GCIL/CORP/PSX-50

September 14, 2026

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

Subject: **DECISIONS OF THE BOARD OF DIRECTORS MEETING**

Dear Sir,

Please be informed that the Board of Directors of Ghani Chemical Industries Limited (the Company/GCIL), at its meeting held on today, has considered the setup of Sono Lashari, Jandran and Maiwand gas projects and its related matters and decided as under:

1. Recommendation to the shareholders for the issuance of 116,374,900 Class B Tracking Shares at an issue price of PKR 10.00 per share, without premium, aggregating up to PKR 1,163,749,000 by way of approximately 20.40% Right Issue i.e. approximately 204.00 Class B Tracking Shares for every 1,000 ordinary shares held (the proposed Right Issue).

2. The proposed Right Issue forms part of a composite transaction and is subject to shareholders' approval of the following matters:

    i. Alteration of the authorized share capital of the Company and the corresponding amendment to Clause V of its Memorandum of Association;
    ii. Amendment to the Articles of Association of the Company to authorize the issuance of shares carrying different rights and privileges and to prescribe the rights, privileges, restrictions, terms and conditions of the Class B Tracking Shares;
    iii. Specific approval of the proposed issuance by way of right of up to 116,374,900 Class B Tracking Shares to eligible existing shareholders of the Company;
    iv. Approval under section 199 of the Companies Act, 2017 for the Company's proposed equity investment in, and issuance or arrangement of guarantees and related project support for, the Project Silo;
    v. Approval under section 183 of the Companies Act, 2017 for the sale, transfer, assignment, novation, contribution or other conveyance to the Project Silo of the relevant project assets, plant and machinery, advances, contractual rights, licences, approvals, obligations, liabilities, work in progress and other interests relating to the Sono Lashari, Jandran and Maiwand Projects; and
    vi. Approval under section 208 of the Companies Act, 2017 and the applicable related-party transaction framework for the transactions and arrangements between the Company and the Project Silo, including the investment, project transfers, reimbursements, project-management arrangements and other related dealings

3. To hold an Extraordinary General Meeting (EOGM) of shareholders of the Company on Saturday, October 10, 2026, at Lahore for approval of the above-stated decisions and other matters.

   For the attending and voting at the EOGM, the Company's Share Transfer Books will remain closed from October 03, 2026 to October 10, 2026 (both days inclusive).

4. Form a Limited Liability Partnership (LLP) in the name of "G3 Oil & Gas Conversion LLP" (or any other name as may be approved or allowed by the SECP), with 84% partnership interest of the Company and its contribution of up to PKR 2.014 billion, for establishing and undertaking the gas-conversion business, including the development, implementation and operation of the Sono Lashari, Jandran and Maiwand Projects together with the execution of the LLP Agreement and related matters.

Note: The Right Issue Circular under Section 83 of the Companies Act, 2017 and the book closure dates and entitlement date for the proposed Right Issue shall be determined and communicated by the Company after obtaining shareholders' approval, in accordance with Regulation 6 of the Companies (Further Issue of Shares) Regulations, 2020.

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

Yours truly,
for **Ghani Chemical Industries Limited**

(FARZAND ALI)
Company Secretary

Encls:
1. Statement under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020, as Annexure-A.
2. Notice regarding proposed Right Issue to be published in newspapers as Annexure-B.

CC:
- The Executive Director / HOD, Offsite–II Department, SECP-Islamabad.
- Head of Operation, Central Depository Company of Pakistan – Karachi.
- Corplink (Private) Limited, Share Registrar – Lahore.

ANNEXURE A

STATEMENT PERTAINING TO THE QUANTUM OF ISSUE, ISSUE SIZE, ISSUE PRICE, PURPOSE OF ISSUE, PROJECT SIZE AND FINANCING STRUCTURE, UTILIZATION OF PROCEEDS, BENEFITS OF THE ISSUE TO THE COMPANY AND ITS SHAREHOLDERS AND ASSOCIATED RISK FACTORS

This Statement is provided under Regulation 3 of the Companies (Further Issue of Shares) Regulations, 2020 and shall be read with Schedule I, the proposed special resolutions and the Statement of Material Facts annexed to the Notice of Extraordinary General Meeting. Collectively, these documents provide the integrated disclosure placed before the shareholders.

1. QUANTUM OF THE PROPOSED RIGHT ISSUE

The Company proposes to issue up to 116,374,900 Class B Tracking Shares.

Based on the existing issued and paid-up ordinary share capital of 570,451,931 ordinary shares, the proposed rights issue represents approximately 20.40% of the existing issued and paid-up ordinary share capital of the Company.

The indicative entitlement ratio is approximately 204.00 Class B Tracking Shares for every 1,000 ordinary shares held by eligible shareholders on the entitlement date.

The entitlement ratio remains subject to final determination and announcement by the Board following receipt of the requisite shareholder, statutory and regulatory approvals.

2. RIGHT ISSUE SIZE

Number of Class B Tracking Shares	:	Up to 116,374,900
Nominal Value per Tracking Share	:	PKR 10.00
Redeemable Portion per Tracking Share	:	PKR 9.00
Irredeemable Portion per Tracking Share	:	PKR 1.00
Issue Price per Tracking Share	:	PKR 10.00
Premium	:	Nil
Aggregate Issue Size	:	Up to PKR 1,163,749,000
Proposed Quantum	:	Approximately 20.40%
Proposed Entitlement	:	Approximately 204.00 Class B Tracking Shares for every 1,000 ordinary shares held Each Class B Tracking Share will initially have a nominal value of PKR 10.00, comprising:
Redeemable Portion	:	PKR 9.00 per Tracking Share
Irredeemable Portion	:	PKR 1.00 per Tracking Share
Total Nominal Value	:	PKR 10.00 per Tracking Share

3. CONDITIONS PRECEDENT

The proposed Right Issue forms part of a composite transaction and will be conditional upon:

a) approval by the shareholders of the alteration of the authorized share capital of the Company and the corresponding amendment to Clause V of its Memorandum of Association;
b) approval by the shareholders of the amendment to the Articles of Association through the insertion of provisions authorizing the issuance of shares carrying different rights and privileges;
c) approval by the shareholders of the proposed Article 19(b), prescribing the rights, privileges, restrictions, terms and conditions of the Class B Tracking Shares;
d) specific approval by the shareholders of the issuance of up to 116,374,900 Class B Tracking Shares by way of a rights issue;
e) effectiveness of the amended Memorandum and Articles of Association and availability of sufficient authorized but unissued preference share capital;
f) completion of all applicable statutory, regulatory, PSX and CDC requirements and receipt of any other approvals or permissions required under applicable law;
g) approval by the shareholders under section 199 of the Companies Act, 2017 for the Company's proposed equity investment in the Project Silo and issuance or arrangement of Project Guarantees and related credit support, subject to the approved limits;
h) approval by the shareholders under section 183 of the Companies Act, 2017 for the disposal or transfer to the Project Silo of the relevant project assets, interests, contractual rights, obligations, liabilities and work in progress; and
i) approval under section 208 of the Companies Act, 2017 and the applicable related-party transaction requirements for the investment, transfers, reimbursements, project-management arrangements and other transactions between the Company and the Project Silo.

The Board's decision dated September 14, 2026 constitutes a recommendation of the proposed Right Issue to the shareholders. The Right Issue will be formally approved and announced by the Board after completion of the foregoing conditions.

4. PURPOSE OF THE ISSUE

The purpose of the proposed rights issue is to raise up to PKR 1,163,749,000 as part of the Company's proposed equity investment of up to PKR 2,013,749,000 in the Project Silo. The Project Silo is being established as a ring-fenced vehicle for the development, implementation, commissioning and operation of the Sono Lashari, Jandran and Maiwand gas projects.

The aggregate estimated cost of the Projects is PKR 6,018,514,000, proposed to be financed through the following debt-and-equity structure:

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Project Debt	:	PKR	4,004,765,000
Project Equity	:	PKR	2,013,749,000
Total Project Size	:	PKR 6,018,514,000	

The Company proposes to provide the full cash project-equity requirement of up to PKR 2,013,749,000 to the Project Silo. Under the proposed LLP capital structure, this corresponds to an 84.00% partnership interest; an economically equivalent interest will apply if a successor project vehicle is adopted. The final interest will be documented and disclosed as required by applicable law. The Company's cash equity investment will be financed as follows:

Proceeds from the proposed rights issue	:	PKR	1,163,749,000
Funds from the Company's internal resources	:	PKR	850,000,000
Total Equity Investment	:	PKR 2,013,749,000	

The approved project-equity amount comprises only the Company's cash investment of PKR 2,013,749,000. The remaining proposed 16.00% LLP interest represents separately valued service contributions by other partners and does not increase the approved Project Size, cash project-equity requirement or Right Issue proceeds. Any change to those contributions or to the capital structure shall be independently valued, documented, approved and disclosed in accordance with applicable law.

The Project Silo's principal business will be the procurement, processing, conversion, storage, transportation and commercialization of indigenous raw, low-pressure, stranded, flare, associated and other gaseous feedstock into usable and marketable gas products.

The Projects to be undertaken through the Project Silo are:

1. Sono Lashari Project;
2. Jandran Project; and
3. Maiwand Project.
4.

Formation of the Project Silo, execution of its constitutional and investment documents, arrangement of project debt and Project Guarantees, and completion of the applicable contractual, statutory and regulatory formalities are implementation measures for the approved investment structure and the identified Projects.

Detailed project-wise costs, locations, parties, commercial structures, technical parameters, operating arrangements, capacities, implementation assumptions, expected benefits and principal risks are set out in Schedule I, which is annexed to and forms an integral part of the Notice.

TRANSACTION IMPLEMENTATION AND TRANSFER TO THE PROJECT SILO

The rights issue is one component of the composite transaction. The Company's investment and guarantees require approval under section 199 of the Companies Act, 2017. The transfer or disposal of relevant project assets and interests to the Project Silo requires approval under section 183. Because the Project Silo will be an

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associated undertaking and the Company will transact with it, the relevant investment, transfers, reimbursements, project-management arrangements and associated dealings are also subject to section 208 and the applicable related-party transaction requirements.

Any transfer will be completed only through definitive agreements, supported by appropriate valuation, cost verification or another legally permissible pricing methodology, on terms considered fair and reasonable to the Company and its members. Interested directors shall disclose their interests and abstain from the relevant proceedings except as permitted by law. Required counterparty consents, assignments, novations, licences, tax treatment, accounting recognition and regulatory approvals must be completed before the relevant rights or obligations are transferred.

PROJECT PORTFOLIO

The Right Issue proceeds will be applied toward the Company's equity investment in the Project Silo for the Sono Lashari, Jandran and Maiwand Projects. Schedule I contains the detailed project information, including scope, parties, contractual and operating arrangements, raw-gas capacities, product outputs, costs, financing, implementation programme, benefits, assumptions and risks, and is incorporated by reference into this Quantum Statement.

5. PROJECT SIZE AND FINANCING STRUCTURE

The estimated aggregate project cost and proposed means of financing are as follows:

Total Project Size	: PKR 6,018,514,000
Project Debt:	
Amount	: PKR 4,004,765,000 (approximately 66.54% of the estimated Project Size)
Project Equity:	
Amount	: PKR 2,013,749,000 (approximately 33.46% of the estimated Project Size)

Project debt of up to PKR 4,004,765,000 is proposed to be raised at the level of the Project Silo and/or through other legally permitted project-financing arrangements approved for the Projects.

Availability of project debt will remain subject to lender negotiations, satisfactory due diligence, fulfillment of conditions precedent, execution of definitive financing documents, provision of approved security and/or Project Guarantees, and receipt of all requisite approvals. The Company's aggregate outstanding liability under Project Guarantees shall not exceed PKR 4,004,765,000 and shall remain a separate unfunded exposure.

The proposed project equity of up to PKR 2,013,749,000 will be provided by the Company and financed as follows:

Proceeds from the proposed rights issue	:	PKR 1,163,749,000
Funds from the Company's internal resources	:	PKR 850,000,000
Total Equity Investment by the Company	:	PKR 2,013,749,000

6. UTILIZATION OF RIGHT ISSUE PROCEEDS

The entire proceeds of the proposed rights issue, amounting to up to PKR 1,163,749,000, will be utilized toward the Company's proposed equity investment of up to PKR 2,013,749,000 in the Project Silo.

The remaining equity requirement of up to PKR 850,000,000 will be funded from the Company's internal resources.

The funds invested by the Company will be utilized by the Project Silo in accordance with the approved business plan, project budgets, this Quantum Statement and Schedule I for purposes including:

a) development of the Sono Lashari, Jandran and Maiwand projects;
b) acquisition, construction, installation and commissioning of plant and machinery;
c) engineering, procurement and construction activities;
d) pipelines, storage facilities, utilities and other infrastructure;
e) feed-gas supply and related arrangements;
f) land acquisition, leases and site-development expenditure;
g) licences, no-objection certificates, environmental approvals and other regulatory requirements;
h) initial working capital requirements; and
i) project contingencies and other directly related expenditure.

No proceeds of the Right Issue will be utilized for purposes unrelated to the proposed investment without obtaining such further corporate and regulatory approvals as may be required under applicable law.

7. BENEFITS OF THE ISSUE TO THE COMPANY AND ITS SHAREHOLDERS

The proposed investment will enable the Company to establish and fund the Project Silo and obtain the proposed 84.00% partnership interest or an economically equivalent interest in any approved successor vehicle, subject to the definitive constitutional documents and applicable law.

The investment will provide the Company with exposure to the Sono Lashari, Jandran and Maiwand portfolio having an estimated aggregate cost of PKR 6,018,514,000, against a maximum direct equity investment of PKR 2,013,749,000. The balance of the estimated project requirement, amounting to PKR 4,004,765,000 or approximately 66.54% of the Project Size, is proposed to be financed through project debt, supported where necessary by separately approved Project Guarantees.

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The proposed investment is expected to facilitate the Company's expansion and diversification into gas-conversion and related activities through the Sono Lashari, Jandran and Maiwand projects.

The Class B Tracking Shares are intended to create an identifiable relationship between the financial performance and eligible distributions of the designated Tracked Business Unit, comprising the Sono Lashari, Jandran and Maiwand silo business undertaken through the Project Silo, and the preferential economic entitlement of holders of the Tracking Shares.

Subject to Article 19(b), the availability of distributable profits and applicable law, holders of the Tracking Shares will collectively be entitled to a preferential dividend equal to 57.79% of eligible net distributions actually received by the Company from the Project Silo. This represents an effective 48.54% attribution of the Project Silo under the proposed 84.00% Company interest. The percentage will be proportionately adjusted following any full or partial redemption, conversion, cancellation or other reduction in the aggregate outstanding par value of the Tracking Shares in accordance with Article 19(b).

The proposed transaction is expected to:

a) provide dedicated equity capital for the three-project portfolio having an estimated aggregate cost of PKR 6,018,514,000;
b) facilitate the mobilization of up to PKR 4,004,765,000 in project debt against up to PKR 2,013,749,000 in project equity;
c) support the productive utilization of flare, stranded, associated and other underutilized gas resources;
d) enable eligible existing shareholders to participate in the potential economic benefits of the tracked business;
e) create a transparent relationship between eligible distributions from the tracked business and the preferential dividend entitlement of the Tracking Shares; and
f) expand and diversify the Company's long-term investment and earnings base.

8. RISK FACTORS

The Right Issue, the Company's investment in the Project Silo and the Projects are subject principally to statutory, regulatory and contractual approvals, including compliance under sections 183, 199 and 208 of the Companies Act, 2017; formation and funding of the Project Silo; availability and terms of project debt; possible calls under Project Guarantees; valuation, transfer-pricing, assignment, novation, tax and accounting risks associated with transferring project assets, contracts, rights, obligations and work in progress; feed-gas availability, composition and deliverability; EPC, construction, commissioning, cost-overrun and completion risks; product demand, pricing, logistics and counterparty risks; operational, environmental, health and safety risks; changes in law, taxation or policy; and the ability of the Project Silo to generate distributable cash and make lawful distributions to the Company. Dividends on the Tracking Shares are not guaranteed

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and depend upon actual eligible distributions received by the Company, sufficient distributable profits and applicable law. Detailed project-specific risks and mitigants are set out in Schedule I.

9. JUSTIFICATION FOR ISSUANCE AT A PREMIUM OR DISCOUNT

Not applicable.

The Class B Tracking Shares are proposed to be issued at their nominal value of PKR 10.00 per share without any premium or discount.

10. PROVISION OF ASBA FACILITY

The Company is not opting to provide an Application Supported by Blocked Amount facility.

11. MINIMUM SUBSCRIPTION AMOUNT

The Company is not opting for a separate minimum subscription amount under Regulation 3(6) of the Companies (Further Issue of Shares) Regulations, 2020.

12. JUSTIFICATION FOR ISSUING A DIFFERENT KIND AND CLASS OF SHARES

The Class B Tracking Shares have been structured to raise dedicated capital for the Company's proposed investment in the Project Silo while creating a transparent relationship between the performance and eligible distributions of the Sono Lashari, Jandran and Maiwand silo business and the economic entitlement of holders of the Tracking Shares.

The Tracking Shares will be classified as preference shares and will carry distinct dividend, voting, redemption, conversion and other rights as specified in the proposed Article 19(b) of the Articles of Association.

The Tracking Shares will be offered to eligible existing shareholders through a Right Issue on a uniform and non-discriminatory basis.

For accounting and financial-reporting purposes, the economic attribution between the Class B Tracking Shares and the ordinary shareholders of the Company is derived from the sources of the Company's equity investment in the Project Silo, as follows:

Source of equity investment	**Equity (PKR million)**	**Share of project equity**	Proposed effective attribution of Project Silo
Company's internal funds	850.00	42.21%	35.46%
Class B Tracking Share proceeds	1,163.75	57.79%	48.54%
Total equity investment	**2,013.75**	**100.00%**	**84.00%**

Under the proposed LLP capital structure, the Company's 84.00% economic interest in the Project Silo is attributed 48.54% to the Class B Tracking Shares and 35.46% to the Company in its ordinary-shareholder capacity. The 48.54% represents the Tracking Share-funded portion of the Project Silo and corresponds to 57.79% of eligible net distributions received by the Company from its 84.00% interest. Neither attribution confers upon Tracking Shareholders any direct ownership, partnership interest, title to assets, management authority or controlling rights in the Project Silo. The remaining 16.00% proposed LLP interest, allocated for separately valued service contributions, is outside the Company's approved cash project-equity amount.

Separate memorandum accounts and attribution records shall be maintained for the Tracked Business Unit. Profits and distributions attributable to the Tracking Shares—whether received by the Company in the legal form of dividends, drawings or another lawful distribution from the Project Silo—shall be identified and calculated separately in accordance with Article 19(b). The preferential entitlement of the Tracking Shares shall arise only in respect of eligible net distributions actually received by the Company and shall be subject to applicable taxes, the availability of distributable profits, the applicable corporate approval process and the requirements of law. Any entitlement that has crystallized but cannot lawfully be paid shall be carried forward and treated cumulatively in accordance with Article 19(b).

For statutory financial-reporting purposes, the accounting presentation shall follow the applicable financial-reporting standards and the accounting classification of the Tracking Shares. Where the Tracking Shares are classified as equity, dividends or other distributions made to their holders shall constitute distributions within equity and shall not be recorded as expenses in the Company's statement of profit or loss. For the calculation of basic earnings per share, the numerator shall comprise the profit attributable to holders of the Company's ordinary shares, including the results of the Company's existing operations and the portion of the Project Silo's results attributable to the Company's ordinary-shareholder interest, after making all adjustments required under the applicable financial-reporting standards for preferential dividends or other amounts attributable to the Tracking Shares. The denominator shall comprise only the weighted-average number of ordinary shares outstanding during the relevant reporting period; the Tracking Shares shall not be included in the basic EPS denominator before conversion.

For diluted earnings per share, the potential conversion of the Tracking Shares into ordinary shares shall be reflected under the if-converted method to the extent that the assumed conversion is dilutive. The numerator shall be adjusted for any preferential dividend or other return that would not have arisen upon the assumed conversion, and the denominator shall include the weighted-average number of additional ordinary shares that would have been issued upon conversion, in each case in accordance with the applicable financial-reporting standards.

The Company shall disclose the basis of attribution, the performance and eligible distributions of the Tracked Business Unit, the preferential entitlement and cumulative amount attributable to the Tracking Shares, and the effects of their

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potential conversion sufficiently to permit reconciliation with the Company's statutory financial statements.

The proposed issuance is conditional upon the shareholders approving the required amendments to the Memorandum and Articles of Association and granting specific approval for the proposed Right Issue.

The draft Offer Document will be submitted to Pakistan Stock Exchange Limited and the Securities and Exchange Commission of Pakistan within the prescribed period and will simultaneously be placed on the websites of PSX and the Company.

The Company and its Board have exercised their discretion not to seek public comments on the draft Offer Document, subject to applicable law.

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ANNEXURE B

NOTICE OF PROPOSED RIGHT ISSUE

It is intimated that the Board of Directors of Ghani Chemical Industries Limited (GCIL/the Company) has recommended, at its meeting held on September 14, 2026, the issuance of up to 116,374,900 Class B Tracking Shares at an issue price of PKR 10.00 per share, without premium, aggregating up to PKR 1,163,749,000 (Proposed Right Issue), for shareholders' approval.

The proceeds of the proposed Right Issue will be used to fund the Company's investment in the Project Silo for the Sono Lashari, Jandran and Maiwand Projects.

The entitlement date, book-closure period and other applicable timelines will be determined and announced after approval of the proposed Right Issue at the Extraordinary General Meeting and the finalization of Schedule I (Circular under Section 83 of the Companies Act, 2017), in accordance with the Companies (Further Issue of Shares) Regulations, 2020, and in compliance with other applicable requirements.