

**UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984**

SCHEME OF COMPROMISES, ARRANGEMENT AND
RECONSTRUCTION

FOR

AMALGAMATION / MERGER

OF

LIBAAS TEXTILE LIMITED

WITH AND INTO

GHANI GLOBAL GLASS LIMITED

AND

THEIR RESPECTIVE MEMBERS

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION (THE
“SCHEME”) UNDER SECTION 284 TO 288 OF THE COMPANIES ORDINANCE,
1984 FOR MERGER/AMALGAMATION OF LIBAAS TEXTILE LIMITED WITH AND
INTO GHANI GLOBAL GLASS LIMITED AND THEIR RESPECTIVE MEMBERS**

A. PRELIMINARY

1. DEFINITIONS

In this Scheme, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against each of them:

“GGG” Means Ghani Global Glass Limited, a public company limited by shares, incorporated in Pakistan and having its registered office at 82 – N, Model Town Extension, Lahore.

“LTL” Means Libaas Textile Limited, a public listed company limited by shares, incorporated in Pakistan and having its registered office at 82 – N, Model Town Extension, Lahore.

“Court” Means the Honorable Lahore High Court, Lahore having jurisdiction under Section 284 to 288 of the Companies Ordinance, 1984 in connection with this Scheme..

“Scheme” Means this Scheme in its present form or with any modification or changes therein or addition thereto as approved, directed or condition imposed by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meetings of the respective companies.

“Effective Date” Means 01 July 2014 or such other date as may be approved by the Court.

“Completion Means the day on which the Undertaking and whole of assets

- Date** and liabilities of LTL are vested in GGG by the Order of the Court under Section 287(1) of the companies Ordinance, 1984.
- “Ordinance”** Means the Companies Ordinance, 1984 and any amendments thereof.
- "Undertaking of LTL"** Means the entire undertaking of LTL comprising of and including all its assets, properties, rights, privileges, powers, banks accounts, licenses, and all or any other assets including listing rights at Karachi Stock Exchange, Lahore Stock Exchange and CDS rights with Central Depository Company of Pakistan Limited of LTL. Without generality of the above, undertaking of LTL shall include all rights, powers, authorities, privileges, concessions, contracts, benefits of Government consents/ permissions/ approvals/ applications, sanctions and authorizations, licenses, quotas, liberties and all properties, immovable and movable, real, present or contingent or whatever nature and wheresoever situate, including specifically the tangible fixed assets, intangible fixed assets, equity investments, loans, advances, deposits, prepayments, other receivables, cash in hand, bank balances, stores and spares, stock in trade, telephones, emails, faxes, trade debts, and all other authorities, business operations, quota, right or interest in arising out of such property, utility (gas, water, electricity) connections as may belong to or be in the possession or claim of LTL on the transfer date and all books of accounts including statutory books and other documents relating to LTL and its operations and shall be deemed to include all debts, borrowings, short term finance non-current liabilities, current liabilities, and loans, duties and obligations of LTL of whatever kind, including liabilities for payment of provident fund or compensation in the event of retrenchment.

1.2 The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

2. CAPITAL

LTL: The authorized share capital of the Company is Rs. 50,000,000 divided into 5,000,000 ordinary shares of Rs.10 each, out of which 4,000,000 ordinary shares are issued and fully paid in cash and remaining are un-issued.

GGG: The authorized share capital of the Company is Rs.600,000,000 divided into 60,000,000 ordinary shares of Rs.10 each, out of which 48,000,000 ordinary shares are issued and fully paid in cash and the remaining are un-issued.

3. BOARD OF DIRECTORS

The Board of Directors of LTL and GGG respectively, comprises as follows:-

(a) BEFORE MERGER

LTL:

Sr. Name of Directors

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1. Mr. Malik Muhammad Yasin, Chairman
 2. Mr. Tahir Bashir Khan, Chief Executive
 3. Mr. Salman Mahmood
 4. Mr. Mirza Muhammad Arshad Baig
 5. Mr. Asad Baig
 6. Mr. Syed Sibtul Hassan Gilani
 7. Mr. Imtiaz Ahmad

GGG:

Sr #	Name of Directors
1.	Mr. Masroor Ahmad Khan, Chairman
2.	Mr. Hafiz Farooq Ahmad, Chief Executive
3.	Mr. Atique Ahmad Khan
4.	Mrs. Rabia Atique
5.	Mrs. Saira Farooq
6.	Mr. Farzand Ali
7.	Mr. Nazir Ahmad

(b) AFTER MERGER

The Directors of Ghani Global Glass Limited will continue to serve as directors of the Company after the merger/amalgamation.

B. THE SCHEME

4. OBJECTS OF THIS SCHEME

4.1 The principal object of this Scheme of Arrangement is to effect the merger / amalgamation of LTL with and into GGG for the purposes among others of combining the assets of both the companies and their members into one company to bring significant value addition for the members of both the companies. The merger / amalgamation involves the transfer to and vesting in GGG of the whole of undertaking and business of LTL together with all the property, assets, privileges, rights including listing status, CDS eligibility, liabilities, licenses, guarantees and obligations of every description of LTL against allotment of shares of GGG to the registered members of LTL accordingly as defined in Para 7 hereinafter.

4.2 On the completion of merger / amalgamation and after issuance of shares of GGG to the registered members of LTL, LTL will be dissolved by the order of the Honorable Court, Lahore without winding up.

5. TRANSFER OF UNDERTAKING OF LTL WITH AND INTO GGG

5.1 The Undertaking of LTL as at the effective date shall, without any further act, instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in GGG as from the commencement of business on 01 July 2014.

5.2 The transfer / vesting shall be subject to the existing charges/mortgages/hypothecation, if any. There are, however, no charges/mortgages/hypothecation registered on the assets of LTL.

- 5.3 Such of the assets of LTL which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, the same shall be so transferred and shall become property of the GGG as its integral part. All the bodies, department and concerned institutions / companies wherever required shall transfer the assets without any further act or deed by the GGG.
- 5.4 All the immovable assets and properties and other rights, connections including listing status with Karachi Stock Exchange, Lahore Stock Exchange and CDS rights with Central Depository Company of Pakistan Limited etc., of LTL shall stand transferred in the name of GGG on the effective date and all the bodies, institutions, companies, stock exchanges, CDC and concerned Government departments and functionaries shall effect the transfer of assets, rights, privileges and status in the name of GGG without any act or deed and without payment of any amount whatsoever.
- 5.5 All the liabilities of LTL as at the effective date shall, without any further act, deed or instrument be and shall transferred and vested in GGG so as to become as and from the effective date the debts, liabilities and obligations of GGG.
- 5.6 Without prejudice to the generality of the above, the transfer to and vesting in GGG the business and undertaking of LTL in accordance with this Scheme shall include the followings:
- i) All the liabilities and obligations of LTL, howsoever arising, and after the amalgamation is accomplished, GGG will discharge all such outstanding liabilities and obligations in due course as if they were originally the liabilities and obligations of GGG instead of LTL.

- ii) All the assets of LTL under this Scheme will be transferred to GGG. This shall include properties of all kinds, moveable or immovable, tangible or intangible, leasehold property, actionable claims, stocks, receivables and book debts, advances, deposits, prepayments, investments, cash and bank balances. However, the transfer and vesting of assets shall be subject to any specific mortgages or charges created over these assets before the merger in favour of the creditors. There are, however, no charges /mortgages/hypothecation registered on the assets of LTL.
- iii) All the legal proceedings instituted, causes, suits, appeals, petitions, revisions of whatever nature by or against LTL in the Court of Law which will be pending on the effective date will be continued, prosecuted and enforced by or against GGG as if this Scheme had not been made, and the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme. Thereafter, upon completion date, such legal proceedings shall stand transferred to GGG.
- iv) All the banking, whether current, deposit, investment of all natures, saving or others and other accounts maintained in the name of LTL will stand transferred to GGG;
- v) Listing status of LTL with the Karachi Stock Exchange Limited (KSE), Lahore Stock Exchange Limited (LSE) and eligibility status with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of LTL with KSE, LSE and CDC shall stand transferred in the name of GGG without any fee, charges, cost, act or formality.

- vi) All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited) or other agency to the LTL with the respective benefits (including the deposits and prepayments, Government approvals, (if any) will stand transferred without any additional charges to the GGG. The security deposits and any other cost paid by LTL against any of these and other existing facilities shall remain unchanged and the change of name shall take place without any additional fee, charges or costs whatsoever and without any delay.

- vii) All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the LTL shall stand transferred to GGG:

- viii) All the titles of land and other immovable property registered in the name of the LTL will stand transferred in the name of GGG;

- ix) All the rights in respect of trade mark, patents, copy rights and other rights and obligations in respect thereof of LTL shall stand transferred to GGG;

- x) All the contracts, agreements and other instruments executed by the merging companies and subsisted in favor of the LTL and its right and obligations there under shall stand transferred to GGG;

- xi) All the employment contracts and obligations there under of the LTL shall stand transferred to the GGG;

xii) All the obligations including payment of any taxes, duties and rights in respect of any entitlements, refunds, tax losses (revenue, capital, depreciation or otherwise) tax credits from any assessment, deemed assessment, appeal, rectification or modification of assessment under the law in respect of LTL shall also stand transferred and vested in GGG:

6. CONDUCT OF BUSINESS BY LTL TILL COMPLETION DATE:

6.1 The amalgamation/merger in accordance with this Scheme shall be treated as having taken effect from the Effective Date and as from that time and until the Completion Date when the LTL Undertaking is transferred to and vested in GGG, LTL shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for GGG and all the profits accruing to LTL or losses arising or incurred by them shall for all purposes be treated as the profits or losses of GGG.

6.2 It is hereby undertaken by LTL to carry on their businesses until completion date with reasonable diligence, business prudence and shall not except, in the ordinary course of business or without the prior written consent of GGG alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective undertakings of GGG or any part thereof.

7. CONSIDERATION

- 7.1 Upon the Scheme being effective in terms of the order of the Court, as consideration for the transfer to and vesting in Ghani Global Glass Limited of the undertaking and business of Libaas Textile Limited, Ghani Global Glass Limited shall subject to the terms of this Scheme and without any further application, deed or instrument issue at par and allot 2,000,000 ordinary shares of Rs.10/- each as fully paid up shares to the registered members of Libaas Textile Limited on the basis of swap ratio of one share of Ghani Global Glass Limited for every two share of Libaas Textile Limited. The new shares will be issued to those registered members of LTL whose names will appear on the register of members on the date to be fixed by the Board of Directors of GGG for the purpose.
- 7.2 The swap ratio has been calculated on the basis of valuation of shares of both the companies (LTL and GGG) by M/s Rafqat Hussain & Co. Chartered Accountants. The swap ratio worked out will benefit the members of both the companies. Normally three factors i.e., (i) book value/net asset value/break-up value, (ii) market value of shares, and (iii) dividend earning capacity of merging companies are given considerations while working out swap ratio. As GGG is an unlisted company, therefore, the market value of shares of GGG is not considered as one of the factors in calculating swap ratio. Similarly, the dividend earning capacities of merging companies are not considered as one of the factors as these companies have not declared any dividend.

- 7.3 All members whose names shall appear in the register of member of LTL on such date after the Completion Date as the Board of Directors of GGG may determine, shall surrender their share certificate for cancellation thereof to GGG. In default, upon new shares being allotted and issued by GGG to the members of LTL 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 LTL shall be deemed to have been duly cancelled. At least fourteen days notice shall be given to the members of LTL of the date fixed by the directors of GGG for determining the entitlements to ordinary shares of GGG to be issued to the members of LTL. The members holding physical shares will deliver the share certificates to the company for cancellation and issue of shares of GGG to them in physical form within 30 days from the reopening of Book Closure. As LTL'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 LTL to their respective investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure made for determination of merger entitlements.
- 7.4 The new ordinary shares of GGG issued pursuant to the Scheme shall rank *pari passu* with the existing ordinary shares of GGG in all respects and shall be entitled to all dividends, bonus, right issues declared subsequent to the sanctioning of this Scheme.
- 7.5 Upon the allotment of the Ordinary shares of GGG to the members of LTL in the manner aforesaid, all share certificates representing the ordinary shares of LTL shall stand cancelled.
- 7.6 While making allotment of new shares, the fractional allotments of above 0.5 shares shall be rounded up to one share and below 0.5 shall be ignored. .

8. MERGER OF AUTHORIZED CAPITAL OF LTL AND GGG

8.1 The authorized share capital of LTL shall merge with the authorized share capital of GGG. The authorized capital of Rs. 50 million of LTL and Rs. 600 million of GGG will be consolidated and merged and the authorized capital of GGG will stand at Rs. 650 million divided into 65 million ordinary shares of Rs. 10 each without any payment of additional fee. The merged authorized capital will also be increased further if so required with the approval of shareholders by passing a special resolution in the general meeting in accordance with the requirements of the Companies Ordinance, 1984.

9. LISTING / DELISTING

9.1 LIBAAS TEXTILE LIMITED shall stand de-listed from the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited on the date of allotment of shares by GGG to the members of LIBAAS TEXTILE LIMITED and on the same date, Ghani Global Glass Limited shall stand listed on the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited without any further, act, deed, formality or fee except that Ghani Global Glass Limited shall file the documentations as may be required by the concerned stock exchanges. Till such time the shares of Ghani Global Glass are listed on the concerned stock exchanges, the listed status of LIBAAS TEXTILE LIMITED shall not be changed.

10. DISCHARGE OF LIABILITIES AND OBLIGATIONS

10.1 All contracts, agreements, trusts, leases, conveyances, grants and instruments of transfer entered into by or subsisting in favour of LTL upon being transferred to and vested in GGG shall remain in full force and effect as if originally entered into by or granted in favour of GGG instead of LTL and GGG may enforce all rights and shall perform all obligations and discharge, satisfy and perform and fulfill all debts, liabilities, contracts, engagements, and obligations whatsoever of LTL as on effective date.

10.2 The debts and liabilities and the obligations of LTL upon being transferred to and vested in GGG shall be treated as the debts and liabilities and the obligations of GGG as if originally incurred by GGG instead of LTL and GGG shall pay and discharge all such debts and liabilities and shall perform all such obligations accordingly.

11. TRANSFER OF STAFF AND EMPLOYEES

11.1 Every officer, staff or other employee of LTL on the effective date shall become officer, staff or employee, as the case may be, of GGG on the basis that his service have not been interrupted by the transfer and vesting of Undertaking of LTL into GGG under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to provident fund, gratuity, if any and other matters as were applicable to them before the effective date.

12. MODIFICATION AND AMENDMENT TO THE SCHEME

12.1 The Board of Directors of LTL and GGG have given their assent to any modification or amendment to the scheme or agree to any terms and/or conditions which the Court and / or any other Authority, Body or Commission under law may deem fit to direct to impose or which may

otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and / or carrying out the scheme and do all acts, deed and things as may be necessary, desirable or expedient for putting the scheme into effect.

12.2 For the purposes of giving effect to the scheme or any modification or amendment thereof, the directors of GGG are hereby authorized by LTL to given such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for setting any question or doubt or difficulty whatsoever that may arise.

13. EXPENSES CONNECTED WITH THE SCHEME

13.1 All the costs, charges and expenses incurred / to be incurred in relation to or in connection with the Scheme of Arrangement and of carrying into the implementation of the Scheme or incidental to the completion of the amalgamation/merger in pursuance of the scheme shall be borne and paid by GGG.

14. MISCELLANEOUS

14.1 All suits, appeals and other legal proceedings instituted by or against LTL in the Court of Law and pending immediately before the Completion Date shall be treated as suits, appeals and legal proceedings by or against GGG and may be continued, prosecuted and enforced by or against GGG accordingly.

14.2 LTL and GGG shall make applications to the Court for sanctioning of the Scheme and for dissolution of LTL without winding up. LTL will dissolve on the date on which the Ordinary shares of GGG are allotted to the holders of the Ordinary shares of LTL or on such later date as the Court by Order may prescribe.

14.3 This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme, with such modification or addition if any, is also subject to any conditions, which the Court may impose.

14.4 The Chief Executive of LTL and GGG acting jointly or any person or persons duly authorized by respective boards of LTL and GGG shall be authorized to take all such further supplemental incidental and consequential actions and steps as may be requisite for giving full effect to this Scheme and may consent on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the court may deem fit to impose.

14.5 This Scheme shall become operative from effective date and shall take effect finally upon and from the date of sanction by the Honorable Lahore High Court, Lahore under Section 284 of the Companies Ordinance, 1984. A copy of the Order of the Court shall be filed with the Registrar of Companies, Lahore as per the requirements of Section 287(3) of the Ordinance.

14.6 In case this Scheme is not finally sanctioned by the Court for any reason whatsoever or if for any other reason this Scheme cannot be implemented before June 30, 2015 or within such further periods or periods as may be agreed upon by the authorized person(s) as referred here in above this scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred *inter se* by the parties in terms of this Scheme.

Place: Lahore
Date: 01 October 2014