



The General Manager

June 4, 2025

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: Notice of Extraordinary General Meeting

Dear Sir,

This is to announce that the Supernet Technologies Limited ("the Company") intends to hold its Extraordinary General Meeting to be held on Friday, June 27, 2025 at Khorshed Mahal, Avari Towers, Fatima Jinnah Road, Karachi-75530, Pakistan, at 10:30 a.m. Following documents has been attached for information:

- a) Notice of Extraordinary General Meeting dated June 4, 2025.
- b) Statement of Material Facts under Section 134(3) of the Companies Act, 2017
- c) Statement under Section 281 of the Companies Act, 2017
- d) Scheme of Arrangement dated May 27, 2025
- e) Swap Letter dated May 16, 2025 issued by H.A.M.D & Co. Chartered Accountants
- f) Special Purpose Financial Statements of the Company audited for six month period from July 1, 2024 to December 31, 2024.

Share Transfer Books of the Company will remain closed from June 21, 2025 to June 27, 2025 (both days inclusive).

Please note that transfer received at the F.D. Share Registrar (Private) Limited located at 17th Floor, Trade Center, I.I. Chundrigar Road, Karachi at the close of business on June 20, 2025 will be treated in time for the purpose of above entitlement to the transferees.

Regards,

Muhammad Farhan Saeed
Company Secretary

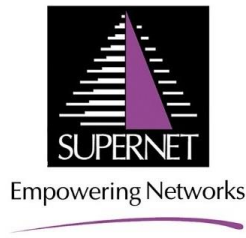


Enclosure: As above.

SUPERNET TECHNOLOGIES LIMITED

(Formerly Hallmark Company Limited)

Registered Office: 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block – 5, Clifton, Karachi, Sindh 75600
Phone: +92-21-38553750 www.hiclpk.com



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that pursuant to the Order of the Honourable High Court of Sindh at Karachi dated June 3, 2025, passed in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J. C. M. No. 24 of 2025, an Extraordinary General Meeting (“**EOGM**”) of **Supernet Technologies Limited** (the “**Company**”) will be held at, and conducted from, Khorshed Mahal, Avari Towers, Fatima Jinnah Road, Karachi-75530, Pakistan, on Friday, June 27, 2025 at 10:30 a.m., including through video link facility, to transact the following business:

A. Special Business

Pursuant to the Order of the High Court of Sindh dated June 3, 2025, passed in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J. C. M. No. 24 of 2025, to consider and, if thought fit, to pass, with or without modification, the following resolution for, *inter alia*, the corporate / capital re-organization of the Company and its group company i.e. Supernet Limited (“**SNL**”), along with their respective members, involving, *inter alia*, the merger, by way of amalgamation, of SNL with and into the Company, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated May 27, 2025, as approved by the Board of Directors of the Company on May 27, 2025.

The proposed 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 May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate / capital re-organization of Supernet Technologies Limited and its group company i.e. Supernet Limited, along with their respective members, involving, *inter alia*, the merger, by way of amalgamation, of the entire undertaking of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, including the issuance of shares of Supernet Technologies Limited, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”*

B. Other Business

To transact any other business that may be placed before the meeting 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; (d) Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants; and (e) Special purpose financial statements of the Company audited for the six month period from July 1, 2024 to December 31, 2024, are being circulated to the members along with this notice of the EOGM.

By the Order of the Board

Muhammad Farhan Saeed
Company Secretary

Karachi: June 4, 2025

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Notes:

1. The share transfer books of the Company will remain closed from June 21, 2025 to June 27, 2025 (both days inclusive). Transfers received in order at the office of the Company's share registrar, namely F.D. Registrar Services (Private) Limited, located at 17th Floor, Trade Centre, I. I. Chundrigar Road, Karachi, by the close of business on June 20, 2025 will be treated in time for the determination of entitlement of members to attend and vote at the EOGM.
2. A member of the Company entitled to attend, speak and vote at the EOGM may appoint another member as his / her proxy to attend, speak and vote in place of the member. Proxies, in order to be effective, must be received at the Company's registered office, situated at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi, at least 48 hours before the time of holding the EOGM and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy. Form of proxy can be downloaded from the Company's website: <http://supernet-technologies.com/>
3. Any Individual Beneficial Owner of CDC, entitled to attend and vote at the EOGM, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of the member's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose (and as detailed below).

CDC Account Holders will also be required to follow the under mentioned guidelines, as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP):

For Attending the EOGM

- 3.1 In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate identity by showing his / her original CNIC or original passport at the time of attending the EOGM.
- 3.2 Members registered on CDC are also requested to bring their particulars, I. D. Numbers and account numbers in CDS.
- 3.3 In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the EOGM.

For Appointing Proxies

- 3.4 In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- 3.5 The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- 3.6 Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 3.7 The proxy shall produce his / her original CNIC or original passport at the time of the EOGM.
- 3.8 In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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4. Participation through Video Conference Facility

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

In this regard please send a duly signed request as per the following format at the registered address of the Company, at least 10 days before holding of the EOGM.

I/We, _____ of _____, being a member of Supernet Technologies Limited, holder of _____ ordinary share(s) as per registered Folio / CDC Account No _____, hereby opt for video conference facility at _____.

Signature of member

5. Virtual Participation in the EOGM Proceedings

5.1 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.

5.2 In order to attend the EOGM through electronic facility, members are requested to register themselves with the Company Secretariat by providing the requisite details at least 48 hours before the time of the EOGM (i.e. by 10:30 a.m. on June 25, 2025) through e-mail to be sent at companysecretary@supernet-technologies.com.

5.3 Members are advised to provide the following particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in the case of a corporate member, the scanned copy of the resolution of the Board of Directors / Power of Attorney with a specimen signature of the nominee must also be provided.

Name of Member*	CNIC / NTN No.	Folio No. / CDC Account No.	Cell No.	Email address
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* Where applicable, please also give the above particulars of the proxy-holder or nominee of the member.

5.4 The details of the electronic facility (video link and the login credentials) will only be sent to the interested members (whose email containing all the required and correct particulars are timely received) at their provided e-mail addresses. Accordingly, the members will be able to participate in EOGM proceedings through their smartphones or computer devices. In addition to the above, the members can also provide their comments and / or suggestions in connection with the agenda items of the EOGM by using the aforesaid means.

5.5 The login facility will be opened at 10:00 a.m. on June 27, 2025, enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 10:30 a.m. sharp.

6. Postal Ballot / E-Voting

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. Digital Custodian Company Limited has been appointed as the service provider for the E-Voting Facility and M/s S. M. Suhail & Co., Chartered Accountants have been appointed as the Scrutinizer. The following options are being provided to members for voting:

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6.1 E-Voting Procedure

- (i) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on June 20, 2025.
- (ii) The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email from web portal of the e-voting service provider.
- (iii) Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- (iv) E-voting lines will start from June 24, 2025, 9:00 a.m. and shall close on June 26, 2025 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.

6.2 Postal Ballot

- (i) Members may alternatively opt for voting through postal ballot. Ballot paper shall also be available for download from the website of the Company at <http://supernet-technologies.com/announcements-and-forms/> or members may use the same as annexed to this Notice and published in newspapers.
- (ii) Members shall ensure that duly filled and signed ballot paper, along with copy of CNIC/Passport should reach the Chairman of the meeting through post at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi (*Attention of the Company Secretary*) OR through the registered email address of the member at companysecretary@supernet-technologies.com with subject of 'STL – Postal Ballot for EOGM Dated June 27, 2025' by June 26, 2025 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/Passport. A postal ballot received after this time / date shall not be considered for voting.
- (iii) 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.

7. **Statutory Code of Conduct at EOGM:** Members are requested to observe the conduct referred to in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the EOGM.

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 in connection with the 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 other applicable laws, including mobile number / landline number and email address (if available).

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- Promptly notify any change in mailing address, email address and mobile number by writing to the office of the Company's Share Registrar.
9. No gifts will be distributed at the EOGM.
10. Copies of the: Memorandum and Articles of Association of the Company; Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business; Statement under Section 281 of the Companies Act, 2017; Scheme of Arrangement dated May 27, 2025; Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants; Annual audited financial statements of the Company for the year ended June 30, 2024; Special purpose financial statements of the Company audited for the six month period from July 1, 2024 to December 31, 2024, 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 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, 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.
11. The notice of the EOGM along with the statements, the Scheme of Arrangement, the latest annual audited financial statements, and the special purpose audited financial statements of the Company have also been placed on the website of the Company.

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FORM OF PROXY
EXTRAORDINARY GENERAL MEETING

I/We, _____ of _____, holding CNIC/Passport No. _____ and being a member of **Supernet Technologies Limited**, hereby appoint _____ of _____, holding CNIC/Passport No. _____, or failing him/her hereby appoint _____ of _____, holding CNIC/Passport No. _____, as my/our proxy to vote for me/us and my/our behalf at the Extraordinary General Meeting of the Company, to be held on the _____ day of _____ and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____, 20____.

WITNESSES:

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

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

CDC Account No.

Revenue
Stamp of
Rs. 5/-

To be signed by the above-named shareholder

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. A proxy must be a member of the Company.
2. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC of the appointer and the proxy-holder shall be furnished with the Proxy Form.
4. The proxy-holder shall produce his/her original CNIC at the time of the meeting.
5. In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted along with Proxy Form.

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Empowering Networks



Empowering Networks

POSTAL BALLOT PAPER

for voting through post for the Special Business at the Extraordinary General Meeting to be held on June 27, 2025 at 10:30 a.m.,
at Khorshed Mahal, Avari Towers, Fatima Jinnah Road, Karachi-75530, Pakistan.

Phone: +92-21-38553750 **Email Address:** companysecretary@supernet-technologies.com **Website:** <http://supernet-technologies.com/>

Folio/CDS Account Number	
Name of Shareholder/Proxy Holder	
Registered Address	
Number of Shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of a corporate body, corporation and federal government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

"RESOLVED THAT the Scheme of Arrangement dated May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate / capital re-organization of Supernet Technologies Limited and its group company i.e. Supernet Limited, along with their respective members, involving, *inter alia*, the merger, by way of amalgamation, of the entire undertaking of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, including the issuance of shares of Supernet Technologies Limited, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

Instructions for Poll

1. Please indicate your vote by ticking (v) the relevant box.

2. In case both the boxes are marked with a tick (v), your poll shall be treated as **"Rejected"**.

I/We hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing a tick (v) in the appropriate box below.

Resolution	I/We assent to the Resolution (FOR).	I/We dissent from the Resolution (AGAINST).
Resolution for Agenda Item 'A'		

1. Duly filled ballot paper should be sent to the attention of the Company Secretary of Supernet Technologies Limited at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi OR email at companysecretary@supernet-technologies.com.
2. Copy of CNIC/Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman within business hours by or before June 26, 2025. Any postal ballot received after this date will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated and overwritten poll papers will be rejected.
6. In case of a representative of a corporate body, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, /Power of Attorney, /Authorization Letter, etc. in accordance with Sections 138 or 139 of the Companies Act, 2017 as applicable. In the case of a foreign corporate body, etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the Member.
7. Ballot paper form has also been placed on the website of the Company at: <http://supernet-technologies.com/>. Members may download the ballot paper from the website or use an original/photocopied ballot paper published in newspapers.

Date:

Signature of the Shareholder/Proxy Holder/Authorized Signatory

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

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Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Supernet Technologies Limited

The Board of Directors of Supernet Technologies Limited (the “**Company**”), in its meeting held on May 27, 2025, has decided to enter into an arrangement with its group company, Supernet Limited (“**SNL**”), which shall be carried out, and effectuated, in terms of the Scheme of Arrangement between the companies and their respective members, dated May 27, 2025 (the “**Scheme of Arrangement**”) under Sections 279 to 283 and 285(8) of the Companies Act, 2017 (the “**Act**”).

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

Subject to the sanction of the Honourable High Court of Sindh at Karachi, under the Scheme of Arrangement: (i) the entire undertaking and business of SNL shall be merged, by way of amalgamation, with and into the Company, by transferring to and vesting in the Company all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. comprised in SNL (the “**Amalgamation**”), against the issuance of ordinary shares by the Company to the SNL Shareholders (being the members of SNL other than the Company itself and its nominees, if any); and (ii) there shall be a capital re-organization of the Company, in terms of which ordinary shares of the Company shall be issued to the STL Shareholders, by capitalizing a portion of the accumulated profits of the Company, available as at December 31, 2024, in each case, with effect from the start of business at 00:00 hours on January 1, 2025, or such other date as may be stated by the Court (collectively, the “**Arrangement**”).

The proposed Arrangement (including the Amalgamation), along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, which has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 24 of 2025. Furthermore, in accordance with the directions of the Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, 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 Act, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

The objects and benefits of the Arrangement are also provided in detail in the Scheme of Arrangement. It may be noted that the Company and SNL are group companies since the Company holds 51% (fifty one percent) of the shareholding of SNL; furthermore, the Company and SNL are subsidiaries of Telecard Limited. Consequently, the Arrangement effectively constitutes a corporate reorganization / merger of group companies, along with a capital re-organization of the Company.

The details pertaining to the commercial arrangements forming part of the Arrangement, including the consideration for the Amalgamation (including as a consequence of the cancellation of all the shares of SNL held by its members), are detailed in the Scheme of Arrangement, which are summarized below:

- (i) As part of the capital re-organization of the Company, the Company shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the STL Shareholders (being the members of the Company existing on the STL Record Date), credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of the Company, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) ordinary shares of the Company for every 1 (one) ordinary share held by each STL Shareholder (subject to the adjustment of fractional shares / entitlements, if any). Approval of the members of the Company to the Scheme of Arrangement shall include and constate an approval for the said capitalization in accordance with the Articles of Association of the Company; and

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- (ii) In consideration for the Amalgamation, taking into account the shares of SNL held by the Company and factoring in the ordinary shares of the Company to be allotted and issued to the STL Shareholders (as detailed above), the Company shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the SNL Shareholders existing on the SNL Record Date, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 ordinary shares of the Company for every 1 (one) ordinary share of SNL, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (subject to the adjustment of fractional shares / entitlements). The said consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies based on the calculations and valuations stated in the Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, based, *inter alia*, on the special purpose financial statements of the respective companies for the period ended December 31, 2024, under the adjusted net asset value based approach. The said Swap Letter has also been adopted by the Board of Directors of each company.

The above shall be carried out and effectuated in accordance with the provisions of the Scheme of Arrangement.

Furthermore, pursuant to the sanction of the Scheme of Arrangement, the authorized share capital of the Company shall stand automatically increased from PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million) to PKR 3,000,000,000/- (Pak Rupees Three Billion), divided into 300,000,000 (Three Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the Company and SNL. The Memorandum and Articles of Association of the Company shall stand amended in terms of the Scheme of Arrangement. The approval of the members of the Company to the Scheme of Arrangement shall include and constitute an approval by way of special resolution from the members of the Company to all matters under the Scheme of Arrangement, including the increase in the authorized share capital of the Company.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their directorships (including common directorships) and (direct and / or indirect) shareholdings in the Company and / or SNL and / or Telecard Limited (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement or as further detailed in the Statement under Section 281 of the Act.

In view of the above, the Board of Directors of the Company has approved and recommended the Scheme of Arrangement, 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 of Arrangement 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 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi, free of cost during normal office hours.

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

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STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES TO THE MEMBERS OF SUPERNET TECHNOLOGIES LIMITED

Pursuant to the Order dated June 3, 2025, passed by the Honourable High Court of Sindh at Karachi in Civil Miscellaneous Application No. 3248 of 2025, in Petition bearing J. C. M. No. 24 of 2025, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that a meeting of the members of Supernet Technologies Limited (the “**Company**”) be convened for seeking approval with respect to the Scheme of Arrangement dated May 27, 2025 (the “**Scheme of Arrangement**”), pertaining to the corporate / capital re-organization of the Company and its group company i.e. Supernet Limited (“**SNL**”), involving, *inter alia*: (i) the merger, by way of amalgamation, of the entire undertaking of SNL with and into the Company, by transfer to and vesting in the Company all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. comprised in SNL (the “**Amalgamation**”); and (ii) a capital re-organization of the shareholding of the Company (collectively, the “**Arrangement**”), along with all ancillary matters thereto, as approved by the Board of Directors of the Company on May 27, 2025.

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

A copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members 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 of Arrangement and the Arrangement contemplated thereunder, along with ancillary matters:

“RESOLVED THAT the Scheme of Arrangement dated May 27, 2025, prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, for the corporate / capital re-organization of Supernet Technologies Limited and its group company i.e. Supernet Limited, along with their respective members, involving, inter alia, the merger, by way of amalgamation, of the entire undertaking of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary and incidental matters thereto, including the issuance of shares of Supernet Technologies Limited, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

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 of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

In the manner prayed in terms of the application filed with the Court, Mr. Syed Aamir Hussain or, in his absence, any other director of the Company shall chair the meeting of the members. Furthermore, the Court has directed the Chairman to submit the report with respect to the meeting with the Court.

The Scheme of Arrangement 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 of Arrangement, with such modification or addition if any, is also subject to any conditions which the Court may impose. The respective Board of Directors of the Company and SNL have the power (in the manner specified under the Scheme of Arrangement) to consent on behalf of all concerned to any modifications of, or additions to, the Scheme of Arrangement, or to any conditions which the Court may think fit to impose.

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The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 24 of 2025. Furthermore, in accordance with the directions of the Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

Companies involved in the Scheme of Arrangement

Supernet Technologies Limited

The Company is a public company, the shares of which are listed on the Pakistan Stock Exchange Limited (“**PSX**”). The Company was incorporated as Raja Insurance Company Limited, a public company limited by shares, on October 31, 1981. Subsequently, its name was changed to Hallmark Insurance Company Limited on September 8, 2006 and, thereafter, to Hallmark Company Limited on April 4, 2017. Finally, on December 19, 2024, its name was changed to Supernet Technologies Limited.

The Company has an authorized share capital of PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 500,000 (Five Hundred Thousand) ordinary shares have been issued, fully subscribed to and paid up.

The Company is mainly engaged in I.T. enabled services export (through its investee company).

Supernet Limited

SNL is a public company, incorporated as PDS Limited on March 14, 1995, the name of which was changed to Supernet Limited on April 2, 2001. The shares of SNL are listed on the growth enterprise market of the PSX.

SNL has an authorized share capital of PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees 10) each, out of which 123,444,455 (One Hundred Twenty Three Million Four Hundred Forty Four Thousand Four Hundred Fifty Five) ordinary shares have been issued, fully subscribed to and paid up.

SNL is primarily engaged in providing satellite and microwave communication services e.g. internet, radio links, single channel per carrier, time division multiple success etc., along with the sale and installation of related equipment and accessories.

Brief of the Scheme of Arrangement

Summary and Objective

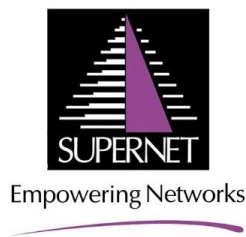
The principal object of the Scheme of Arrangement is, *inter alia*, to effect the Arrangement (including the Amalgamation), as further detailed in the Scheme of Arrangement, with effect from the start of business at 00:00 hours on January 1, 2025 or at such other date stated by the Court (the “**Effective Date**”), by transferring to, merging with and vesting in the Company the entire business and undertaking of SNL, as a going concern, including all the assets, properties, rights, benefits, powers, bank accounts, privileges, contracts, licences, registrations, liabilities, obligations, dues etc. of every description of SNL, subsisting immediately preceding the Effective Date, without any further act or deed or documents being required to be carried out, executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme of Arrangement. Thereafter, SNL shall be dissolved without winding up, and shall stand delisted from the PSX, in the manner prescribed under the Scheme of Arrangement, while the Company shall continue as a going concern. As part of the same, there shall be a capital re-organization in the shares of the Company.

Accordingly, subjection to the sanction of the Scheme of Arrangement by the Court, as of the Effective Date and thereafter, until the undertaking of SNL is actually transferred to and vested in the Company in terms of the Scheme of Arrangement, the business of SNL will be deemed to have been carried for and on account and for the benefit of the Company.

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It may be noted that the Company and SNL are group companies since the Company holds 51% (fifty one percent) of the shareholding of SNL; furthermore, the Company and SNL are subsidiaries of Telecard Limited. Consequently, the Arrangement effectively constitutes a corporate reorganization / merger of group companies, along with a capital re-organization of the Company.

Subsequent to the sanction of the Scheme of Arrangement, and as consequence of the Amalgamation, the financial statements of the Company will be prepared in accordance with the applicable laws, including the Companies Act, 2017 (and other regulations and notifications), and the relevant accounting and reporting standards applicable in Pakistan.

Benefits

The respective directors of the Company and SNL have considered it prudent and beneficial to carry out the Arrangement / Amalgamation for the reasons and benefits stipulated in the Scheme of Arrangement. Among other benefits as are also elaborated in detail in the Scheme of Arrangement, the Amalgamation is expected to increase the asset base and the size of the surviving entity i.e. the Company, which would in turn allow the surviving / merged entity access to a combined pool of assets which are likely to provide better investment opportunities; increase the risk absorption capacity of the Company which would increase stability and sustainability; enable a more optimized, streamlined and efficient legal structure resulting in improved governance, better management, as well as tax efficiencies (by reducing the number of legal entities); a reduction in administrative costs resulting in considerable cost savings and economies of scales, as well as better and more efficient coordination and use of resources; permit single corporate and tax reporting, and overall potential enhancing of shareholder value as well as future returns for the members of the Company (including the members of SNL upon their becoming members of the Company upon the effectuation of the Arrangement / Amalgamation).

Commercial Arrangement and Consideration

The details pertaining to the commercial arrangements forming part of the Arrangement, including the consideration for the Amalgamation (including as a consequence of the cancellation of all the shares of SNL held by its members), are detailed in the Scheme of Arrangement, which are summarized below:

- (i) As part of the capital re-organization of the Company, the Company shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the STL Shareholders (being the members of the Company existing on the STL Record Date), credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of the Company, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) ordinary shares of the Company for every 1 (one) ordinary share held by each STL Shareholder (subject to the adjustment of fractional shares / entitlements, if any). Approval of the members of the Company to the Scheme of Arrangement shall include and constate an approval for the said capitalization in accordance with the Articles of Association of the Company; and
- (ii) In consideration for the Amalgamation, taking into account the shares of SNL held by the Company and factoring in the ordinary shares of the Company to be allotted and issued to the STL Shareholders (as detailed above), the Company shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the SNL Shareholders existing on the SNL Record Date, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 ordinary shares of the Company for every 1 (one) ordinary share of SNL, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (subject to the adjustment of fractional shares / entitlements).

The said consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies based on the calculations and valuations stated in the Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, based, *inter alia*, on the special purpose financial statements of the respective companies for the period ended December 31, 2024, under the adjusted net asset value based approach (the rationale for which has been provided in the Swap Letter). The said Swap Letter has also been adopted by the Board of Directors of each company.

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The above shall be carried out and effectuated in accordance with the provisions of the Scheme of Arrangement.

Effect on Shareholding Structure

As a consequence of the above, upon the sanction of the Scheme of Arrangement, the issued and paid up share capital of the Company will increase to PKR 1,076,194,750/- (Pak Rupees One Billion Seventy Six Million One Hundred Ninety Four Thousand Seven Hundred Fifty), comprising 107,619,475 (One Hundred Seven Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) ordinary shares. The same is expected to allow for more liquidity in the shares of the Company, which are traded on the PSX.

Based on shareholding patterns of the companies as of December 31, 2024, as a consequence of the Arrangement, Telecard Limited will hold approximately 61.67% of the issued and paid up share capital of the Company. It may be noted that Telecard Limited currently directly holds approximately 62.84% of the issued and paid up share capital of the Company, and directly holds approximately 30.18% of the issued and paid up share capital of SNL.

General

All information / particulars with respect to the Arrangement / Amalgamation and matters in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including details of the companies, and the objects and benefits of the entire Arrangement, consideration related matters, treatment of employees and arrangements with respect to the secured creditors of SNL.

Approval of the Scheme of Arrangement by the members of the Company shall also constitute an approval by way of special resolution from the members of the Company with respect to all matters prescribed under the Scheme of Arrangement, including an increase in the authorized share capital of the Company to PKR 3,000,000,000/- (Pak Rupees Three Billion), divided into 300,000,000 (Three Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the Company and SNL, along with the consequential amendments to the Memorandum and Articles of Association of the Company.

Summary of Operating and Financial Performance (previous 5 years and current year up to the last half year)

The Company

SUPERNET TECHNOLOGIES LIMITED - OPERATING AND FINANCIAL PERFORMANCE (PREVIOUS 5 YEARS AND CURRENT YEAR UP TO THE LAST HALF YEAR) (Rs. '000')					
	Dec 31, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Revenue	-	55,570	1,806	5,930	8,689
Direct costs	-	(20,108)	(537)	(1,606)	(3,283)
Gross profit	-	35,462	1,269	4,324	5,406
Gross Profit %	0%	0%	70%	73%	62%
G&A	(12,504)	(24,382)	(4,939)	(7,583)	(4,994)
Other income / (expenses)	41,799	24,367	814	(77)	-
	29,295	(15)	(4,125)	(7,660)	(4,994)
Operating profit	29,295	35,447	(2,856)	(3,336)	412
Operating Profit %	0%	0%	-158%	-56%	5%
Finance costs	-5	-3	0	(32)	(75)
Profit / (loss) before taxation	29,290	35,444	(2,856)	(3,368)	337
Taxation	0	-596	16	(124)	(98)
Net Profit / (loss) for the period	29,290	34,848	(2,840)	(3,492)	239

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SNL

SUPERNET LIMITED - OPERATING AND FINANCIAL PERFORMANCE (PREVIOUS 5 YEARS AND CURRENT YEAR UP TO THE LAST HALF YEAR) (Rs. 'Millions')					
	December 31, 2024	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Revenue	3,547	7,369	3,428	2,837	2,469
Direct costs	(2,874)	(6,296)	(2,580)	(1,998)	(1,807)
Gross profit	673	1,073	848	839	662
Gross Profit %	19%	15%	25%	30%	27%
G&A	(254)	(638)	(577)	(457)	(407)
Other income / (expenses)	(119)	(36)	(103)	(74)	75
	(372)	(674)	(680)	(531)	(332)
Operating profit	301	399	168	309	330
Operating Profit %	8%	5%	5%	11%	13%
Finance costs	(19)	(46)	(35)	(26)	(25)
Profit / (loss) before taxation	281	353	133	283	305
Taxation	(102)	(197)	(82)	(95)	(102)
Net Profit / (loss) for the period	180	156	51	188	203

The latest annual audited financial statements of both companies for the year ended June 30, 2024 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.

Furthermore, in compliance with the provisions of Section 282(2)(e) of the Companies Act, 2017, the special purpose financial statements of the Company audited for the six-month period from July 1, 2024 to December 31, 2024 have also been enclosed with the notices of the meeting circulated to the members of the Company. The same are available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, 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. The said audited accounts are also available on the Company's website.

Potential Risk Factors with respect to the Arrangement / Amalgamation

The respective Board of Directors of the Company and SNL do not foresee potential risks arising as a result of the Arrangement / Amalgamation itself, and are of the view that the same is likely to enhance shareholder value as well as future returns for all members of the Company (including the SNL Shareholders upon their becoming members of the Company upon the effectuation of the Amalgamation). The merged entity will have larger market capitalization and improved market position with the potential for better performance, both in terms of the ability to deploy capital more effectively and manage its resources and operations more efficiently. The merged / surviving entity will allow for more liquidity of shares, allowing shareholders (especially minority shareholders) to trade in their shares with more ease. Additionally, a robust company may attract more investors, further improving shareholder returns and shareholder value.

Information pertaining to Creditors

In accordance with the provisions of the Scheme of Arrangement, as of the Effective Date, all the liabilities and obligations of SNL, including towards the creditors of SNL, shall be assumed by and become the liabilities and obligations of the Company without any further act or deed. The Company shall be obligated to pay, undertake, satisfy, discharge and perform all such liabilities and obligations. The Scheme of Arrangement also details the proposed arrangement (as a consequence of the Amalgamation) with respect to the charges / encumbrances existing in favour of the secured creditors of SNL. As of the date hereof, the Company does not have any secured creditors.

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Tax Consequences of the Scheme of Arrangement

The Amalgamation would lead to a more streamlined and tax-efficient organizational structure, by reducing the number of legal entities in the structure. Furthermore, the same would lead to a significant reduction in the multiplicity of legal and regulatory compliances required to be carried out, which is likely to allow for further cost-savings.

Material Interests of Directors (if any)

All the respective directors of the Company and SNL have interest in the Arrangement / Amalgamation, and the arrangements under the Scheme of Arrangement, to the extent of their respective directorships (including common directorships) and (direct and / or indirect) shareholdings in the said companies and / or Telecard Limited (being the holding company / ultimate holding company) (to the extent applicable). The effect of the Scheme of Arrangement on the interest of these directors does not differ from the respective interests of the members of each of the Company and SNL, except to the extent stipulated in the Scheme of Arrangement or otherwise disclosed. The common directorships of the directors is as follows:

Name of Director	Common / Nature of Directorship
Mr. Syed Aamir Hussain	Telecard Limited: CEO / Executive Director Company: Chairman / Non – Executive Director SNL: Chairman / Non – Executive Director
Mr. Waseem Ahmad	Telecard Limited: Executive Director Company: CEO / Executive Director SNL: Executive Director
Mr. Jamal Nasir Khan	Company: Non – Executive Director SNL: CEO / Executive Director
Mr. Syed Imran Haider Jaffery	Telecard Limited: Non – Executive Director Company: Non – Executive Director
Mr. Asad Mujtaba Naqvi	Telecard Limited: Independent Director Company: Independent Director SNL: Independent Director
Ms. Naeen Ahmed	Telecard Limited: Non – Executive Director (Female) Company: Non – Executive Director (Female) SNL: Non – Executive Director (Female)
Mrs. Fabzia Ahsen	Telecard Limited: Independent Director Company: Independent Director SNL: Independent Director

Furthermore, subject to the sanction of the Scheme of Arrangement, the directors of SNL shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of SNL in accordance with the provisions of the Scheme of Arrangement.

Muhammad Farhan Saeed
Company Secretary
SUPERNET TECHNOLOGIES LIMITED

Karachi

Dated: June 4, 2025

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SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285(8) OF
THE COMPANIES ACT, 2017**

INVOLVING

**SUPERNET TECHNOLOGIES LIMITED
AND ITS MEMBERS**

AND

**SUPERNET LIMITED
AND ITS MEMBERS**

FOR

The corporate / capital re-organization of group companies involving, *inter alia*, the merger / amalgamation of the entire undertaking of Supernet Limited with and into Supernet Technologies Limited, along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017

BETWEEN

SUPERNET TECHNOLOGIES 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 4th Floor, Tower B, World Trade Center, Khayaban-e-Roomi, Block-5, Clifton, Karachi (hereinafter referred to as “**STL**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

SUPERNET LIMITED, a public company limited by shares and listed on the growth enterprise market board of the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 9th Floor, Tower - B, World Trade Center, Block 05, Clifton, Karachi (hereinafter referred to as “**SNL**”, 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 entire undertaking, comprising all the Assets, Liabilities and Obligations of SNL shall, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by STL.
2. There shall be a capital re-organization of STL, such that STL Shares shall be issued to the STL Shareholders.
3. As consideration for the Amalgamation, it is proposed that STL Shares shall be issued to the SNL Shareholders in accordance with this Scheme.
4. Upon the merger and transfer of SNL in the manner prescribed under this Scheme, SNL shall be dissolved without winding up, and shall stand de-listed from the PSX.
5. This Scheme, if approved through a resolution by the requisite majority of the respective members of STL and SNL, 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 STL and SNL along with all the members, creditors, employees, Customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to STL and SNL (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Arrangements Between STL, SNL and their Respective Members

The Amalgamation shall allow STL and SNL 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(8) of the Act, in a seamless and tax efficient manner.

B. Larger Asset Base

The Amalgamation would lead to an increase in the asset base and the size of the surviving entity i.e. STL. This would in turn allow the surviving / merged entity access to a combined pool of assets which are likely to provide better investment opportunities. The larger size of the equity and asset base would provide greater comfort to existing and potential creditors of the surviving / merged entity.

C. Optimized Legal Structure and Tax Efficiencies

The Amalgamation would lead to a more streamlined and efficient organizational structure by, *inter alia*, reducing the number of legal entities in the structure having similar business lines, improving governance and decision-making processes, which would result in better management of the operations and business. In addition to reducing the multiplicity of legal and regulatory compliances required to be carried out, such a structure is expected to result in business growth and long-term business continuation.

For STL, and the members of the merged / surviving entity (including the STL Shareholders and SNL Shareholders), the vesting of SNL's undertaking and business therein will result in enhanced tax efficiency, preventing double taxation on the same profits which are received by SNL and thereafter distributed to STL under the existing structure of the companies.

D. Increase in Risk Absorption Capacity

The larger size of STL (as the merged / amalgamated entity) would increase its risk absorption capacity, thus enhancing the capacity to manage any potential risks arising out of adverse and / or uncertain operating environments. In the long run, this factor would provide greater stability as well as sustainability in the business and operations for STL.

E. Reduction in Administrative Costs

The Amalgamation would enable the merged entity i.e. STL to carry out the business / operations of SNL and STL through single / consolidated operations, accounts / finance, treasury, administration, human resources and management information system departments, under one management, as well as sharing of office space, thus resulting in considerable cost savings and economies of scales, as well as better and more efficient coordination and use of resources.

F. Single Corporate and Tax Reporting

The Amalgamation will make single corporate and tax reporting possible for the merged entity. The same will entail elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws resulting in duplication of work and higher costs.

G. Leveraging Against the Assets of SNL

The Amalgamation will allow STL to acquire the benefit of the Assets of SNL without having to pay cash consideration in respect of such Assets, and leverage the same for raising further capital (potentially at lower cost) for growing the business and enhancing shareholder value.

H. Cost Savings and Rationalization

The Amalgamation would enable the companies and their respective members to rationalize and save costs under the applicable laws while effectuating the envisaged arrangement.

I. Benefits to Shareholders

The Amalgamation, along with the capital re-organization of STL and SNL (being group companies, is likely to (in the context of the benefits set out above) enhance shareholder value as well as future returns for all shareholders of STL (including the shareholders of SNL upon their becoming shareholders of STL upon the effectuation of the Amalgamation). The merged entity will have larger market capitalization, including pursuant to the capital reorganization arrangement, and improved market position with the potential for better performance. Furthermore, and taking into account that STL is listed on the main board of the PSX, the merged / surviving entity will allow for more liquidity of shares, allowing shareholders (especially minority shareholders) to trade in their shares with more ease. Additionally, a robust company may attract more investors, further improving shareholder returns and shareholder value.

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 expression shall bear the meanings specified against them below:

“Act” means the Companies Act, 2017;

“Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1;

“Annexure A” is the annexure attached hereto which lists the current members of the Board of Directors of STL;

“Annexure B” is the annexure attached hereto which lists the current members of the Board of Directors of SNL;

“Annexure C” 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, interests, powers, rights, authorities, privileges, Contracts, Government consents, Government subsidies, 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, certifications, approvals, Claims, no objection certificates / letters, permits, categories, exemptions, quotas, entitlements, sanctions, empowerments, dispensations, charters, immunities, grants, prerogatives, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights (whether registered or not), 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, titles, interests and easements associated therewith); (ii) all inventory, stock-in trade, raw materials, ingredients, packaging, consignments from shipments, consumable stores, plant, machinery, equipment, furniture and fixtures, work-in-progress, computer hardware and software, software applications and licences, motor vehicles, office and laboratory equipment and supplies, appliances and accessories, spare parts and tools; (iii) all Claims, choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments (together with control in subsidiary and associated companies), other investments, interest / profit / dividends accrued on 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; (iv) all books of accounts, registers, records, information, data, documents of title, reports, policies, surveys, research, advertising or other promotional material, and all other documents of whatever nature relating thereto, in every form; (v) all benefits and rights under Contracts, including rights under or relating to Contracts; (vi) all the utilities connections, equipment, installations and facilities for telecommunications, electricity, gas, water, sewerage and other installations, owned by, leased or licensed to a company (including related deposits); (vii) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (viii) unadjusted tax receivables / losses and tax refunds; (ix) sales tax carry forward balance and sales tax refunds; (x) any subsidy receivable claims; and (xi) registrations, approvals, certifications and licenses with / from any and all regulatory authorities and bodies, Federal Board of Revenue, Provincial Boards of Revenue, including in respect of income tax, sales tax, excise duty and otherwise;

"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;

"Completion Date" has the same meaning as prescribed thereto in Article 3.1;

"Contingent Claim(s)" 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 thereto, 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 arrangements under this Scheme (including the Amalgamation);

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

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

"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 terms **"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;

“PSX” means the Pakistan Stock Exchange Limited;

“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;

“SNL” shall have the meaning as prescribed in the Preamble above;

“SNL Record Date” means the (book closure) date to be fixed by the directors of SNL, after the Completion Date, in accordance with the provisions of this Scheme, to determine the identities and entitlements of the SNL Shareholders;

“SNL Shareholders” means the members of SNL, other than STL (including its nominees, if any), as determined on the SNL Record Date, to whom STL Shares shall be issued in accordance with the provisions of this Scheme;

“STL” shall have the meaning as prescribed in the Preamble above;

“STL Record Date” means the (book closure) date to be fixed by the directors of STL, after the Completion Date, in accordance with the provisions of this Scheme, to determine the identities and entitlements of the STL Shareholders;

“STL Shareholders” means the members of STL, as determined on the STL Record Date, to whom STL Shares shall be issued in accordance with Article 9.1;

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

“Swap Letter” means the letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants, to the respective Board of Directors of STL and SNL, attached hereto as Annexure C, pertaining to the Amalgamation, and detailing, *inter alia*, the valuations of STL and SNL, along with the basis and calculation of the Swap Ratio; and

“Swap Ratio” shall have the same meaning as prescribed thereto in Article 9.5.

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) a reference to any agreement or document is to that agreement or document and, where applicable, any of its provisions, as amended, novated, restated or replaced from time to time;
- (iv) a reference to an Article or Annexure is to an article or annexure of or to this Scheme;
- (v) words denoting the singular shall include the plural and vice versa;
- (vi) a reference to a person includes a company, firm, trust, authority or government and vice versa;
- (vii) a reference to any person includes that person's executors, administrators, successors, legal heirs, and permitted assigns;
- (viii) "including" and "include" shall be deemed to mean "including, without limitation" and "include, without limitation"; and
- (ix) 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 amalgamate the entire undertaking of SNL with and into STL, by transferring to, merging with and vesting in STL the whole of SNL, as a going concern, including all the Assets, Liabilities and Obligations of SNL, as of the Effective Date (the "**Amalgamation**"), against the allotment and issue of STL Shares to the SNL Shareholders based on the Swap Ratio, and dissolving of SNL without winding up, along with carrying out a capital re-organization of STL involving the allotment and issue of STL Shares to the STL Shareholders, in each case in accordance with the provisions of this Scheme.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, and unless otherwise stipulated in this Scheme, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind STL and SNL 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 (hereinafter referred to as the "**Completion Date**"). When this Scheme becomes operative on the Completion Date, the Amalgamation (along with other matters), in accordance with this Scheme, will be treated as having effect from the start of business at 00:00 hours on January 1, 2025, 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 in accordance with Section 279 of the Act.

- 3.2. Accordingly, as of the Effective Date and thereafter, until the undertaking of SNL (including the Assets, Liabilities and Obligations thereof) is actually transferred to and vested in STL in terms of this Scheme, the business of SNL, as well as any transactions, operations or activities in relation thereto, will be deemed to have been carried for and on account and for the benefit of STL.
- 3.3. All income, profits, gains and losses accruing or arising to, or incurred by, SNL (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes, including the right to adjust the amount of sales tax paid in connection with the undertaking of SNL) from the Effective Date shall be treated as the income, profits, gains or losses (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes including the right to adjust the amount of sales tax paid in connection with the undertaking of SNL), as the case may be, of STL. The reserves including unappropriated profits / losses of SNL, up to and immediately preceding the Effective Date, if any, shall constitute and be treated as reserves / losses of a corresponding nature in STL and shall be accounted for on that basis in the books of account of STL. Subsequent to the Completion Date, and as consequence of the Amalgamation, the financial statements of STL will be prepared in accordance with the applicable laws, including the Act (and other regulations and notifications), and the relevant accounting and reporting standards applicable in Pakistan.
- 3.4. Notwithstanding the provisions of Articles 3.2 and 3.3, during the period from the Effective Date up to the Completion Date, each of STL and SNL shall continue to operate independently in the ordinary course and as per past practice, and further be entitled (without being obliged) to declare and distribute dividends from the profits earned during this period to its respective shareholders as determined by its respective Board of Directors in the ordinary course.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of STL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 500,000 (Five Hundred Thousand) ordinary shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of SNL is PKR 1,500,000,000/- (Pak Rupees One Billion Five Hundred Million), divided into 150,000,000 (One Hundred Fifty Million) ordinary shares of PKR 10/- (Pak Rupees 10) each, out of which 123,444,455 (One Hundred Twenty Three Million Four Hundred Forty Four Thousand Four Hundred Fifty Five) ordinary shares have been issued, fully subscribed to and paid up.
- 4.3. Upon the sanction of this Scheme, the authorized share capital of SNL shall be merged and combined with the authorized share capital of STL. Resultantly, as a consequence of the above, the authorized share capital of STL shall thus stand enhanced to PKR 3,000,000,000/- (Pak Rupees Three Billion), divided into 300,000,000 (Three Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, and accordingly the Memorandum and Articles of

Association of STL shall stand amended (to the extent required). Approval of the members of STL to this Scheme shall also include and constitute an approval, by way of special resolution, from the members of STL to the alteration of the Memorandum and Articles of Association of STL for the increase of the authorized share capital of STL to PKR 3,000,000,000/- (Pak Rupees Three Billion), as required in terms of the Act.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of STL are listed in Annexure A.
- 5.2. The present directors of SNL are listed in Annexure B.
- 5.3. The directors of STL are expected to continue as the directors after the Amalgamation / Completion Date, 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 and / or fresh elections being held prior to the Completion Date in compliance with applicable laws.
- 5.4. The directors of SNL (comprising the Board of Directors of SNL at the relevant time) shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of SNL in accordance with the provisions of this Scheme.
- 5.5. All the respective directors of STL and SNL have interest in the Amalgamation, and the arrangements under this Scheme, 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 STL and SNL, except to the extent stipulated in this Scheme or otherwise disclosed. Certain of these directors are also directors and / or shareholders of the holding company / ultimate holding company of STL and SNL i.e. Telecard Limited.

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, SNL, as a going concern (without discontinuation) for the purpose of all laws, shall be amalgamated with and vest in STL upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) STL shall be able to carry out all the business of SNL and shall be entitled to all the rights and the benefits thereof.
- (iii) As consideration of the Amalgamation, STL shall allot and issue STL Shares to the SNL Shareholders, while all the shares of SNL (including those held by STL) shall stand cancelled, in each case in accordance with Article 9.

- (iv) SNL shall be dissolved, without winding up, from the date on which all the STL Shares to be allotted by STL to the SNL Shareholders, as prescribed in Article 9, have been so allotted, or on such later date as the Court may prescribe. Consequently, SNL shall stand de-listed from the PSX.

6.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets of SNL shall immediately, without any conveyance or transfer, and without any further act or deed, or payment of any duties or other amounts, be vested in and become the undertaking and Assets of STL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by SNL prior to the Amalgamation.
- (ii) The vesting / transfer of the Assets shall be subject to all Securities subsisting thereon (if any), including in the manner stipulated in this Scheme.
- (iii) All licences, permits, quotas, rights, permissions, concessions, privileges, sanctions, approvals, certifications, registrations, empowerments, dispensations, charters, immunities, grants, exceptions, entitlements etc. in relation to the business or undertaking of SNL (including rights and control over subsidiaries and associated companies with respect to investments of SNL), the benefit of which SNL may be eligible and which are subsisting or having effect immediately prior to the Effective Date, shall, from the Effective Date, stand vested in and transferred to STL without any further act or deed, and shall be appropriately mutated by the relevant authorities in favour of STL.

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of SNL, including towards the creditors of SNL (if any), shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of STL, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. STL's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligations of SNL may, if required at any time, be executed by officers of STL authorized to do so in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of SNL is a reference to Assets or Liabilities and Obligations to which SNL 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 the same are capable of being transferred or assigned to or by SNL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset comprised or vested in SNL, which immediately before the Effective Date was held by SNL 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 STL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which SNL is a party shall have effect as of the Effective Date as if:

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

6.8. Bank Accounts

Any and all account(s) maintained by SNL with any bank and / or financial institution shall, as of the Effective Date, become account(s) between STL and such bank and / or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of STL to vary the conditions or incidents subject to which any account is kept.

6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to SNL in writing shall have effect, as of the Effective Date, as if given to STL.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by SNL, or payable at any place of business of SNL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, 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 STL, or were payable at the same place of business of STL.

6.11. Custody of Documents

The custody of any document, record or goods held by SNL as bailee and duly recorded in their books that pass to SNL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of STL.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by SNL or by a nominee or agent of or trustee for SNL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case

may require, by that nominee, agent or trustee for STL and be available to STL (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 STL, pursuant to and / or in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, STL shall be entitled to the rights and priorities to which SNL 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 shall, as of the Effective Date, be available to STL (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 or liabilities to SNL or, as the case may be, STL, were secured thereby immediately before that time.
- (iv) All Securities of any nature (whether legal or equitable) granted / created by SNL in favour of its secured creditors, if any, and unless the same have been vacated prior to the Completion Date, will continue to remain operative and effective as Securities in the manner detailed below. In this respect, upon the Amalgamation:
 - (a) the *pari passu* Security holders of SNL, having Securities over the present and future Assets (excluding land and building), or any part or class thereof, of SNL, shall rank *pari passu* with the *pari passu* Security holders of STL, if any, having Securities over the same (class of) combined present and future Assets (excluding land and building) of STL;
 - (b) the ranking Security holders of SNL, having ranking charges / Securities over the present and future Assets (excluding land and building), or any part or class thereof, of SNL, shall continue to be treated as ranking charges / Securities over the combined Assets (or same class thereof) of STL. The ranking of such charges / Securities, along with the ranking of Securities created by STL in favour of its creditors, if any, shall be organized and 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 mortgage over an immovable property of SNL, granted in favour of a creditor of SNL, if any, shall continue to remain as is (i.e. over such immovable property which stands transferred to and vested in STL upon the Amalgamation);
 - (d) any mortgage over an immovable property of STL, granted in favour of a creditor of STL, if any, shall continue to remain as is; and
 - (e) any first exclusive charge or Security interest granted to a creditor of SNL, by SNL, over specific assets of SNL, if any, will continue to remain and retain its priority over such specific Assets (which stand merged with and into STL upon the Amalgamation), notwithstanding the time of creation and registration of any other charge / Security.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of SNL becomes a right, Claim or Liability of STL as of the Effective Date, STL 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 STL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against SNL may be continued by or against STL.

6.14. Judgments

Any judgment or award obtained by or against SNL, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against SNL, become enforceable by or against STL.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against SNL, shall be admissible in evidence in respect of the same matter for or against STL.

6.16. Authorizations

Any authorizations / powers of attorney granted by SNL to any persons with respect to the undertaking / business / operations / Assets etc. of SNL shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by STL to such persons, until or unless otherwise revoked or modified by STL.

6.17. Clarification

The provisions contained in Articles 6.2 to 6.16 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, STL shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course (to the extent applicable).
- 7.2.** As of the Completion Date, but with effect from the Effective Date, STL shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of SNL.

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.
- 8.2. The execution and / or sanction of this Scheme, and the implementation of the Amalgamation, 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); (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 STL and / or SNL; and / or (v) constitute a contractual transfer, but a vesting by operation of law.
- 8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on STL and SNL, and also on all the respective shareholders / members of STL and SNL, the Customers of each of STL and SNL, the creditors of each of the companies (to the extent applicable), and on any other person having any right or liability in relation to either of them.
- 8.4. On the Completion Date, and with effect from the Effective Date, this Scheme will override the constitution / constitutive documents of each of STL and SNL, to the extent of any inconsistency.

ARTICLE 9

CAPITAL RE-ORGANIZATION, CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As part of the arrangements envisaged under this Scheme, including the capital re-organization of STL to achieve the commercial objectives hereunder, STL shall allot and issue an aggregate of 5,500,000 (Five Million Five Hundred Thousand) STL Shares to the STL Shareholders, credited as fully paid up, at par, by capitalizing a portion of the accumulated profits of STL, available as at December 31, 2024, to the extent of PKR 55,000,000/- (Pak Rupees Fifty Five Million), in the ratio of 11 (eleven) STL Shares for every 1 (one) STL Share held by each STL Shareholder. All entitlements resulting in fractions less than a STL Share, if any, shall be consolidated into whole STL Shares which shall be disposed of / dealt with by STL in a manner determined by the Board of Directors of STL. All entitlements of the STL Shareholders shall be determined in the proportion aforesaid. Approval of the members of STL to this Scheme shall also include and constitute an approval for the issuance of the STL Shares to the STL Shareholders against the aforementioned capitalization.
- 9.2. Subsequent to the Completion Date, at least 7 (seven) days' notice shall be given to the members of STL, by STL, specifying the STL Record Date in order to determine the identities of the STL Shareholders and their entitlements (with respect to the STL Shares to be issued in terms of Article 9.1).
- 9.3. The allotment of the STL Shares to the STL Shareholders shall be made by STL within 30 (thirty) days from the STL Record Date. The share certificates for such STL 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 STL Shareholders in the manner provided in the Articles of Association of

STL 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. STL shall not be responsible for loss of the share certificates in such transmission.

- 9.4. With respect to the STL Shareholders holding shares of STL in book entry form through the CDS, STL shall (cause CDC to) credit the respective CDC accounts / sub-accounts of the relevant STL Shareholders with book entries relating to the corresponding number of STL Shares which the relevant STL 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.
- 9.5. As consideration for the Amalgamation, and taking into account / factoring in the STL Shares to be allotted and issued to the STL Shareholders in terms of Article 9.1, STL shall allot and issue an aggregate of 101,619,475 (One Hundred One Million Six Hundred Nineteen Thousand Four Hundred Seventy Five) STL Shares to the SNL Shareholders, credited as fully paid up, at par, on the basis of a swap ratio of approximately 1.68 STL Share for every 1 (one) ordinary share of SNL, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each SNL Shareholder (the "**Swap Ratio**"). All entitlements resulting in fractions less than a STL Share shall be consolidated into whole STL Shares which shall be disposed of / dealt with by STL in a manner determined by the Board of Directors of STL. All entitlements of the SNL Shareholders shall be determined in the proportion aforesaid.
- 9.6. The Swap Ratio has been determined and approved by the respective Board of Directors of STL and SNL, based on the calculations and valuations stated in the Swap Letter, based, *inter alia*, on the respective special purpose audited financial statements of STL and SNL for the period ended December 31, 2024, under the adjusted net asset value based approach (including taking into account the STL Shares to be issued to the STL Shareholders in terms of this Scheme). The Swap Letter has been adopted by the respective Board of Directors of each of STL and SNL.
- 9.7. Subsequent to the Completion Date, at least 7 (seven) days' notice shall be given to the members of SNL, by SNL, specifying the SNL Record Date (being the final book closure date) in order to determine the identities of the SNL Shareholders and their entitlements. Such notice shall also specify the date by which the SNL Shareholders shall deliver to SNL (or its share registrar, as directed by SNL), for cancellation, all the share certificates representing ordinary shares (in physical form) in SNL held by them and such share certificates shall be delivered to SNL on or before that date. No trading in the shares of SNL shall be permitted after the SNL Record Date, including through the PSX.
- 9.8. SNL shall, within 10 (ten) days of the SNL Record Date, provide STL with the list of the SNL Shareholders along with details of their respective entitlements (based on the Swap Ratio).
- 9.9. The share certificates delivered / to be delivered by the SNL Shareholders in accordance with Article 9.7 shall stand cancelled (whether or not the same have been surrendered to SNL by the prescribed date) and the SNL Shareholders shall be entitled to share certificates / CDC book-entries representing the number of fully paid up STL Shares to which the respective SNL Shareholder is entitled to in accordance with the provisions of this Scheme. In relation to those SNL Shareholders who hold shares of SNL in book entry form through the CDS, on the date specified in the notice, the book entries relating to the shares of SNL in the CDC accounts of

such SNL Shareholders shall stand cancelled in accordance with the rules and regulations of the CDC. Additionally, as a consequence of the Amalgamation, all the shares of SNL held by STL (and its nominees, if any) shall stand cancelled in the same manner detailed above.

- 9.10. The allotment of the STL Shares to the SNL Shareholders (in accordance with the provisions of this Article 9) shall be made by STL within 30 (thirty) days from the date notified above. The share certificates for such STL 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 SNL Shareholders in the manner provided in the Articles of Association of STL. 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. STL shall not be responsible for loss of the share certificates in such transmission. The SNL Shareholders, holding physical share certificates of SNL, shall have the option of receiving their entitlement of STL Shares in book entry form through the CDS, which they shall intimate in writing to SNL in advance (which in turn will intimate STL of the same at the time of sharing details pertaining to the SNL Shareholders in accordance with Article 9.8).
- 9.11. With respect to the SNL Shareholders holding shares of SNL in book entry form through the CDS, such persons (along with other SNL Shareholders who have requested to receive STL Shares in book entry form), STL shall (cause CDC to) credit the respective CDC accounts / sub-accounts of the relevant SNL Shareholders with book entries relating to the corresponding number of STL Shares which the relevant SNL 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.
- 9.12. The STL Shares allotted and issued to the STL Shareholders and SNL Shareholders, in accordance with the provisions of this Scheme, shall, in all respect, rank *pari passu* with the ordinary shares of STL and shall be entitled to all dividends declared by STL after the Completion Date.
- 9.13. Any STL Shares to be allotted and issued in accordance with the provisions of this Article 9 in favour of foreign / non-resident STL Shareholders and / or SNL Shareholders, against the shares of STL / SNL (as applicable) 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 (or deemed to be in the same process of registration), and shall be registered by STL (to the extent applicable) with the State Bank of Pakistan upon issuance thereof.
- 9.14. The Assets of SNL, including its communication equipment and trade receivables, shall be recorded in the books of STL (as the merged / surviving entity) at the amounts used in calculation of the Swap Ratio in the Swap Letter, and the difference arising on amalgamation (vis-à-vis the par value of the STL Shares issued in favour of the SNL Shareholders) shall be recorded as a 'merger reserve' in the books of STL in accordance with the pooling of interests method under the applicable financial reporting standards.
- 9.15. Upon the allotment of the STL Shares in favour of the STL Shareholders and SNL Shareholders in accordance with the provisions of this Scheme, the entitlements of the STL Shareholders and SNL Shareholders (to the extent applicable) under this Scheme shall stand satisfied.

- 9.16. Subject to the sanction of this Scheme by the Court, SNL shall, without winding up, stand dissolved from the date on which all the STL Shares, to be allotted by STL to the SNL Shareholders as prescribed above, have been so allotted. Consequently, SNL shall automatically stand de-listed from the PSX.

ARTICLE 10

EMPLOYEES

- 10.1. On and from the Completion Date, but with effect from the Effective Date, all full time officers and employees (including workmen) of SNL shall become the employees of STL (in lieu of their employment with SNL) at the same level of remuneration and under similar terms and conditions of service, for the time being, which they were receiving or, as the case may be, by which they were governed immediately before the Completion Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service (which shall be taken into account for the purposes of all benefits to which such Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits), except where the employment of any such person(s) is terminated (including pursuant to resignation or otherwise) between the Effective Date and the Completion Date.
- 10.2. On and from Completion Date, all deeds, rules and other instruments relating to the provident fund (or any other funds / schemes pertaining to the relevant employees) established by SNL and / or its associated company(ies) (including all amounts / funds in the nature of monies, investments and otherwise, and including amounts standing to the credit of such provident fund (or other schemes) on the Completion Date, held by the trustees for the benefit of SNL's eligible employees who are members and / or beneficiaries thereof), including with respect to the Telecard Limited Employees' Provident Fund (which the eligible employees of SNL are members of), shall remain in full force and effect, for the benefit of the eligible employees of SNL who shall be employees of STL (in accordance with Article 10.1), with STL being replaced therein instead of SNL (as the associated company of Telecard), and STL may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly. The trustees of such fund(s) shall take necessary steps, including making the necessary / appropriate revisions, amendments and arrangements for the purposes of the above.
- 10.3. On and from the Completion Date, and as a consequence of the Amalgamation, all amounts / entries pertaining to the gratuity scheme maintained by SNL for its relevant employees shall stand transferred to STL, and shall be accounted for in its books and accounts accordingly for the benefit of such employees.

ARTICLE 11

GENERAL

11.1. 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 STL and SNL 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 approval 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 STL and / or SNL (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, or otherwise, the Board of Directors of STL and / or SNL shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective companies has been obtained).

11.2. 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.

11.3. Costs and expenses

All costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect shall be borne by SNL. Subsequent to the sanction of this Scheme, costs, charges and expenses, including for the implementation of the Amalgamation and the arrangements hereunder, shall be borne by STL (being the surviving company).

11.4. Implementation of this Scheme

The respective Board of Directors of STL and SNL, to the extent applicable, are hereby authorized and empowered to take all necessary steps and execute all documents, as they may consider necessary, expedient or appropriate, to give effect to the provisions of this Scheme and for the implementation hereof, including to delegate any powers from time to time.

Karachi.

Dated: MAY 27th, 2025.

Ahmed



For and on behalf of
SUPERNET TECHNOLOGIES LIMITED

Name: WASEEM AHMAD

Designation: CHIEF EXECUTIVE OFFICER.

[Signature]



For and on behalf of
SUPERNET LIMITED

Name: JAMAL NASIK KHAN

Designation: CHIEF EXECUTIVE OFFICER.

LIST OF ANNEXURES

- "Annexure A"** – List of current members of Board of Directors of STL.
- "Annexure B"** – List of current members of Board of Directors of SNL.
- "Annexure C"** – Swap Letter dated May 16, 2025, issued by H.A.M.D. & Co., Chartered Accountants.

ANNEXURE A

LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF SUPERNET TECHNOLOGIES LIMITED

Mr. Asad Mujtaba Naqvi

Mr. Syed Imran Haider Jaffery

Mr. Syed Aamir Hussain

Mr. Jamal Nasir Khan

Mrs. Fabzia Ahsen Pakistan

Ms. Naureen Ahmed

Mr. Waseem Ahmad

ANNEXURE B

LIST OF CURRENT MEMBERS OF THE BOARD OF DIRECTORS OF SUPERNET LIMITED

Mrs. Fabzia Ahsen

Ms. Naureen Ahmed

Mr. Syed Hashim Ali

Mr. Asad Mujtaba Naqvi

Mr. Ahmer Qamar

Mr. Waseem Ahmed

Mr. Syed Aamir Hussain

Mr. Jamal Nasir Khan



H.A.M.D. & Co.

Chartered Accountants

ANNEXURE C



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May 16, 2025

The Board of Directors
Supernet Limited
9th Floor, Tower B, World Trade Centre
Khayaban-e-Roomi, Block 5, Clifton
Karachi

The Board of Directors
Supernet Technologies Limited
4th Floor, Tower B, World Trade Centre
Khayaban-e-Roomi, Block 5, Clifton
Karachi

Dear Sirs,

**Re: PROPOSED MERGER / AMALGAMATION OF SUPERNET LIMITED WITH
AND INTO SUPERNET TECHNOLOGIES LIMITED – CALCULATION OF
SWAP RATIO**

We have been requested to provide the respective Board of Directors of Supernet Limited [SNL] and Supernet Technologies Limited [STL] [collectively referred to as the Companies] with a letter / certificate regarding a proposed swap ratio in relation to the proposed merger / amalgamation of Supernet Limited with and into Supernet Technologies Limited.

We understand that the Scheme of Arrangement under Sections 279 to 283 and 285(8) of the Companies Act, 2017 pertaining to the proposed merger [the Scheme], the draft which has been shared with us, envisages the following:

- (i) The merger, by way of amalgamation, of SNL with and into STL, by transferring to, merging with and vesting in STL, the entire undertaking of SNL, including all assets, liabilities and obligations of SNL.
- (ii) Cancellation of all shares of SNL, including SNL's shares held by STL on its balance sheet as a long-term investment.
- (iii) Issuance of ordinary shares of STL to the existing shareholders of STL (as per the process stipulated in the Scheme).
- (iv) Issuance of ordinary shares of STL to the shareholders of SNL (other than STL itself) pursuant to the Swap Ratio.
- (v) Dissolution of SNL without winding up

The Scheme is envisaged to be effective from the start of business at 00:00 hours on January 1, 2025, or such other date as may be stated by the Honorable High Court of Sindh at Karachi. The Scheme is intended to be filed before the Sindh High Court at Karachi [Court], under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017, which shall require the approval of the requisite majority of the shareholders and creditors of the Companies (to the extent applicable) and the sanction of the Court.



Page 1 of 7

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H.A.M.D. & Co.

Chartered Accountants



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1. About the Companies

a) Supernet Technologies Limited

Supernet Technologies Limited, was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913 (now the Companies Act, 2017). The company operates as a subsidiary of Telecard Limited and is primarily engaged in providing Information technology-enabled services.

b) Supernet Limited

Supernet Limited was incorporated in Pakistan on March 14, 1995, under Companies Ordinance, 1984 (repealed with the enactment of Companies Act, 2017). The company is an indirect subsidiary of Telecard Limited. The company is a Fixed Local Loop Operator licensed by Pakistan Telecommunication Authority and engaged in providing satellite and microwave communication services.

c) Corporate reorganization transaction

Based on the records and representations from the managements of the respective Companies, as of the date of this certificate, we understand that STL and SNL both are subsidiaries of Telecard Limited. Resultantly, the arrangements envisaged under the Scheme effectively constitute a corporate reorganization of group companies, without the involvement of unrelated third parties.

d) Shareholding information as at December 31, 2024

The authorized share capital of STL is Rs 1,500,000,000/-, divided into 150,000,000 ordinary shares of Rs 10/- each. The issued, subscribed and paid-up share capital is Rs. 5,000,000/-, consisting of 500,000 shares.

The authorized share capital of SNL is 1,500,000,000/-, divided into 150,000,000 ordinary shares of Rs 10/- each. The issued, subscribed and paid-up share capital is Rs. 1,234,444,550/- consisting of 123,444,455 shares.

e) Cross shareholding

STL holds 62,956,672 ordinary shares in SNL, representing 51.00% of its total shareholding.

2. Fair value methodologies

As detailed above, the Scheme envisages a corporate reorganization of group companies, i.e. STL and SNL. Therefore, the methodologies to be used for calculating the swap ratio have to be applicable to the aforementioned Companies.



Page 2 of 7

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There are three generally accepted valuation methodologies which are utilized for determining the fair value of shares of a company. These are as follows:

- Discounted Cashflows [DCF]
- Capitalized earnings / market price methodology [Comparable Companies / Comparable Transactions]
- Adjusted net asset value

Weightage assigned to the methodologies

a) Discounted cash flow methodology

As part of the generally accepted principles of conducting valuations, the methodology which is adopted has to be applicable to all the companies that are part of the scheme. STL operates as an IT Enabled Services company and has no significant business operations for preceding quarters. It has no operating cash flows, and its noncash income arises only from its investment in the shares of SNL. The DCF methodology has therefore not been used due to STL's business model stated above, as the same would not be applicable.

b) Capitalized earnings methodology

STL is listed on the main board of the Pakistan Stock Exchange, while SNL is listed on the growth enterprise market board of the Pakistan Stock Exchange. The shares of both Companies are thinly traded, with no sizable volumes in place. As stated above, STL's income is driven by its only asset i.e. investment in SNL.

On the other hand, while SNL's business operations consist of ICT, infrastructure and security solutions, Pakistan Telecommunication Limited [PTCL] is the only listed entity which has a similar business model. Having said that, due to the difference in their relative sizes and additional revenue streams of PTCL, both companies are not directly comparable.

There have also not been any transactions, whose data is publicly available, within the telecommunication industry sector, which pertains to the market sector in which both the Companies operate. Previous transactions, whose data is publicly available, were related to acquisition of spectrum and acquisition of telecommunication operators.

The capitalized earnings methodology has therefore not been used for the purposes of calculating the swap ratio, as the same would not be applicable.

c) Adjusted net asset value

The adjusted net asset value is determined by marking every asset and liability on (including off balance sheet) a company's balance sheet to current market values. Net asset values, as per





the audited financial statements as at December 31, 2024 of the respective Companies, have been used to determine the adjusted net asset values of each company.

Based on a review of the financial statements for Supernet Limited, it was noted that property, plant and equipment of Supernet Limited includes fully depreciated assets, which are still in use as on December 31, 2024. Further, the trade receivable balances were reviewed to assess the impact on the net assets of the company.

Based on the work performed, the net asset value of Supernet Limited was adjusted for fixed assets and receivables, while the remaining assets and liabilities were carried out at the same values.

M/s Sadruddin Associates (Pvt.) Ltd, a valuation firm who is on the approved panel of the Pakistan Banks' Association, was engaged for purposes of revaluing the fixed assets of SNL as at December 31, 2024.

No adjustments were required in the net asset value of Supernet Technologies Limited.

3. Swap ratio based on adjusted net asset value

Based on the procedures mentioned above, the swap ratio based on the respective adjusted net asset values of the Companies, is as follows:

S. No.	Head	STL	SNL
1	Net asset value – as reported	64,760,000	1,949,198,000
2	Adjusted net asset value	64,760,000	2,236,580,550
3	Number of shares	500,000	123,444,455
4	Breakup value per share	129.52	18.12
5	Swap ratio working	18.12 / 129.52	
6	Swap ratio [rounded off to three decimal places]	0.140	

4. Swap ratio based on enhanced issued and paid-up share capital of STL

As communicated to us, the management of STL is of the viewpoint that calculating a swap ratio based on the existing issued and paid-up share capital of STL results in a substantially lower number of shares in the merged / surviving entity. This treatment does not align with a capitalization strategy that reflects a balanced and substantial equity base and would be prejudicial to the interests of the shareholders both Companies.

In order to avoid a situation where the post-merger capital structure of STL (being the surviving company) would result in a situation where the shares of STL would be illiquid owing to a low



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volume of shares being issued to the shareholders of SNL (other than STL) pursuant to the Scheme, the management has decided — as part of the Scheme and the arrangement thereunder — to enhance the issued and paid up share capital of STL to Rs. 60.0 million, from the existing capital of Rs. 5.0 million, by utilizing a portion of the existing accumulated profits of STL (as existing on December 31, 2024). The management of STL is of the viewpoint that this approach will ensure an equitable treatment for the shareholders of SNL (to whom shares of STL will be issued in terms of the Scheme) without any loss of value to the current shareholders of STL.

In light of the above, and based on the provisions of the Scheme shared with us, in terms of which ordinary shares of STL shall be issued to the shareholders of STL (prior to the issuance of ordinary shares of STL to the shareholders of SNL (other than STL)), as suggested by the management, the swap ratio based on the enhanced issued and paid up issued capital of STL is worked out as follows:

S. No.	Head	STL	SNL
1	Net asset value – as reported	64,760,000	1,949,198,000
2	Adjusted net asset value	64,760,000	2,236,580,550
3	Number of shares existing	500,000	123,444,455
4	New shares to be issued, as part of the Scheme, to the shareholders of STL	5,500,000	N/A
5	Adjusted number of shares	6,000,000	N/A
6	Breakup value	10.79	18.12
7	Swap ratio working	18.12 / 10.79	
8	Swap ratio [rounded off to two decimal places]	1.68	
9	Number of shares of SNL held by the shareholders of SNL (other than STL)	N/A	60,487,783
10	New shares of STL to be issued, as part of the Scheme, to the shareholders of SNL (other than STL i.e. after cancellation of cross shareholding).	101,619,475	N/A





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Post Merger Share Capital of STL

S. No.	Particulars	Number of Shares	Share Capital Amount (Rs.)
1	Number of shares existing	500,000	5,000,000
2	New shares to be issued, as part of the Scheme, to the shareholders of STL	5,500,00	55,000,000
3	New shares to be issued, as part of the Scheme, to the shareholders of SNL (other than STL i.e. after cancellation of cross shareholding).	101,619,475	1,016,194,750
4	Post merger Share Capital of STL	107,619,475	1,076,194,750

Caveats

The Scheme shall be subject to fulfilment of regulatory steps, including obtaining the requisite approvals of the members and secured creditors (to the extent applicable) of the respective Companies, and the sanction thereof by the Honorable High Court of Sindh at Karachi in accordance with the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017.

This certificate is intended to assist the respective Board of Directors of STL and SNL in determining the fair values of the shares of their respective Companies and forming a view on the swap ratio. The ultimate decision with respect to the appropriate share swap ratio rests with the Board of Directors and the shareholders of each company.

We have not conducted any independent verification of the audited financial statements of the respective Companies.

Regards
Yours sincerely

H. A. Dawson

(Chartered Accountants)

Idrees Dawson (FCA)

Encls: Annexure 'A'





Annexure A
Adjustments made to net asset value of Supernet Limited

S. No.	Detail	Book Value	Adjustments	Adjusted Value
1	Property, plant and equipment	470,030,000	536,382,000	1,006,412,000
2	Trade debt	2,092,094,000	(249,000,000)	1,843,094,000
	Total	2,562,124,000	287,382,000	2,849,506,000

The increase to Rs. 2,849,506,000 is based on the adjustments made to property, plant and equipment [due to revaluation] and trade debts [due to provision made].

All other assets and liabilities of Supernet Limited are stated at fair value and no adjustments are required to the values stated in the audited financial statements.

There are no contingencies or commitments or any off-balance sheet item which require any adjustments to the net asset value of Supernet Limited.

No adjustments were required in the net asset value of Supernet Technologies Limited.



SUPERNET TECHNOLOGIES LIMITED
(FORMERLY HALLMARK COMPANY LIMITED)

**SPECIAL PURPOSE
FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD
FROM JULY 01, 2024 TO DECEMBER 31, 2024**



S.M. SUHAIL & CO.

Chartered Accountants - *A member firm of:*



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SUPERNET TECHNOLOGIES LIMITED REPORT ON THE AUDIT OF SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the annexed special purpose financial statements of **Supernet Technologies Limited** (the Company), which comprise the special purpose statement of financial position as of **December 31, 2024**, the special purpose statement of profit or loss and other comprehensive income, the special purpose statement of changes in equity, the special purpose statement of cash flows for the sixth month period then ended **December 31, 2024**, and notes to the financial statements, including a summary of material accounting policies,

In our opinion, the accompanying special purpose financial statements, present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and financial performance for the six months period then ended December 31, 2024, in accordance with the basis of accounting and reporting as disclosed in note 2.2 to these special purpose financial statements

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities by the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1.2 and Note 2.2 of the financial statements, which describes that the Board of Directors has authorized the Company to formulate and propose the terms for a potential Scheme of Arrangement between Supernet Limited ("SNL") and the Company (the "Proposed Arrangement"). This includes initiating discussions with SNL, finalizing feasibility/valuations in respect thereon, and preparing draft documents relating to the Proposed Arrangement for consideration by the Board Directors. Furthermore, the Board of Director has authorized the Company to appoint legal, financial, and other professional advisors and consultants as may be necessary for the purpose of this initiative. The financial statements are prepared to assist the Company to meet the requirements of the Proposed Arrangement. As a result, these Special Purpose Financial Statements may not be suitable for any other purpose. Our opinion is not modified in respect of this matter.

SMSCO

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URL: www.smsco.pk

•Karachi
•Lahore
•Islamabad
•UAE
•Canada
•Australia

Other Matter

The company has prepared a separate set of condensed interim financial statements for the six-month period ended December 31, 2024 in accordance with the International Financial Reporting Standard on which we issued separate auditors review report to the shareholders of the company dated February 28, 2025.

Information Other than the Special Purpose Financial Statements and Auditor's Report Thereon

Management is responsible for other information that comprises feasibility, valuation and the Proposed Scheme of Arrangement. Our opinion on the Special Purpose Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation of these Special Purpose Financial Statements in accordance with basis of accounting as disclosed in note 1.2 and Note 2.2 to the special purpose financial statements, and for such internal control as management determines is necessary to enable the preparation of Special Purpose Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SMS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the special purpose financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partners on this engagement resulting in this independent auditors' report are S.M. Suhail, FCA and Mashkoor Ahmed FCA.

S. M. Suhail & Co

S.M. Suhail & Co.
Chartered Accountants
Karachi

Our Ref: SMS-A-09632025
Date: February 28, 2025

SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS****Statement Of Financial Position****As at December 31, 2024**

		31-Dec-24	30-Jun-24
	Note	-----Rupees in '000'-----	
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	3,600	4,280
Intangible assets	7	795	885
Long-Term investment	8	759,372	626,402
		763,767	631,567
Current Assets			
Other receivables	9	9,128	29,558
Due from related party	10	-	284,052
Cash and bank balances	11	128	1,145
		9,256	314,755
TOTAL ASSETS		773,023	946,322
EQUITY AND LIABILITIES			
Share Capital And Reserves			
Authorized Share Capital			
150,000,000 (2024: 150,000,000) Ordinary Shares of Rs. 10/- each	12	1,500,000	1,500,000
Issued, subscribed and paid-up capital		5,000	5,000
Revenue Reserves			
Accumulated Profit		59,760	30,470
		64,760	35,470
Non-Current Liabilities			
Deferred tax liability	13	-	-
Current Liabilities			
Creditors, accrued and other liabilities	14	3,037	2,947
Due to related party	15	705,203	907,866
Unclaimed dividend	16	23	23
Provision for taxation		-	16
		708,263	910,852
TOTAL EQUITY AND LIABILITIES		773,023	946,322
Contingencies and commitments	17	-	-

The annexed notes from 1 to 33 form an integral part of these special purpose financial statements.

SMSO


Chief Executive Officer


Chief Financial Officer


Director

SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)
SPECIAL PURPOSE FINANCIAL STATEMENTS
Statement of Profit or Loss And Other Comprehensive Income
For The Period Ended December 31, 2024

		31-Dec-24	30-Jun-24
	Note	-----Rupees in '000'-----	
Revenue - net	18	-	55,570
Cost of services	19	-	(20,108)
Gross Profit		-	35,462
Administrative expenses	20	(12,504)	(20,156)
Selling expenses	21	-	(4,226)
Operating Profit / (Loss)		(12,504)	11,080
Other income and (expenses)	22	41,799	24,367
Bank charges	23	(5)	(3)
Profit before levies and taxation		29,290	35,445
Levies	24	-	(556)
Profit before taxation		29,290	34,889
Taxation	25	-	(40)
Profit after taxation		29,290	34,849
		-----Rupees-----	
Earnings per share - basic and diluted	26	58.58	69.70

The annexed notes from 1 to 33 form an integral part of these special purpose financial statements.

SMSCo


Chief Executive Officer


Chief Financial Officer


Director

SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)
SPECIAL PURPOSE FINANCIAL STATEMENTS
Statement of Cash Flows
For The Period Ended December 31, 2024

	31-Dec-24	30-Jun-24
	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	29,290	35,445
Adjustments for:		
Depreciation	680	544
Amortization	90	180
Exchange gain - Recognized	-	-
Operating Profit Before Working Capital Changes	30,060	36,169
Changes in working capital		
(Increase)/ decrease in current assets:		
Trade debts	20,430	
Due from related party	284,052	(284,052)
Deferred tax asset	-	
Other receivable		(29,558)
Increase / (decrease) in current liabilities:		
Creditors, accrued and other liabilities	90	1,962
Payable to related party	(202,663)	907,866
Total Changes In Working Capital	131,969	632,387
Taxes paid	(16)	(633)
Net Cash Inflow From Operating Activities	131,953	631,754
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term investment	(132,970)	(626,402)
Purchase of fixed asset		(4,301)
Net Cash (Outflow) From Investing Activities	(132,970)	(630,703)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Inflow / Outflow From Financing Activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(1,017)	1,051
Cash and cash equivalents at the beginning of year	1,145	94
Cash and cash equivalents at the end of year	128	1,145

The annexed notes from 1 to 33 form an integral part of these special purpose financial statements.

SMSCO


Chief Executive Officer


Chief Financial Officer


Director

SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS**

Statement of Changes in Equity

For The Period Ended December 31, 2024

	Issued subscribed and paid up capital	Accumulated profit / (loss)	Total Equity
	-----Rupees in '000'-----		
Balance as at June 30, 2023	5,000	(4,380)	620
Profit for the period	-	34,850	34,850
Balance as at June 30, 2024	5,000	30,470	35,470
Balance as at July 1, 2024	5,000	30,470	35,470
Profit for the period	-	29,290	29,290
Balance as at December 31, 2024	5,000	59,760	64,760

The annexed notes from 1 to 33 form an integral part of these special purpose financial statements.

SRG


Chief Executive Officer


Chief Financial Officer


Director

SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

1 STATUS AND NATURE OF BUSINESS

The Supernet Technologies Limited (STL) (Formerly Hallmark Company Limited (HCL)) was incorporated as a Public Limited Company on 31 October, 1981 under the repealed Companies Act, 1913, now the Companies Act, 2017, and subsequently obtained registration under the repealed Insurance Act, 1938, (now the Insurance Ordinance, 2000) as an insurer. Subsequently, on application from the Company, the insurance license of the Company got revoked from the SECP Insurance Division, vide the S.R.O.1079(I)/2016 dated 22 November, 2016. Consequently, the principal activity was changed, and the Company engaged in trading of computer and allied I.T. equipment. Currently the Company is mainly engaged in I.T. Enabled services export.

The company name changed to Supernet Technologies Limited

On December 12, 2024, members of the Company passed special resolution in Extra Ordinary General Meeting and resolved that name of the Company be changed from 'Hallmark Company Limited' to "Supernet Technologies Limited" and after complying with all regulatory requirements name of the Company officially changed w.e.f December 19, 2024.

1.1 Geographical location and address of business units - Address

4th Floor Tower B World Trade Centre, Khayaban-E-Roomi Clifton,
Karachi, South.

Purpose

Registered office of
the Company.

- 1.2** At the meeting of the board of Directors of Supernet Technologies Limited (The Company) held on 29 January 2025 at the registered office, the Board of Directors authorised the Company to formulated and propose the terms for potentially entering into a scheme of arrangement between Supernet Limited (SNL) and the Company, including initiating discussion with SNL, finalizing the feasibility / valuations in respect thereof, and the draft documents pertaining to the Proposed Scheme of Arrangement to be presented to the Board of Directors for their consideration. Furthermore, the Company has been authorised to appoint legal, financial and such other advisors and consultants as may be required for this purpose.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These special purpose financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Those standards comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act) and provisions and directives issued under the Act. Where the provisions and directives issued under the Act differ with the requirement of IFRS standard, the provisions and directives issued under the Companies Act, 2017 have been followed.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

2.2 Basis of accounting and reporting

These special purpose financial statements have been prepared for the purpose of Scheme of Arrangement as disclosed in note 1.2 above for the consideration of the Board of Directors.

These special purpose financial statements comprise the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, and the statement of changes in equity together with notes forming part thereof. These special purpose financial statements have been prepared in accordance with the accounting policies as disclosed in note 5.

2.3 Basis of Measurement

These special purpose financial statements have been prepared under historical cost convention and, on an accrual basis of accounting, except for cash flow information reported in statement of cash flows.

2.4 Functional and Presentation Currency

These special purpose financial statements are prepared and presented in Pakistani Rupees, which is also the functional currency of the Company.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED ACCOUNTING AND REPORTING STANDARDS

3.1 New Accounting Standards amendments and IFRS interpretations that are effective for the year ended June 30, 2024

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except those, during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

The following standards and amendments became effective during the year but, are not relevant to the Company's operations or, are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	Effective date (Annual periods beginning on or after)
a) IAS 1 'Presentation of financial statements' and IFRS practice statement 2 Making materiality judgements - Disclosure of Accounting policies	January 1, 2023
b) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting estimates	January 1, 2023
c) IAS 12 'Income Taxes' - Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
d) IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to two pillar income taxes	January 1, 2023

The Company adopted the amendment to International accounting standards (IAS) 1 'Presentation of financial statements' regarding disclosure of Material accounting policies which has been effective for accounting period beginning on or after 1 January 2023, although the adoption has not resulted in any change to the accounting policies or their adoption , they have impacted the accounting policies disclosed in the financial statements.

The amendment requires the disclosure of material rather than significant accounting policies, the amendment also provides guidance on application of materiality to disclosure of accounting Management reviewed the accounting policies and updates to the information disclosed in Note 5, Material Accounting Policies (2023 : Significant Accounting Policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

- a) The following standards, amendments and interpretations of approved accounting standards will be effective for the Company, for the accounting periods beginning on or after 01 July 2024:

	Effective date (Annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements.	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.	January 01, 2024

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

	Effective date (Annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements.	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability.	January 01, 2025
IFRS 17 Insurance Contracts.	January 01, 2026

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation/disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9 on its financial statements.

3.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective and not adopted by SECP

The following standards, amendments and interpretations are not effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have a significant impact on the financial statements other than certain additional disclosures.

IFRS-1	First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by the Securities and Exchange Commission of Pakistan (the SECP).
IFRS-18	Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.
IFRS 19	Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these special purpose financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that effect the reported amounts of assets, liabilities, income and expenses. These also require managements to exercise judgments in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on, an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and applied prospectively.

Areas where assumptions and estimates are significant to the financial statements are:

- Useful life of depreciable and intangible assets
- Provision for doubtful debts
- Provision for taxation and
- Provision for expected credit losses

5 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these special pupose financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property, Plant and Equipment

5.1.1 Owned

These are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Depreciation is charged to the statement of profit or loss over the useful life of the assets applying the straight line method at the rates specified in the relevant note to these un-consolidated financial statements. Depreciation on additions of asset is charged from the date when it is available for use, up to the date of disposal or transfer to the group held for sale, whichever is earlier.

An asset's carrying amount is written down immediately to its recoverable amount if the recoverable amount is assessed lower than the carrying amount.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as a separate group, under the property, plant and equipment.

Subsequent costs, if any, are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the Company and, the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss, during the financial year in which they are incurred.

Disposal of asset is recognized when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and, are taken to the statement of profit or loss.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

5.2 Intangible Asset

Intangibles are initially recognized at cost only when there is technical feasibility exists and future inflow of economic benefits are probable. It is amortized at the rates mentioned in relevant note on the straight line basis.

These are measured at cost less amortization and impairment losses, if any.

Amortization is charged to the statement of profit or, loss from the date when it is made available for use till the date of disposal or transfer.

5.3 Trade Debts and Other Receivables

Trade debts and other receivables are recognized at original invoice amount less provision for expected credit losses using provision matrix method.

5.4 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, bank deposits, and highly liquid short term investments.

5.5 Trade Creditor and Other Payable

Liabilities for trade and other payables are carried at their fair value of the consideration to be paid in the future for goods and services received whether or not, are billed to the Company.

5.6 Impairment

5.6.1 Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that financial assets or a group of financial assets are impaired. These are considered to be impaired, only if, there is an objective evidence of impairment as a result of one or more events that has any adverse impact over estimated future cash flows, that can be reliably estimated.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses on financial assets that are being carried at amortized cost are recognized in statement of profit or loss.

For trade receivables, the Company is using provision matrix model for its calculation of the doubtful debts provisions. The provision rates are based on days past due from customer segments i.e Trading and Service amount of ECL is recognized in statement of profit or loss, on an annual basis.

The provision matrix is based on the company's historical observed default rates. The Company's historical credit loss may not be representative of customer's actual default in the future.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

5.6.2 Non Financial Assets

The carrying amount of the Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, or when annual impairment testing of an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted at present value of money and the risk specific to the asset. The fair value less cost to sell is based on available data on binding sales transactions, conducted at the arms length.

A previously recognized impairment loss is reversed if there has been a change in the assumptions used to determine the asset's recoverable amount, since the last impairment loss is recognized or on subsequent assessment it has been identified that the carrying value of the asset falls short of recoverable amount assessed. The reversal is limited so that the carrying amount of the assets does not exceeds its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

5.7 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

5.8 Dividend

Dividend is recognised as a liability in the period in which it is declared. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.9 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation on income. The change for current tax also includes prior year adjustments where considered necessary, arising due to assessments finalized during the year.

Deferred

Deferred tax, is a tax attributable to the temporary differences that is, difference between the carrying amount of assets or liability and its corresponding tax base.

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and, liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and, deferred tax assets are recognized for all deductible temporary differences to the extent where it is probable that, taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

5.10 Revenue Recognition

With reference to IFRS 15 the revenue comprises of the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities.

The Company recognizes revenue at the point of time or over the period of time, whichever is applicable, as and when the related performance obligation of the Company is satisfied, amount of revenue can be reliably measured and it is more than probable that future economic benefits will flow to the Company. Generally, the performance obligation is deemed to be satisfied when following specific criteria has been met:

- in case of services, when these are rendered to the customer/ client, and
- in case of goods, when these are dispatched to the customers.

5.11 Financial Assets and Liabilities

5.11.1 Amortized Cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in statement of profit or loss.

Impairment

The Company recognize an allowance for expected credit loss on all financial assets carried at amortized cost irrespective whether a loss event has occurred. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance while general 3-stage approach for other financial assets (deposits, other receivables and cash and bank balances) i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition, and if otherwise, ECL to measure at life time expected credit losses.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the statement of profit or loss.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

5.11.2 Financial Liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in statement of profit or loss.

5.11.3 Offsetting of Financial Assets and Financial Liabilities

A financial asset and financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and discharge the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

5.12 Related Party Transaction

All transactions involving related parties arising in the normal course of business are conducted at arm's length, at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

5.13 Earnings Per Share

Basic earning per share is calculated by dividing profit or loss attributable to shareholders of the Company, divided by weighted average number of ordinary shares outstanding during the year. Diluted earning per share is calculated by adjusting the profit or loss attributable to shareholders and the weighted average number of outstanding shares during the year for the effects of dilutive ordinary potential shares.

5.14 Investment in Associates

Associates are entities over which the company has significant influence but not control.

Equity method :

Investment in associates are measured initially at cost and subsequently adjusted thereafter for the post acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

- Cost method :

Investment in associates are measured initially at cost and are subsequently carried forward at cost till they are sold.

The company assesses significant influence and control as per IFRS 10 "Consolidated financial statements" and IAS 28 "Investment in associates and Joint Ventures".

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS**

Notes to the Financial Statements

For The Period Ended December 31, 2024

6 PROPERTY, PLANT AND EQUIPMENT

Details of Owned Assets	Furniture and fixtures	Generator	Computer and allied equipment	Total
-------------------------	------------------------	-----------	-------------------------------	-------

-----Rupees '000'-----

FOR THE PERIOD ENDED DECEMBER 31, 2024

Depreciation rates

10% 10% 33%

GROSS CARRYING AMOUNT

Balance at beginning of the year	335	1,255	3,234	4,824
Additions during the year	-	-	-	-
Disposal during the year	-	-	-	-
Balance as at the year end	335	1,255	3,234	4,824

DEPRECIATION

Accumulated depreciation at beginning of the year	168	31	345	544
Charge for the year	84	63	534	680
Balance as at the year end	251	94	879	1,224

CARRYING FOR THE PERIOD ENDED DECEMBER 31, 2024

84	1,161	2,355	3,600
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Details of Owned Assets	Furniture and fixtures	Generator	Computer and allied equipment	Total
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-----Rupees '000'-----

FOR THE YEAR 30 JUNE 2024

Depreciation rates

10% 10% 33%

Balance as at the year end	335	1,255	3,234	4,824
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DEPRECIATION

Accumulated depreciation at beginning of the year	-	-	-	-
Charge for the year	168	31	345	544
Reversal of Accumulated depreciation	-	-	-	-
Balance as at the year end	168	31	345	544

CARRYING VALUE 30 JUNE 2024

168	1,224	2,889	4,280
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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATMENTS****Notes to the Financial Statements****For The Period Ended December 31, 2024**

		31-Dec-24	30-Jun-24
	Note	-----Rupees in '000'-----	
7 INTANGIBLE ASSETS			
ERP - single user license			
COST			
Balance at beginning of the year		1,800	1,800
Additions		-	-
Disposal		-	-
Balance as at the end		1,800	1,800
AMORTIZATION			
Accumulated amortization at beginning		915	735
Charge for the year		90	180
Balance as at the end		1,005	915
CARRYING VALUE AT DECEMBER 31		795	885
7.1	The amortization expense is being charged to administrative expenses, over 10 years on straight line basis.		
8 LONG-TERM INVESTMENT			
Associate - at cost	8.1	626,402	595,638
Share of profit from associate	8.2	132,970	30,764
		759,372	626,402
8.1	Investment in the Supernet Limited (Quoted Company) represents 62,956,672 fully paid ordinary shares of Rs. 13.06 each (Rs. 10 is the par value), other than cash representing 51% of Supernet Limited's paid up share capital as at 30 June 2024.		
	The above was acquired as a single tranche under the Share Purchase Agreement (SPA), the Company also have to further acquire 30.18% share capital of Supernet Limited in accordance with SPA with Telecard Limited, the ultimate parent Company, subject to the compliance with the statutory formalities.		
8.2	The company recognize it's share in associate company's profit or loss for the period in its own income statement as per IAS-28 , on the basis of it's percentage ownership in the associate company		
9 OTHER RECEIVABLE			
Other receivable	9.1	9,128	29,558
		9,128	29,558
9.1	This pertains to services /other income rendered last year.		
10 DUE FROM RELATED PARTY			
Receivable from Supernet Infrastructure Solutions (Private) Limited		-	284,052
		-	284,052
11 CASH AND BANK BALANCES			
Cash in hand		-	143
Cash at bank		128	1,002
		128	1,145

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATMENTS**

Notes to the Financial Statements

For The Period Ended December 31, 2024

12	SHARE CAPITAL AND RESERVES	Note	31-Dec-24	30-Jun-24
			-----Rupees'-----	
12.1	AUTHORISED SHARE CAPITAL			
	150,000,000 (2024:150,000,000) Ordinary Shares of Rs. 10/- each		<u>1,500,000</u>	<u>1,500,000</u>
12.2	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	500,000 (2024: 500,000) Ordinary Shares of Rs. 10/- each fully paid in cash		<u>5,000</u>	<u>5,000</u>
12.3	Ordinary shareholders are entitled to attend and vote in the Company meetings and are also entitled to any distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company.			
12.4	Further details are disclosed in note of related party relationship.			
13	DEFERRED TAX (ASSETS)/ LIABILITY		31-Dec-24	30-Jun-24
	Taxable and deductible temporary difference		-----Rupees in '000'-----	
	On accelerated depreciation		-	371
	On accelerated amortization		-	48
	Minimum tax		-	-
			-	419
	Deferred tax non-recognized	13.1	-	(419)
			-	-
13.1	In line with the ICAP guidelines on taxation of the Company's income that falls under the Final Tax Regime (FTR) is no longer required to recognize deferred tax . Consequently, no deferred tax has been charged on final tax.			
14	CREDITORS, ACCRUED AND OTHER LIABILITIES			
	Creditors		509	509
	Audit fee payable		210	550
	Salaries payable		567	472
	Legal and professional charges payable		374	52
	Withholding tax payable		36	36
	I.T. developer charges		992	1,223
	Rent and utilities		200	105
	Other payable		149	-
			<u>3,037</u>	<u>2,947</u>
15	DUE TO RELATED PARTY			
	Payable to Telecard Limited (TCL)	15.1	702,777	632,118
	Payable to Supernet Limited (SNL)		2,426	275,748
			<u>705,203</u>	<u>907,866</u>
15.1	The payable to Telecard Limited (TCL), the ultimate parent Company, comprises an investment in Supernet Limited details of which is included in note 7.1. This amount is payable after the grace period of eighteen months from March 2024.			
15.2	The payable to Supernet limited (SNL), the associate, comprises of the proceeds for sales of			

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATMENTS****Notes to the Financial Statements****For The Period Ended December 31, 2024****16 UNCLAIMED DIVIDEND**

Includes unclaimed dividend amounting to Rs. 23,150 (2024: Rs. 23,150) outstanding for more than 3 years from the date of declaration. Such unclaimed dividend is payable to the Federal Government as per the Companies Act 2017, subject to fulfilment / clarification on certain pre-conditions specified in the Act.

17 CONTINGENCIES AND COMMITMENTS

There was no contingency or commitment at December 31, 2024 (June 2024: Nil)

	31-Dec-24	30-Jun-24
	-----Rupees in '000'-----	
18 REVENUE FROM CONTRACT WITH CUSTOMERS		
Rendering of services	-	55,570
	-	55,570
19 COST OF SERVICES		
I.T. developer charges	-	15,295
Domain and hosting charges	-	235
Software developers tools	-	1,224
Software subscription	-	704
Cloud networking charges	-	1,132
Travelling and conveyance	-	827
Entertainment expenses	-	291
Depreciation	-	345
Other charges	-	56
	-	20,108
20 ADMINISTRATIVE EXPENSES		
Salaries	2,834	5,668
Printing and stationery	32	61
Advertisement	59	115
Rent and utilities	752	1,254
Repair and maintenance	2,182	192
Travelling and conveyance	1,249	414
Entertainment	199	331
Legal and professional charges	3,973	10,570
Security expenses	235	392
Depreciation	680	199
Auditor's remuneration	20.1	210
Amortization	90	180
Miscellaneous	9	15
	12,504	20,156
20.1 Auditor's remuneration		
Annual audit	-	550
Review of half yearly condensed interim financial statements	210	215
	210	765

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS**

Notes to the Financial Statements

For The Period Ended December 31, 2024

	31-Dec-24	30-Jun-24
	-----Rupees in '000'-----	
21 SELLING EXPENSE		
Salaries	-	2,835
Printing and stationery	-	143
Advertisement	-	329
Rent and utilities	-	460
Travelling and conveyance	-	459
	<u>-</u>	<u>4,226</u>
22 OTHER INCOME AND (EXPENSES)		
Exchange (loss)/ gain	-	(297)
Other expenses	(703)	(411)
Unwinding interest	(70,659)	(35,330)
Bad Debt	(19,815)	
Sale of scrap equipment and computers	-	3,843
Rental income on I.T. equipment	-	7,242
Training income	-	7,833
Other income	-	3,104
Disposal of obsolete insurance files and other related records	-	2,512
Sale of obsolete furniture	-	5,025
Share of profit from associate - Supernet Limited	132,970	30,764
Bank profit	5	82
	<u>41,799</u>	<u>24,367</u>
23 BANK CHARGES		
Bank charges	5	3
	<u>5</u>	<u>3</u>
24 LEVIES		
Income tax - Final tax u/s 154 (export proceeds)	-	556
	<u>-</u>	<u>556</u>
24.1 This represents final taxes paid under section u/s 154 of the income tax ordinance 2001, representing levy in terms of IFRIC 21/IAS 37.		
25 TAXATION		
Current tax	25.1	16
Prior tax	-	-
	<u>-</u>	<u>16</u>
Deferred tax - net	-	24
	<u>-</u>	<u>40</u>

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS**

Notes to the Financial Statements

For The Period Ended December 31, 2024

26 EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED

	31-Dec-24	30-Jun-24
26.1 Basic Earnings Per Share	-----Rupees in '000'-----	
Profit after taxation	29,290	34,849
Weighted average number of Ordinary Shares	500	500
	-----Rupees-----	
Basic earnings per share	58.58	69.70

26.2 Diluted Earnings Per Share

Diluted earnings per share has not been presented as the company did not have any convertible instruments in issue as at the end reporting period.

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES

There is a common directorship between Telecard Limited and Supernet Technologies Limited. It is important to note that the Directors with shared roles between these entities do not receive any remuneration from the payroll of Hallmark Company Limited. These individuals provide their services to Supernet Technologies in their capacity as Directors without financial compensation from the Company.

Further, there is no employee of the Company who meets the criteria of the executives, as defined under the Companies Act, 2017, thus, no remuneration is payable by the Company in this regard.

28 TRANSACTIONS WITH RELATED PARTIES

The Company's related party relationship is with its parent, subsidiary and associated undertakings, its directors and executive officers. Transactions with related parties essentially entails to commission, management fee, design services, purchases. These transactions are carried at arms length unless otherwise approved by directors. Transactions in nature of payments of services with directors and executives are made as per terms of employment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers all members of their management team, including Chief Executive Officer, President and Directors to be its Key Management Personnel.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS****Notes to the Financial Statements****For The Period Ended December 31, 2024**

Details of related parties except for directors and management personnel are as follows:

Name of Related Parties	Relationship	Basis of Relationship	Country of Incorporation
Telecard Limited	Parent Company	62% shareholding in Hallmark Company Limited	Pakistan
Supernet Limited	Associate Company	51% holding of Hallmark Company Limited	Pakistan
Supernet-E-Solutions (Private) Limited	Indirect associate	100% Owned subsidiary of Supernet Limited	Pakistan
Supernet Secure Solutions (Private) Limited	Indirect associate	80% Owned subsidiary of Supernet Limited	Pakistan
Phoenix Global FZE	Indirect associate	100% Owned subsidiary of Supernet Limited	United Arab Emirates
Supernet Infrastructure Solutions (Private) Limited	Indirect associate	100% Owned subsidiary of Supernet Limited	Pakistan

28.1 Details of transactions entered into with related parties during the year are as follows: **31-Dec-24** **30-Jun-24**
----- (Rupees in '000') -----

Telecard Limited - Parent Entity

Payable related to investment in a associate	70,659	(595,638)
Payable interest on deferred payment	-	(35,330)

Supernet Limited - Associate Company

Investment made by the Company	-	595,638
Share of profit	132,970	30,764
Settlement made during the period	273,322	(275,748)

Supernet Infrastructure Solutions (Private) Limited - Indirect Associate

Funds transferred, as per group policy	-	285,394
Settlement made during the period	284,052	(1,342)

Phoenix Global FZE - Indirect Associate

Sales	-	55,570
Amount Received during the year	-	55,570

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATMENTS****Notes to the Financial Statements****For The Period Ended December 31, 2024****28.2 Details of outstanding account balances with related parties are as follows:****31-Dec-24 30-Jun-24****----- (Rupees in '000') -----****Telecard Limited - Parent Entity**

Payable related to investment in Supernet Limited (SNL)

702,777632,118**Supernet Limited - Associate Company**

Payable related to receipt on behalf of SNL

2,426275,748**Supernet Infrastructure Solutions (Private) Limited - Indirect Associate**

Receivable during the period

-284,052

There was no transaction with key management personnel, subsidiaries and other related parties during the year except as disclosed herein above. The balances outstanding are unsecured, interest free and repayable on demand.

29 FINANCIAL RISK MANAGEMENT**Financial risk management objectives**

The Company finances its operations mainly through its own working capital and from long term markup free finances from directors with a view to maintaining an appropriate mix between various sources of finance to minimize the risk.

Company's activities exposes it to a variety of financial risks:

- Market risk (including fair value interest rate risk, fuel Price risk and Currency risk)
- Credit risk
- Liquidity risk

The Board of directors has overall responsibility to establish and oversight the Company's risk management framework and plan and implement risk management policies. The Company's overall risk management plan focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. Risk measured and managed by the company are explained in notes 29.1 to 29.3, of these notes.

29.1 Credit Risk

Credit risk represents the risk of loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure with quality of financial assets and other detail are as follows:

31-Dec-24 30-Jun-24**----- (Rupees in '000') -----**

	Credit rating agency	Short term deposit	long term deposit		
Due from related party				-	284,052
Other receivable				9,128	29,558
Deposit with -					
Habib Metropolitan Bank	PACRA	A1+	AA+	88	771
Bank Al Barka	VIS	A-1	A+	4	226
Meezan Bank	VIS	A-1+	AAA	36	4
				<u>9,256</u>	<u>314,611</u>

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

29.2 Market Risk

Market risk is the that fair value of cash flows from financial instruments of the Company will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

29.2.1 Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange.

There is no foreign currency risk arises on the financial instruments of the Company.

29.2.2 Sensitivity Analysis

The Company does not hold any asset or liability in foreign currency at reporting date. Therefore, any change in exchange rate of PKR against foreign currency would not affect statement of profit or loss.

29.2.3 Interest Rate Risk

Interest rate risk represents the risk that, the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the date of the statement of financial position the interest rate profile of the Company's interest-bearing financial instrument is NIL.

Sensitivity Analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through statement of profit or loss. Therefore, any change in interest rate at the reporting date does not affect the statement of profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Company does not hold any variable rate financial assets or liabilities. Therefore, a change in interest rates at the reporting date would not affect cash flows.

29.2.4 Other Price Risk

Other price risk is the risk that, the fair value of future cash flows of a financial instrument will fluctuate because of change in market price excluding the impact of changes due to interest rate or currency risk. The company does not hold any financial asset or financial liability which is traceable in open market therefore, it is not exposed to any other price risk.

29.3 Liquidity Risk

Liquidity risk is the risk for a Company, where it will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that, it will always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the carrying amount and maturities of the Company's financial liabilities.

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)**SPECIAL PURPOSE FINANCIAL STATEMENTS****Notes to the Financial Statements****For The Period Ended December 31, 2024**

Non Interest Bearing	31-Dec-24		
	----- (Rupees in '000') -----		
	Carrying amount	Up to one year	After one year
Unclaimed dividend	23	23	-
Creditors, accrued and other liabilities	3,037	3,037	-
Payable to related parties	705,203	705,203	-
Total financial liabilities	708,263	708,263	-
30-Jun-24			
----- (Rupees in '000') -----			
	Carrying amount	Up to one year	After one year
Unclaimed dividend	23	23	-
Creditors, accrued and other liabilities	2,947	2,947	-
Payable to related parties	907,866	907,866	-
Total financial liabilities	910,836	910,836	-

29.4 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market, for the asset or liability; or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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SUPERNET TECHNOLOGIES LIMITED (Formerly Hallmark Company Limited)

SPECIAL PURPOSE FINANCIAL STATEMENTS

Notes to the Financial Statements

For The Period Ended December 31, 2024

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Board of director determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External evaluator may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Presently no financial or non financial asset or liability is valued at fair value. All assets are valued at their amortized cost which is the most appropriate available valuation basis.

The carrying values of financial assets and financial liabilities reported in the statement of financial position, are at approximate their fair values.

30 OPERATING SEGMENT

These financial statements have been prepared on the basis of a single reportable segment. There was no change in the reportable segments during the year.

30.1 There are two sources of revenue of the segment which is from sale of used imported laptops and I.T. related services.

30.2 All non-current assets of the segment are located in Pakistan.

30.3 All the sales are made to customers located in side and out side Pakistan.

30.4 There is no significant major customer of the segment. Sales are made to number of individuals and corporate entities on non-repetitive / repetitive basis, on customers' demand.

31 NUMBER OF EMPLOYEES

Number of employees as at December 31, 2024 were 36 (2024: 34).

Average number of employees during the year were 35 (2024: 18)

32 GENERAL

Figures in the special purpose financial statement have been rounded off to the nearest of a Pak Rupee.

Comparative figures have been reclassified wherever necessary for the appropriate presentation.

33 AUTHORISATION FOR ISSUE

These special purpose financial statements have been approved and authorized for issue by the Board of Directors of the Company in its meeting held on 28 February 2025.

Singh



Chief Executive Officer



Chief Financial Officer



Director