

PSX/N-1114

Dated: November 8, 2022

## FOR PUBLIC COMMENTS ON THE DRAFT LETTER OF OFFER FOR PERPETUAL & CONVERTIBLE SUKUK OF METATECH HEALTH LIMITED

It is hereby informed to all concerned that MetaTech Health Limited (META) has announced **550% Right Issue in the form of MetaTech Health Limited – Perpetual & Convertible Sukuk**.

In this regard, pursuant to clause 3 (vii) of chapter II of 'Issuance of Convertible Debt Securities through Right Offer Regulations 2022', the **Draft Letter of Offer** as per Schedule-I of the aforesaid Regulations is being placed on the PSX website for seeking public comments. All concerned are requested to provide their written comments on the Draft Letter of Offer, if any, by emailing at [comments@psx.com.pk](mailto:comments@psx.com.pk) latest by **COB Wednesday, November 16, 2022**.



**Jawad H. Hashmi**

General Manager - Trading & TREC Affairs

**Cc:**

1. The Commissioner SMD, SECP ([Smd.notices@secp.gov.pk](mailto:Smd.notices@secp.gov.pk))
2. The Chief Executive Officer, PSX
3. The Chief Regulatory Officer, PSX
4. The Chief Executive Officer, CDC
5. The Chief Executive Officer, NCCPL
6. PSX Website

**SCHEDULE I**  
**Minimum Content of Letter of Offer**

Minimum Content of Letter of Offer/Term Sheet for Issuance	
Particulars	Relevant Details
<b><u>A. Information pertaining to company offering convertible debt securities through right.</u></b>	
<b>a) <u>Company Profile and History:</u></b>	
i. Name of Company.	i. <b>MetaTech Health Limited</b> (formerly Hashimi Can Company Limited)
ii. Incorporation date.	ii. December 19, 1953
iii. Date of commencement of business.	iii. December 01, 1954
iv. Corporate Universal Identification Number (CUIN)	iv. 0000637
v. Business model of Company	v. Please see the Annexure-C
vi. Company's products.	vi. Please see the Annexure-C
vii. Website address and web-link where latest available financial statements are placed.	vii. <a href="https://meta-tech.com.pk/">https://meta-tech.com.pk/</a>
viii. Contact details for shareholder facilitation (in form of postal address, phone number or email address)	viii. Mr. Muhammad Usman Company Secretary Tel: +92 323 5378359 Office No. 508, 5th Floor, LSE Building, Aiwan-e-Iqbal , Lahore.
<b>b) <u>Profile of Management and Sponsors:</u></b>	
i. Profile of directors (names, executive/ nonexecutive/ independent/nominee director and tenure of directorship held)	i. Annexure – A
ii. (Other directorships held (provide names of the company(ies)))	ii. Annexure – A
iii. Name of Sponsors.	iii. <b>Modaraba Al Mali</b>
<b>c) Share capital of the Company and existing shareholding pattern.</b>	<ul style="list-style-type: none"> <li>▪ Share Capital: PKR 74,324,250/-</li> <li>▪ Existing shareholding pattern - Annexure – B</li> </ul>
<b>d) Name of the statutory auditor(s)</b>	M/s Kreston Hyder Bhimji & Co. Chartered Accountants

e) Name of holding company, if any.	Not Applicable																																																																																																																								
f) Name of associated companies.	<b>Modaraba Al Mali</b>																																																																																																																								
g) Financial highlights of company for preceding three years including revenue/sales, gross profit, profit before interest and tax, profit after tax, accumulated profit or (loss), total assets, total liabilities, net equity, break up vale per share, latest market price per share, total liabilities, debt instruments issued, Interest coverage ratio, capital ratios, earnings per share, dividend, if any, bonus issue, if any.	<table><tr><td></td><td></td><td><b>FY 2021-22</b></td><td><b>FY 2020-21</b></td><td><b>FY 2019-20</b></td></tr><tr><td>Net Sales</td><td>Rs.</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Gross Profit</td><td>Rs.</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Profit before Interest and Tax</td><td>Rs.</td><td>341,981</td><td>(23,744,115)</td><td>135,538,963</td></tr><tr><td>Net Profit after Tax</td><td>Rs.</td><td>341,981</td><td>(25,888,967)</td><td>135,538,963</td></tr><tr><td>No. of Shares Outstanding</td><td>Nos.</td><td>1,633,500</td><td>1,633,500</td><td>1,633,500</td></tr><tr><td>Non-Current Assets</td><td>Rs.</td><td>-</td><td>7,690</td><td>13,254,484</td></tr><tr><td>Current Assets</td><td>Rs.</td><td>179,096,348</td><td>122,237,838</td><td>112,957,288</td></tr><tr><td>Total Assets</td><td>Rs.</td><td>179,096,348</td><td>122,245,528</td><td>126,211,772</td></tr><tr><td>Non-Current Liabilities</td><td>Rs.</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Current Liabilities</td><td>Rs.</td><td>105,215,041</td><td>48,706,201</td><td>26,783,478</td></tr><tr><td>Total Liabilities</td><td>Rs.</td><td>105,215,041</td><td>48,706,201</td><td>26,783,478</td></tr><tr><td>Paid-Up Capital</td><td>Rs.</td><td>16,335,000</td><td>16,335,000</td><td>16,335,000</td></tr><tr><td>Reserves</td><td>Rs.</td><td>57,546,307</td><td>57,204,327</td><td>83,093,294</td></tr><tr><td>Shareholders' Equity</td><td>Rs.</td><td>73,881,307</td><td>73,539,327</td><td>99,428,294</td></tr><tr><td></td><td></td><td>-</td><td>-</td><td>-</td></tr><tr><td colspan="5"><b>Ratio Analysis</b></td></tr><tr><td>EPS</td><td>Rs./Share</td><td>0.21</td><td>(15.85)</td><td>82.97</td></tr><tr><td>Woking Capital</td><td>Rs.</td><td>73,881,307</td><td>73,531,637</td><td>86,173,810</td></tr><tr><td>Book Value</td><td>Rs./Share</td><td>45.23</td><td>45.02</td><td>60.87</td></tr><tr><td>Current Ratio</td><td>times</td><td>1.70</td><td>2.51</td><td>4.22</td></tr><tr><td>Gearing Ratio</td><td>times</td><td>1.42</td><td>0.66</td><td>0.27</td></tr><tr><td>Dividend</td><td>%</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Bonus</td><td>%</td><td>355%</td><td>-</td><td>-</td></tr></table>			<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>FY 2019-20</b>	Net Sales	Rs.	-	-	-	Gross Profit	Rs.	-	-	-	Profit before Interest and Tax	Rs.	341,981	(23,744,115)	135,538,963	Net Profit after Tax	Rs.	341,981	(25,888,967)	135,538,963	No. of Shares Outstanding	Nos.	1,633,500	1,633,500	1,633,500	Non-Current Assets	Rs.	-	7,690	13,254,484	Current Assets	Rs.	179,096,348	122,237,838	112,957,288	Total Assets	Rs.	179,096,348	122,245,528	126,211,772	Non-Current Liabilities	Rs.	-	-	-	Current Liabilities	Rs.	105,215,041	48,706,201	26,783,478	Total Liabilities	Rs.	105,215,041	48,706,201	26,783,478	Paid-Up Capital	Rs.	16,335,000	16,335,000	16,335,000	Reserves	Rs.	57,546,307	57,204,327	83,093,294	Shareholders' Equity	Rs.	73,881,307	73,539,327	99,428,294			-	-	-	<b>Ratio Analysis</b>					EPS	Rs./Share	0.21	(15.85)	82.97	Woking Capital	Rs.	73,881,307	73,531,637	86,173,810	Book Value	Rs./Share	45.23	45.02	60.87	Current Ratio	times	1.70	2.51	4.22	Gearing Ratio	times	1.42	0.66	0.27	Dividend	%	-	-	-	Bonus	%	355%	-	-
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h) Financial highlights for preceding three years of consolidated financial statements same as (f) above, if any.	Not Applicable																																																																																																																								
i) Details of debt instruments issued in previous three years and their redemption status.	Not Applicable																																																																																																																								
j) Utilization of funds obtained through issuance of debt instruments.	Please refer to Annexure-C																																																																																																																								
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a) Issue price.	Rs. 10/- per Certificate																																																																																																																								
b) Cut-off date.	Annexure-C																																																																																																																								
c) Profit rate.	Annexure-C																																																																																																																								
d) Ratio in which convertible debt securities are offered.	550 Sukuk for every 100 Ordinary Shares held on the entitlement date i.e. 550% right sukuk																																																																																																																								
e) Conversion mechanism.	Annexure-C																																																																																																																								
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g) Credit rating of instrument, if any.	Annexure-C																																																																																																																								
h) Salient features of the issue.	Annexure-C																																																																																																																								
i) Type of security.	MetaTech Health Limited – Perpetual and Convertible Sukuk (Annexure-C for Detail)																																																																																																																								
j) Put option or call option (if any)	Not Applicable (Annexure-C)																																																																																																																								
k) Purpose of the issue and detailed utilization of proceeds.	Annexure-C																																																																																																																								
l) Time line relating to utilization of proceeds.	Annexure-C																																																																																																																								
m) Date of meeting of board of directors (BOD) wherein the right issue was approved	<b>October 31, 2022</b>																																																																																																																								
n) Names of directors attended the BOD meeting.	1 Mr. Aftab Ahmad Chaudhry - Chairman 2 Mr. Mansoor Ahmed Soomro - Chief Executive 3 Ms. Maaria Ahmad - Non-Executive Director																																																																																																																								

	<div>4 Mr. Rashid Matin Khan - Non-Executive Director</div> <div>5 Ms. Farzin Khan - Independent Director</div> <div>6 Mr. Muhammad Iqbal - Independent Director</div> <div>7 Mr. Usman Ali Shah - Independent Director</div>																														
<div>o) Total expenses to the issue; bankers' commission and others, if any. (tentative)</div>	<table><tr><th colspan="3">Expenses to the Issue</th></tr><tr><td></td><td></td><td></td></tr><tr><td>Total Size of the Issue</td><td>Rs.</td><td>408,783,380</td></tr><tr><td></td><td></td><td></td></tr><tr><td>Underwriting</td><td>1.50%</td><td>6,131,751</td></tr><tr><td>Bankers' to the Issue</td><td>0.25%</td><td>1,021,958</td></tr><tr><td>SECP/PSX/CDC Fee</td><td>1.00%</td><td>4,087,834</td></tr><tr><td>Misc.</td><td>2.00%</td><td>8,175,668</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td>19,417,211</td></tr></table>	Expenses to the Issue						Total Size of the Issue	Rs.	408,783,380				Underwriting	1.50%	6,131,751	Bankers' to the Issue	0.25%	1,021,958	SECP/PSX/CDC Fee	1.00%	4,087,834	Misc.	2.00%	8,175,668						19,417,211
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<div>p) Alternate funding arrangement, if any.</div>	<div>Underwriting arrangement</div> <div>Annexure-C</div>																														
<div>C . Information regarding risk factors and mitigating factors as applicable:</div>																															
<div>a) Description of major risks and company's efforts to mitigate them:</div> <div><div>i) risks relating to the project for which proceeds of the right issue are to be utilized.</div><div>ii) risks relating to under-subscription of the right issue.</div><div>iii) material contingencies.</div><div>iv) material commitments.</div><div>v) any adverse issue reported by the auditor in their audit reports in previous three years.</div></div>	<div>Annexure-C</div> <div><div>i) Dentures/aligners comes under latest health-care technology that require registration with multiple agencies to be eligible for export which may take time. The Company already has sufficient approvals, and is awaiting FDA registration for export to USA, which may take time. Increased competition from domestic and regional players may not result in sufficient business growth for the company.</div><div>ii) Risk of under-subscription of the right issue. The Company has made the underwriting arrangements to mitigate the risk of under-subscription.</div><div>iii) Not Applicable</div><div>iv) Equity Investment in Ensmile (Private) Limited (Annexure-C)</div><div>v) Company's share (HACC) is placed on the defaulters' counter by PSX, and subsequently trading in the share was suspended, due to defaulting clauses under Regulations 5.11.1.(b)(f)(i)(l) of the PSX Rule Book that are impugned against the Company, as highlighted as under:<div><div>• 5.11.1 b - It has suspended commercial production/ business operations in its principal line of business for a continuous period of one year;</div><div>• 5.11.1 f - It for any reason whatsoever has failed to join CDS after its security has been declared eligible security;</div><div>• 5.11.1 i - Its statutory auditor has issued a qualified opinion on the going concern assumption or has issued a disclaimer or an adverse opinion in the audit report;</div></div></div></div>																														

	<ul style="list-style-type: none"> <li>• 5.11.11 - A show cause notice for winding up has been issued to the Company by the Commission. However, winding up petition is not yet filed by the Commission against the Company. Trading in the share (at PSX) was suspended due to this show-cause.</li> <li>• Later, the SECP initiated the winding up proceedings via a show cause notice against the Company and the winding up order was passed on June 25, 2012, on the grounds that the Company had failed to hold two consecutive Annual General Meetings for the year ended June 30, 2010 and June 30, 2011 and that the operations of the Company had been closed since November 2010. The Company filed a revision application with the SECP under Section 484 of the Companies Ordinance, 1984 on September 12, 2012 against this order.</li> <li>• On December 01, 2021, the SECP finally set aside its Impugned Order of June 25, 2012, because the Company had made good on the defaults of holding the past years AGMs and had also published its financial statements. The SECP in its restoration order directed the directors of the Company to expedite the revival of the Company. The Company had intended to buy-back the shares from minority shareholders through escrow account to be maintained with the bank(s) for the purpose, but now the Company aims to revive itself through another line of business.</li> </ul> <p>Subsequently, these defaulters reasons are removed including adverse opinion from the statutory auditors related to going concern assumption while preparing financial statements and cessation of operating activities. Suspension was accordingly removed and trading was resumed from July 25, 2022.</p>
<b><u>D.</u> Eligibility Criteria and associated matters:</b>	
<b>a)</b> members' eligible / entitlement of getting the Letter of Offer.	<b>To be filled later Once Date of Entitlement and Dates Book Closure are announced by the Company and Trading Schedule ( of Letter of Offer) is received from PSX</b>
<b>b)</b> Bankers to the Issue	
<b>c)</b> Date up to which the offer, if not accepted, shall be deemed to have been declined	
<b>d)</b> mode of acceptance (only through banking channel): i) bank account number. ii) date by which amount to be credited in bank account to constitute valid acceptance. iii) Acceptable banking instruments.	
<b>E. Any other material information that may have direct or indirect bearing on the investment decision.</b>	Annexure-C

## ANNEXURE – A

### Profile of Directors

Sr.	Names of Director	Brief Profile	Directorship held in other Companies
1	<b>Zahid Mahmood</b> Non-Executive Director/ Chairman	<p>Dr. Zahid Mahmood is a Non-Executive Director on the Board of the company. He remained managing director and shareholder in different corporate membership companies of ISE, LSE, KSE from 1998-2017. He is also shareholder of ISE Towers REIT Management Company Limited.</p> <p>Dr Zahid Mahmood had been in the business of brokerage and investment in the equities market since inception of the Islamabad Stock Exchange, nearly Thirty years. He was elected Director of the former Islamabad Stock Exchange. He was major shareholder and Director of M. A. Textiles, Faisalabad, a prominent textile dyeing and finishing plant. In addition, he is a shareholder and Director of Stratton Enterprises, Islamabad. In addition, he remained a member of the Board of Directors ISE REIT Management Company Limited 2016-2019. Dr Zahid was also a member of the Audit Committee and the Building Management Committee of ISE Towers REIT Management Company.</p> <p>Dr. Zahid has extensive experience in the field of administration, Finance and Human Resource Management and tirelessly devotes his time towards the improvement of finance, accounts, operational maintenance and security matters of ISE Towers</p>	<ul style="list-style-type: none"> <li>Stratton Enterprises (Pvt) Limited</li> </ul>
2	<b>Mansoor Ahmed Soomro</b> Chief Executive Officer	<p>Mr. Mansoor is the appointed Chief Executive Officer of the Company and holds no other directorship on the board of any other company.</p> <p>Mr. Mansoor is CIMA qualified and has adequate experience in the field of finance.</p>	<ul style="list-style-type: none"> <li>No Directorship in other Company</li> </ul>
3	<b>Sohail Habib</b> Executive Director/ Chief Operating Officer	<p>Mr. Sohail Habib is FCMA and having vast experience (more than 25 years) of accounting, finance, project management. He has also worked as a Manager Operations at Dawood Battery Project of First Treet Manufacturing Modaraba. He is working as Chief Operating Officer in the Company.</p>	<ul style="list-style-type: none"> <li>No Directorship in other Company</li> </ul>
4	<b>Maaria Ahmad</b> Non-Executive Director	<p>Ms. Maria is the youngest Non-Executive Director of the Company. She has no directorship on the boards of any other company.</p>	<ul style="list-style-type: none"> <li>No Directorship in other Company</li> </ul>
5	<b>Muhammad Iqbal</b> Independent Director	<p>Mr. Muhammad Iqbal is the Non-Executive Director of the Company. He obtained his law degree from Pakistan College of Law (Punjab University) in the year 2003 and joined Qutub and Qutub, law chamber of District and Sessions Judge (Rtd.) Syed Ijaz Qutub. Mr. Iqbal has participated in number of workshops and seminars on issues such as Arbitration, Advocacy Skills and Money Laundering etc.</p> <p>His area of interest includes civil, criminal, constitutional, service and banking litigation. Now he is working as partner at Allied Legal Services.</p>	<ul style="list-style-type: none"> <li>No Directorship in other Company</li> </ul>
6	<b>Farzin Khan</b> Independent Director	<p>Ms. Farzin Khan: She has had the experience of serving in two regulatory agencies-the Securities and Exchange Commission of Pakistan (SECP) and Competition Commission of Pakistan. She holds an MBA in Finance as well as Masters in Financial Management from the University of Bradford shire, United Kingdom. She serves as a director in many companies such as;</p>	<ul style="list-style-type: none"> <li>ISE Towers REIT Management Company Limited</li> <li>Citi Pharma Limited</li> </ul>

		ISE REIT Management Company etc., besides also serving as an independent director in another listed company, Citi Pharma Limited.	
7	<b>Usman Ali Shah</b> Independent Director	Mr. Usman Ali Shah has been serving in the IT industry for over a decade including the education sector and a number of NGOs. He has also provided his consultancy expertise to a UNDP project and has been a part of a USAID funded program. He holds a Bachelor's degree in Information technology.	<ul style="list-style-type: none"> <li>No Directorship in other Company</li> </ul>

**ANNEXURE – B**

**Pattern of Shareholding - October 10, 2022**

	<b>Physical</b>	<b>CDC</b>	<b>Total</b>
Directors, their Spouse and Family Members	28	-	28
Public/Others	287,062	4,638,836	4,925,898
Modaraba Al-Mali	-	2,229,013	2,229,013
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	-	277,486	277,486
	-	-	-
	<b>287,090</b>	<b>7,145,335</b>	<b>7,432,425</b>
No. of Accounts/Folios	<b>371</b>	<b>468</b>	<b>839</b>



## ANNEXURE – C

### 1. Detail of Right Issue

#### a. Type of Security to be Issued

**MetaTech Health Limited – Perpetual and Convertible Sukuk** (“the Sukuk”) is being offered to the existing shareholders by way of Right under relevant rules and regulations.

#### b. Quantum of the Right Issue (i.e. as percentage of existing paid up capital)

The quantum of the Right Issue is approximately **550%** of the existing paid up capital of the Company i.e. approximately **550** right Sukuk for every **100** ordinary shares held by the shareholders of the Company.

#### c. Right Issue Size

The Company shall issue **40,878,338** Sukuk, at a price of PKRs. 10/- per Sukuk, aggregating to PKRs. **408,783,380/-**

#### d. Right Issue Price

PKRs. 10/- per Sukuk i.e. at par value

#### e. Purpose of the Issue

The purpose of the Issue:

- Development and operation of **Ensmile Studios** across the Country including working capital requirement;
- Equity Investment in **Ensmile (Private) Limited** up to Rs. 300.00 million (as per “Revival Business Plan”)
- Repayment of issue expenses, trade and other liabilities;

#### Detail of the Issue

1 -	Name of Security	MetaTech Health Limited – Perpetual and Convertible Sukuk
2 -	Security Type and relevant Regularity Provisions	Redeemable Capital - Sukuk 1. Section 66 of the Companies Act, 2017 2. the Issuance of Convertible Debt Securities through Right Offer Regulations, 2022 3. the Structuring of Debt Securities Regulations, 2020 4. Section 87(4)(d)(i) of the Securities Act, 2015 5. Section 83(1)(b) of the Companies Act, 2017 6. All other enabling provisions under the Securities Act, 2015, the Companies Act, 2017 and other laws, rules and regulations
3 -	Participation in Surplus Assets in case of Liquidation	No participation unless converted into ordinary shares on occurrence of triggering event. On conversion, new ordinary shares issued (on conversion) shall rank pari-passu to the existing ordinary shares
4 -	Profit (on Debt) is Cumulative or Non-Cumulative	<b>Cumulative only to the extent of Base Rate</b> Non-Cumulative over and above Base Rate unless Profit Rate (over and above the Base rate) is declared by the Board of Directors of the Company. Interim profit can also be declared by the Board of Directors.
5 -	Redemption	Not Applicable

6 -	Redemption Rate	Rs. / Certificate	Not Applicable
7 -	Conversion into Ordinary Shares of the Company		Conversion into Ordinary Shares of the Company on occurrence of triggering events
8 -	Conversion Rate		One Sukuk into One Ordinary Share
9 -	Call Option in Cash to the Company		Not Applicable
10 -	Put Option in Cash to the Sukuk-holder		Not Applicable
11 -	Par/ Nominal Value	Rs. / Certificate	<b>10.00</b>
12 -	Issue Price	Rs. / Certificate	<b>10.00</b>
13 -	Issuance by way of		Issuance to the existing ordinary shareholders of the Company <b>by way of Right</b> in the ratio of <b>550% i.e. 550</b> Sukuks for every 100 Ordinary Shares held on the Entitlement Date
14 -	Tenor		Perpetual unless converted into Ordinary Shares on triggering events
15 -	Instrument Rating		Instrument Rating <b>Long Term</b> : <b>Short Term</b> :  By JCR-VIS Credit Rating Agency <b>(Under Process)</b>
16 -	Security / Charge		Pari-passu floating charge on current (present and future assets). Charge shall be created within 90 days of the issuance of Sukuk
17 -	Voting Rights		Voting rights equivalent to ordinary share i.e. <b>One Sukuk carries voting right equivalent to One Ordinary Share</b> Rights, privileges and obligations is as applicable to the Ordinary Shareholders of the Company
18 -	Profit Rate		As decided by the Board of Directors over and above Base Rate (per Sukuk) without any priority on existing Ordinary Shares of the Company
19 -	Base Rate		Rs. <b>1.00</b> per Sukuk per annum to be paid to the Sukukholders latest by end of every December 31 <sup>st</sup> of each year.
20 -	Right to Bonus to the Sukukholders		Not Applicable No Bonus entitlement (in the form of Sukuk or Shares) to the Sukuk-holders
21 -	Any Other Right(s)		1. No right to the Right Issue (in the form of Shares or Sukuk) 2. No Right to Specie Dividend (in any form) 3. No Right to Dividend (declared and paid to the Ordinary Shareholders)
22 -	Listing		Technically listed on PSX but trading shall be made through <b>Twin Custody Receipt (TCR)</b> <b>Twin Custody Receipt (TCR)</b> shall be listed on PSX
23 -	Shari'ah Compliance		Shari'ah Compliant <b>(Under Process)</b>

<b>24 -</b>	Issue Size	Rs.	<b>Rs. 408,783,380</b>
<b>25 -</b>	Issue Size	Nos.	<b>40,878,338</b>
<b>26 -</b>	Ranking/Priority		Priority over any other form of shares but subordinate to any other secured loan (including loans secured by way of floating charge)
<b>27 -</b>	Triggering Event		<p>1 – if the winding up (either compulsory or voluntary) of the Issuer has occurred;</p> <p>2 – if a receiver or administrator (or equivalent person in any other jurisdiction) is appointed over any of the assets of any of the Issuer or part thereof;</p> <p>3 – if the Issuer is unable to pay its indebtedness as it falls due;</p> <p>4 – In respect of the issuance of the Sukuk, if the Issuer fails/omits to comply with the Terms and Conditions in terms thereof in any material respect including payment of three consecutive profits that are accrued;</p> <p>5 – If special resolution is passed by the shareholders (including Sukukholders) in the general meeting to convert the Sukuk into Ordinary Shares of the Company at the conversion rate</p>
<b>28 -</b>	Trustee of the Sukuk		<b>Under Process</b>
<b>29 -</b>	Trustee of the Custody Receipt		<b>Under Process</b>
<b>30 -</b>	Investment Agent		<b>Under Process</b>
<b>31 -</b>	Meeting and Resolutions		Since voting rights are vested to the Sukuk-holders, no separate meeting or resolution(s) are required. Sukuk-holders can convene the general meeting and pass the resolutions as the shareholders under the relevant provisions of the Companies Act, 2017
<b>32 -</b>	Other Issuance		Sukuks can also be issued to the Ordinary Shareholders by way of Bonus if declared by the Board of Directors of the Company
<b>33 -</b>	Twin Custody Receipt (TCR) (Custody receipt) And the Ratio of Entitlement		<p>Twin Custody Receipt (TCR) shall be issued to the shareholders of the Company on the Effective Date as follows:</p> <ol style="list-style-type: none"> <li>1. The existing shares of the Company shall be handed-over to the Trustee (of the Custody Receipt) and no separate trading in the share shall take place;</li> <li>2. Sukuk shall be handed over to the Trustee (of the Twin Custody Receipts) on behalf of the Sukuk-holders by the Company and no separate trading in the Sukuks shall take place;</li> <li>3. The Twin Custody Receipt (TCR) shall be issued by the Trustee as per the mechanism provided in <b>Annexure-B</b>.</li> <li>4. The number of Twin Custody Receipts (TCR) shall be adjusted on bonus issue, right issue, share capital reduction, conversion, if any, and accordingly the Ex-Price shall be worked out as per the applicable PSX's procedures.</li> <li>5. The value of the Twin Custody Receipt (TCR) shall be adjusted as per the applicable PSX's procedures on the instances of Dividend Payments, Specie</li> </ol>

	Dividends, and Profit Payments (on Sukuk).
	6. The Sukuk and the Shares of the Company through the Twin Custody Receipt will represent the ratio of entitlement and accordingly the entitlements, rights, privileges and obligations to the individual investors/Shareholders / Sukukholders shall be adjusted as described in the <b>Annexure-B</b> (Mechanism).The trading will be done through METACR which will be tradeable security in terms of the Securities Act, 2015 and same underlying entitlements shall be transferred to the holder of the Twin Custody Receipts as per the ratio of entitlement.
	7. The procedure given in <b>Annexure-B</b> shall be followed.
<b>34 - Approvals</b>	<ol style="list-style-type: none"> <li>1. The Board of Directors of the Company has approved to issue Sukuk through right offer.</li> <li>2. Approval from Securities and Exchange Commission of Pakistan is <b>to be</b> obtained under Section 83(1)(b) of the Companies Act, 2017 for further issue of share capital in relation to conversion of convertible debt securities to share capital (for maximum 50,000,000 Sukuk to be converted into 50,000,000 Ordinary Shares of the Company)</li> </ol>
<b>35 - Trading of Letter of Offer</b>	Sukuk to be offered to the existing shareholders by way of right. Trading of Letter of Offer shall be made per Right Issue Procedures of PSX as applicable to the Right Sukuk.

## 2. Utilization of Proceeds of the Right issue and Benefits to the Company and its Shareholders – (including Business Model of Company and its Products)

The funds generated from the further issue of capital will be utilized in the Healthcare business directly and indirectly (through equity investment).

META is targeting to reposition itself in the “HealthCare Technology Business” that includes but not limited to technology devices, medical care, diagnostics, pharmacies and pharmaceuticals. In the first phase, META is going to invest in Ensmile (Private) Limited (the “Ensmile”), a company that deals in invisible dental aligners that are:

- Invisible
- Removable
- No change in diet and lifestyle
- Easy to maintain
- Smooth and comfortable
- Shorter Appointment
- Very few visits only required
- Results can be visualized before starting the treatment

**Ensmile** is coined on technological innovation based on 3-D printing and resultant braces are convenient, affordable, precise and fast. Ensmile is already exporting almost 100% of its production to some global markets. An investment in Ensmile shall enable META to earn returns based on foreign exchange. Target market of

Ensmile is export market that includes but not limited to Germany, Portugal, UK, Singapore, UAE, Turkey etc. It is fast growing coming with potential of exponential growth.

META is to make equity investment of Rs. 300.00 million for 1/3<sup>rd</sup> (33.33%) stake in **Ensmile** with the right to appoint 03 directors (or 40% directors on Board whichever is higher) and jointly control and run the Accounts, Finance and Corporate Departments of the Company in order to exercise effective financial and administrative controls. Ensmile will focus on export business (and development of export market) whereas META will handle local business of Ensmile through development of Ensmile Dental Studios all across Pakistan and shall be responsible for sales and marketing.

### 3. Risk Factors associated with the Right issue

1. Dentures/aligners comes under latest health-care technology that require registration with multiple agencies to be eligible for export which may take time. The Company already has sufficient approvals, and is awaiting FDA registration for export to USA, which may take time.
2. Increased competition from domestic and regional players may not result in sufficient business growth for the company.
3. Risk of under-subscription of the right issue. The Company has made the underwriting arrangements to mitigate the risk of under-subscription.
4. Part IX (Takeovers) of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 apply.
5. Such type of Sukuk with the concept of “**Twin Custody Receipt**” is being offered first time in Pakistan. Thus, various it may be time consuming to get all the relevant approvals and clearance from SECP, CDC, PSX and NCCPL though legal framework of corporate laws of the Country allows such type of financial products/securities.

### 4. Timelines of Utilization of Proceeds

	Latest by	Maximum Amount
Development and operation of Ensmile Studios across the Country including working capital requirement;	June 30, 2023	Rs. 65.00 million
Equity Investment in Ensmile (Private) Limited up to Rs. 300.00 million (as per “Revival Business Plan”);	January 31, 2023	Rs. 300.00 million
Repayment of issue expenses, trade and other liabilities;	December 31, 2022	Rs. 43.78 million

#### 5. Twin Custody Receipt (METACR) Mechanism to be followed

**Subject to necessary changes according to the modalities finalized between the stakeholders (CDC, NCCPL, PSX, SECP and the Company)**

##### **Annexure - B - Twin Custody Receipt (METACR) Mechanism**

Name of Company	:	<b>MetaTech Health Limited</b>		
PSX / CDC Symbol	:	META		
Name of Security	:	Twin Custody Receipt (METACR)		
No. of Securities in the Bundle		No. of Securities	Par Value Rs. Per Security	Nominal Capital Rs.
\				
Ordinary Shares	1.00	7,432,425	10.00	74,324,250
Perpetual and Convertible Sukuk	5.50	40,878,338	10.00	408,783,380
		48,310,763		483,107,630

Issuance of Twin Custody Receipt (METACR)		No. of METACR	Theoretical Ex-Price Rs. / METACR	Market Capitalization
1 -	Market Price of Ordinary Share Capital before Issuing Twin Custody Receipt ( METACR )*	7,432,425	14.00	104,053,950
2 -	Issuance of Perpetual and Convertible Sukuk by way of Right Issue	40,878,338	10.00	408,783,380
<b>No. of Twin Custody Receipt to be Issued and its Theoretical Price</b>		<b>48,310,763</b>	<b>10.62</b>	<b>512,837,330</b>

\*Hypothetical value taken for example. However, Market Price of the Share (META) as on Effective Date shall be taken into account to determine Opening Price of METACR.

**Each Twin Custody Receipt shall represent 1.00 of Ordinary Shares and 5.50 of Perpetual and Convertible Sukuk and this ratio shall be adjusted on Bonus Issue, Right Issue etc.**

**Persons holding Share or Sukuk (through right subscribed) or both shall get the METACR on Effective Date as follows**

Figures are used for Example Only	No. of Shares	No. of Right Sukuks	METACR
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		<b>Subscribed</b>	<b>Nos.</b>
<b>Person – 1</b>	1,000	5,000	6,000
<b>Person – 2</b>	-	200,000	200,000
<b>Person – 3</b>	10,000	-	10,000
			<b>216,000</b>

#### **Effect on METACR of Certain Corporate Actions**

##### **1 - Issue of Bonus (as an Example)**

	50% on Ordinary Shares	
	<b>No. of Securities</b>	
Ordinary Shares after Bonus	11,148,637	
Perpetual and Convertible Sukuk	40,878,338	
No. of Twin Custody Receipt	52,026,975	
<b>No. of Twin Custody Receipt to be adjusted</b>	<b>3,716,212</b>	
Market Price before Ex-Bonus of Twin Custody Receipt	<b>15.00</b>	Say
Market Capitalization	724,661,445	
Theoretical Ex-Bonus Price Twin Custody Receipt	13.93	

##### **2 - Issuance of Dividend and Profit Payment (as an Example)**

	<b>No. of Securities</b>	<b>Dividend/Profit per Share/Sukuk</b>	<b>Total Payment</b>	<b>Pro-Rata Entitlement Per METACR</b>
Ordinary Shares	11,148,637	2.00	22,297,274	0.43
Perpetual and Convertible Sukuk	40,878,338	3.00	122,635,014	2.36
	52,026,975		144,932,288	
Market Price before Ex-Dividend/Profit of Twin Custody Receipt	<b>14.00</b>			
Market Capitalization	728,377,650			
Less : Dividend / Profit	(144,932,288)			
	583,445,362			
Theoretical Ex-Dividend/Profit Price Twin Custody Receipt	<b>11.21</b>			

**Persons holding Share or Sukuk (through right subscribed) or both shall get the Entitlement as follows**

Figures are used for Example Only

	No. of TCR	Dividend Payment	Profit Payment	No. of Voting Shares
<b>Pro-Rata Entitlement - Per METACR</b>		<b>2.36</b>	<b>0.43</b>	
Person - 3	10,000	23,571	4,286	10,000
Person - 4	5,000	11,786	2,143	5,000
Person - 5	1,000	2,357	429	1,000
<b>3 - Issuance of Right Shares (as an Example)</b>				
Right Price - Rs./Share			10.00	
Right Issue - Nos.			11,148,637	100%
Market Price before Ex-Right of Twin Custody Receipt			14.00	Say
Market Capitalization			728,377,650	
Right Proceeds			111,486,370	
			839,864,020	
No. of Twin Custody Receipt after Right			63,175,612	
Theoretical Ex-Right Price of Twin Custody Receipt			13.29	
<b>Balance Sheet of the Company after Right Issue - Capital Portion</b>				
		<b>No. of Securities</b>	<b>Value in Rs.</b>	
Ordinary Shares		22,297,274	222,972,740	
Perpetual and Convertible Sukuk		40,878,338	408,783,380	
			<b>631,756,120</b>	

As a general principle, the number of **Twin Custody Receipts (TCR)** shall be adjusted on bonus issue, right issue, share capital reduction, conversion, if any, and accordingly the Ex-Price shall be worked out as per the applicable PSX's procedures. The value of the Twin Custody Receipt (TCR) shall be adjusted as per the applicable PSX's procedures on the instances of Dividend Payments, Specie Dividends, and Profit Payments (on Sukuk).