HALLMARK
COMPANY LIMITED

Hallmark Company Limited
Suite # 1001, Uni Centre,
10th Floor, I.I. Chundrigar Road,
Karachi, Pakistan.
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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the Shareholders of **Hallmark Company Limited** will be held on, Monday July 30, 2019 at 11:00A.M. at Office # 1001, Uni Centre, 10th Floor, I.I. Chundrigar Road, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 39thExtra Ordinary General Meeting held on May 11, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019, together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending on June 30, 2020 and fix their remuneration. The retiring Auditors, M/s. S.M. Suhail & Co., Chartered Accountants are eligible and have provided their consent and the Directors have recommended for their reappointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following as special resolution:

   For injecting needed funds through capital into the Company, for business expansion, the management is authorized to consider and adopt other means, and to withdraw the present petition for merger, as the proceedings of the petition are resulting in extra ordinary delay in injection of funds for enhancing the working capital of the Company.

The special resolution that shall be passed is as under:

"RESOLVED THAT the approval made in of the 37th Annual General Meeting of the Company for scheme of merger, to merge Lakhwani Securities (SMC-Private) Limited with and into the Hallmark Company Limited, be and is hereby withdrawn and Mr. Naveed Hamid being Chief Executive and Director of the Company, and Mr. S. Muhammad Imran being the Director of the Company, and the Director of Lakhwani Securities (SMC Private) Limited be and are hereby authorized to take all such steps as may be necessary or incidental for the purpose of withdrawing the petition of merger from Honorable High Court of Sindh."

5. Statement under section 134 of the Companies Act, 2017, in the above matter, pertaining to the item No. 4, is annexed herewith.
6. To transact any other business with the permission of the Chairman.

By Order of the Board

Company Secretary
Karachi: July 08, 2019

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

This statement is annexed as an integral part of the Notice of the 39th Annual General Meeting of Hallmark Company Limited (the Company) to be held on Monday July 30, 2019 at 11:00AM at Office # 1001, Uni Centre, 10th Floor, I.I. Chundrigar Road, Karachi; and sets out the material facts concerning the Special Business to be transacted at the Meeting

Special Business

Withdrawal of the Petition for Merger of Lakhwani Securities (SMC-Private) Limited, with and into the Hallmark Company Limited

The scheme of merger was approved in the 37th Annual General Meeting of the Company and the sole purpose of the merger was to inject funds into the Company through capital. The petition for merger was filed to the High Court of Sindh on January 1, 2018, which has already extra ordinary delayed. Initially the Securities and Exchange Commission of Pakistan (SECP) had placed certain objections on the purpose and necessary approvals of merger. These objections were addressed through response from the Company and finally these were resolved with the involvement of relevant regulatory bodies at the order of Honorable High Court of Sindh.

Subsequent to the satisfaction of all the objections, the SECP's Legal Council, reiterated its objection on purpose of the merger and opposed the merger. The management is of the view that the opposition for merger from SECP is just for the sake of opposition and it will only consume further time and resources which would cost not only loss of resources but also potential profits would be forgone too. Therefore, Board of Directors has decided to opt for other means to inject capital into the Company.

The Board of Directors is considering the option of further issue of share capital other than right. The directors of the Company have no interest in the Special Business, except in their capacity as being shareholders, and Directors of the Company.

> "RESOLVED THAT the approval made in of the 37th Annual General Meeting of the Company for scheme of merger to merge Lakhwani Securities (SMC-Private) Limited with and into the Hallmark Company Limited, be and is hereby withdrawn and Mr. Naveed Hamid being Chief Executive and Director of the Company, and Mr. S. Muhammad Imran being the Director of the Company and the Director of Lakhwani Securities (SMC Private) Limited be and are hereby authorized to take all such steps as may be necessary or incidental for the purpose of withdrawing the petition of merger from Honorable High Court of Sindh."