929
Accrued markup on margin financing		21,527,045	-	21,527,045
Receivable against trading of securities - net		77,192,508	9,668,343	67,524,165
Other receivables	5	1,273,270,139	1,158,146,785	115,123,354
Income tax refundable		15,457,413	-	15,457,413
Cash and bank balances		987,078,274	-	987,078,274
		5,635,929,581	3,894,839,367	1,741,090,214
Total assets		7,785,230,947	5,811,453,221	1,973,777,726

EQUITY AND LIABILITIES

Share capital and reserves

<i>Authorized capital</i>	<u>750,000,000</u>	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital	653,400,000	-	653,400,000
<i>Capital reserves</i>			
Surplus on revaluation of property	<u>7,835,000</u>	<u>-</u>	<u>7,835,000</u>
	7,835,000	-	7,835,000
<i>Revenue reserves</i>			
Unappropriated profits	<u>4,333,017,286</u>	<u>4,169,667,286</u>	<u>163,350,000</u>
Total equity	<u>4,994,252,286</u>	<u>4,169,667,286</u>	<u>824,585,000</u>

Non-current liabilities

Lease liability	<u>918,357</u>	<u>-</u>	<u>918,357</u>
Deferred tax – net	<u>69,149,530</u>	<u>72,113,469</u>	<u>(2,963,939)</u>
	70,067,887	72,113,469	(2,045,582)

Current liabilities

Short term borrowings - secured	6 <u>1,617,785,680</u>	<u>1,509,805,290</u>	<u>107,980,390</u>
Current portion of lease liability	<u>2,108,980</u>	<u>-</u>	<u>2,108,980</u>
Trade and other payables	7 <u>995,737,794</u>	<u>9,000,000</u>	<u>986,737,794</u>
Unclaimed dividend	<u>21,425,487</u>	<u>-</u>	<u>21,425,487</u>
Accrued markup on short term borrowings	<u>83,852,834</u>	<u>50,867,176</u>	<u>32,985,658</u>
	2,720,910,774	1,569,672,466	1,151,238,308
Total equity and liabilities	<u>7,785,230,947</u>	<u>5,811,453,221</u>	<u>1,973,777,726</u>

The annexed notes from 1 to 7 form an integral part of this split balance sheet, which shall be subject to the provisions of Article 11.2 of the Scheme (to the extent applicable).

Notes to the Split balance sheet

Based on audited financial statements for the year ended June 30, 2023

	Note	Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
		Rupees		
1. LONG TERM INVESTMENTS				
Investment in subsidiaries- at cost	1.1	38,000,000	-	38,000,000
Investment in other entities- at fair value	1.2	1,085,254,068	1,054,065,880	31,188,188
		<u>1,123,254,068</u>	<u>1,054,065,880</u>	<u>69,188,188</u>
1.1	This represents investment in its wholly owned subsidiary, namely Rayaana Commodities (Private) Limited (formerly Arif Habib Commodities (Private) Limited).			
	Note	Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
1.2 Investment in other entities - at fair value through profit or loss		Rupees		
Unquoted - Equity Instruments				
ISE Towers REIT Management Company Limited	1.2.1	22,181,370	-	22,181,370
		<u>22,181,370</u>	<u>-</u>	<u>22,181,370</u>
Quoted - Equity Instruments				
LSE Proptech Limited	1.2.2	1,421,528	-	1,421,528
LSE Ventures Limited	1.2.2	7,585,290	-	7,585,290
		<u>9,006,818</u>	<u>-</u>	<u>9,006,818</u>
Unquoted - Debt Instrument				
Naya Nazimabad Apartment REIT (NRR)	1.2.3	426,440,880	426,440,880	-
Rahat Residency REIT (RRR)	1.2.4	627,625,000	627,625,000	-
		<u>1,054,065,880</u>	<u>1,054,065,880</u>	<u>-</u>
		<u>1,085,254,068</u>	<u>1,054,065,880</u>	<u>31,188,188</u>
1.2.1 Investment in ISE Towers REIT Management Company Limited	This represents the investment in 3,034,604 unquoted ordinary shares of ISE Towers REIT Management Company Limited.			
1.2.2	During the year ended June 30, 2023, LSE Financial Services Limited demerged into two companies LSE Proptech Limited and LSE Ventures Limited (formerly LSE Financial Services Limited). AHL received 295,536 shares of LSE Proptech Limited and 842,810 shares of LSE Ventures Limited as per the demerger scheme against 843,975 unquoted ordinary shares of LSE Financial Services Limited.			

1.2.3 Investment in Naya Nazimabad Apartment REIT

This represents 27.80 million units held in a privately placed, closed-end, limited life, shariah compliant, developmental REIT scheme which constitutes 9.46% of the total 293.75 million units issued.

1.2.4 Investment in Rahat Residency REIT

This represents 50 million units held in a privately placed, closed-end, limited life, shariah compliant, developmental REIT scheme which constitutes 100% units issued (the Investment).

		Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
2.	INVESTMENT PROPERTY	Note	Rupees	
	Open plots of land / offices - at fair value	2.1	202,000,000	155,500,000
	Residential flats under construction - at cost	2.2	248,749,014	248,749,014
			<u>450,749,014</u>	<u>46,500,000</u>

2.1 As of June 30, 2023, the open plots of land / offices comprised of the following:

Open plots of land: (Demerged Undertaking)	8 residential plots situated at Naya Nazimabad, Deh Manghopir, Gadap Town, Karachi
Offices: (Retained Undertaking)	Offices bearing no. 60, 61, 62, 63 and 64 situated at first floor of the building complex of PSX, office bearing no. 220 situated at Lahore Stock Exchange Plaza and offices bearing no. 106, 203, 409 situated in the Lahore Stock Exchange - South Tower.

2.2 Residential flats under construction - at cost

This represents advance made against 20 residential flats in Globe Residency REIT.

		Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
3.	LONG TERM ADVANCES AND DEPOSITS	Note	Rupees	
	Advance against equity			
	- Rayaan Commodities (Private) Limited		2,000,000	2,000,000
	- Rahat Residency REIT		325,000,000	-
	- Signature Residency REIT	3.1	133,298,960	-
	- Neem Exponential Technology Pte. Limited	3.2	37,000,000	37,000,000

	497,298,960	458,298,960	39,000,000
Trading deposits			
- Pakistan Stock Exchange Limited	700,461	-	700,461
- National Clearing Company of Pakistan Limited	1,250,000	-	1,250,000
	1,950,461	-	1,950,461
Other security deposits	935,146	-	935,146
	500,184,567	458,298,960	41,885,607

- 3.1 This represents an advance against issuance of 13,329,896 units in Signature Residency REIT. As per the unit purchase agreement, 3,332,474 units shall be blocked in line with requirements of REIT Regulations being the strategic investor (which shall be AHCL as a consequence of the Amalgamation). Subsequent to the year end, units have been issued.
- 3.2 This represents an advance against purchase of preference shares of Neem Exponential Technology Pte. Limited, Singapore under the SAFE (Simple agreement for future equity).

	Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking
4. SHORT TERM INVESTMENTS - At fair value through profit or loss	Rupees		
Equity securities:			
- quoted	2,761,251,468	2,727,024,239	34,227,229
Debt securities:			
- quoted	88,544,078	-	88,544,078
- unquoted	-	-	-
	88,544,078	-	88,544,078
	2,849,795,546	2,727,024,239	122,771,307
	Before Demerger 30 June 2023	Demerged Undertaking	Retained Undertaking

5. **OTHER RECEIVABLES**

Receivable from Javedan Corporation Limited - a related party:

- Proceeds from sale of investment property

- Outstanding loan

- Mark-up on loan

Receivable from Rahat Residency REIT

- Amount Receivable as proceeds from sale of investment property to REIT Scheme

	Rupees		
	5,126,734	-	5,126,734
	352,000,000	352,000,000	-
	2,071,785	2,071,785	-
	359,198,519	354,071,785	5,126,734
	804,075,000	804,075,000	-

Receivable against reverse repo

arrangements

108,796,620

-

108,796,620

Others

1,200,000

-

1,200,000

1,273,270,139

1,158,146,785

115,123,354

Before
Demerger
30 June 2023

Demerged
Undertaking

Retained
Undertaking

6. SHORT TERM BORROWINGS

Note

Rupees

From banking companies

- Running finance

6.1

1,617,785,680

1,509,805,290

107,980,390

1,617,785,680

1,509,805,290

107,980,390

6.1 Running finance arrangements from banking companies - secured against pledge of shares

- 6.1.1 Short term running finance facilities are available from various commercial banks, under mark-up arrangements, amounting to Rs. 6,250 million. These facilities will be retained by AHL and will not be transferred to AHCL as a consequence of the Amalgamation. The amounts forming part of the Demerged Undertaking shall be payable by AHCL to AHL, which shall be the primary obligor (i.e. the Liabilities and Obligations of AHL towards the banks shall continue to vest with AHL).

Before
Demerger
30 June 2023

Demerged
Undertaking

Retained
Undertaking

7. TRADE AND OTHER PAYABLES

Rupees

Creditors

877,099,730

-

877,099,730

Commission payable

22,477,749

-

22,477,749

Future profit withheld

6,566,721

-

6,566,721

Accrued expenses

16,460,698

-

16,460,698

Withholding tax payable

24,101,999

-

24,101,999

Sindh sales tax and federal excise duty payable

934,324

-

934,324

Advance against committed sale of investment property

26,510,555

9,000,000

17,510,555

Payable against reverse repo transaction

17,629,267

-

17,629,267

Other liabilities

3,956,751

-

3,956,751

995,737,794

9,000,000

986,737,794

ANNEXURE B

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF ARIF HABIB CORPORATION LIMITED

Mr. Muhammad Arif Habib

Mr. Nasim Beg

Ms. Zeba Bakhtiar

Mr. Abdus Samad

Mr. Asadullah Khawaja

Mr. Muhammad Ejaz

Mr. Kashif. A. Habib

Mr. Khawaja Najam Ud Din Roomi

ANNEXURE C

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF ARIF HABIB LIMITED

Mr. Zafar Alam

Mr. Muhammad Shahid Ali

Dr. Muhammad Sohail Salat

Mr. Mohsin Madni

Mr. Muhammad Haroon

Ms. Sharmin Shahid

Ms. Nida Ahsan

AHCL/0696
November 15, 2023Board of Directors
Arif Habib Corporation Limited
23, M.T. Khan Road, Karachi.Board of Directors
Arif Habib Limited
23, M.T. Khan Road, Karachi.

Dear Sir(s),

Subject: SWAP COMPUTATION LETTER**1. Our understanding of the Proposed Transaction**

Yousuf Adil, Chartered Accountants (hereinafter referred to as "we" or "our" or "us" or "YA") has provided the services as agreed with reference to our engagement letter ref. no. AHCL/0635 to assist the Arif Habib Corporation Limited (hereinafter referred to as "AHCL" or "Client") to perform Valuations of Arif Habib Corporation Limited and Arif Habib Limited (hereinafter referred to as "AHL") as at the cutoff date of June 30, 2023, along with the determination of Share-Swap Ratio for the proposed carve out / demerger of the demerged undertaking of AHL, primarily comprising its investment portfolio (INVP), and merger of the same with and into AHCL with effect from the start of business on July 1, 2023, against the issuance of ordinary shares of AHCL to the shareholders of AHL (other than AHCL) (the "Proposed Transaction").

The Proposed Transaction is intended to be effectuated pursuant to a Scheme of Arrangement (the "Scheme") under Sections 279 to 283 and 285 of the Companies Act, 2017, which shall require the sanction of the High Court of Sindh at Karachi, the draft of which has been shared with us.

AHCL is the parent company of the AHL, which currently owns 72.92% shareholding of the AHL. AHL's Demerged Undertaking (as detained in the Scheme) will be carved out and merged with and into AHCL and AHL shareholders other than AHCL, will be allotted and issued shares of AHCL according to the swap ratio.

2. About the Companies**2.1 Brief Overview****A. Arif Habib Corporation Limited**

AHCL was incorporated in Pakistan on November 14, 1994 as a public limited company under the repealed Companies Ordinance, 1984. Client is listed on the Pakistan Stock Exchange Limited (PSX). The principal activity of the AHCL is to make strategic investments in subsidiary companies and associates engaged in diversified sectors and investment in other securities. Client also extends loans, advances and guarantees to its associated company/ undertaking as allowed under the Companies Act, 2017.

AHCL has long term investments in subsidiaries and associates. Investment in subsidiaries includes Arif Habib Limited (72.92%) and Sachal Energy Development (Private) Limited (85.83%).

B. Arif Habib Limited

AHL is a public listed company incorporated in Pakistan under the repealed Companies Ordinance, 1984 which has now been replaced by Companies Act, 2017. The shares of the AHL are listed on PSX. The Company was initially incorporated as an unquoted public limited company wholly owned by AHCL.

The principal activities of AHL are broadly bifurcated into two segments which are titled as 'Investments Portfolio' and 'Core Operations'. Core Operations include share brokerage, Initial Public Offering (IPO) related activities, underwriting, advisory and consultancy services. As of June 30, 2023, AHCL (being the Parent Company) held 72.92% shares of the Target. AHL has only one subsidiary, Rayaan Commodities (Private) Limited (Rayaan Commodities), having 100% holding in subsidiary.

2.2 Share Capital

Companies	Number of Shares Issued as at the June 30, 2023	Par Value (PKR)	Issued Share Capital (PKR)
AHCL	408,375,000	10	4,083,750,000
AHL	65,340,000	10	653,400,000

3. Valuation

The range of values and share Swap Ratio has been computed considering the (i) **Fair Value including REIT's (NNR and RRR - as per income based approach) [Case I]** and (ii) **Fair Value including REIT's (NNR and RRR - as per asset based approach) [Case II]**.

All book values (BV) are derived from the audited accounts as at June 30, 2023 and asset valuer report - 2023, prepared by MYK Associates, where applicable.

Valuation as per Case I:

Value of AHCL

Fair Value of Arif Habib Corporation Limited

Description	LOM	Values (PKR)
NAV as per audited accounts As at June 30, 2023		20,469,173,995
Adjustment: (As at June 30, 2023)		
Less - Values of:		
AHL	At Cost	(2,191,134,893)
Sachal Energy	At Cost	(2,746,465,060)
SIDR	20%	(941,400,000)
NRN	16.54%	(746,112,000)
Add - Fair Values of:		
AHL	72.92%	4,687,602,757
Sachal Energy	85.83%	9,768,728,028
SIDR	20%	957,270,000
NRN	16.54%	546,434,748
Fair Value after adjustment		<u>29,804,097,575</u>
Total Outstanding Shares		<u>408,375,000</u>
Per Share Value		<u>72.98</u>

Value of AHL

Description	UOM	Fair Value of Arif Habib Limited		
		Investment Portfolio	Core Operations	Total
			PKR	
NAV as per audited accounts As at June 30, 2023		4,169,667,286	824,585,000	4,994,252,286
Adjustment: (As at June 30, 2023)				
Less -Values of:				
Rayan Commodities	At Cost	-	(40,000,000)	(40,000,000)
AHL Brokerage		-	(526,869,521)	(526,869,521)
NRN	9.46%	(426,440,880)	-	(426,440,880)
RRR	100%	(627,625,000)	-	(627,625,000)
ISE		-	(22,181,370)	(22,181,370)
Add - Fair Values of:				
Rayan Commodities	100%	-	40,766,086	40,766,086
AHL Brokerage		-	2,030,221,391	2,030,221,391
NRN	9.46%	312,730,540	-	312,730,540
RRR	100%	677,565,000	-	677,565,000
ISE		-	15,999,950	15,999,950
Fair Value after adjustment		4,105,896,946	2,322,521,536	6,428,418,482
Total Outstanding Shares		65,340,000	65,340,000	65,340,000
Per Share Value		62.84	35.55	98.38

(For Case II details refer Annexure B), (For details of AHL brokerage valuation refer Annexure D) and (For NAV as per audited accounts refer Annexure A)

The value of AHCL, as at June 30 2023, has been worked out to be between PKR 29,804 Mn to PKR 30,050 Mn (i.e. PKR 72.98 to PKR 73.59 per Share), and the value of AHL, as at June 30 2023, has been worked out to be between PKR 4,106 Mn to PKR 4,170Mn (i.e. PKR 62.84 to PKR 63.82 per Share) under the agreed valuation approach.

Valuation Summary	UOM	Value Case I		Value Case II	
		AHCL	AHL-ENVP	AHCL	AHL-ENVP
Net Asset Value	PKR	29,804,097,575	4,105,896,946	30,050,689,703	4,170,234,406
Total Number Of Shares	No	408,375,000	65,340,000	408,375,000	65,340,000
Net Asset Value / Share	PKR	72.98	62.84	73.59	63.82

Share Swap Range Computation

The range of the Share-Swap Ratio for the Proposed Transaction has been computed as at the cut-off date of June 30, 2023, based on the agreed valuation approach, for the consideration of the respective Board of Directors of AHCL and AHL.

Share Swap Ratio has been computed considering the (i) Fair Value including REIT's (NRN and RRR - as per income based approach) [Case I] and (ii) Fair Value including REIT's (NRN and RRR - as per asset based approach) [Case II].

Swap Ratio Calculation	Value Case I	Value Case II
Swap Ratio	0.8610	0.8673
AHL Shareholder other than AHCL (as at June 30, 2023) (Ref. Annexure C)	17,691,478	17,691,478
Shares to be issued to AHL Shareholders (based on the shareholding pattern on June 30, 2023)*	15,232,363	15,343,819

*Note: The actual number of shares of AHCL to be issued to the shareholders of AHL (other than AHL), based on the Swap Ratio, will vary based on the actual shareholding pattern of AHL existing on the Record Date (as detailed in the Scheme) i.e. the shares of AHL held by its shareholders other than AHCL. The Swap Ratio approved by the Board of Directors and shareholders of the respective companies shall be applicable in the same manner.

The Scheme shall be subject to the approval of the Board of Directors and shareholders of the respective companies and thereafter sanction of the same by the High Court of Sindh at Karachi.

4. Caveats

- This swap computation letter is subject to the limitations detailed herein. This letter is to be read in totality, and not in parts, in conjunction with all the relevant documents referred to herein.
- This letter has been prepared solely for the transaction referred above in relation to the Scheme and accordingly, it is not to be used by any other person or for any other purpose.
- Valuation is not a precise science; it is subjective and requires the application of experience and judgment to given facts to arrive at a conclusion. There is no single "right" answer; there are reasoned and reasonable values.
- The procedures performed for issuing this letter, do not constitute either an audit or a review made in accordance with international standards on auditing or international standards on review engagements, therefore, we do not, hereby, express an opinion or other form of assurance.
- We have no responsibility to update this letter for events and circumstances occurring after the date of our letter.
- We have not reviewed, audited or performed procedures on the financial accounts of AHCL and AHL.
- We have not reviewed, audited or performed additional procedures on the management provided asset valuer reports of both the entities.
- Based on discussion with the management of AHCL, and as agreed by them for valuation of fair market valuation of both the entities, Market Multiple approach has not been considered due to the various factors especially due to the nature of the transaction that is carving out of the segment and merging into the other company and various fair value adjustment under the long term investment and other various categories in both the entities accounts.
- This letter and the information contained herein are intended for providing selected information and only in connection with the purpose mentioned above or for sharing with shareholders of the Companies, management of the Companies, creditors of the Companies, the High Court of Sindh at Karachi and the office of other regulatory or statutory authorities. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. In the event, the Companies or their management or their representatives intend to extend the use of this letter beyond the purpose mentioned earlier in this letter, with or without our consent, we will not accept any responsibility to any other party to whom this letter may be shown or who may acquire a copy of this letter.
- We have not performed audit, due diligence and verification of financial statements and third party asset valuation report provided by the companies (AHCL and AHL).
- A draft of this letter was shared with the management of AHCL, prior to its finalization of report, as part of our standard practice to make sure that factual inaccuracy/omission are avoided in the report.
- We have not reviewed, audited or performed additional procedures on the basis of management provided carved out accounts of AHL.
- In rendering this letter, we have not provided legal, regulatory, tax or accounting advice and accordingly we do not assume any responsibility or liability in respect thereof.
- In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out here in which may occur subsequent to the date of this letter or by virtue of fact that the details provided to us are incorrect or inaccurate.
- This engagement does not look into the business/commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction or any other alternatives, whether or not such alternatives could be achieved or are available.

- Further this letter does not in any manner address the prices at which the equity shares of the Companies will exchange following the announcement of the Scheme and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting to be held in connection with the Proposed Transaction.

Yours truly,



Chartered Accountants

Annexure
Glossary

Acronym	Explication
AHCL	Arif Habib Corporation Limited
AHL	Arif Habib Limited
YA	Yousuf Adil Yousuf Adil, Chartered Accountants
REIT	Real Estate Investment Trust
GRR	Globe Residency REIT
NRR	Naya Nazimabad apartment REIT
RRR	Rahat Residency REIT
SIDR	Silk Islamic Development REIT
Rayan Commodities	Rayan Commodities (Private) Limited
Sachal Energy	Sachal Energy Development (Private) Limited
INVP	Investment Portfolio
NAV	Net Asset Value
FCFE	Free Cash flow to equity
FY	Financial Year
GoP	Government of Pakistan
BV	Book Value
UOM	Unit of Measurement
PSX	Pakistan Stock Exchange
IPO	Initial Public Offering
PKR	Pakistani Rupee
Bn	Billion
Mn	Million

Annexure A: AHL NAV extracts based on audited accounts with bifurcation into core operations / Retained Undertaking and investment portfolio / Demerged Undertaking as at June 30, 2023.

Descriptions	Total	Investment Portfolio / Demerged Undertaking	Core Operations / Retained Undertaking
		PKR	
Net Assets Value	4,994,252,286	4,169,667,286	824,585,000
ASSETS			
Non-current assets			
Property and equipment	67,118,424	-	67,118,424
Right-of-use assets	2,279,667	-	2,279,667
Intangible assets	5,715,626	-	5,715,626
Long term investment	1,123,254,068	1,054,065,880	69,188,188
Investment property	450,749,014	404,249,014	46,500,000
Long-term advances and deposits	500,184,567	458,298,960	41,885,607
	2,149,301,366	1,916,613,854	232,687,512
Current assets			
Short term investments	2,849,795,546	2,727,024,239	122,771,307
Trade debts	259,690,968	-	259,690,968
Receivable against margin financing	113,367,759	-	113,367,759
Advances, deposits and prepayments	38,549,929	-	38,549,929
Accrued markup on margin financing	21,527,045	-	21,527,045
Receivable against trading of securities - net	77,192,508	9,668,343	67,524,165
Other receivables	1,273,270,139	1,158,146,785	115,123,354
Income tax refundable	15,457,413	-	15,457,413
Cash and bank balances	987,078,274	-	987,078,274
	5,635,929,581	3,894,839,367	1,741,090,214
Total assets	7,785,230,947	5,811,453,221	1,973,777,726
Non-current liabilities			
Lease liability	918,357	-	918,357
Deferred tax - net	69,149,530	72,113,469	(2,963,939)
	70,067,887	72,113,469	(2,045,582)
Current liabilities			
Short term borrowings - secured	1,617,785,680	1,509,805,290	107,980,390
Current portion of lease liability	2,108,980	-	2,108,980
Trade and other payables	995,737,794	9,000,000	986,737,794
Unclaimed dividend	21,425,487	-	21,425,487
Accrued markup on short term borrowings	83,852,834	50,867,176	32,985,658
	2,720,910,774	1,569,672,466	1,151,238,308
Total Liabilities	2,790,978,661	1,641,785,935	1,149,192,726


Chief Financial Officer (CFO)
Arif Habib Limited




Annexure A (I): AHCL NAV extracts based on audited accounts as at June 30, 2023.

Descriptions	Total
	PKR
Net Assets Value	20,469,173,995
ASSETS	
Non-current assets	
Property, Plant and Equipment	25,912,136
Intangible Assets	296,615
Long Term Investment	17,881,945,203
Long term loan to related Party	78,103,657
Long term deposits and Other Receivables	5,880,378
	17,992,137,989
Current Assets	
Loans and Advances	1,781,863,523
Markup Receivable	186,088,244
Prepayments and Other Receivables	10,497,248
Short term Investment	3,803,122,330
Cash and Bank Balances	40,348,417
	5,821,919,762
Total Assets	23,814,057,751
Non-Current Liabilities	
Deferred Taxation - net	531,156,028
	531,156,028
Current Liabilities	
Other Payable	204,693,870
Short term borrowings	2,314,280,474
Taxation - net	272,552,007
Unclaimed Dividends	22,201,377
	2,813,727,728
Total Liabilities	3,344,883,756


Chief Financial Officer (CFO)
Arif Habib Corporation Limited



**Annexure B: Valuation as per Case II:
Value of AHCL**
Fair Value of Arif Habib Corporation Limited

Description	UOM	Values (PKR)
NAV as per audited accounts As at June 30, 2023		20,469,173,995
Adjustment: (As at June 30, 2023)		
Less - Values of:		
AHL	At Cost	(2,191,134,893)
Sachal Energy	At Cost	(2,746,465,060)
SIDR	20%	(941,400,000)
NRR	16.54%	(746,112,000)
Add - Fair Values of:		
AHL	72.92%	4,734,517,633
Sachal Energy	85.83%	9,768,728,028
SIDR	20%	957,270,000
NRR	16.54%	746,112,000
Fair Value after adjustment		30,050,689,703
Total Outstanding Shares		408,375,000
Per Share Value		73.59


Chief Financial Officer (CFO)
Arif Habib Corporation Limited


Value of AHL
Fair Value of Arif Habib Limited

Description	UOM	Investment Portfolio / Demerged Undertaking	Core Operations / Retained Earning	Total
			PKR	
Value as per audited accounts As at June 30, 2023		4,169,667,286	824,585,000	4,994,252,286
Adjustment: (As at June 30, 2023)				
Less - Values of:				
Rayaan Commodities	At Cost	-	(40,000,000)	(40,000,000)
AHL Brokerage	-	-	(526,869,521)	(526,869,521)
NRR	9.46%	(426,440,880)	-	(426,440,880)
RRR	100%	(627,625,000)	-	(627,625,000)
ISE	-	-	(22,181,370)	(22,181,370)
Add - Fair Values of:				
Rayaan Commodities	100%	-	40,766,086	40,766,086
AHL Brokerage	-	-	2,030,221,391	2,030,221,391
NRR	9.46%	427,008,000	-	427,008,000
RRR	100%	627,625,000	-	627,625,000
ISE	-	-	15,999,950	15,999,950
Fair Value after adjustment		4,170,234,406	2,322,521,536	6,492,755,942
Total Outstanding Shares		65,340,000	65,340,000	65,340,000
Per Share Value		63.82	35.55	99.37


Chief Financial Officer (CFO)
Arif Habib Limited



Annexure C (I): Shareholding pattern of AHL as at June 30, 2023

Arif Habib Limited
Pattern of Shareholding Report
As of June 30, 2023


Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Director and their spouse(s) and minor children			
MUHAMMAD HAROON	1	1,712	0.00
NEDA AHSAN	1	1,208	0.00
SHARMIN SHAHID	1	1,208	0.00
MOHSIN MADNI	1	550	0.00
MUHAMMAD SHAHID ALI	1	965	0.00
ZAFAR ALAM	1	75,110	0.11%
MUHAMMAD SOHAIL SALAT	1	660	0.00
Associated Companies, undertakings and related parties	1	47,648,522	72.92%
Banks Development Financial Institutions			
Non-Banking Financial Institutions	1	59	0.00
Insurance Companies	1	23,916	0.04%
Modarabas and Mutual Funds	1	3,850	0.01%
General Public			
(a) Local	3,449	15,659,403	23.97%
(b) Foreign	53	164,916	0.25%
Others	47	1,757,921	2.69%
Totals	3,560	65,340,000	100%




Chief Financial Officer (CFO)
Arif Habib Limited

Annexure C (II): Shareholding pattern of AHCL as at June 30, 2023

Arif Habib Corporation Limited Pattern of Shareholding Report As of June 30, 2023			
Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Arif Habib	2	328,920,967	80.54%
Khawaja Jalaluddin	3	3,187,000	0.78%
Asadullah Khawaja	2	81,006	0.02%
Muhammad Kashif	1	35,290	0.01%
Nasim Beg	2	2,078	0.00%
Abdus Samad	1	1,006	0.00%
Muhammad Ejaz	1	121	0.00%
Zeba Bakhtiar	1	100	0.00%
Lubna Khawaja	1	5,000	0.00%
Associated Companies, undertakings and related parties			
Masood Fabrics Limited	7	9,422,156	2.31%
Sharmin Shahid	1	8,673,000	2.12%
Roomi Holdings (Pvt.) Limited	3	5,462,000	1.34%
Nida Ahsan	1	5,406,074	1.32%
Roomi Fabrics Limited	3	4,394,585	1.08%
Masood Holdings (Private) Limited	3	615,500	0.15%
Tasnim Beg	1	105,000	0.03%
Abdul Rahim Khawaja	1	4,500	0.00%
Muhammad Shahzad	1	60	0.00%
NIT & ICP	1	724,292	0.18%
Banks Development Financial Institutions			
Non-Banking Financial Institutions	3	307,606	0.08%
Insurance Companies	3	3,575,889	0.88%
General Public			
(a) Local	3,050	27,953,968	6.85%
(b) Foreign	8	186,285	0.05%
Others	48	9,311,517	2.28%
Total	3,148	408,375,000	100%


Chief Financial Officer (CFO)
Arif Habib Corporation Limited


Annexure D: AHL Income Based Valuation – Brokerage/Core Operations

Description	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Terminal Value
Profit Available for Distribution	(52,315,235)	540,695,998	544,317,395	591,752,389	655,931,587	3,049,541,456

Values	
FCFE	2,030,221,391
Number of shares	65,340,000
Value per share	31.07

Rayaan Commodities Income Based Valuation

Description	Jun-24	Jun-25	Jun-26	Jun-27	Terminal Value
Profit Available for Distribution	2,150,585	7,995,676	9,159,353	9,193,505	48,997,715

Values	
FCFE	40,766,086
Number of shares	3,800,000
Value per share	10.73

REIT's Income based valuation

REIT's	No. of Units held by AHL	Fair Value (PKR)
NNAR	27,800,000	312,730,540
RRR	50,000,000	677,565,000
ISE	3,034,604	15,999,950



Chief Financial Officer (CFO)
Arif Habib Limited

Annexure D (I): Sachal Energy Development (Pvt.) Ltd. - Income Based Valuation

Description	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29	Jun-30
Profit Available for Distribution	2,473,742,941	1,907,426,002	2,498,737,364	1,894,134,510	4,821,592,541	2,226,158,626	2,116,992,758

Description	Jun-31	Jun-32	Jun-33	Jun-34	Jun-35	Jun-36	Jun-37
Profit Available for Distribution	2,256,218,067	2,434,402,400	2,625,064,331	2,829,457,368	3,046,908,536	3,278,980,041	3,526,333,192

Values	
FCFE	11,381,484,362
Number of shares	320,000,000
Value per share	35.57

REIT's Income Based Valuation

REIT's	No. of Units held by AHCL	Fair Value (PKR)
NNAR	48,575,000	546,434,748
SIDR	60,000,000	957,270,000


Chief Financial Officer (CFO)
Arif Habib Corporation Limited


ARIF HABIB LIMITED BALLOT PAPER FOR VOTING THROUGH POST

For the Special Business at the Extraordinary General Meeting of Arif Habib Limited (the “Company”) to be held on Tuesday, December 26, 2023 at 11:00 a.m. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi as well as through electronic means.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

chairman.generalmeeting@arifhabibltd.com

Name of shareholder / Joint shareholder(s) / Proxy Holder(s)	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below:

Sr. No.	Nature and Description of resolution	No. of ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	<p>Agenda item - A (Special Business)</p> <p>Pursuant to the Order of the High Court of Sindh at Karachi dated November 23, 2023, passed in Civil Miscellaneous Application No. 2559 of 2023, in Petition bearing J. C. M. No. 31 of 2023, to consider and, if thought fit, to pass, with or without modification, the following resolution for, inter alia, a corporate restructuring / reorganization of the Company and its holding / parent Company, Arif Habib Corporation Limited (“AHCL”), involving the bifurcation / separation of the Company into two segments / undertakings, i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into AHCL, along with ancillary matters thereto, in accordance with the Scheme of Arrangement dated November 17, 2023, as approved by the Board of Directors of the Company on November 17, 2023.:</p> <p><i>RESOLVED THAT the Scheme of Arrangement dated November 17, 2023, prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, for, inter alia, the bifurcation / separation of Arif Habib Limited into two segments / undertakings i.e. the Demerged Undertaking and the Retained Undertaking, and merger, by way of amalgamation, of the Demerged Undertaking with and into Arif Habib Corporation Limited, along with all ancillary and incidental 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 Honorable High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.</i></p>			

NOTES:

1. Dully filled postal ballot should be sent to the Chairman of Arif Habib Limited through post at Arif Habib Centre, 23, M.T. Khan Road, Karachi, Pakistan (Attention of the Company Secretary) **OR** through the registered email address of shareholder at chairman.generalmeeting@arifhabibltd.com
2. Copy of CNIC / Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms through post or email should reach the Chairman by Monday, **December 25 2023 before 5:00 p.m.** Any postal ballot received after this date and time, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC / Passport No. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website of Arif Habib Limited at <https://arifhabibltd.com/investors-relations/BallotPaper-EOGM-2023-AHL.pdf> Shareholders may download the ballot paper from website or use the same ballot paper as published in newspapers.

Signature of shareholder(s)/ Proxy Holder(s)/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

Form of Proxy

Extra Ordinary General Meeting

The Company Secretary
Arif Habib Limited
Arif Habib Centre
23, M.T. Khan Road,
Karachi.

I/we _____ of _____ being a member(s) of
Arif Habib Limited holding _____ ordinary shares as per CDC A/c. No.
_____ hereby appoint Mr./Mrs./Miss. _____ of (full
address) _____
_____ or failing him/her
Mr./Mrs./Miss _____ of (full address)

(being member of the company) as my/our Proxy to attend, act vote for me/us and on my/ our behalf at the Extra Ordinary
General Meeting of the Company to be held on Tuesday 26th December 2023 and/or any adjournment thereof.

Signed this _____ day of _____ 2023

Witnesses:

1. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

Signature
Revenue Stamp

2. Name : _____
Address : _____
CNIC No. : _____
Signature : _____

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member.
2. Proxy shall authenticate his/her identity by showing his/her original CNIC / Passport and bring folio number at the time of attending the meeting.
3. In order to be effective, the proxy Form must be received at the office of our Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi, not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signature, name, address and CNIC number given on the form.
4. In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. In the case of proxy by a corporate entity, Board of Directors resolution/power of attorney and attested copy of the CNIC or passport of the proxy shall be submitted along with proxy form.

کمپنی سیکریٹری
عارف حبیب لمیٹڈ
عارف حبیب سینٹر
23، ایم ٹی خان روڈ
کراچی۔

کراچی۔

- پراسیکی کے کارپوریٹ ہونے کی صورت میں بورڈ آف ڈائریکٹریں قرار دے، پاور آف اٹارنی، شناختی کارڈ اور پاسپیورٹ کی تصدیق شدہ نقول، پراسیکی فارم کے ساتھ منسلک کرنا ضروری ہے۔

BOOK POST

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ARIF HABIB
L I M I T E D

ARIF HABIB LIMITED

Corporate Office: Arif Habib Centre,
23 M.T. Khan Road, Karachi

I UAN: +92 21 111245 111

I Fax: +92 21 3242 9653

www.arifhabibltd.com