

GTECH/Corp/PSX

October 19, 2022

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road-KARACHI.

Decision of Board of Directors' Meeting of Ghani Chemical Industries Limited

Merger of G3 Technologies Limited with and into Ghani Chemical Industries Limited.

Dear Sir,

In accordance with the letter No. GCIL/Corp/PSX, dated October 19, 2022 received from Ghani Chemical Industries Limited (Letter attached), the Board of Directors of **Ghani Chemicals Industries Limited** (GCIL) in their meeting held on today the October 19, 2022 have taken the following decisions:

1. The Entitlement Date for Issuing shares of GCIL to the shareholders of GTECH will be November 02, 2022.
2. The last trading date of GTECH shares will be November 02, 2022.
3. The opening price of GCIL share as determined by the Auditor's is Rs. 37.55. Copy of auditor certificate is attached.
4. Each shareholder of GTECH will receive shares of GCIL, to be credited in scrip less form to their respective accounts.
5. There would be no change in status of trading of Class B shares announced by the GTECH and on completion of Class B right shares subscription, Ghani Chemical Industries Limited will issue Class B shares to those shareholders who will subscribe the class B shares.

The detailed information memorandum (as decided by the Board of Directors of Ghani Chemical Industries Limited) is attached herewith.

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

Very Truly Yours

G3 TECHNOLOGIES LIMITED

FARZAND ALI
Company Secretary

- CC: - Executive Director / HOD, Offsite-II Department, Supervision Division SECP-ISD.
- Head of Operations, Central Depository Company of Pakistan, Karachi.
- Share Registrar, M/s Corplink (Private) Limited, Lahore.
- The Company Secretary, Ghani Chemical Industries Limited, Lahore.



Ghani Global Group

Ghani Gases

GHANI CHEMICAL INDUSTRIES LIMITED

Manufacturers of Industrial & Medical Gases

GCIL/Corp/PSX

October 19, 2022

The General Manager,

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

Decision of Board of Directors' Meeting of Ghani Chemical Industries Limited

Merger of G3 Technologies Limited with and into Ghani Chemical Industries Limited.

Dear Sir,

In compliance with Honorable Lahore High Court, Lahore order dated October 11, 2022 in C.O. No. 25797/22 for merger of G3 Technologies Limited (GTECH) with and into Ghani Chemical Industries Limited (GCIL) along with listing status of GTECH with and into GCIL, the Board of Directors of **Ghani Chemicals Industries Limited** (GCIL) in their meeting held on today the October 19, 2022 have taken the following decisions:

1. The Entitlement Date for Issuing shares of GCIL to the shareholders of GTECH will be November 02, 2022.
2. The last trading date of GTECH shares will be November 02, 2022.
3. The opening price of GCIL share as determined by the Auditor's is Rs. 37.55. Copy of auditor certificate is attached.
4. Each shareholder of GTECH will receive shares of GCIL, to be credited in scrip less form to their respective accounts.
5. There would be no change in status of trading of Class B shares announced by the GTECH and on completion of Class B right shares subscription, Ghani Chemical Industries Limited will issue Class B shares to those shareholders who will subscribe the class B shares.

The detailed information memorandum (as decided by the Board of Directors of Ghani Chemical Industries Limited) is attached herewith

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

Very Truly Yours

GHANI CHEMICAL INDUSTRIES LIMITED

FARZAND ALI

Company Secretary

- CC:
- Executive Director / HOD, Offsite-II Department, Supervision Division SECP-ISD.
 - Head of Operations, Central Depository Company of Pakistan, Karachi.
 - Head of Operations, National Clearing Company of Pakistan Limited, Karachi.
 - Share Registrar, M/s Corplink (Private) Limited, Lahore.
 - The Company Secretary, G3 Technologies Limited, Lahore.

Corporate Office:

10-N, Model Town Ext. Lahore - 54000, Pakistan.
UAN: 111-Ghani1, Ph: +92-42-35161424-5,
Fax: +92-42-35160393
E-mail: info.gases@ghaniglobal.com
www.ghanigases.com / www.ghaniglobal.com

GGL-I

52-Km. Multan Road,
Phool Nagar Bypass, Distt. Kasur.
Ph: 92-49-4510349-549
Fax: 92-49-4510749
E-mail: ggl1plant@ghaniglobal.com

GGL-II

A-53, Chemical Area,
Eastern Industrial Zone,
Port Qasim, Karachi 75020
Ph: 92-21-34016152 Fax: 92-21-34016142
E-mail: ggl2plant@ghaniglobal.com

Information Memorandum

1. Determination of Date of **Entitlement Date of Issuing** shares of the Company (i.e. GCIL as a Transferee) to the shareholders of GTECH as per SWAP ratio determined in the approved Scheme. Under Article 4 (Clause III) of the approved Scheme, date of entitlement (as determined by the Board of Directors of GCIL) is **November 02, 2022** after which shareholders of GTECH shall surrender their share certificate for cancellation thereof to GCIL.

New shares being allotted and issued by GCIL to the members of GTECH whose names shall appear on the respective register of members on such date, as aforesaid, the share certificate in relation to the shares held by them in GTECH shall be deemed to have been duly cancelled.

Thus last trading date of GTECH shall be **November 02, 2022**. Till such time the shares of Ghani Chemicals Industries Limited are listed on the Pakistan Stock Exchange Limited, the listed status of **G3 TECHNOLOGIES LIMITED** shall not be changed.

As GTECH's shares are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares shall be directly credited by book entries in the CDS in lieu of the scrip-less shares of GTECH to their respective Investors' accounts or sub-accounts with CDC participants.

2. Effective date of the Scheme is **December 31, 2021** and the Sanction Date of the Scheme is **October 14, 2022**. Thus, all transactions of/related to GTECH are being taken up by the GCIL after the Sanction date. Moreover, asset, liabilities and related reserves shall be transferred to GCIL. Balance sheet is being prepared by GTECH of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of GTECH, as reflected in the books of account of GTECH as of the Sanction Date and which is being audited by the Auditors of GTECH (this audit shall be completed within sixty (60) days of the Sanction Date).

Thus, upon finalization of the audit business, undertaking, assets, liabilities, reserves shall be transferred to GCIL (along with the transactions undertaken by GTECH between the effective date and the Sanction date. Shares of GCIL shall be issued to the shareholders of GTECH as per the approved SWAP Ratio and as per the Schedule (to be communicated to the shareholders through PUCAR in the meanwhile). Resultant difference on



transfer shall be recognized as "merger reserves" which shall be treated as capital reserves for all purpose.

3. As per clause X of Article 6 of the approved Scheme, **opening price** (based on P/E ratio which is determined on the bases of market equivalent share (PAKOXY) and earning potential of the merged balance sheet of both Companies as determined by the Auditors' Certificate after taking impact of swap ratio but it should not be less than the par value of share of GCIL) is **Rs. 37.55**. This is the opening listed price of GCIL. (**Auditors' Certificate is attached herewith**).
4. Application to NCCPL and CDC shall be made to declare GCIL as eligible security and incorporation of opening price in the NCCPL's system for the purpose of calculation of capital gain tax and other purposes.
5. On the completion of merger / amalgamation (i.e. assets, undertaking, business, liabilities reserves etc. are transferred upon conclusion of audit as per clause (V)(ii) of Article 3) and after the issuance of shares of GCIL to the registered members of GTECH, GTECH will be dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up.
6. Class B shares of the Company (GTECH) shall be issued in **Ghani Chemical Industries Limited (GCIL) as Class B Shares of GCIL.**

Under Article 2 (1)(C) of the Scheme any other class of shares can be issued by GTECH, if provided in the Memorandum and Articles of Association and conversion ratio will be adjusted according to SWAP ratio determined under the Scheme if conversion takes place after Sanction Date. However, SWAP ratio will not be changed if conversion occurs before Sanction Date.

Moreover as per Article 5 (IV) of the Scheme if there is any change in the authorized capital of ordinary share or of any class will be added in the merged entity (GCIL).



Authorized Share Capital of the Ghani Chemical Industries Limited after the Scheme is as follows:

		<u>Before Merger</u>	<u>Before Merger</u>	<u>After Merger</u>
		<u>GCIL</u>	<u>GTECH</u>	<u>GCIL</u>
Ordinary Shares	Nos.	550,000,000	250,000,000	800,000,000
Par Value	Rs. per Share	10.00	10.00	10.00
Ordinary Shares	Rs.	5,500,000,000	2,500,000,000	8,000,000,000
Class B Shares	Nos.	-	50,000,000	50,000,000
Par Value	Rs. per Share	10.00	10.00	10.00
Class B Shares	Rs.	-	500,000,000	500,000,000
Total Authorized Capital	Rs.	5,500,000,000	3,000,000,000	8,500,000,000

Class B shares shall be issued as **Ghani Chemical Industries Limited – Class B Share** with same terms and conditions and requisite changes are being made in the Memorandum and Articles of Association of GCIL (as given in Annexure-A).

Annexure-A

Article 19.B of Articles of Association - Class B Shares under Section 58 of the Companies Act, 2017

To effectuate the Scheme of Compromises, Arrangement And Reconstruction For Amalgamation / Merger of G3 Technologies Limited (And Its Members), as a Transferor, with And Into Ghani Chemical Industries Limited (And Its Members), as a Transferee, (In Terms Of Provisions Of Sections 279 To 282 And All Other Enabling Provisions Of The Companies Act, 2017) (The Scheme), G3 technologies Limited (GTECH) is merged (as transferor) into Ghani Chemical Industries Limited (GCIL) (as transferee), as per the Scheme, the Class B shares (its authorized share capital and issued capital) have been 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 G3 Technologies Limited (GTECH) against One Class B Share of Ghani Chemical Industries Limited (GCIL)**. Terms and conditions of the Class B Shares are inserted/included in the Articles of Association of the Company as follows:



Name of Security	Ghani Chemical Industries Limited – Class B Share
Security Type	Class B Shares under Section 58 of the Companies Act, 2017
Participation in Surplus Assets in case of Liquidation	No Participation
Dividend/Profit is Cumulative or Non-Cumulative	Non-Cumulative
Redemption	Not Applicable
Conversion into Ordinary Shares of the Company	Convertible into Ordinary Shares of the Company GTECH is merged (as transferor) into Ghani Chemical Industries Limited (as transferee), as per the Scheme, the Class B shares is not cancelled or swapped under the Scheme but is 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.
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, GTECH 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).
Call Option in Cash to the Company	Not Applicable
Put Option in Cash to the Shareholder	Not Applicable
Par Value	Rs. / Share 10.00



Issue Price	Rs. / Share	Up to 50.00 (including Premium of Rs. 40/-) as decided by the Board of Directors at the time of Issuance Board of Directors of GTECH has decided (in their meeting held on September 05, 2022) to issue 22,000,000 shares at Rs. 10.00 (at Nil premium)
Issuance by way of		Issuance to the existing ordinary shareholders of the Company either by way of Right, Bonus or otherwise Board of Directors of GTECH 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 8.8 Class B Shares against every 100 Ordinary Shares
Tenor		Perpetual unless Converted in full
Instrument Rating		Not Required
Security Charge	/	Not Applicable
Voting Rights		Non-Voting
Dividend/Profit Rate		As decided by the Board of Directors in their meeting without any priority on existing Ordinary Shares of the Company
Base Rate		Not Applicable
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
Any Right(s) Listing	Other	No right over Right Issue unless Right Issue is made in the form of Class B Shares To be Listed at Pakistan Stock Exchange Limited (PSX)
Shari'ah Compliance		Not Applicable
Issue Size	Rs.	Up to 2,500,000,000 (including premium) Board of Directors of GTECH 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/-
Issue Size	Nos.	Up to 50,000,000 Board of Directors of GTECH 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/-**

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
Triggering Event	Not Applicable
Trustee	Not Applicable



13431/G-59/2022

Lahore,
October 17, 2022

The Board of Directors,
Ghani Chemical Industries Limited
10-N, Model Town Extension,
LAHORE.

Dear Sirs,

Proposed Price of Share of Ghani Chemical Industries Ltd. Based on P/E Ratio Upon Merger of G3 Technologies Ltd. with and into Ghani Chemical Industries Ltd.

As per the Lahore High Court's (LHC) order dated October 11, 2022 in response to the Joint Petition filed by Ghani Chemical Industries Ltd. (GCIL) and G3 Technologies Ltd. (GTECH) under sections 279 to 283 and 285 of the Companies Act, 2017, GTECH shall stand de-listed from the Pakistan Stock Exchange Ltd. (PSX) on the date of allotment of shares by GCIL to the members of GTECH and on the same date, GCIL shall stand listed on PSX at the opening price based on price-earnings ratio (P/E ratio), which is to be determined on the basis of market equivalent share and earning potential of the merged balance sheet of both the Companies but should not be less than the par value of share of GCIL.


As desired, we have reviewed the P/E ratio as calculated by the management, which has been determined on the basis of un-audited condensed statement of profit or loss of **Pakistan Oxygen Ltd. (PAKOXY)** for the half-year ended June 30, 2022; PAKOXY's share is a listed market equivalent share. P/E ratio of PAKOXY has also been used to determine the Swap Ratio as detailed in our Revised certificate dated September 29, 2022.

		Rupees
Quoted price of PAKOXY's share as at October 14, 2022	(A)	<u>133.05</u>
Earnings per share of PAKOXY for the half-year ended June 30, 2022	(B)	<u>3.49</u>
Expected earnings per share of PAKOXY for the year ending December 31, 2022 (extrapolated for the whole year)	(C=B*2)	<u>6.98</u>
		Times
P/E ratio	(D=A/C)	<u>19.06</u>
		Rs. in thousand
Profit after taxation of GCIL as per audited financial statements for the year ended June 30, 2022	(E)	<u>812,426</u>
Profit after taxation of GTECH as per audited financial statements for the year ended June 30, 2022	(F)	<u>43,546</u>
Merged profit after taxation of GCIL upon merger of GTECH with and into GCIL	(G=E+F)	<u>855,972</u>
		No. of shares
Merged number of shares of GCIL upon merger of GTECH with and into GCIL	(H)	<u>434,716,338</u>
		Rupees
Combined earnings per share of GCIL upon merger of GTECH with and into GCIL	(I=G/H)	<u>1.97</u>
Proposed quoted price of GCIL's share	(J=D*I)	<u>37.55</u>

Principal Office:
HM House
7-Bank Square, Lahore.
Tel: +92 42 37235084-87
Email: lhr@hccpk.com

Other Offices:
Karachi, Islamabad & Multan

SHINEWING HAMEED CHAUDHRI & CO.

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* The above workings have been compiled by the management as required under clause X of Article - 6 General Provisions as contained in the Joint Petition filed by GCIL and GTECH, which has been approved by the LHC vide its order dated October 11, 2022.

** The above P/E ratio is based on extrapolated earnings of PAKOXY for the year ending December 31, 2022; the earnings per share of PAKOXY for the year ended December 31, 2021 was Rs. 9.62.

This certificate is being issued on the specific request of the management of GCIL for submission to PSX only; accordingly, this certificate should not be distributed to any other third party except PSX without our prior written consent. This certificate is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly,

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS