



Ghani Global Group

G3 TECHNOLOGIES LIMITED

Manufacturer of Calcium Carbide

GTECH/Corp-Right/PSX-01

September 05, 2022

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road-Karachi.

DECLARATION OF RIGHT ISSUE

Dear Sir

We have to inform you that the Board of Directors of the Company in their meeting held on September 05, 2022 at 11:00 a.m. at the registered office of the Company has decided to increase the paid up share capital of the Company by issuing Class B Shares that is being offered to the existing Ordinary Shareholders by way of right in the ratio as mentioned hereunder:

Right Issue i.e. Quantum, Size and Price

		<u>Ordinary Shares</u>	<u>Class B Shares</u>
Authorized Shares	Nos.	250,000,000	50,000,000
Nominal (Par) Value	Rs./Share	10.00	10.00
Authorized Shares	Rs.	2,500,000,000	500,000,000
Issued capital	Nos.	249,871,128	-
Issued capital	Rs.	2,498,711,280	-
Right Issue Size	Nos.	-	22,000,000
Right Issue Price	Rs. / Share	-	10.00
Share Premium	Rs. / Share	-	Nil
Right Proceeds	Rs.	-	220,000,000
Right Issue	%	-	8.8045%
Right Issue Ratio	8.8045 Class B Shares against every 100 Ordinary Shares		
Mode of Issuance	By way of Right to the existing shareholders (of ordinary shares)		

The share transfer books of the Company will be closed from September 22, 2022 to September 28, 2022 (both days inclusive) to determine the entitlement of the Right Shares.



Corporate Office:

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Site:

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Transfers received at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on September 21, 2022 (for Physical shares and CDC rules and procedure will be applied for CDC shares in scrip-less form) will be treated in time for the purpose of entitlement of Right Shares to the transferees.

Following details are attached:

- Annexure-A: Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the Shareholders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.
- Annexure-B: Certified true copy of the Extract of the Resolutions passed by the Board of Directors in their meeting held on September 05, 2022.
- Annexure-C: Draft Copy of the Notice of the Right issue and book closure to the Shareholders prior to its publication in the newspapers.

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

For and on behalf of
For G3 TECHNOLOGIES LIMITED


FARZAND ALI
Company Secretary



CC: Executive Director / HOD, Offsite-II Department, Supervision Division Securities & Exchange Commission of Pakistan, Islamabad

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Annexure A

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of Proceeds, Benefits of the Issue to the Company and the Shareholders, Risk Factors, under Regulation 3 of the Companies (Further Issue of Shares) Regulation, 2020.

Right Issue i.e. Quantum of Issue , Issue Size and Issue Price

		Ordinary Shares	Class B Shares
Authorized Shares	Nos.	250,000,000	50,000,000
Nominal (Par) Value	Rs./Share	10.00	10.00
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Purpose of the Issue

The purpose of the Issue:

- Capital expenditure related to Calcium Carbide Project;
- Working Capital Requirements;

Brief Note:

The Company is in the process of setting up of Calcium Carbide Plant in the Hattar Industrial Estate, Haripur. Initially project was envisaged at the cost of Rs. 1,000,000,000/- (Rupees One Billion Only) and accordingly right issue was made in the last quarter of calendar year 2021. However, due to devaluation of Pakistani Rupee and global inflationary pressure, project cost is escalated. Company is in the process of disposing of its equity investment in Ghani Chemical



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Industrial Limited (an associated company). Approval (to dispose of the said equity investment) is already taken from the shareholders in their extraordinary general meeting held on May 07, 2022. The available funds will be utilized in the capital expenditures related to Calcium Carbide project and its working capital requirement. Total project cost of Calcium Carbide Project is Rs. 1,750,000,000 (Rupees One Billion Seven Hundred Fifty Million Only). However, Calcium Carbide is not being produced in Pakistan. Thus, after the dollar appreciation, it is very feasible to produce (as an import substitute) locally since most of the raw materials required in the production of Calcium Carbide are locally available. Thus, throughput (sales less material cost) is substantially improved due to dollar appreciation.

Utilization of Proceeds of the Right issue and Benefits to the Company and its Shareholders

As aforementioned, the funds generated from the further issue of capital will be utilized for capital expenditures related to Calcium Carbide Project (and its working capital requirement) and Management of the Company believes that such mode of financing/investment plans will contribute not only towards increased profitability that ultimately be translated into increased shareholders value.

Risk Factors associated with the Right issue

The Right Issue has been announced at well below current market price and also underwritten as per requirements of the applicable regulations. Thus there is minimal investment risk associated with the Right Issue.

Other Risks – These risks were highlighted in the Right issue made in Year 2021. Its mitigation measure are described below:

1. As of date the Company does not have requisite licensing required for running of this project. Licensing is required from explosives department (Ministry of Industries). However, Ghani Chemical Industries Limited has the requisite license. Please see the Scheme briefly given below.
2. The project is of Greenfield nature, involving many complexities, which might delay the project.
3. The land in Hattar, Haripur selected for the project is owned by Ghani Chemical Industries Limited (GCIL). Please see the Scheme briefly given below.



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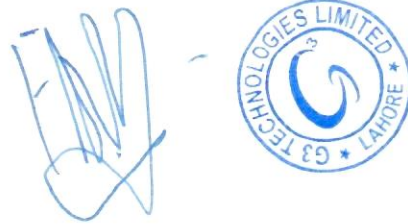


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4. The Project is energy-intensive and the availability of electricity is the key to the success of this project, which may take time. As of date, the Company has not entered into any agreement or installed any such facility at the location but Ghani Chemical Industries Limited is entering into such agreement. Please see the Scheme briefly given below.
5. Calcium Carbide is not being produced in Pakistan. Thus, after the establishment of the Plant, the Company will have to compete with the imported sources resulting in price competition and this might impact demand of the product resultantly impacting its revenue. The economic and market condition may not be conducive at the time when the project begins its commercial production. However, after the dollar appreciation, it is very feasible to produce (as an import substitute) locally since most of the raw materials required in the production of Calcium Carbide are locally available. Thus, throughput (sales less material cost) is substantially improved due to dollar appreciation.



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SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION / MERGER OF G3 TECHNOLOGIES LIMITED (AND ITS MEMBERS) WITH AND INTO GHANI CHEMICAL INDUSTRIES LIMITED (AND ITS MEMBERS) (IN TERMS OF PROVISIONS OF SECTIONS 279 TO 282 AND ALL OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017) (The Scheme)

The Scheme is by and between the Company (as transferor) and Ghani Chemical industries Limited (as transferee) and is under process of approval with honorable Lahore High Court. As aforementioned, Ghani Chemical Industries Limited deals in liquid gases and also have vast experience in the import, sales and marketing of calcium carbide and related products (and possess requisite licensing, contracts land and other resources) required for the Calcium Carbide Project. Moreover, object clause under memorandum of association also deals in chemical business. Ghani Chemical Industries Limited is profitable company and shareholders of the Company can participate in profitability of Ghani Chemical Industries Limited soon after merger. Moreover, operational, technical, financial and sales & marketing expertise of Ghani Chemical Industries Limited will be added advantage for the calcium carbide project of the Company. Thus it is expected to have positive synergies with this merger for the shareholders of both of the merging entities.

Approval of the Scheme from the shareholders is taken in the extraordinary general meeting held on May 31, 2022.

Terms and Conditions of Class B Shares

Article 18A and 18B were inserted* in the Articles of Association that allows issuance of Class B shares. Moreover, authorized capital was increased from Rs. 2.50 billion to Rs. 3.00 billion that allows issuance of Class B shares as follows.

		<u>Ordinary Shares</u>	<u>Class B Shares</u>
Authorized Shares	Nos.	250,000,000	50,000,000
Nominal (Par) Value	Rs./Share	10.00	10.00
Authorized Shares	Rs.	2,500,000,000	500,000,000
Issued capital	Nos.	249,871,128	
Issued capital	Rs.	2,498,711,280	

* as approved by the shareholders in the extraordinary general meeting held on May 07, 2022.



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Class B Shares under Section 58 of the Companies Act, 2017

1 -	Name of Security	G3 Technologies Limited – Class B Share
2 -	Security Type	Class B Shares under Section 58 of the Companies Act, 2017
3 -	Participation in Surplus Assets in case of Liquidation	No Participation
4 -	Dividend/Profit is Cumulative or Non-Cumulative	Non-Cumulative
5 -	Redemption	Not Applicable
6 -	Conversion into Ordinary Shares of the Company	Convertible into Ordinary Shares of the Company However, If Company is merged (as transferor) into Ghani Chemical Industries Limited (as transferee), as per the Scheme, the Class B shares will not be cancelled or swapped under the Scheme but will be transferred as such to Ghani Chemical Industries Limited (as Class B Share of Ghani Chemical Industries Limited) in the One to One ratio i.e. One Class B share of the Company against One Class B Share of Ghani Chemical Industries Limited. Conversion will be made thereafter as aforementioned.
7 -	Conversion Rate	Conversion Rate as decided by the Board of Directors at any time after the issuance subject to compliance to Section 82 of the Companies Act, 2017. However, If Company is merged (as transferor) into Ghani Chemical Industries Limited (as transferee) and conversion is placed thereafter. It will be converted into ordinary share of Ghani Chemical Industries Limited (as per the Scheme).
8 -	Call Option in Cash to the Company	Not Applicable



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9 -	Put Option in Cash to the Shareholder		Not Applicable
10 -	Par Value	Rs. / Share	10.00
11 -	Issue Price	Rs. / Share	Board of Directors has decided (in their meeting held on September 05, 2022) to issue 22,000,000 shares at Rs. 10.00 (at Nil premium)
12 -	Issuance by way of		Issuance to the existing ordinary shareholders of the Company either by way of Right, Bonus or otherwise Board of Directors has decided (in their meeting held on September 05, 2022) to issue 22,000,000 shares by way of Right to the existing ordinary shareholders of the Company at 8.8045 Class B Shares against every 100 Ordinary Shares
13 -	Tenor		Perpetual unless Converted in full
14 -	Instrument Rating		Not Required
15 -	Security / Charge		Not Applicable
16 -	Voting Rights		Non-Voting
17 -	Dividend/Profit Rate		As decided by the Board of Directors in their meeting without any priority on existing Ordinary Shares of the Company
18 -	Base Rate		Not Applicable
19 -	Right to Bonus		No right over Bonus Issue (in the form of Ordinary Shares) but having right over Bonus Class B Shares as decided by the Board of Directors
20 -	Any Other Right(s)		No right over Right Issue unless Right Issue is made in the form of Class B Shares
21 -	Listing		To be Listed at Pakistan Stock Exchange Limited (PSX)
22 -	Shari'ah Compliance		Not Applicable



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23 - Issue Size	Rs.	Board of Directors has decided (in their meeting held on September 05, 2022) to issue 22,000,000 shares at Rs. 10.00 (at Nil premium) i.e. Rs. 220,000,000/-
24 - Issue Size	Nos.	Board of Directors has decided (in their meeting held on September 05, 2022) to issue 22,000,000 shares at Rs. 10.00 (at Nil premium) i.e. Rs. 220,000,000/-
25 - Ranking/Priority		Automatic Conversion into Ordinary Shares in case of liquidation of the Company at the ration of 10.00 Class B Shares into ONE Ordinary Share of the Company
26 - Triggering Event		Not Applicable
27 - Trustee		Not Applicable



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Annexure B

Extract of the Resolutions passed by the Board of Directors of the Company at their meeting on September 05, 2022 at its Registered Office: 10-N, Model Town Extension, Lahore.

RESOLVED THAT the paid up share capital of the Company be and is hereby increased by issuing Class B shares as follows:

Name of the Security		Class B Share
Right Issue Size	Nos.	22,000,000
Right Issue Price	Rs. / Share	10.00
Share Premium	Rs. / Share	Nil
Right Proceeds	Rs.	220,000,000
Right Issue	%	8.8045%
Right Issue Ratio	8.8045 Class B Shares against every 100 Ordinary Shares	
Mode of Issuance	By way of Right to the existing shareholders (of ordinary shares)	

FURTHER RESOLVED THAT the approval be and is hereby accorded to adopt Annexure A for the quantum, size, and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and the shareholders of the Company and risk factors associated with the Right issue in accordance with the Regulations 3(I)(iii) of the Companies (Further Issue of Shares) Regulations, 2020.

RESOLVED FURTHER THAT the Class B Shares shall be under the control of the Board of Directors who may allot, forfeit, surrender, rectify or otherwise dispose of the same to such persons, firms, corporation or corporations on such terms and conditions and at any such time as may be thought fit, subject to and in accordance with the provisions of the Companies Act, 2017.

FURTHER RESOLVED THAT the letter of offer may be issued/signed by the Chief Executive and Company Secretary in compliance with the applicable laws.

FURTHER RESOLVED THAT the draft of the circular to accompany the letter of offer, pursuant to Section 83(3) of the Companies Act, 2017, as placed before the directors be and is hereby approved and Chief Executive and Company Secretary be and is hereby authorized singly to finalize and sign the circular on behalf of all the directors.



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FURTHER RESOLVED THAT all fractional entitlements will be consolidated in the name of the Company Secretary (under trust) and unpaid letter of right in respect thereof shall be sold on Pakistan Stock Exchange Limited, the net proceeds from which sales, once realized, shall be distributed/ paid to the entitled shareholders in accordance with their respective entitlements as per applicable laws.

FURTHER RESOLVED THAT that any unsubscribed shares may be offered and allotted to such persons and in manner as the directors may deem fit in accordance with the Section 83(1)(a)(iv) of the Companies Act, 2017, including the sponsors, directors or associated undertaking of the Company or any third party before calling upon the underwriters to subscribe to any unsubscribed shares.

FURTHER RESOLVED THAT the Company be and is hereby authorized to close its share transfer books September 22, 2022 to September 28, 2022 (both days inclusive) to determine the entitlements of the shareholders of the Company with respect to the Right Issue.

FURTHER RESOLVED THAT the Chief Executive and the Company Secretary be and are hereby singly authorized to do the following acts on behalf of the Company:

- i. Appoint/negotiate with consultants/advisors/ auditors and underwriters to the Right Issue, to finalize terms and conditions and sign underwriting agreements, other documents and settle/ finalize fees, underwriting commission, take-up commission and third party expenses and/or any other expenses relating to the Right issue;
- ii. To prepare the schedule for the issue of right shares including date of payment, and to make any amendments in the said schedule, appointment of banker(s) to the issue, announce the book closure dates, and to take all necessary actions, in respect of the Right issue and ancillary matters thereto, and as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited (CDC), including but not limited to induction of the offer for right shares in the Central Depository System of the CDC or any other authority;
- iii. To open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of shares;
- iv. To make necessary corrections, amendments and file necessary documents in case of any mistake or omission is pointed out by any regulatory authorities;
- v. To allot /credit right shares and file return as required by the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited,



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- Central Depository Company of Pakistan Limited (CDC) along with the auditors' certificates; and
- vi. To take all other necessary steps, and do all other acts, deeds and things, to prepare the offer letter, circular and schedule for right issue and any other documents and to make any amendments in the aforementioned documents and schedule and to take all necessary actions as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions."

Certified that the above mentioned is as true and valid extract from the meeting of the Board of Directors of G3 Technologies Limited held at its Registered Office: 10-N, Model Town Extension, Lahore.



NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of G3 Technologies Limited (the "Company") in their meeting held on September 05, 2022 has decided to issue further capital by offering 22,000,000 Class B shares by way of Right to the existing ordinary shareholders at price of Rs. 10/- (Pak Rupees Ten only) per share in the ratio of 8.8045 right Class B Shares for every 100 existing ordinary shares of Rs. 10/- each, against payment to the Company of the price of the shares subscribed by the shareholders, which shares having rights and privileges defined in Article 18B of the Articles of Association of the Company .

The share transfer books of the Company will be closed from September 22, 2022 to September 28, 2022 (both days inclusive) to determine the entitlement of the Right Shares.

Transfers received at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore at the close of business on September 21, 2022 (for Physical shares and CDC rules and procedure will be applied for CDC shares in scrip-less form) will be treated in time for the purpose of entitlement of Right Shares to the transferees.

Company Secretary

Date: September 05, 2022



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