



MetaTech

HEALTH LIMITED

Formerly Hashimi Can Company

HALF YEARLY REPORT
DEC 31

2022

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Vision Statement

To be the unmatched leader in rendering diversified health care services through sustainable process of economy, efficiency and effectiveness.

Mission Statement

To be innovative, effective and efficient in the field of health care to the benefit of society, we will fairly compete in quality, technology, operational expertise, while ensuring sound financial and sustainable growth of the Company for the sake of its stakeholders and reputation.

Company Information

Board of Directors

- | | |
|-----------------------------|-------------------------|
| 1. Dr. Zahid Mahmood | Chairman |
| 2. Mr. Mansoor Ahmed Soomro | Chief Executive Officer |
| 3. Ms. Maaria Ahmad | Non-Executive Director |
| 4. Mr. Sohail Habib | Non-Executive Director |
| 5. Ms. Farzin Khan | Independent Director |
| 6. Mr. Muhammad Iqbal | Independent Director |
| 7. Mr. Usman Ali Shah | Independent Director |

Audit Committee

- | | |
|-----------------------------|-----------|
| 1. Ms. Farzin Khan | Chairman |
| 2. Mr. Mansoor Ahmed Soomro | Member |
| 3. Ms. Maaria Ahmad | Member |
| 4. Mr. Muhammad Usman | Secretary |

Human Resource and Remuneration Committee

- | | |
|-----------------------|-----------|
| 1. Mr. Muhammad Iqbal | Chairman |
| 2. Mr. Sohail Habib | Member |
| 3. Ms. Maaria Ahmad | Member |
| 4. Mr. Muhammad Usman | Secretary |

Company Secretary

Mr. Muhammad Usman

Auditors

Kreston Hyder Bhimji & Co. Chartered Accountant

Legal Advisor

Azzizuddin & Shahid Law Associates

Registrar

Digital Custodian Company Limited
508, LSE Plaza, Kashmir Egerton Road, Lahore

Registered Office

Office # 505, 5TH Floor, LSE Building, Aiwan-e-Iqbal, Lahore.

Directors' Report

The Directors are pleased to present the un-audited Financial Statements of the Company for the half year's period ending on December 31, 2022.

	December 31, 2022	December 31, 2021
	Rupees	Rupees
Sales	10,231,975	-
Gross Profit	643,560	-
Net Profit after tax	(57,693,171)	(952,651)

Certain corporate actions/ decisions have been taken by the Board of Directors in their meeting that includes:

1. Transfer/Disposal of Health Care Business to Modaraba Al – Mali;
2. Change of principal line of business and to act as general traders of health care products;
3. Change of name of Company to MetaTech Limited;

Currently, the Company is in the process of establishing Dental Studios across the Country. Moreover, the Company has made equity investment of Rs. 300.00 million in Ensmile Limited (for its 1/3rd equity stake). The Company has announced right Sukuk of Rs. 408 million which is on hold by SECP due to various technical/legal reasons. However, Modaraba Al-Mali has provided Rs. 300.00 million (vis-à-vis tis right issue) which is subsequently investment in **Ensmile Limited** as aforementioned. Due to current market conditions the Board of Directors of the Company has decided the following:


- **Repudiate/** cancel the right Sukuk which is on hold by the SECP;
- Transfer of current **Health Care Business** (including assets and related liabilities) to Modaraba Al-Mali against the consideration of Rs. 9.00million (approx.).

As aforementioned, Company is transferring/disposing of 'health care business' to Modaraba Al-Mali. However, it is proposed to initiate trading activities in the Company. It is being proposed to change the principal line of business and accordingly, Clause 3(1) of the Memorandum of Association (principal clause of the business) is being changed to accommodate the intended/planned trading activities for purchase, import, export and to act as general traders, general order suppliers of commodities including but not limited to health care products.

Furthermore, the Board has approved the agenda for the holding of the EOGM of the Company to be held on **March 24, 2023** at 10:30 am at the registered office of the Company.

ACKNOWLEDGEMENTS

We place on record our gratitude to our stakeholders for their confidence reposed in us and assure them that we are committed to do our best to harness the development path of our Company.


Mansoor Ahmed Soomro
 Chief Executive Officer

February 23, 2023
Lahore

METATECH HEALTH LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EOGM) of **MetaTech Health Limited** (the Company) will be held on **Friday, March 24, 2023** at 10:30 AM at the registered office of the Company at Office No. 508, 5th Floor, LSE Building, Aiwan-e-Iqbal, Lahore to transact the following business:

ORDINARY BUSINESS


1. To confirm the minutes of 61th Annual General Meeting held on October 15, 2022.

SPECIAL BUSINESS

2. To consider and approve the transfer of business/investment of healthcare (Ensmile) back to Modaraba Al-Mali (having been started with its invested capital of PKR 300Mn) due to non-approval/delay/cancellation of the issuance of Sukuk by way of right & trading of Twin Custody Receipt concept.
3. Change of name of the Company from MetaTech Health Limited to MetaTech Limited.
4. To approve the change in the principal business of the Company under **Object Clause** of the Memorandum of Association of the Company to accommodate the intended/planned trading activities and **to act as the trader, supplier, importer, exporter, and producer of general and technology products & services.**
5. Any other business with permission of the Chair.

The resolutions as proposed by the Board of Directors for the approval of the shareholders are given in the attached statement in compliance with section 134(3) of the Companies Act, 2017 as annexed to the notice of EOGM.

By order of the Board



Muhammad Usman
Company Secretary

Place: **Lahore**
Dated: **February 28, 2023**

NOTES:

The statement of material facts under Section 166(3) and Section 134(3) is being sent to the members along with the notice of the meeting.

1. BOOK CLOSURE

Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from **Friday, March 17, 2023** to **Friday, March 24, 2023** (both days inclusive). Transfers received in order at the office of Share Registrar **M/s Digital Custodian Company Limited** - 508, LSE Plaza, Kashmir Egerton Road, Lahore at the close of business on **March 16, 2023** will be treated in time for the purpose of attendance in the EOGM.

2. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her. Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting. Attendance in the meeting shall be on production of original CNIC or passport.

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly.

3. CONSENT FOR VIDEO CONFERENCE

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of **MetaTech Health Limited** holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT
2017

This statement set out the material facts concerning the special business to be transacted at the Extraordinary General Meeting (EOGM) of the Company to be held on **Friday, March 24, 2023**.

For Agenda No. 2: - To consider and approve the transfer of business/investment of healthcare (Ensmile) back to Modaraba Al-Mali (having been started with its invested capital of PKR 300Mn) due to non-approval/delay/cancellation of the issuance of Sukuk by way of right & trading of Twin Custody Receipt concept.

Under Section 183(3) of the Companies Act, 2017 – Power of Board

Currently, the Company is in the process of establishing Dental Studios across the Country. Moreover, the Company has made equity investment of Rs. 300.00 million in Ensmile Limited (for its 1/3rd equity stake). The Company has announced right Sukuk of Rs. 408 million which is on hold by SECP due to various technical/legal reasons. However, Modaraba Al-Mali has provided Rs. 300.00 million (vis-à-vis tis right issue) which is subsequently investment in Ensmile Limited as aforementioned. Due to current market conditions the Board of Directors of the Company has decided the following:

- **Repudiate/** cancel the right Sukuk which is on hold by the SECP;
- Transfer of current Health Care Business (including assets and related liabilities) to Modaraba Al-Mali against the consideration of **Rs. 8,919,067**. Detail of assets and liabilities to be transferred (as on December 31, 2022) is as follows:

Annexure-A

	Rs.
Tangible fixed assets	9,675,540
Investment in Shares of Ensmile Limited	300,000,000
Trade Debts	6,608,273
	<hr/>
	316,283,813
Less:	
Sukuk Proceeds in Advance	(300,000,000)
Trade Creditors	(7,153,246)
Long Term Deposits	(211,500)
	<hr/>
	(307,364,746)
Net Assets	<hr/> 8,919,067

- All tangible and intangible assets (and related liabilities) are being transferred/disposed of as on effective date i.e., **March 24, 2023**. Adjustment in assets and liabilities shall be made on the effective date of transfer.

PROPOSED RESOLUTIONS

To consider, and if deemed fit, approve the disposal of business (with assets and related liabilities), and, for this purpose, pass the following resolutions, as **ordinary resolutions**, with or without modification(s), addition(s) or deletion(s) and subject to requisite approvals, if any

“**RESOLVED THAT** approval be and is hereby accorded to dispose of / transfer the ‘Health Care Business’ with related tangible and intangible assets and liabilities (as given in the **annexure-A**) to Modaraba Al-Mali against the consideration of **Rs. 8,919,067/-**

FURTHER RESOLVED THAT approval be and is hereby accorded to authorize the Chief Executive to determine the actual amount as on effective date of transfer i.e., March 24, 2023 as a consideration of the aforementioned transfer/disposal of Health Care Business to Modaraba Al-Mali.

FURTHER RESOLVED THAT approval be and is hereby accorded to cancel/repudiate the right Sukuk which is on hold by the SECP.

FURTHER RESOLVED THAT approval be and is hereby accorded transfer/dispose of the equity investment (of Rs. 300.00 million) in the shares of Ensmile Limited (for 1/3rd equity stake) to Modaraba Ali-Mali and also to transfer the related liability of Rs. 300.00 million payables to Modaraba Al-Mali as given in the **annexure – A** resultantly no further amount shall be payable to Modaraba Ali-Mali on this account.”

For Agenda No. 3: - To approve the change of name of the Company from MetaTech Health Limited to MetaTech Limited

Under Section 12 of the Companies Act, 2017 - Change of name by a company

Under Section 13 of the Companies Act, 2017 - Registration of change of name and effect

Under Section 26 of the Companies Act, 2017 - Business and objects of a company

Change of Name of the Company from MetaTech Health Limited is being proposed to be changed to **MetaTech Limited** to represent its revised/intended business activities.

PROPOSED RESOLUTIONS

To consider, and if deemed fit, approve the change of name of the Company, and, for this purpose, pass the following resolutions, as special resolutions, with or without modification(s), addition(s) or deletion(s), and to approve the consequent alterations in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any.

“RESOLVED THAT the name of the Company be and is hereby changed from MetaTech Health Limited to the proposed name of “**MetaTech Limited**”, subject to the availability of name from SECP.

RESOLVED FURTHER THAT approval be and is hereby accorded to Chief Executive to suggest and adopt and execute any other suitable name in case of non-availability due to any reason(s) or circumstances.

RESOLVED FURTHER THAT in consequence of the aforesaid change of name the relevant clauses of Memorandum and Articles of Association are hereby accordingly be changed.”

For Agenda No. 4: - To approve the change in the principal business of the Company under Object

Clause of the Memorandum of Association of the Company

Under Section 26 of the Companies Act, 2017 - Business and objects of a company

Under Section 32 of the Companies Act, 2017 - Alteration of memorandum

As aforementioned, Company is transferring ‘health care business’ to Modaraba Al-Mali. However, it is proposed to initiate trading activities in the Company. It is being proposed to change the principal line of business. Clause 3(1) of the Memorandum of Association (principal clause of the business) is proposed to be changed as under.

PROPOSED RESOLUTIONS

To consider, and if deemed fit, approve Object Clause of the Memorandum of Association of the Company, and, for this purpose, pass the following resolutions, as special resolutions, with or without modification(s), addition(s) or deletion(s), and to approve the consequent alterations in the Memorandum of Association of the Company, subject to requisite approvals, if any

“RESOLVED THAT the approval be and is hereby accorded to replace the existing Object clause 3(1) of the Memorandum of Association with the following clause and sub-clauses.

Clause 3(1) of the Memorandum of Association of the Company

The principal line of business of the company shall be to carry on the business of services legally permissible, sale, purchase, import, export and to act as general traders, general order suppliers of products commodities, material legally permissible in any form or shape, manufactured, semi manufactured, raw materials supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, government, semi-government or any local authority, as permissible under law but will not undertake MLM business or akin to that.

FURTHER RESOLVED THAT approval be and is hereby accorded to authorize the Company Secretary of the Company to make and accept any changes/ alteration in the aforementioned object Clause on advice/suggestion of the Securities and Exchange Commission of Pakistan.

FURTHER RESOLVED THAT in consequence of the aforesaid changes the relevant clause 3 of Memorandum of Association are hereby accordingly be changed.”

For Agenda Item 2 and 4

FURTHER RESOLVED THAT each of the Chief Executive, the Chief Financial Officer, and the Company Secretary of the Company, acting singly, be and is hereby authorized to take all necessary steps and execute all necessary documents and amendments towards fulfillment of all legal and corporate requirements involved, and to file all requisite documents with the Securities and Exchange Commission of Pakistan, as may be necessary or expedient for the purpose of fully giving effect to and implementing the letter, spirit and intent of the foregoing resolutions.

Interest of Directors:

The directors of the Company have no direct or indirect interest in the above-mentioned Special Businesses under Agenda Items from 2 to 3 except to the extent that they are the members of the Company and as mentioned below;

Modaraba Al-Mali (MODAM) is an associated Company by virtue of its investment in the Company (29.99%). MODAM is specialized in Financial Consultancy, Restructuring and Venture Capital. MODAM is engaged in reviving and rehabilitation of the Company. However, it comes under MODAM’s permissible business activities and comes under normal course of business.

TO THE MEMBERS OF METATECH HEALTH LIMITED
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Messrs Metatech Health Limited (“the Company”) as at December 31, 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

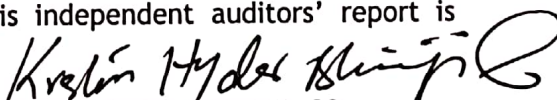
Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed and we do not express a conclusion on them.

The financial statements for the year ended June 30, 2022 were audited by the predecessor auditor namely; Clarkson Hyde Saud Ansari, Chartered Accountants, who expressed unmodified opinion on those financial statements on August 31, 2022. Further, the condensed interim financial statements for the six month period ended December 31, 2021 were not reviewed by independent auditors and accordingly no conclusion was expressed thereon.

The engagement partner on the review resulting in this independent auditors’ report is Muhammad Usman Shah, ACA.

Lahore:


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

METATECH HEALTH LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION-UNAUDITED
AS AT DECEMBER 31, 2022

		2022 Un-audited December 31 Rupees	2022 Audited June 30 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	14,679,540	-
Long term Investment	5	300,000,000	-
		314,679,540	-
CURRENT ASSETS			
Trade Debts	6	966,950	-
Advances, deposits, prepayments and other receivables	7	4,333,820	34,346,314
Tax refunds due from the Government - income tax		221,403	145,569
Cash and bank balances	8	183,669	144,604,465
		5,705,842	179,096,348
TOTAL ASSETS		320,385,382	179,096,348
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	9	600,000,000	50,000,000
Issued, subscribed and paid-up-capital	9	74,324,250	16,335,000
Accumulated (Loss) / Unappropriated profit		(58,136,114)	57,546,307
		16,188,136	73,881,307
NON-CURRENT LIABILITIES			
Sukuk Proceeds in Advance	10	300,000,000	-
CURRENT LIABILITIES			
Short term loan - Unsecured	11	-	82,495,877
Trade and other payables	12	4,197,246	22,719,164
		4,197,246	105,215,041
Contingencies and commitments		-	-
TOTAL EQUITY AND LIABILITIES		320,385,382	179,096,348

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

METATECH HEALTH LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS-UNAUDITED
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

	Note	Half Year Ended		Quarter Ended	
		2022 un-audited December 31 Rupees	2021 un-audited December 31 Rupees	2022 un-audited December 31 Rupees	2021 un-audited December 31 Rupees
Sales	13	10,231,975	-	5,954,000	-
Less: Cost of sales	14	(9,588,415)	-	(7,940,415)	-
Gross profit/ (loss)		643,560	-	(1,986,415)	-
Administrative expenses	15	(82,717,990)	(952,650)	(79,165,700)	(903,266)
Operating loss		(82,074,430)	(952,650)	(81,152,115)	(903,266)
Other income	16	24,531,850	-	23,040,173	-
Net loss before taxation		(57,542,580)	(952,651)	(58,111,942)	(903,267)
Taxation					
Current		(150,591)	-	(86,421)	-
Net loss after taxation		(57,693,171)	(952,651)	(58,198,363)	(903,267)
Loss per share - Basic		(12.38)	(0.58)	(12.49)	(0.55)

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

METATECH HEALTH LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY-UNAUDITED
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up	Capital reserves	Accumulated losses	Surplus on revaluation of land	Total
	----- Rupees -----				
Balance as at June 30, 2021 (Audited)	16,335,000	-	57,204,327	-	73,539,327
Profit/Loss for the year	-	-	(952,651)	-	(952,651)
Surplus transferred to retained earning		-	-	-	-
Balance as at December 31, 2021 (Unaudited)	16,335,000	-	56,251,676	-	72,586,676
Balance as at July 01, 2021	16,335,000		57,204,327		73,539,327
Profit/Loss for the year	-		341,981		341,981
Other comprehensive income	-	-	-		-
Balance as at June 30, 2022 (Audited)	16,335,000	-	57,546,307	-	73,881,308
Bonus shares issued during the period	57,989,250		(57,989,250)	-	-
Profit/Loss for the year	-	-	(57,693,171)	-	(57,693,171)
Balance as at December 31, 2022 (Unaudited)	74,324,250	-	(58,136,114)	-	16,188,136



CHIEF EXECUTIVE



DIRECTOR

METATECH HEALTH LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-UNAUDITED
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

	<u>Half Year Ended</u>		<u>Quarter Ended</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>Un-audited</u>	<u>Un-audited</u>	<u>Un-audited</u>	<u>Un-audited</u>
	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>	<u>December 31</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Net (loss) after taxation	(57,693,171)	(952,651)	(58,198,363)	(903,267)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u>(57,693,171)</u>	<u>(952,651)</u>	<u>(58,198,363)</u>	<u>(903,267)</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS-UNAUDITED
FOR THE HALF YEARLY ENDED DECEMBER 31, 2022

	Half Year Ended	
	2022	2021
	Un-Audited	Un-Audited
	31-Dec	31-Dec
	Rupees	Rupees
CASH FROM OPERATION ACTIVITIES		
Net (loss) before taxation	(57,542,580)	(952,651)
Adjustments for:		
Depreciation	124,116	771
	124,116	771
	(57,418,464)	(951,880)
	-	-
Operating (loss) before working capital changes	(57,418,464)	(951,880)
(Increase) / decrease in current assets:		
Prepayments and other receivables	30,012,494	20,000,000
Trade Debts	(966,950)	
Increase / (decrease) in current liabilities:		
Creditors, provisions and accrued charges	(18,521,918)	-
Cash (used in) operations	10,523,626	20,000,000
Income tax paid	(226,425)	-
Net cash (used in) operating activities	(47,121,263)	19,048,120
CASH FROM INVESTING ACTIVITIES		
Equipment purchased during the year	(14,803,656)	
Investment in Associates	(300,000,000)	-
Net cash generated from investing activities	(314,803,656)	-
CASH FROM FINANCING ACTIVITIES		
Long term Deposits	-	-
Sukuk Proceeds in Advance	300,000,000	-
Short term loan - Unsecured	(82,495,877)	82,495,877
Repayment of customer deposits	-	-
Net cash generated from financing activities	217,504,123	82,495,877
Net (decrease) cash and cash equivalents	(144,420,796)	19,048,120
Cash and cash equivalents at the beginning of the period	144,604,465	42,237,838
Cash and cash equivalents at the end of the period	183,669	61,285,958

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 NATURE AND STATUS OF BUSINESS

The Company was incorporated in Pakistan in 1953 as a public Limited Company and its shares were listed on then Karachi (now Pakistan) Stock Exchange. Due to closure of its plant and disposal of manufacturing facilities, the Company had long become a dormant Company. However, during the year, the Board of Directors, while approving the revival business plan, had decided to change the principal business of the Company to operate in the technology-enabled healthcare business & services. The Company's registered office is 508, 5th Floor, LSE Building, Aiwana-e-Iqbal, Lahore

1.1 Upon the unanimous approval of the revival business plan by the Shareholders, the Company has resumed its commercial / business activities/operations in the new / revised line of business. Furthermore, the Company's name has also been changed to M/s MetaTech Health Limited after approval from the Securities & Exchange Commission of Pakistan as on August 02, 2022.

1.2 GOING CONCERN ASSUMPTION

"Subsequent to the accounting period under review, the Company, under the management of Modaraba Al Mali (a PSX listed Islamic Fund focusing on the corporate restructurings and revival activities) has signed a Term Sheet with M/s Ensmile for an investment of PKR 300Mn (including an advance of PKR 100Mn to be completed by Aug 31, 2020), and has also taken-over the Operations and Management of Ensmile's Digital Dental Aligners Studios in Pakistan. Besides this, the Company has also appointed the Underwriters and Consultant to the Issue Advisors for raising about PKR 408Mn from the market sources through the right shares issuance. The Company has also started booking revenue from the Islamabad based Dental Aligners Studio of Ensmile.

All of the above actions tantamount to our considered opinion that the Company is fully on-track to complete its turn-around and become a going concern (the same has also been affirmed in the auditors' certificate issued subsequent to the reporting date) as compared to the previous adverse opinion about doubtful going-concern prospects of the Company's financial position existing on Jun 30, 2021. Furthermore, the involvement of Modaraba Al Mali in the revival of the Company provides a stronger probability for the Company to continue as a going concern and discharge its liabilities in the normal course of business. Accordingly, the going concern assumption used by the Company for the preparation of these Financial Statements seems valid and appropriate."

2 BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017
- Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency and rounded to nearest rupee.

2.5 New and amended standards and interpretations

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IAS 24 – Related Party Disclosures (Revised)

IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues (Amendment)

IFRIC 14 – Prepayments of a Minimum Funding Requirement (Amendment)

IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments

In May 2010, IASB issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 3 – Business Combinations

IFRS 7 – Financial Instruments: Disclosures

IAS 27 – Consolidated and Separate Financial Statements

IAS 34 – Interim Financial Reporting

IAS 34 – Interim Financial Reporting

IFRIC 13 – Customer Loyalty Programmes

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

Owned

These are stated at cost less accumulated depreciation. Depreciation is charged on systemic basis i.e. depreciation is charged yearly to income on reducing balance method, whereby the cost of an asset is written off over its useful life. Depreciation on additions is charged from the year in which the asset put to use while no depreciation is charged in the year in which the assets are disposed off.

Maintenance and normal repairs are charged to the profit and loss, account as and when incurred while cost of major replacements and improvements, if any, are capitalized.

Gain or loss on disposal of fixed assets is taken to income currently.

Leased

Assets held under finance lease are stated at cost, financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged on systemic basis i.e. depreciation is charged year to income on reducing balance method, Whereby the cost of an asset is written off over its useful life. Depreciation on additions is charged from the year in which the asset put to use while no depreciation is charged in the year in which the asset are disposed off.

3.2 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets under construction are capitalized and added to the asset's cost until such time the assets are substantially ready for their intended use, i.e., when they are capable of commercial production. All other borrowing costs are recognized as an expense in the income statement in the period in which they are incurred.

3.3 Taxation

a) Current

The provision for income tax is calculated in accordance with the provision of Income Tax Ordinance, 2001.

b) Deferred

Deferred tax is provided by using the statement of financial position liability method on all temporary differences at the balance sheet date arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized.

3.4 Stores and spares

The items are valued at average cost

3.5 Stock in trade

Stock in trade is stated at lower of cost and net realizable value. The cost is determined using average cost method, and include expenditure in acquiring the stocks, conversion cost and other cost incurred in bringing them to their existing location and condition

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and selling expense.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

3.6 Trade debts-unsecured and considered good

Trade debts are carried at invoice / charge amount which is the fair value less an estimate made for loss on account of doubtful debts based on review of outstanding amounts at year end. Provision is made in respect of those balances having no activity and which are considered doubtful by the management. Balances considered bad and irrecoverable are written off when identified.

3.7 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at bank.

3.8 Creditors, provisions and accrued charges

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration paid or payables in the future for goods and services received.

3.9 Revenue recognition

Sales are recorded on dispatch of goods to customers. Service income is recorded on accrual basis.

3.10 Impairment

The carrying amount of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of the asset is estimated and impairment loss is recognized in the profit and loss account.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.11 Provisions

Provisions are recognized when:

- The Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

3.12 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on de-recognition of the financial assets and financial liabilities is taken to profit and loss account currently.

3.13 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet where there is a legally enforceable right to setoff the recognized amount and the company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.14 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees at the exchange rates prevailing at the date of transactions. Foreign exchange gains and losses, if any, are recognized in the profit and loss account.

3.15 Defined contribution plan

The Companies' provident fund Scheme covers all eligible employees who have completed their qualifying period. The Scheme is administrative by Trustees.

3.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are long term loans, trade and other payables and accrued markup.

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

4 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost / Revaluation			Rate %	Depreciation				W.D.V. as at Dec 31, 2022
	As at Jul 01, 2022	Addition / Deletion	As at Dec 31, 2022		As at Jul 01, 2022	Disposal	For the period	As at Dec 31, 2022	
Computer and accessories	-	1,234,864	1,234,864	30%	-	-	62,599	62,599	1,172,265
Dental Equipment	-	460,000	460,000	20%	-	-	9,074	9,074	450,926
Electrical equipment	-	426,867	426,867	20%	-	-	3,509	3,509	423,358
Furniture & Fixture	-	3,517,425	3,517,425	10%	-	-	7,898	7,898	3,509,527
Vehicles	-	4,160,500	4,160,500	20%	-	-	41,036	41,036	4,119,464
DEC 2022	-	9,799,656	9,799,656		-	-	124,116	124,116	9,675,540

Particulars	Cost / Revaluation			Rate %	Depreciation				W.D.V. as at Jun 30, 2022
	As at Jul 01, 2021	Addition / Deletion	As at Jun 30, 2022		As at Jul 01, 2021	Disposal	For the period	As at Jun 30, 2022	
Computer and accessories	-	-	-	30%	-	-	-	-	-
Dental Equipment	-	-	-	20%	-	-	-	-	-
Electrical equipment	-	-	-	20%	-	-	-	-	-
Furniture & Fixture	-	-	-	10%	-	-	-	-	-
Vehicles	-	-	-	20%	-	-	-	-	-
JUNE 2022	-	-	-		-	-	-	-	-

Allocation of Depreciation expense

	Dec 31, 2022	Dec 31, 2021
	Rupees	Rupees
4.1 Depreciation charge for the year has been allocated as follows:		
Cost of sales	20,481	-
Administrative expenses	103,635	-
	124,116	-

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Notes	2022 Un-Audited 31-Dec Rupees	2022 Audited 30-Jun Rupees
5 Long term Investment			
Ensmile Private Limited Investment - at cost	5.1	300,000,000	-
		-	-
		300,000,000	-
Number of shares of Rs 10 each		5,050,000	-
Investment as percentage of the total paid-up capital of the Ensmile shares		33.33%	0.00%

- 5.1 This represents the value of the M/s. Ensmile (Pvt.) Ltd ("Ensmile") shares held by the Company, which is calculated under the Sale growth method as the Company holds 33.33% stake in the Ensmile shares. Ensmile was established in December, 2019 and manufactures Clear Aligners, a dental product, which are transparent plastic braces worn over the teeth as an alternative to the conventional metal braces and one of the leading teeth straightening manufacturers. These aligners are manufactured with 3D printers in Pakistan as per computer generated customized designs for individual patients taken at any part of the world. The Registered office located at office 03, Level 1, 18 Main Boulevard Gulberg, Main Gulberg, Lahore

6 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances - unsecured, considered good

- Prepayments		-	34,346,314
- Advance to suppliers		4,333,820	7,237,755
Less:	6.1	-	(7,237,755)
		4,333,820	34,346,314
		4,333,820	34,346,314

- 6.1 This amount has been charged under the head of legal & professional charges during the period December 31, 2022

7 TRADE DEBTORS - unsecured

Considered good		966,950	-
Considered doubtful		-	-
		966,950	-
Less: Provision for doubtful debts		-	-
		966,950	-

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

8 CASH AND BANK BALANCES	Notes	2022 Un-Audited	2022 Audited
		2022 Un-Audited 31-Dec Rupees	2022 Audited 30-Jun Rupees
Cash in hand		-	101,917
Pay order in hand		-	23,217,355
Cash at bank		183,669	121,285,193
		<u>183,669</u>	<u>144,604,465</u>
9 SHARE CAPITAL			
Authorized capital			
60,000,000 (2021: 5,000,000) Ordinary shares of Rs. 10/- each		<u>600,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid up capital			
1,633,500 (2021: 1,633,500) Ordinary shares of Rs. 10/- each fully paid up in cash		16,335,000	16,335,000
5,798,925 (2021: Nil) Ordinary shares of Rs. 10/- each issued as fully paid up bonus shares		57,989,250	-
		<u>74,324,250</u>	<u>16,335,000</u>

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		2022	2021
		Un-Audited	Audited
		31-Dec	30-Jun
		Rupees	Rupees
10	SUKUK PROCEEDS IN ADVANCE		
	Advance against Sukuk	10.1 <u><u>300,000,000</u></u>	-
10.1	This amount represents advance subscription money received from Modaraba Al Mali (MODAM) for Perpetual and Convertible Sukuk.		
		2022	2021
		Un-Audited	Audited
		31-Dec	30-Jun
		Rupees	Rupees
11	SHORT TERM LOAN - UNSECURED		
	Modaraba Al Mali	-	82,495,877
	Other loan	-	-
		<u><u>-</u></u>	<u><u>82,495,877</u></u>
12	TRADE AND OTHER PAYABLES		
	Trade creditors	2,801,974	-
	Accrued expenses	1,183,772	225,000
	Deposits from employees against vehicle	211,500	-
	Advances to suppliers	-	-
	Liabilities against Settlements & Contingencies	-	22,494,164
		<u><u>4,197,246</u></u>	<u><u>22,719,164</u></u>
13	SALE - NET		
	Revenue	10,231,975	-
	Sale tax	-	-
	Net Sales	10,231,975	-
14	COST OF SALES		
	Purchases-Aligners	13.1 4,103,500	-
	Surgical Instruments	667,842	-
	Direct wages and salaries	3,110,070	-
	Rent, rate and taxes	1,618,422	-
	Utilities	41,000	-
	Other expense	25,640	-
	Courier expense	1,460	-
	Depreciation	4.1 20,481	-
		<u><u>9,588,415</u></u>	<u><u>-</u></u>
13.1	Purchases		
	Opening: raw material	-	-
	Purchase	4,103,500	-
	Closing: raw material	-	-
		<u><u>4,103,500</u></u>	<u><u>-</u></u>

METATECH HEALTH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

		2022	2021
		Un-Audited	Audited
		31-Dec	30-Jun
		Rupees	Rupees
		2022	2021
15 ADMINISTRATIVE AND SELLING EXPENSES		Un-Audited	Un-Audited
		31-Dec	31-Dec
		Rupees	Rupees
Director meeting fees		-	
Salaries and wages		3,347,405	-
Travelling & Conveyance		720,574	25,000
Utilities		23,727	-
Courier expense		16,092	-
Printing and stationary		44,300	-
Legal and professional charges	15.1	46,899,531	580,700
Audit fee		100,000	81,000
Insurance		6,491	-
Rent, rate and taxes		2,616,000	-
Subscription and donation		600,000	-
Advertising		4,781,525	29,000
Other expense		23,458,710	236,179
Depreciation		103,635	771
		82,717,990	952,650

15.1 The costs mainly included the audit, lawyers, valuation, corporate functions, court fee, SECP, PSX & CDC fee as well as fee for the financial advisory and underwriting services.

16 OTHER INCOME

Profit on investment / deposits	1,812,686	-
Liabilities written back	22,719,164	-
	24,531,850	-

DATE OF AUTHORIZATION

These financial statements have been authorized for issue on February 23, 2022 by the Board of Directors of the Company.



CHIEF EXECUTIVE



DIRECTOR



If Undelivered Please Return to:

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(FORMERLY HASHIMI CAN COMPANY LIMITED)

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MetaTech

HEALTH LIMITED

Formerly Hashimi Can Company

