

## **NOTICE OF THE EXTRA ORDINARY GENERAL MEETING**

Notice is hereby given that the **Extra Ordinary General Meeting (EOGM)** of the Shareholders of Pakistan Mortgage Refinance Company Limited (PMRC) will be held on **Monday, December 23, 2024, at 11:30 AM** at registered office of PMRC, situated at Finance & Trade Centre, 4th Floor, Block-A, Shahrah-e-Faisal, Karachi -74400, Pakistan to transact the following business. The person(s) entitled, and having valid proxy on behalf of the shareholders may also attend EOGM, by joining below Zoom meeting (video) link.

### **Join Zoom Meeting:**

<https://us06web.zoom.us/j/89838092845?pwd=w61OCsvV3owFNqWqV8h8Z8BWpZrHjo.1>

Meeting ID: 898 3809 2845

Passcode: 706082

### **Ordinary Business:**

1. To confirm the minutes of the 9<sup>th</sup> Annual General Meeting of the Company held on March 29, 2024.

### **Extra Ordinary Business:**

2. To consider and, if thought fit, to pass, with or without modifications, following special resolutions.

The Board of Directors (the Board) of Pakistan Mortgage Refinance Company Limited (PMRC), in its 50<sup>th</sup> meeting held on August 27, 2024, deliberated on the acquisition of a 51% stake in House Building Finance Company Limited (HBFCL). Subsequently, through Circular Resolution No. 04 of 2024, dated September 9, 2024, the Board approved and authorized the Management for financial negotiations towards the proposed acquisition, subject to:

- a. All necessary corporate and regulatory approvals, including the in-principle approval of the State Bank of Pakistan (if required), and
- b. Consent from the International Finance Corporation (IFC) and other shareholders as stipulated in the Shareholders' Agreement dated July 2, 2020. IFC consent has been received via letter dated December 13, 2024.

This resolution was duly recorded in the minutes of the 51<sup>st</sup> Board meeting of PMRC held on October 29, 2024.



**Proposed Resolutions to be passed at EOGM.**

**“RESOLVED THAT** subject to all corporate and regulatory approvals, namely the approval of the State Bank of Pakistan and the Competition Commission of Pakistan, the consent and approval of the members of Pakistan Mortgage Refinance Company Limited (**PMRC**), be and is hereby accorded to acquire 51% equity stake in House Building Finance Company Limited (**HBFCL**), a company incorporated under the Companies Act, 2017.”

**“FURTHER RESOLVED THAT** the Management of PMRC be and is hereby authorised to enter into the Transaction and execute all formalities related hereto including but not limited to signing of the Share Purchase Agreement.”

**“FURTHER RESOLVED THAT Mr. Mudassir Husain Khan** [Managing Director/Chief Executive Officer] and/or **Mr. Muhammad Omair Yousuf Farooqi** [Chief Financial Officer and Group Head Operations] and/or **Mr. Naved Hanif** [Company Secretary] be and are hereby authorised jointly [any two], to (a) negotiate, finalize, and execute all documents in relation to the Transaction, including but not limited to the Share Purchase Agreement, share transfer deeds, share certificates and all other related documents; and; (b) filing applications before the regulatory authorities; and (c) take any such actions ancillary to the foregoing.”

A Statement of material facts under Section 134 (3) of the Companies Act, 2017, is enclosed in respect of the above.

3. Any other business with the permission of the Chair.

Members are requested to attend the meeting in person or by proxy. A proxy form is enclosed and must be submitted at the registered office of the company at least 48 hours before the meeting.

Karachi: December 17, 2024

By Order of the Board



**Naved Hanif**  
Company Secretary





**Statement of Material Facts under Section 134 (3) of the Companies Act, 2017**

**Item No. 2 of the Notice**

|    |                               |   |
|----|-------------------------------|---|
| 1. | <b>Purpose of Acquisition</b> | <p>The proposed acquisition of 51% stake in <b>House Building Finance Company Limited</b> is intended for following:</p> <ul style="list-style-type: none"><li>• <b>Market Positioning:</b> Strengthens our presence in Housing Market and positions us as a leader in low-income mortgage solutions</li><li>• <b>Leveraging Synergies:</b> Create a comprehensive mortgage financing solution from wholesale to retail by leveraging PMRC's wholesale lending expertise with HBFCL's retail mortgage capabilities e.g. KHFC (Korea)</li><li>• <b>Diversification Opportunities:</b> Regulatory allowance to diversify into Consumer and SME lending, enhancing growth potential. (to the extent of housing value chain and upto a maximum of allowable allowance of 30% of advances)</li><li>• <b>Organizational Transformation:</b> Restructuring through innovative customer centric products, optimal and advanced technology and digitization, better controls with reduced credit and operational risk, improved environment and resource quality, market presence and visibility</li><li>• <b>Brand Repositioning:</b> Repositioning HBFCL's brand to leverage its market presence and penetration in the low- and middle-income segment</li><li>• <b>Financial Inclusion:</b> Growing lending to the marginalized segment i.e; making mortgage financing accessible to the underserved population</li><li>• <b>Economic Growth:</b> Support economic development by increasing housing and related industries</li></ul> |
| 2. | <b>Impact on Financials</b>   | <ul style="list-style-type: none"><li>• <b>Projected ROI:</b> HBFCL, with the planned interventions by PMRCL, is projected to deliver a positive Return on Investment (ROI) across the forecast periods. The ROI is expected to increase from 28.6% in FY 2025 to 50.2% in FY 2029. This trend indicates strong performance and significant value addition from HBFCL to PMRC.</li></ul>  |



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|----|---|--|
|    |   | <ul style="list-style-type: none"><li>• <b>Value Addition:</b> HBFCL contributes substantially to the consolidated PAT of PMRCL. The consolidated PAT with HBFCL remains higher than PMRC's PAT without the investment in HBFCL. This suggests that HBFCL is a valuable asset, enhancing PMRCL's overall financial performance and reinforcing its strategic value.</li><li>• <b>Interest Rate Dynamics/Margin Cushion:</b> HBFCL's lending margin over KIBOR (3% to 4%) provides a buffer in a low-interest-rate environment. This is beneficial compared to PMRCL's sub-KIBOR/PKRIV funding. While PMRC's funding costs are below KIBOR, HBFCL's margin helps maintain profitability, providing stability despite fluctuating interest rates.</li><li>• <b>Impact on PMRC's Consolidated Equity:</b> Even if HBFCL is not paying high dividends, its profits still contribute to PMRC's equity. The profitability of HBFCL enhances the parent company's equity value and overall financial health. This means the return on investment should reflect these profits, as they improve PMRC's net worth or enterprise value, making the investment advantageous.</li><li>• <b>Impact on PMRCL's Capital Adequacy Ratio:</b> The Capital Adequacy Ratio (CAR) at both consolidated / unconsolidated level is higher than the Regulatory requirements of SBP.</li></ul> |
| 3. | <b>Interest of Directors and Shareholders</b> | None of the <b>Directors of PMRC</b> and the Shareholders, except for <b>House Building Finance Company Limited, a shareholder of PMRC</b> , have any interest in the acquisition except in their capacity as Directors/ Shareholders.   |





**NOTES:**

**1. Participation in the Meeting**

- i) The Regulation 10 (6) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, requires, all directors of a company shall attend its general meeting(s), (ordinary and extra ordinary) unless precluded from doing so due to any reasonable cause.
- ii) The Register of Members and the Share Transfer Books will be closed from Thursday, December 19, 2024, to Monday, December 23, 2024 (both days inclusive) for the purpose of the Extra Ordinary General Meeting.
- iii) Only those persons whose names appear in the Register of Members of the Company as at Wednesday, December 18, 2024, are entitled to attend and vote at the Extra Ordinary General Meeting.
- iv) A Member entitled to attend and vote at the Extra Ordinary General Meeting may appoint another Member as his/her proxy to attend and vote for him/her, provided that an Institutional Shareholders may appoint as its proxy a person who is not a member but is duly authorized by the Institution. Proxies must be received at the Registered Office of the Company, situated at Finance & Trade Centre, 4th Floor, Block-A, Shahrah-e-Faisal, Karachi - 74400, Pakistan not later than 48 hours before the time of the holding of the Extra Ordinary General Meeting.
- v) The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- vi) In case of a corporate entity, the board of directors' resolution/ power of attorney with specimen signature of the nominee shall be submitted with the form of proxy to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.
- vii) Members are requested to notify immediately any changes in their registered address to Company's Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shakra-e-Faisal, Karachi - 74400.
- viii) The beneficial owner of the shares of the Company in the Central Depository System of the CDC or his / her proxy entitled to attend and vote at this meeting, shall produce his / her original CNIC or passport to prove his / her identity.
- ix) Proxy form is attached with this notice.



**PAKISTAN MORTGAGE REFINANCE COMPANY LIMITED**  
**FORM OF PROXY**

I / We, \_\_\_\_\_ S/o \_\_\_\_\_ resident of \_\_\_\_\_ being a member of Pakistan Mortgage Refinance Company Limited and holding \_\_\_\_\_ shares, as per Register Folio No./ participant's ID/CDC sub-account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ Folio No. / Participant's ID/CDC sub-account No. \_\_\_\_\_ or failing him/her \_\_\_\_\_, as my / our proxy to vote and act for me/ us on my/our behalf at the **Extra Ordinary General Meeting** of the Pakistan Mortgage Refinance Company Limited (the Company) to be held on **Monday, December 23, 2024, at 11:30 AM** and at any adjournment thereof.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2024 \_\_\_\_\_

Witness:

1. \_\_\_\_\_

2. \_\_\_\_\_

Notes:

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