

BAS/C145/25/0516

May 16, 2025

The Board of Directors of

Matco Foods Limited
B-01/A, S.I.T.E, Phase 1
Super Highway Industrial Area
Karachi

Matco Corn Products (Private) Limited
Plot No. 8-C, 3rd and 4th Floors,
Shahbaz Lane No.2, Phase VI, D.H.A,
Karachi

Dear Sirs

**Grant Thornton Anjum
Rahman**

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ENVISAGED SCHEME OF ARRANGEMENT BETWEEN MATCO FOODS LIMITED AND MATCO CORN PRODUCTS (PRIVATE) LIMITED

1. We refer to the envisaged Scheme of Arrangement under Sections 279 to 283 and 285(8) of the Companies Act, 2017 between Matco Foods Limited ('Matco') and its members, and Matco Corn Products (Private) Limited ('MCPPL') and its members (hereinafter referred to as 'the Scheme').
2. The Scheme, the draft of which has been shared with us, principally envisages demerging / carving out of the business / segment comprising the Assets, Liabilities and Obligations of the corn starch business (the 'Demerged Undertaking') of Matco (the 'Carve Out'), and vesting of the same with and into MCPPL, by transferring the Assets, Liabilities and Obligations pertaining to the Demerged Undertaking into MCPPL (the 'Amalgamation'), while retaining the Assets, Liabilities and Obligations of Matco other than the Demerged Undertaking (the 'Retained Undertaking') in Matco, without any company being wound up. The Carve Out and the Amalgamation, in terms of the Scheme, is to be effective from the start of business on July 1, 2025 (or such other date as may be stated by the Court).
3. We have been given to understand by the managements of Matco and MCPPL that, as of the date of this letter, MCPPL has an issued share capital of Rs. 10,000/-, which is beneficially wholly owned by Matco (including through its nominees); hence MCPPL is a wholly owned subsidiary of Matco.
4. The management and the Board has selected the Net Asset Value (NAV) method to value the demerged undertaking, which is a wholly owned subsidiary, as it provides a reliable measure of fair value based on assets and liabilities of the company.

5. Based on the calculations stipulated below, and taking into account that MCPPL shall remain a wholly owned subsidiary of Matco as a consequence of the Carve-out and Amalgamation, in consideration of the Amalgamation, MCPPL shall allot and issue 121,513,981 ordinary shares, having face value of Rs. 10/- each, to Matco in accordance with Article 9 of the Scheme. The same is based on the net asset value of the Demerged Undertaking, which is being vested in MCPPL pursuant to the Amalgamation.
6. Based on the special purpose financial statements of Matco for the period ended December 31, 2024, and split balance sheet as attached in Annexure-A, the net asset value of the Demerged Undertaking (to be vested in MCPPL pursuant to the Amalgamation), and the consequential shares of MCPPL to be issued to Matco, are calculated as follows:

Number of Shares Calculation for Scheme of Arrangement

Item	As per Split Balance Sheet Amount in Rs.	
Net Asset Value as per Split Balance Sheet	1,586,833,353	A
Less: Revaluation Surplus	(370,831,918)	
Less: Accumulated profits	(861,625)	
Net Shareholders' Equity	1,215,139,810	B
Par Value of Share	10	C
Number of Shares to be issued	121,513,981	D=B/C

7. Unless otherwise specified herein, all defined terms shall have the meaning ascribed thereto under the Scheme.
8. This letter has been prepared for the above named addressees only in relation to the Scheme and accordingly, is not to be used by any other person or for any other purpose.

Yours truly

Arul - P. L. Raj - S.