

Ghani

Ghani Glass Limited

39-L, Model Town Ext., Lahore,
Pakistan, 54700.
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www.ghaniglass.com

No.GGL/PSX/2020/31

December 22, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Fax: 021-111-573-329

Dear Sir

DECISION OF THE BOARD MEETING

We would like to inform you that the Board of Directors, in its meeting held today at 11:30 a.m. at 40-L, Model Town, Lahore has approved to issue 55 % Right Shares (*55 shares for every 100 shares held*) in consideration of cash at par value of Rs. 10/- per share. The share transfer books of the company shall remain closed from January 18, 2021 to January 25, 2021 (*Both days inclusive*) for the purpose of entitlement of Right Shares.

We also enclose herewith the following information/documents:-

- Statement containing Quantum, Issue Size, Issue Price, Purpose of the Right Issue, Utilization of proceeds of the right issue, Benefit to the company and shareholders, Risk factors associated with the right issue as **annexure 'A'**.
- A certified true copy of board resolution as **annexure 'B'**.
- Draft of advertisement to be published in newspapers in respect of approval of 55% Right issue as annexure **'C'**.

The Board of Directors has also elected/appointed Mr. Zaid Ghani as the Chairman and Mr. Imtiaz Ahmad Khan as the Chief Executive Officer of the company for the next three years.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

Hafiz Muhammad Imran Sabir
Company Secretary

Encl: As Above

Cc: Director, Corporate Supervision Department, SECP, Islamabad

55% RIGHT ISSUE - GHANI GLASS LIMITED**QUANTUM OF THE ISSUE AS % OF EXISTING PAID UP CAPITAL**

55%

ISSUE SIZERs.2,978,484,663 divided into 297,848,466 ordinary shares (*approximately*)**ISSUE PRICE**

Rs.10

PURPOSE OF THE RIGHT ISSUE

Pursuing the long term expansion strategy and to increase market share, the management has decided to raise equity through issuance of right shares for the project of new float line and Balancing, Modernization and Replacement (BMR) of the existing lines.

- To install new Float Line;
- To achieve the economies of scale;
- To fulfill the demands of customers;
- To increase market share;
- BMR of Existing Lines

UTILIZATION OF PROCEEDS OF THE RIGHT ISSUE

The proceeds of the right issue would be utilized to commission the project of new Float Line and Balancing, Modernization and Replacement (BMR) of the existing lines.

BENEFIT TO THE COMPANY AND SHAREHOLDERS

- Production Capacity would be enhanced;
- Market share would be increased;
- The company would be benefited from economies of scale;
- Equity base of the company will be strengthened;
- Existing Lines would be upgraded;
- Profitability will increase which will benefit to the shareholders in the form of distribution of dividends;

RISK FACTORS ASSOCIATED WITH THE RIGHT ISSUE

There is no major investment risk as the right issue is being offered at par value of Rs.10 per share which is lower than the market price. There is no major operational risk as the company has already been producing float glass. There is no major market risk as the company has strong dealers network and dedicated sales force. However, normal risk associated with the business would remain.



